

# Sellers' market possible by end of year

By Marty Hope, Calgary Herald May 14, 2011

I don't see any reason for why we are where we are with this market."

Ted Zaharko of Royal LePage Foothills has been working the Calgary real estate market long enough that he's seen all sorts of oddities and economic ups and down -but this one ranks right up there.

Despite strength in several of the economic fundamentals, sales for the first four months of this year declined 10 per cent for detached single-family resale homes and more than 16 per cent for resale condos.

The sales were made through the Calgary Real Estate Board's MLS system.

Following a recent address to a forum by Scotiabank in Calgary, Zaharko put the current reduction in sales and consumer interest down to two factors -grumpy people being one of them.

"It was the lingering winter," he says. "People got grumpy with all the snow and cold and a lot of them just wouldn't go out -and you couldn't blame them."

The other element related to the slow market is a change in the way properties are marketed, he says.

Historically, when homes were being listed for sale, agents would shop the neighbourhood to see what similar homes sold for.

These days, though, that's not happening in many cases.

"Some in the industry are being forced to list homes relative to what is listed in the area -and not what has sold," says Zaharko.

But the market has bottomed in terms of sales, he says, adding it should begin a move toward more balanced conditions -something that will take two years or so to achieve.

But he doesn't stop there. "It could be a seller's market by the end of this year or early in 2012," he says. "Alberta is a hell of a place to live - mortgage rates are still low and now we have a majority federal government. Things are looking up."

But getting back to his original comment about not totally understanding why the market is struggling, Zaharko adds economic positives far outweigh the negatives.

"I just don't understand what's holding us back," he says.

CREB president Sano Stante also sees a strengthening market ahead.

"While our spring market has been a little slow to get started, we are seeing our inventory numbers return to healthy levels," he says. "This trend, combined with an improving job market, will help warm up Calgary's housing market in the coming months."

Speaking of inventory, CREB numbers show that the number of single-family resale homes available for sale at the end of April totalled 4,395, about 500 fewer than the same month last year.

As for condos, the number is down by about 400 compared to last year. As a result, Stante is calling for a declining inventory of available homes and more sales.

"All in all, the positive investments we are seeing in the energy sector and our economy will begin to translate into improved job prospects and growth for Calgary," he says. "This will help contribute to a stronger demand for housing and a stable real estate market."

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