



Focus on Real Estate



Jamie Savage

Welcoming the New Year!

It is dizzying when you look back at 2010 and try to make sense of what happened in the real estate market? In the first quarter we experienced a 5% increase in residential avg prices, multiple offers, and overall residential inventory as low as 4,864 listings! The market was finally starting to look healthy again until... The Bank of Canada made some significant Lending changes: 1) Increased rates 2) You can only refinance 90% of your home not 95% 3) Investors must now put down 20% versus 5% 4) You must now qualify at a 5 yr FIXED rate versus the VARIABLE rate (i.e: If you want a 1.95% variable rate, for example, you will need to show that you can afford payments at a higher fixed rate, like 4.09%). On a side note, the Eco-Energy Retrofit program and HRTC (home renovation tax credits) are two other significant changes that were also made in March. All of these changes alongside a premature bullish first quarter real estate market in a still struggling economy accounted for a 20% plus increase in residential inventory (Edmonton Real Estate Board record!).

Last year our market peeked early (Apr) and then sales numbers really dropped off in July, right until Nov where we finally saw sales go the other way for the remainder of the year. If you read the local papers daily it really is hard to make sense of how our market is doing? Headlines continued to read that sales volumes were down throughout the summer by as much as 40%! But what you need to know is that these figures are based off 2009 - 2010 comparisons, with 2009 being one of the most prosperous years in the last 5 years, it's important to understand that although this year was slow, we really aren't that far off from a healthy market and numbers that match up to where we should be.

Highlights of MLS® activity

Dec 2010 activity	Record for the month*	% Change from Dec 2009	
Residential ¹ sales this month	784	-11	1. Residential includes SFD, condos and duplex/row houses.
Residential average price	\$308,496	-2.02	
SFD ² avg selling price - month	\$370,653	+0.70	2. Single Family Dwelling
Duplex/Row House avg selling price	\$304,645	+4.7	* Average prices indicate market trends only. They do not reflect actual prices, which may vary.
Condo average selling price	\$223,454	-7.2	
Total Residential Inventory (Current)	5,164	+22.1	

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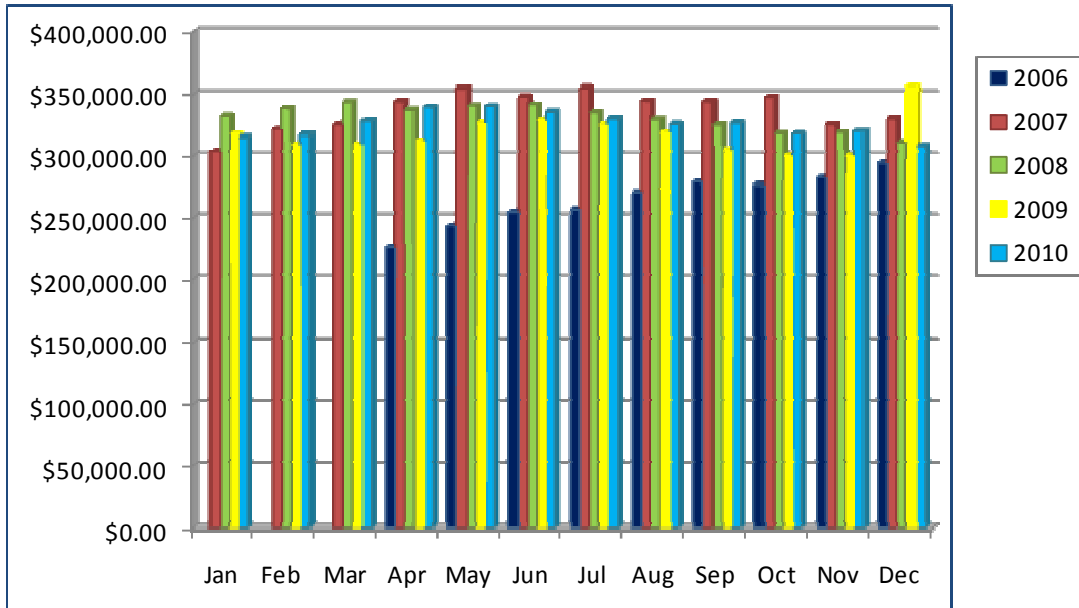
E-Mail: jamie@jamiesavage.ca



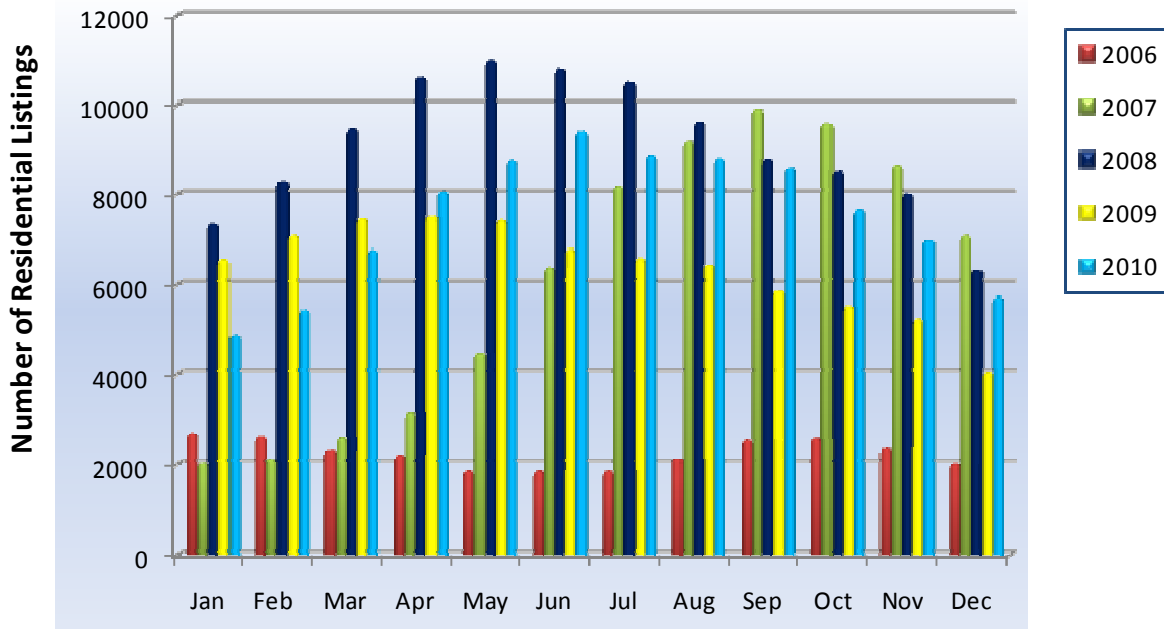
Real Estate

Independently Owned and Operated

Average Residential Selling Price

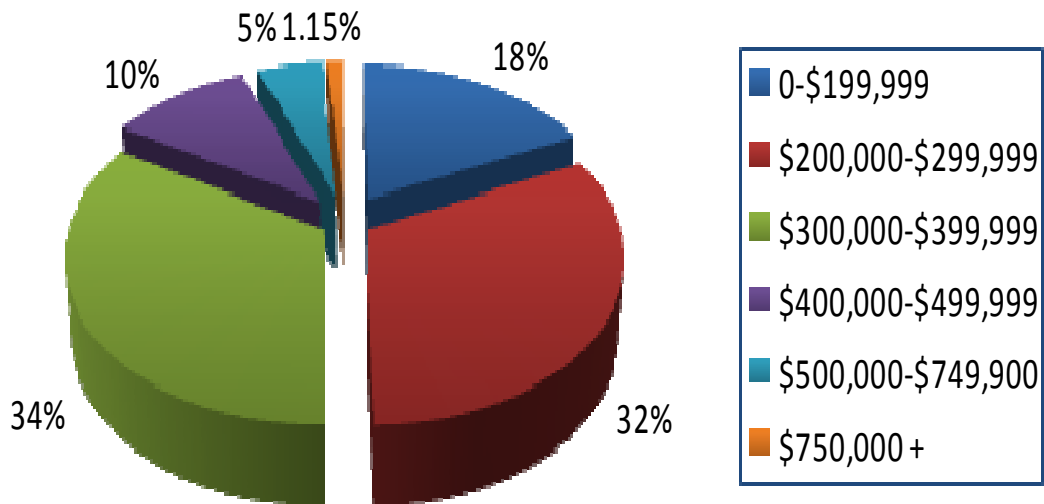


End of Month Inventory

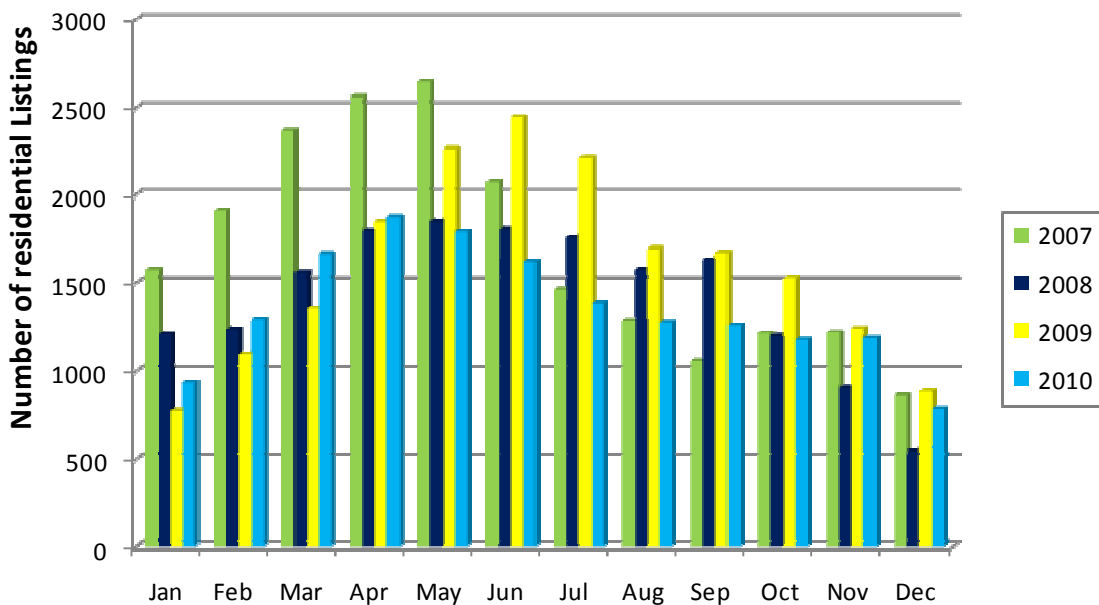


** Information herein deemed reliable but not guaranteed. All statistics are derived from the Realtors Association of Edmonton

Residential Sold Price Range - Dec



Monthly Sales Volumes



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