

Calgary home prices decline

Down 3.5% from a year ago in February

By Mario Toneguzzi, Calgary Herald April 27, 2011 1:02 PM [Comments \(5\)](#)

- [Story](#)
- [Photos \(1\)](#)

A new survey of homes sold more than once shows Calgary experienced both monthly and yearly declines in prices in February.

Photograph by: Grant Black, Calgary Herald

CALGARY — Calgary was the only major market in the country to show a decline in year-over-year prices in a survey of homes sold more than once.

The Teranet-National Bank National Composite House Index, released Wednesday, said in February, Calgary prices declined 3.5 per cent from a year ago. It was the fifth consecutive month of 12-month deflation for the city.

The index, which looks at six metropolitan areas in the country, is estimated using data collected from public land registries. All dwellings that have been sold at least twice are considered in the calculation.

On a year-over-year basis, prices were up 7.6 per cent in Halifax, 6.9 per cent in Montreal and Ottawa, 4.8 per cent in Vancouver and 3.4 per cent in Toronto.

On a monthly basis, prices dropped 0.5 per cent in Calgary, the fifth decline in the last six months.

Prices increased 0.3 per cent in Vancouver and 0.5 per cent in Montreal and Ottawa. They also declined on a monthly basis in Toronto by 0.1 per cent and in Halifax by 0.4 per cent.

So far in April up to and including Tuesday, according to the website of Mike Fotiou of First Place Realty, there have been 1,001 single-family MLS sales in Calgary for an average sale price of \$480,856. In April 2010 for the entire month, there were 1,352 sales for an average price of \$460,378.

Month-to-date, there have been 447 condo sales for an average price of \$289,120 while for the entire month of April 2010 there were 639 condo transactions for an average price of \$289,588.

The national composite index of repeat sales showed a monthly gain of 0.1 per cent in February and a year-over-year increase of 3.8 per cent. Nationally, it was the third consecutive monthly rise and eighth consecutive month of deceleration year-over-year.

Diana Petramala, economist with TD Economics, said that over the last six months Canadian home price growth has cooled significantly from the double-digit gains experienced through the last half of 2009 and first half of 2010.

"In particular, growth in markets that have experienced the largest run-up in home prices over the last decade – Toronto, Vancouver and Calgary – are the cities exhibiting the most weakness," she said.

But Petramala said there should be some momentum in home prices in the coming months as interest rates are expected to remain "ultra low" and employment is likely to grow at a steady pace.

"Going forward, the combination of rising interest rates, new mortgage insurance rules, and over-indebted households will likely put a damper on housing demand and home price growth through the second half of this year," said Petramala. "Overall, as the economic backdrop begins to normalize, we expect the housing market to remain in a balanced position with more muted home price increases in the coming years."

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