



YEAR 2010 IN REVIEW

Central Alberta Residential Real Estate Market

(Statistics from the Central Alberta Realtors Ass'n Database – Multiple Listing Service)

The following comments are supplemented by seven consecutive years of stats, in graph format, that I have compiled from our Association database, and thus provides the activity processed through our Association's Multiple Listing Service.

While we tried to believe that the Economy was improving, and that things were starting to get better, the Numbers of Home Sales for the year told a different story. These Numbers just didn't come through, and resulted in the **worst** Market Performance in the last SEVEN YEARS. Central Alberta Region's Sales for the 2010 year totalled 3,429 – 17% (694 sales) LESS than 2009; 38% (2,142 sales) Less than the 2007 peak, and even 8% (291 sales) Less than way back in 2004. Of this, the City of Red Deer was Down 18% (312 sales) from 2009; 38% (852 sales) less than the 2007 peak; and 15% (251 sales) less than back in 2004. This dismal of a performance was both unexpected and troublesome. Many "Experts" in the field actually downgraded their projections several times through the year – a solid indication that the Economy was not recovering as expected.

The residential Housing Industry/Market is Hugely dependent on the Availability of Good Jobs – that's what attracts people to the area, and keeps the ones that are already here – here. Population Growth, for the most part, goes hand in hand with Availability of Jobs. Without Growth, the area stagnates, and at best might remain stable for a short while, but then it is most likely to decline. I don't know if our area actually declined in population in 2010, but based on what I have seen in the rental accommodation market, what I know from the resale housing market, and what I have gathered from the New Housing Market – there were a lot less people looking for housing. I suspect that if our population did grow a bit, it was the result of Babies – not people coming here to work/live.

I think what bothers me most about our current situation, is that our Municipal, Provincial and Federal Governments have placed "Hiring Freezes" to protect their "Budgets/Deficits" in view of this Economic Recession we are STILL in. What the hell kind of message does that send to the potential Employers who might consider expansion and/or hiring, when the "Leaders" don't have enough confidence in the future, to generate work/jobs and start the ball rolling themselves. Are they AFRAID of the RISK?? The second thing that is keeping the job market so tight is that Corporations, who are sitting on "BIG PILES of CASH" are more interested in buying up smaller competitors so that they can control more of the Market and be More Efficient – translation = less jobs due to amalgamation, centralization, etc. And the Third thing, is that even the "Powerful Leaders of the G20" don't seem to have any ideas how to get things going either. I have news – Keep things going the way they are, and most Everything will be owned by the Wealthy Financial Institutions and a few foreign Governments. So, in a nutshell, I am not expecting an abundance of New Jobs coming out to help us through this predicament – BUT, I do believe that **"Jobs" is the Answer.**



This is the Second consecutive time that my “Year in Review” takes a closer look more of the past years performances. I have compiled the past 7 years (2004 thru 2010) to help both myself and my readers attempt to better understand Residential Housing Market Performance, as it pertains to Central Alberta. I am very keen on Graphs, as I believe that the “picture” provides the actual numbers in an efficient and effective manner. These graphs are part of this review, so that all can better relate to my analysis.

Often, an “accepted approach” to analysis, is to take a 5 year average. With a ”Bubble” and a “Burst” in a relatively short timeframe, I decided to go with an extra couple years.

In looking back a bit, I think most of us wondered if the 2007-08 surge would continue, level off or end. Now we know for sure – it ended! Central Alberta began to feel the impact of the Economic Meltdown during the 3rd Quarter of 2008. We believed, as did so many “Economic Experts” throughout the Province, Country and the World; that this Recession would last 6 to 9 months, yet here we are into our 3rd consecutive year of “the unknown”. It has been said that things come down a lot faster than they go up, and such seems to be the case with this particular Global economic dilemma. The Good News, is that for people who bought homes in 2004 to 2006; the Market Surge gave you an “almost instant” \$100K to \$150K on average. From that peak, the median values dropped off some – anywhere from 5% to 15% on average – so you have still done extremely well with home equity. For those that purchased during the surge, things have been tougher – you have lost about 5% to 15% on average.

I have always maintained that when one considers Buying a Home (not a revenue property), the first priority should be that it is for you to live in your OWN home, as opposed to, say, renting. I know of few other assets that one can purchase, use for a period of time and then sell it for more than one initially paid for it. Yet, the expectation to buy a home and then sell it a few years later for a profit, became the norm.

Over the longer term, owning ones home has historically proven to be an excellent means of building equity and net worth. I believe that this is still true.

In Summary, I think most of us have bid “Good Riddance to 2010!!”

I wish Everyone a Much Better Year Ahead. Check out my “Outlook 2011” for my predictions about the next year in Residential Real Estate.

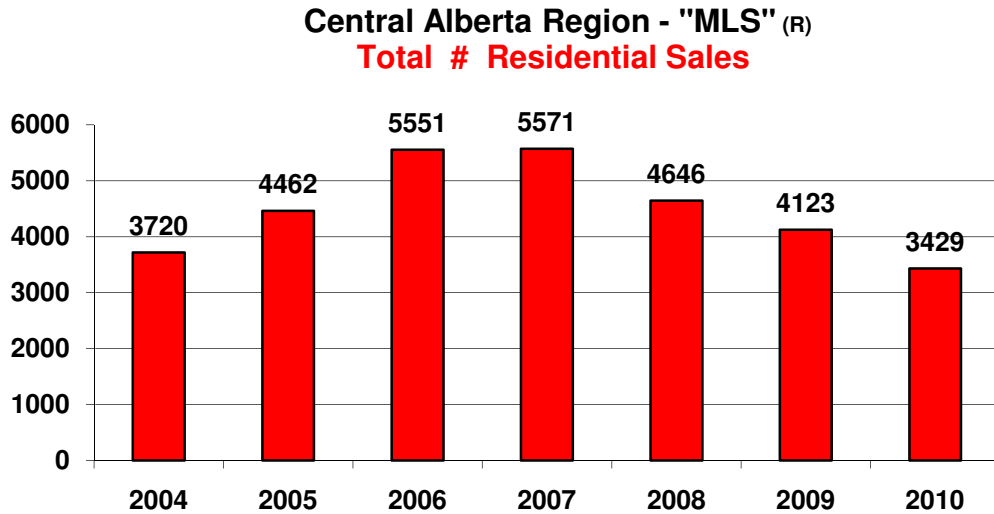
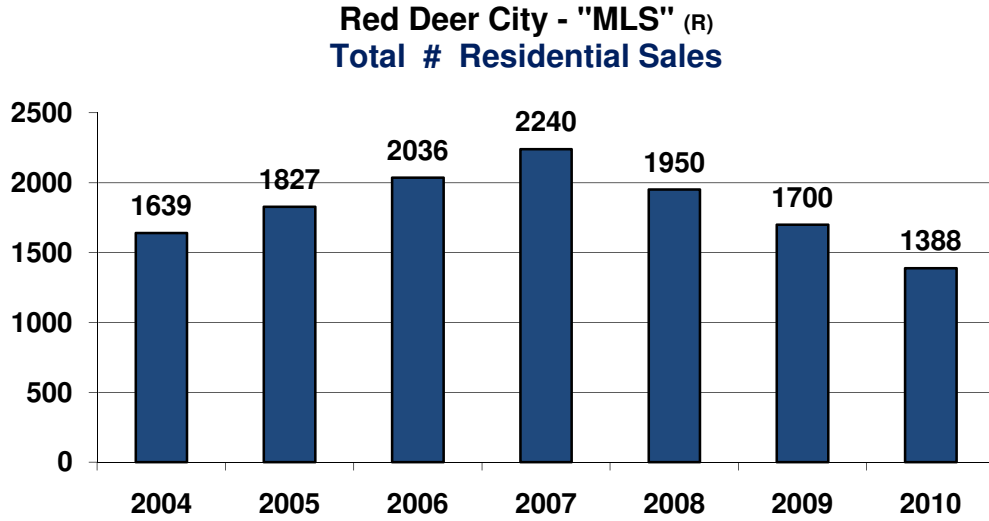
Thanks for reading

*Randy Weins,
Broker/Owner
Weins World Real Estate Inc.*



Sales Processed – Red Deer City/**Total Region**

(Data Compiled from Central Alberta Realtors Ass'n Database)





For the following, I have analysed only the Single Family Dwelling component of our Market as I feel this most accurately reflects the Market itself. For the same reason, I prefer to utilize the “Median Prices” rather than the averages.

City of Red Deer:

980 sales were processed – the lowest number of the past 7 years. When I compare to the 7 year Average, the 2010 year was 24% (438 sales) BELOW that average. To say it was a “Rough Year” would be an understatement!

The Median Price however, came out reasonably well at \$317K, ranking in 3rd place for the seven years and only \$13K or 4% less than our Market peak of \$330K in 2007. This demonstrates that while the number of sales was poor, the “market affordability level” for the city, remained consistent with 2009. The difference here, is that the \$317K bought a “Better/Higher Value” property in 2010, than it did the year before – individual prices did drop in most of the Market Segments. The past 4 years data is however, sufficient to set the “New Norm” at \$320K.

Town of Blackfalds:

104 sales in 2010. This was the second lowest of the seven years, beating only the 2004 number. When I take the 7 year average of 116, the 2010 performance was 10% Less than the Average.

The Median Price of \$292K ranked 3rd, behind the 2007 & 2008 years. The 2010 value was \$19K (7%) Higher than 2009; and \$32K (9.8%) Lower than the Market Peak of 2008. In General, a Pretty Stable Marketplace overall.

City of Camrose:

The Majority of Camrose Brokerages switched over to the Central Alberta Association commencing in 2007/08; thus I have produced the stats commencing from that point. 193 sales in 2010 for a Median Value of \$277K, compared to 254 sales and a Median of \$268K in 2009. The Number of Sales was the lowest in 4 years, while the Median was 2nd Lowest. From the 4 years analysed, the prices in Camrose have been very stable, while the number of sales declined like much of the region itself.

Town of Innisfail:

77 sales in 2010 for a Median Value of \$262K. The Number of Sales Nosedived, coming in far lower than any of the previous years – Down 33% (38 sales) from 2009; and Down 34% (39 sales) from the 7 year average.

From a Value perspective, the Median of \$262K was 4th highest of the 7 years, and pretty consistent with 2008 & 2009. The market Peak, was \$286K in 2007. This is sufficient data to set the “New Norm” at \$265K.



City of Lacombe:

162 sales for the year, compared to 163 in 2009; and ending up in 6th place over the past seven years. The Seven Year average is 177 sales; placing the 2010 year at 8.5% (15 sales) Below average.

The 2010 Median Price was \$307K, slightly Higher than the 2009 number by \$6K or 2%, and 3rd Highest of the seven years. Lacombe appears to be a very stable market over the past 4 years, when it comes to Median values – High of \$314K in 2008 to a low of \$301K in 2009. This is sufficient data to set the “New Norm” at \$305K.

Town of Ponoka:

At 65 sales for the year, Ponoka’s number was 23 sales or 26% Lower than 2009; and came in Last when I look at the past 7 years numbers. The seven year average is 100, placing the 2010 year at 35% Below the Average..

The 2010 Median Price was \$244K, Up \$19K or 8.4% when compared to 2009; and pretty consistent with the past 4 years. In fact, the Median Value for 2010, was the 2nd Highest of the past 7 years analysed. This is sufficient data to set the “New Norm” at \$240K.

Town of Rocky Mountain House:

Turned in 61 sales in 2010 compared to 95 in 2009, for a drop of 36%. The 2010 number ranked in Last place over the past 7 years - Down 32% from the average.

The 2010 Median Value was \$285K, Up \$3K from the 2009 Median, and pretty much in line with the past 4 years. This is sufficient data to set the “New Norm” at \$285K.

Town of Stettler:

Recorded 60 sales for the 2010 year – Down 23 sales or 28% from 2009; and also Down 29 sales or 33% from the 7 year average of 89. The Number of sales for the 2010 year was the Lowest of the past 7 years.

At \$212K for 2010, the Median Value was \$16K Lower (7%) than 2009, but 3rd Highest of the 7 years.



Town of Sylvan Lake:

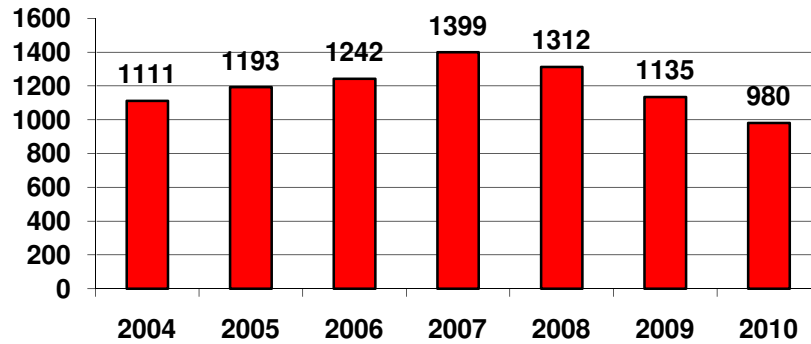
Turned in 203 Sales for the 2010 year; down 22 Sales or 10% from 2009, and in Last place over the past 7 years. The 2010 number was also considerably Lower (65 sales or 24%) than the 7 year average of 268 Sales.

At a Median Price of \$328K, this was Identical to 2009, and tied for 3rd place in the 7 years. Sylvan Lake is a unique market within the Region – it has some very luxurious/high end Lake Properties as well as normal housing similar to any other community. It is the strength or weakness of the “high end” property sales that can skew the Median or Average values one way or the other.

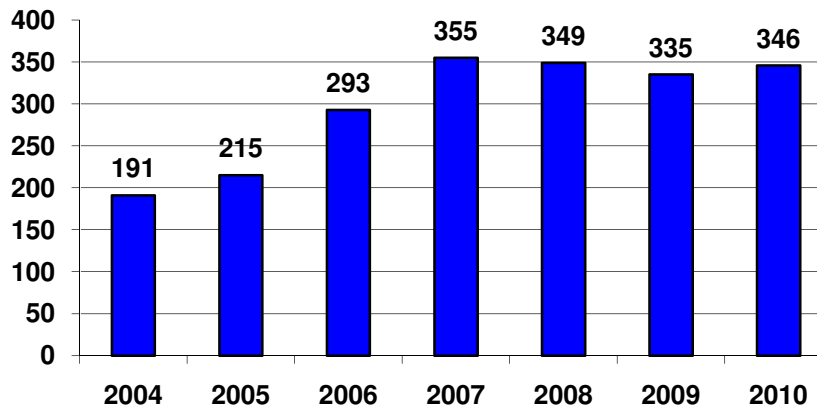


City of Red Deer – “MLS”^(R) – SFD – Solds by Year

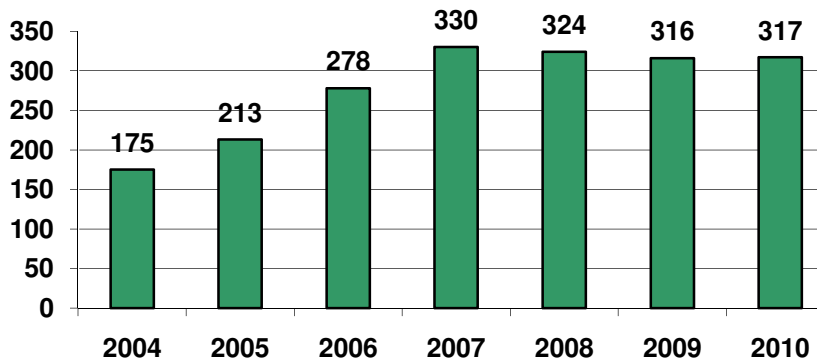
City of Red Deer - "MLS"^(R) - SFD # Sales per Year



City of Red Deer - "MLS"^(R) - SFD Avg \$ by Year



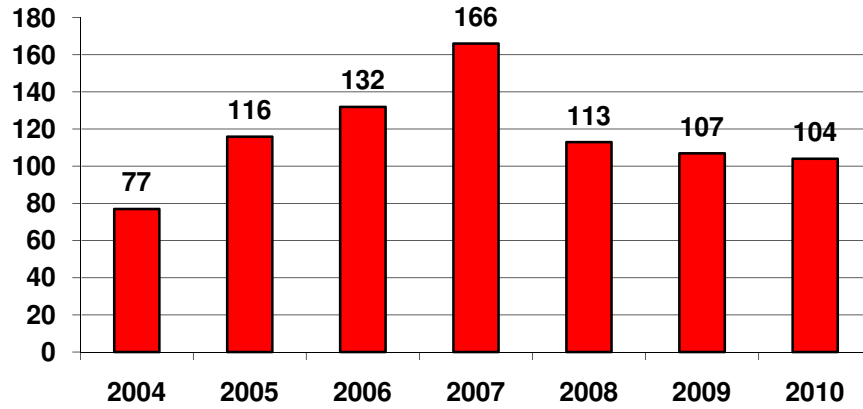
City of Red Deer - "MLS"^(R) - SFD Median Price by Year



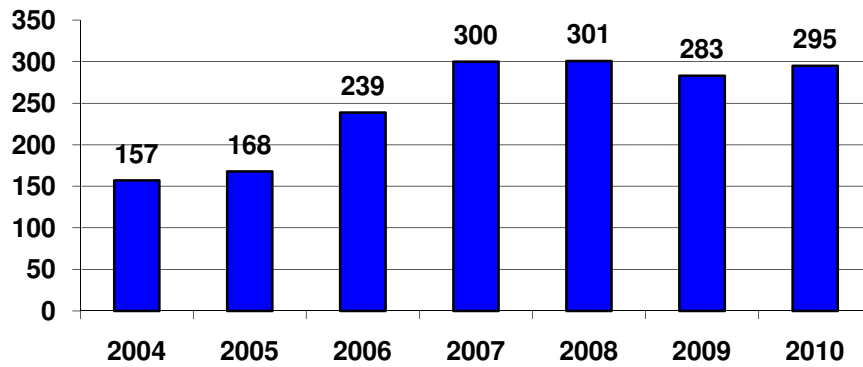


Blackfalds – “MLS”^(R) – SFD – Solds by Year

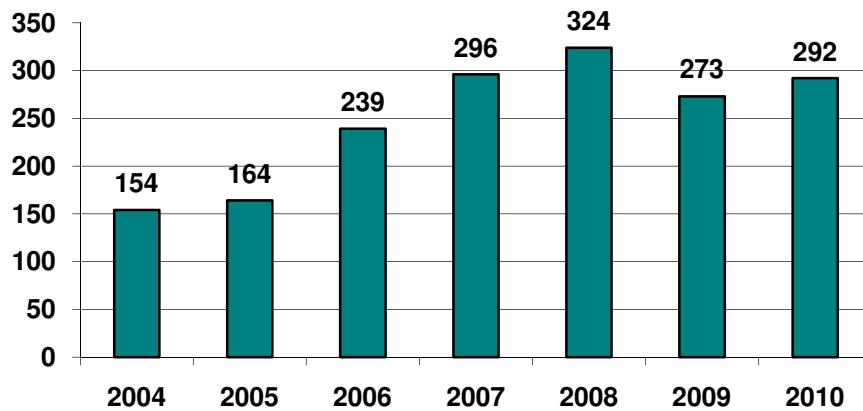
Blackfalds - "MLS"^(R) - SFD - # Sold per Year



Blackfalds - "MLS"^(R) - SFD
Average Price by Year



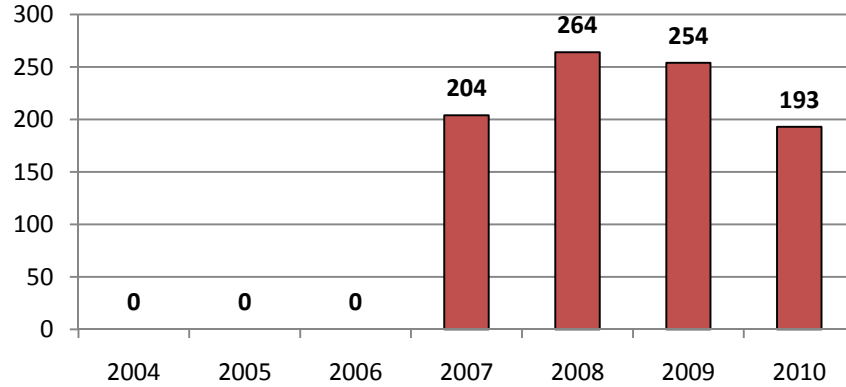
Blackfalds - "MLS"^(R) - SFD
Median Price by Year



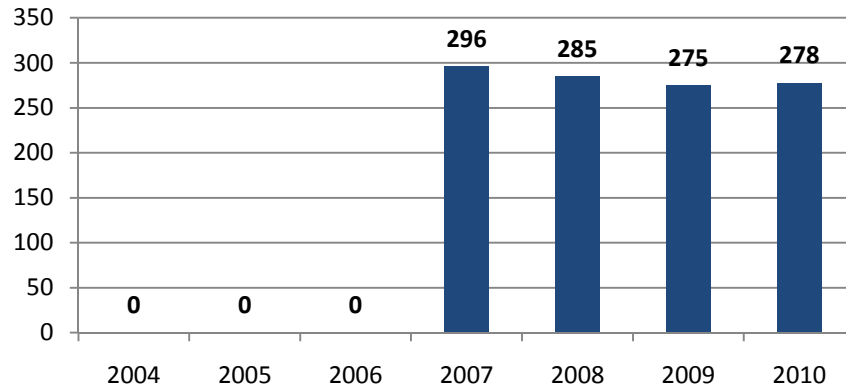


City of Camrose – “MLS”^(R) – SFD – Solds by Year

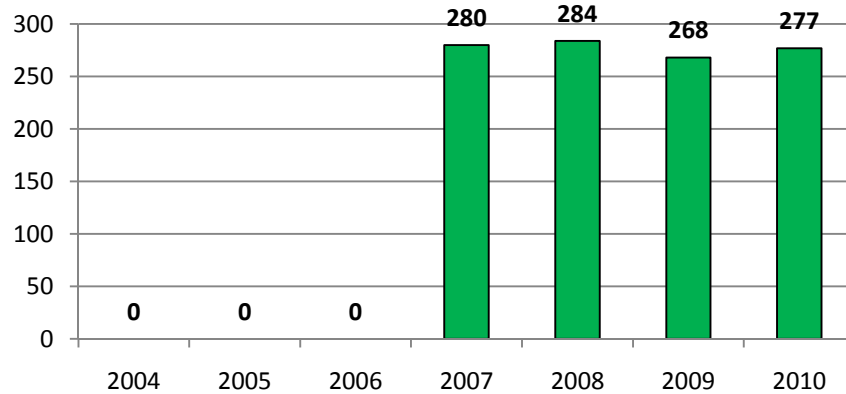
City of Camrose - "MLS"^(R) - SFD
Sales per Year



City of Camrose - "MLS"^(R) - SFD
Avg \$ by Year



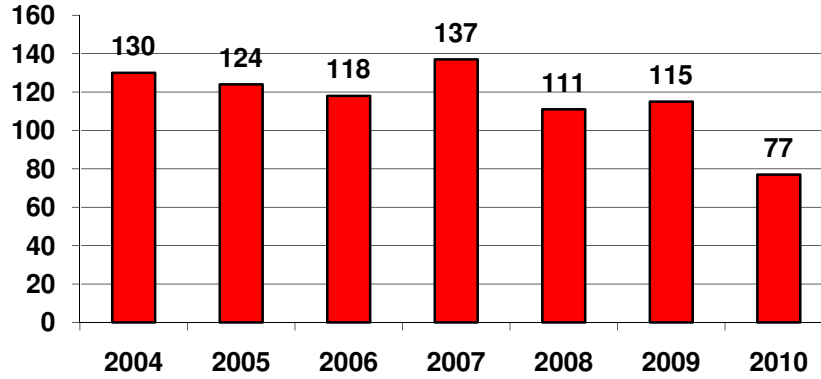
City of Camrose - "MLS"^(R) - SFD
Median Price by Year



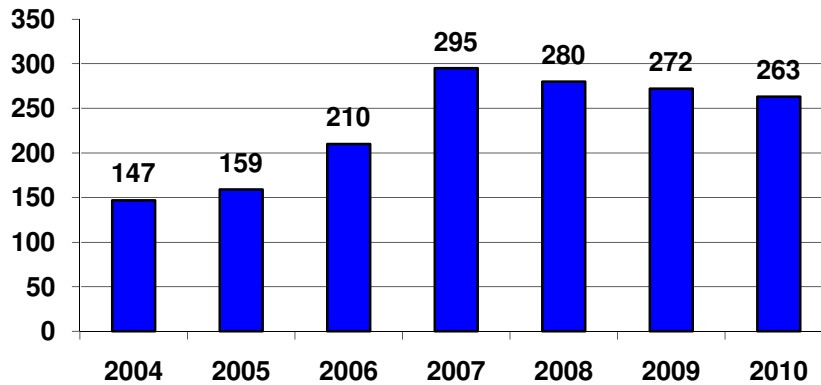


Innisfail – “MLS”^(R) – SFD – Solds by Year

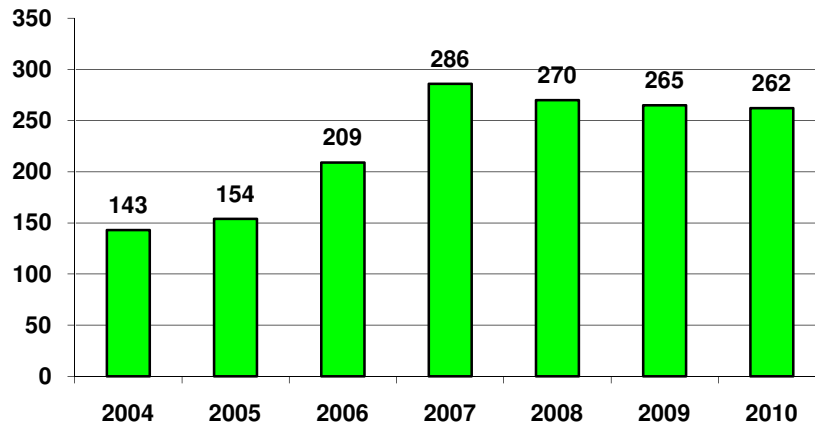
Innisfail - "MLS"^(R) - SFD - # Sold per Year



Innisfail - "MLS"^(R) - SFD - Average Price by Year



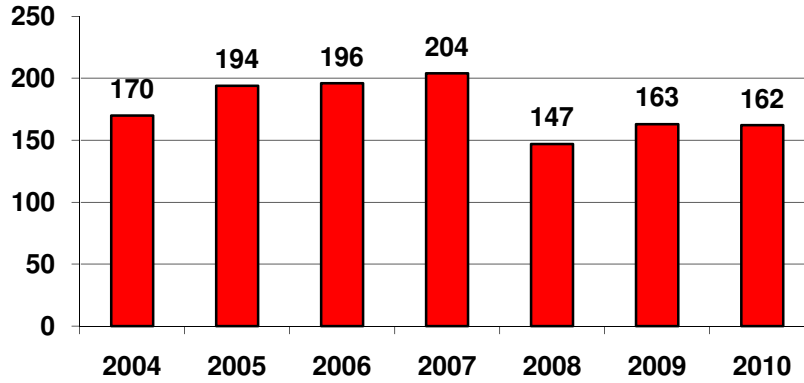
Innisfail - "MLS"^(R) - SFD - Median Price by Year



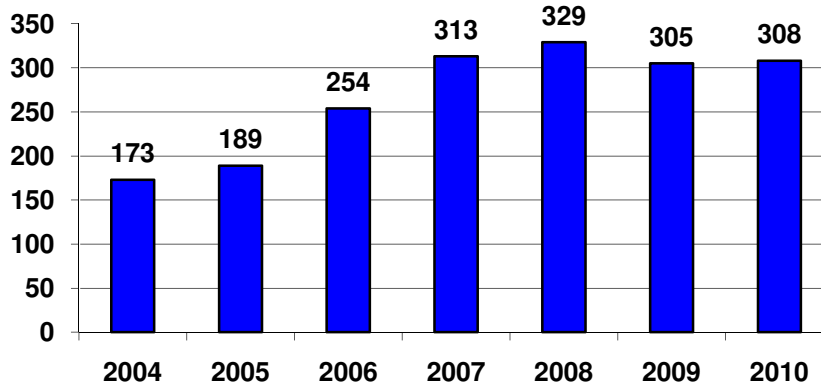


Lacombe – “MLS”^(R) – SFD – Solds by Year

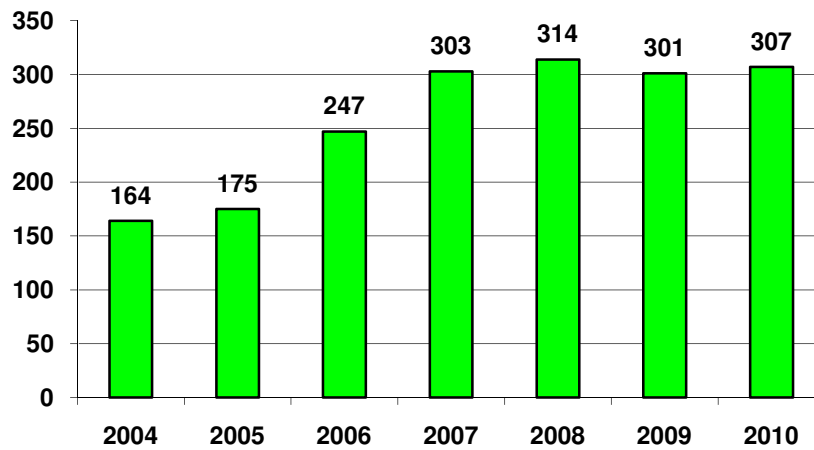
Lacombe - "MLS"^(R) - SFD - # Sold per Year



Lacombe - "MLS"^(R) - SFD - Avg \$ by Year



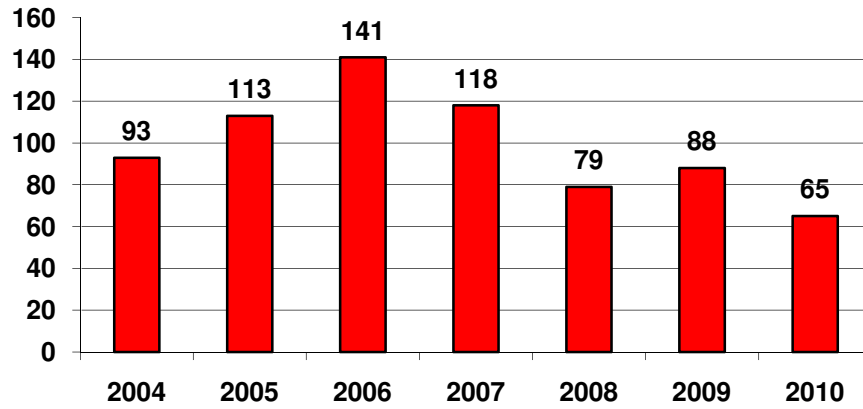
Lacombe - "MLS"^(R) - SFD - Median Price by Year



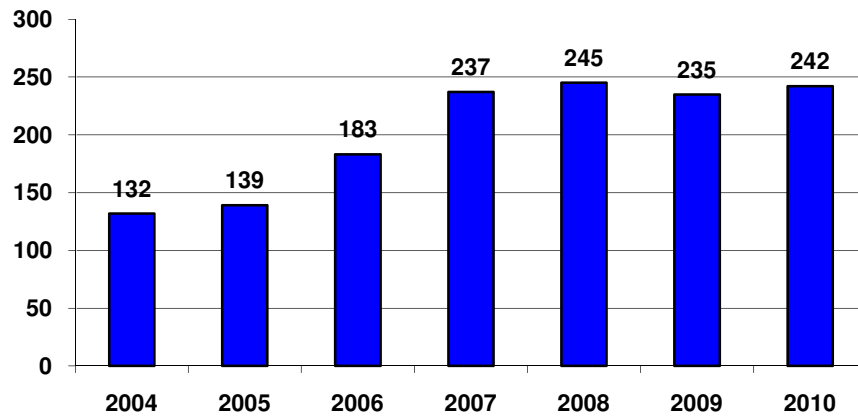


Ponoka – “MLS”^(R) – SFD – Solds by Year

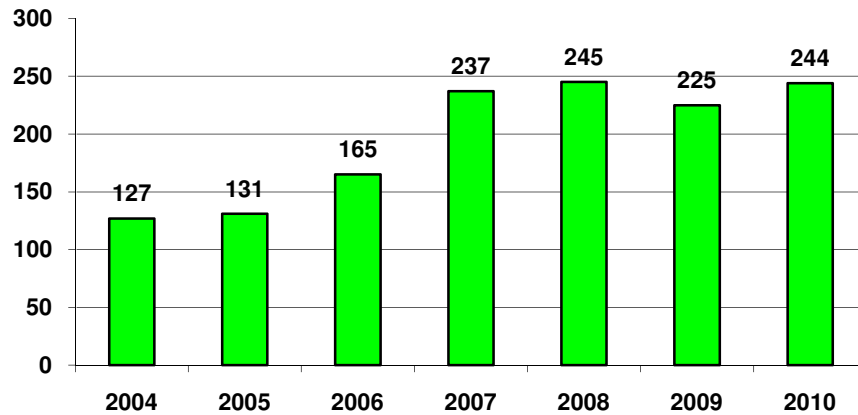
Ponoka - "MLS"^(R) - SFD - # Sold per Year



Ponoka - "MLS"^(R) - SFD - Avg Price by Year



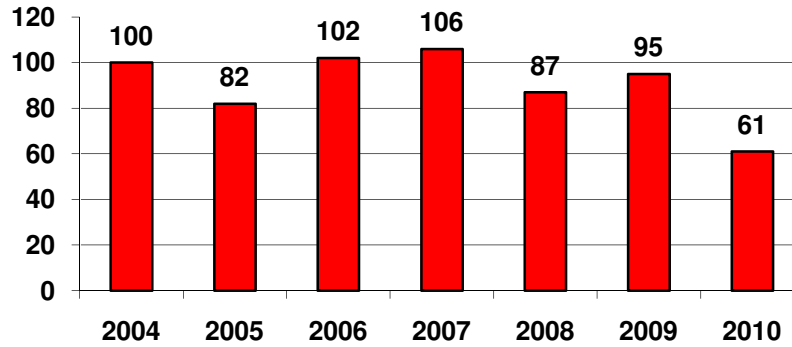
Ponoka - "MLS"^(R) - SFD - Median Price by Year



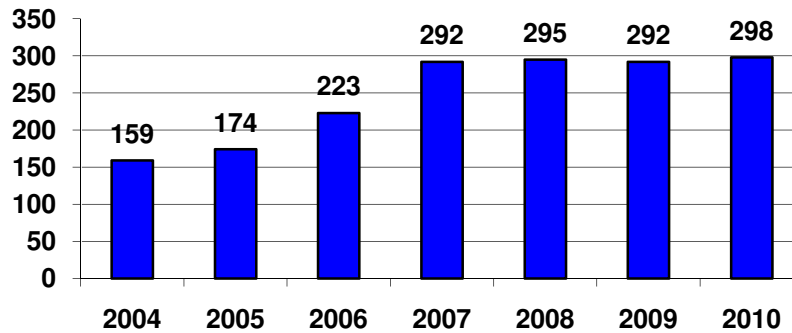


Rocky Mountain House – “MLS”^(R) – SFD – Solds by Year

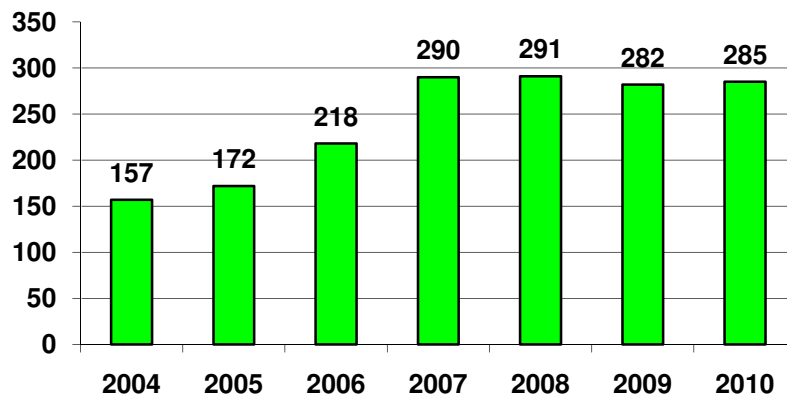
Rocky Mountain House - "MLS"^(R) - SFD # Sold per Year



Rocky Mountain House - "MLS"^(R) - SFD Avg Price by Year



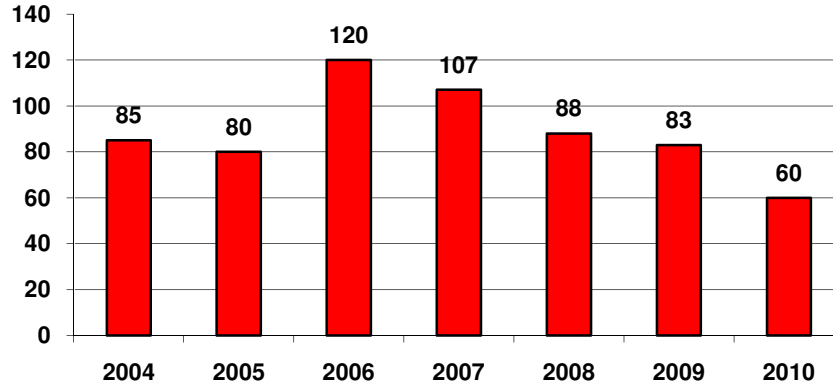
Rocky Mountain House - "MLS"^(R) - SFD Median Price by Year



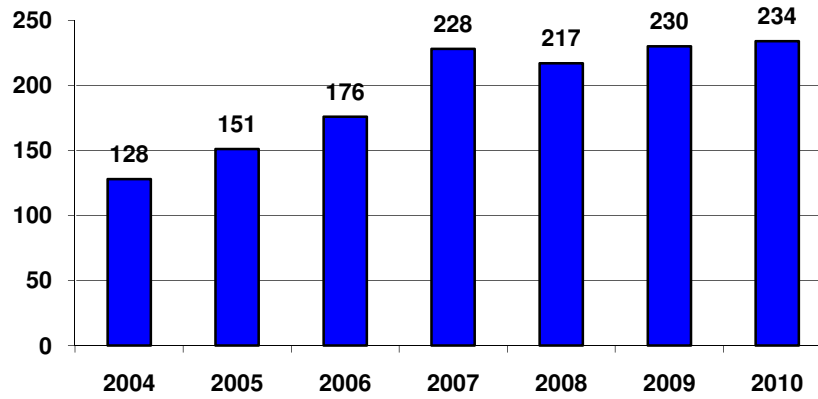


Stettler – “MLS”^(R) – SFD – Solds by Year

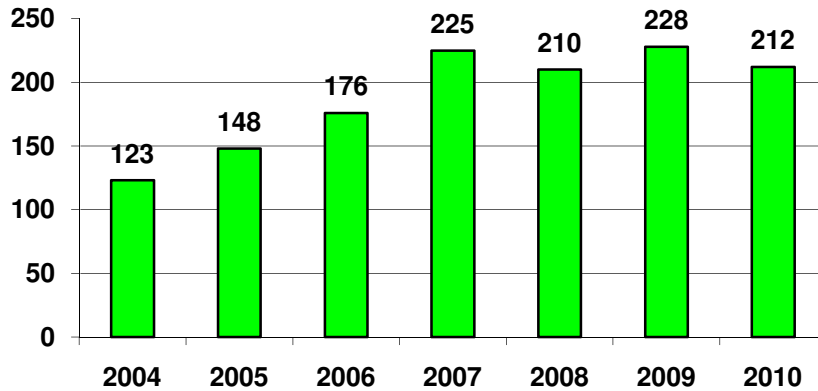
Stettler - "MLS"^(R) - SFD - # Sold per Year



Stettler - "MLS"^(R) - SFD - Avg Price by Year



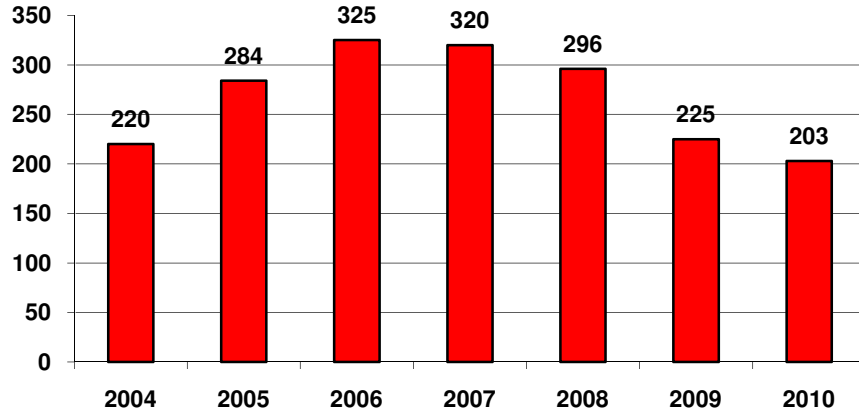
Stettler - "MLS"^(R) - SFD - Median Price by Year



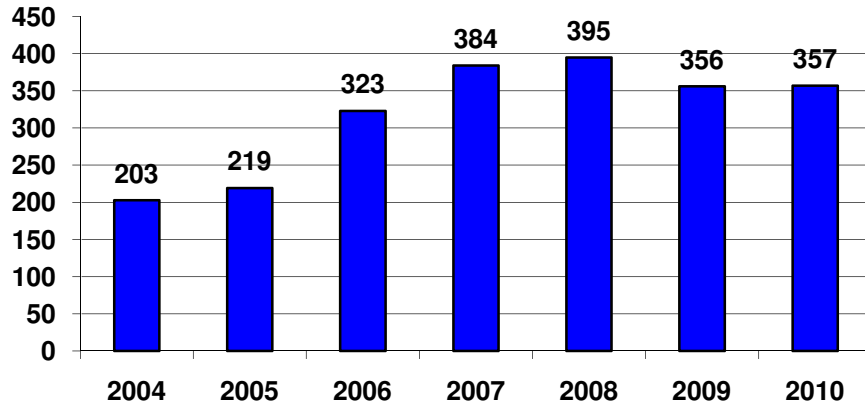


Sylvan Lake – “MLS”^(R) – SFD – Sold by Year

Sylvan Lake - "MLS"^(R) - SFD - # Sold per Year



Sylvan Lake - "MLS"^(R) - SFD - Avg Price by Year



Sylvan Lake - "MLS"^(R) - SFD Median Price by Year

