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# What's *Really* Happening in the Edmonton Real Estate Market

With Edmonton Appraisal Expert Gerhardt Klann

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## Just the Facts...

**Everything You Need to Know about Edmonton Real Estate in 2 minutes or Less.**

It's no secret! Each spring Edmonton's Real Estate Market heats up.

This is because there is a pent up demand from buyers waiting for the long, long winter to be over and from families who want to be able to plan their move to follow the school calendar. This year is no different as February and March showed increased demand and prices.

Since June of 2010, when the average price for a single family

dwelling peaked at \$391,497 prices steadily declined for the remainder of 2010 until they hit a low of \$354,013 this past January. The first signs of positive growth came in February, and in March *prices increased dramatically* to \$378,912 as there were 1,503 sales. This is in line with the number of sales in March for the past 3 years.

Condo prices have not seen the same fluctuation as single family dwellings have, due to an ample supply in the marketplace. Condo prices rose slightly in March to an average of \$232,706. Both single family and condo prices are lower than March of 2010 as there was an

increased demand in the early spring of 2010 due to changes in mortgage rules.

It's important to keep in mind that Edmonton typically follows a seasonal curve each year with increased sales and prices in the spring, which are followed by reduced demand in the fall and winter.

**This means that you shouldn't over-analyze month over month data, but take a step back and look at trends and year over year data.**

**Here is a Snapshot...**

	March 2007	March 2008	March 2009	March 2010	March 2011
<b>Average Price Single Family</b>	\$398,476	\$387,632	\$349,716	\$388,473	\$378,912
<b>Average Price Condo</b>	\$246,719	\$260,312	\$230,469	\$252,416	\$232,706
<b>Total Sales</b>	2359	1557	1380	1571	1503
<b>Inventory</b>	2574	9464	7476	6770	6885

Another sign of increased demand in the market, is that the average days on market came down to 50 days (median 31days)... meaning that it is taking less time for houses to sell once exposed to the open market.

Anecdotally, realtors I have spoken with have seen a *significant increase in interest* in the past couple of weeks. One builder told me they had 8 spec-built homes in January and have sold them all since then, leaving buyers without the option of moving in right away. Now buyers will have to select their home from plans and then wait 6-12 months until the home is built.

The total inventory of active listings at the end of March from the 'Realtor's Association of Edmonton' was 6,885 which is on the upper end of the range associated with a healthy number of listings for a stable market.

A higher inventory means higher supply which will put a downward pressure on prices or keep them stagnant and vice versa. Notice how in March of 2007, the total number of sales was way above the 5 year norm and there was a very low inventory. That is why prices were rising so rapidly.

It will be interesting to watch inventory levels over the coming months. If the builder I spoke with is the norm and not the exception, then the inventory of single family homes will start to diminish which *may lead to some upward pressure on prices as the year progresses.*

**Stay tuned for next month's newsletter... where we'll start to see how the 2011 Spring Market is really unfolding for the Edmonton Market.**

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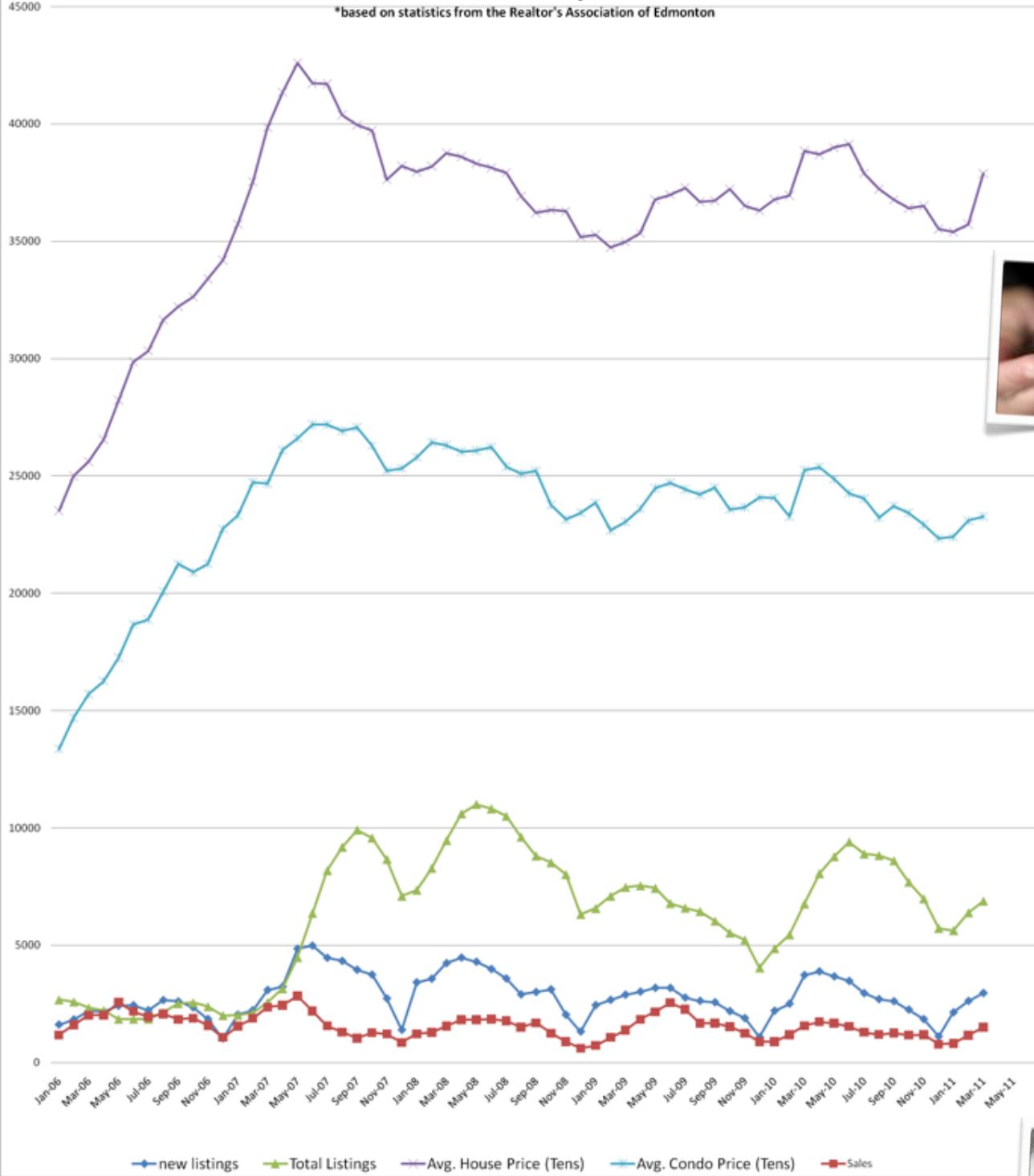
"Northern Lights' insights, guidelines and rules prove that they have a strong grasp of an important subject that many investors just don't understand. Thank you!"

**-Don R. Campbell, President,  
Real Estate Investment Network**



## Edmonton Real Estate Analysis 2006 - Present

\*based on statistics from the Realtor's Association of Edmonton



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