



## **A Review of the 2011 Central Alberta MLS® Residential Real Estate Market**

The real estate market of 2011 began as an environment of no urgency and caution amongst buyers and ended with decreasing inventory levels and increasing desire for property ownership.

Throughout the year the listing inventory in the city of Red Deer declined as properties were being sold and fewer listings entered the market. In 2011 there were 2,844 residential listings processed for the city of Red Deer, as opposed to the 3,298 in 2010, a decrease of 13.8%.

The Central Alberta REALTORS® Association is pleased to announce that we exceeded the previous years forecast of 3-4% growth. Sales were up in the city of Red Deer for all types of property and we report an increase in residential sales by 22%. The total single family homes sold in Red Deer was 1059, an increase of 8% from the 979 sold in 2010. (Apartment unit sales increased by 26%, townhomes by 39%, and half-duplexes by 12%)

The 2<sup>nd</sup> and 3<sup>rd</sup> quarters continued to produce the highest number of sales for the year. The MLS® statistics show us that the price range of \$250,000-\$350,000 continues to be the most active price range for buyers.

Although sales were increased, average sale prices did not. The average selling price of a house in Red Deer was decreased by 3.76% to \$332,500 from \$345,545 in 2010. There was a minimal decrease in apartment units and half duplexes by 1-2% respectively. Average pricing in townhomes was down 9%.

2011 was a great time to buy a house. Our increase in sales volumes tells us that buyers thought so as well. Exhausted sellers agreed to lower selling prices for their properties to be sold.

Existing owners should be reminded that these decreases may not be applicable to their own property value, nor should anyone assume that this is the current market conditions. I

encourage them to contact their REALTOR® and get accurate and current information specific to them.

Another indication of a growing real estate market in Central Alberta is the sales activity in the surrounding communities. History has demonstrated that, in most cases, smaller communities are quicker to decline and slower to recover than the city. Most of the larger rural communities saw increases in sales on Single Family Dwellings, with the exception of Sylvan Lake experiencing a decrease of 6%. Camrose had an increase of 29%, selling more single family dwellings than 2007. Ponoka had an increase of 49%. Rocky Mountain House an increase of 39%. As economic growth takes hold throughout the region, we will begin to see sales and growth in the smaller rural areas as well.

<b>Community</b>	<b>SFD Sold</b>	<b>% Change</b>	<b>Average Selling Price</b>	<b>% Change</b>
Blackfalds	147	41%	\$298,679	1%
Camrose	248	29%	\$288,057	3%
Innisfail	77	0%	\$265,298	1%
Lacombe	174	7%	\$312,875	2%
Ponoka	97	49%	\$225,799	-7%
Rocky Mountain House	85	39%	\$297,153	0%
Stettler	90	50%	\$228,170	-2%
Sylvan Lake	183	-6%	\$344,656	-1%

Real estate markets differ from city to city and it is important that buyers and sellers speak to a REALTOR® that is familiar and understands their unique local real estate market and the influences affecting it.

In summary, a total of 3,767 Residential sales were processed on the MLS® system of the Central Alberta REALTORS® Association in 2011. That is an increase of 25.3% from the 2010 total of 3,006. The number comprises of 1,560 residential sales within the city of Red Deer, and 2,207 in the rural communities. Listing Inventory for houses in Red Deer decreased by 15% in 2011.