



Current Market
Conditions and Pg. 6
Trends

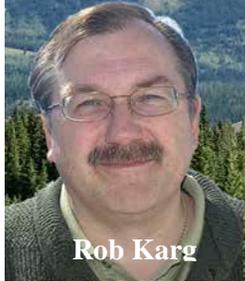
ISSUE
May

VOLUME
Five

YEAR
2015



Featured Pg. 3&4
Listing



Rob Karg

www.OwnTheMountains.com

EXCELLENT SERVICE...WITH INTEGRITY, COMMITMENT, AND THOUGHTFUL ATTENTION TO YOUR DREAMS...

Alberta has spoken! In the early days of the new regime in Alberta there is sure to be uncertainty and an inevitable degree of 'angst' as to how the NDP policies will affect not only the business environment but also things like consumer confidence, changes to mortgage rules from the federal budget, etc. all lead to questions about what will our market in the Bow Valley do? I think in the short term there might be hesitation (increased DOM) but the mid to longer term the fundamentals should be good. Interesting times ☺ - Rob

What The Election Means For Canmore

In this issue we have a guest post from Mark Brennan discussing how both the Federal Budget and the election of an NDP majority in Alberta will affect financing mortgages. Check it out on page 5.

This month's featured listing on page three is a top floor One Bedroom, One Bath unit in the Lodges at Canmore that comes fully furnished and ready to go for the busy summer season. It is zoned for recreational use and is in a rental program earning good returns. The second listing is also in the Lodges: south facing, 1000 sq ft 2BR/2Bth you have to see to appreciate!

I am always trying to find tools that we can all use to gauge the market and some of the underlying indicators. I

recently found a great weekly survey of Canadian Consumer Confidence Index from Bloomberg Nanos. I summarize the index on page 2 and provide a link you can use to read all the details.

Stats for the month found on page 6. The Days on Market for Homes Sold is skewed again this month by the 721 day figure for Lots segment. Without that sale the average drops to 83 DOM which is a jump from the 58 DOM of the last month. Sales retreated in terms of number of homes sold in April but prices held steady with slight rise in the categories of Single Family, Townhouses and Condominiums.

Enjoy this edition ☺



Searching Made Easy With PCS

The Interface System with its PCS (Professional Client Service) is an exclusive Real Estate database for the Bow Valley (Canmore, Banff, Exshaw, Harvie Heights, Kananaskis, Lac Des Arcs, & Dead Man's Flats). Unlike MLS you don't have to do the work. Just give me a call or send me an email and I will set you up with a password to access the site so that you can keep an eye on the properties that interest you – see what they are listed for, how long they are on the market and what they sell for. Call me at (403) 678-7568 or email me: (rob@ownthemountains.com) and get started right away.

Gauging Consumer Confidence

I have recently found a weekly report from the organization of Bloomberg Nanos which tracks Canadian Consumer Confidence (BNCCI) by gathering data on perceptions related to personal finances, job security, economic strength and real estate value from a thousand Canadians every week. A score of 50 is considered 'Neutral'. Scores above 50 are considered 'Positive' and scores below 50 are read as 'Negative'.

The report further breaks down its findings with the BNCCI Pocketbook Index looking at personal finances and job security with a score of 50 considered 'Neutral', above 50 'Positive' and below '50' Negative. A second sub index covers Expectations with similar scores.

Alberta is grouped in the category of 'Prairies'.

Age categories are broken down as follows:
18 to 29, 30 to 39, 40 to 49, 50 to 59, 60 plus

Income levels are broken out from:
\$0-14,999 , \$15,000-29,999 , \$30,000-44,999 ,
\$45,000- 59,999 , \$60,000-74,999 and \$75,000+

The last category they looked at was Owner vs. Renter.

The overall Economic Mood indicator for the week ending May 1, 2015 showed a figure of 56.76 which was up slightly from the week before and significantly above where the index had been 4 weeks previous (56.15) and slightly above the three month point of 55.63. In April 2014 the index stood at 59.62.

The Prairies lagged below the national numbers with figures of 53.78 for the week; 51.69 for the last 4 weeks; 53.44 for the last three months and April 2014 66.14.

Consumer Confidence for the past week showed a climb for the groups up to age 39 (59.83) and a steady decline from that age group on (55.05). April 2014 figures showed a steady decline from age 18 on with the spread from top to bottom being from 62.99 to 57.54 .

In April 2014 Consumer Confidence increased with rising incomes from a low of 48.62 to 63.54 for those earning \$75,000+ . Interestingly that perception has changed over the last three month to last week period with the group earning \$60,000-74,999 feeling less secure than the groups \$15,000-44,999. I think that reflects that that group likely has the most challenges to its expenses.

These numbers do not reflect perceptions in the wake of the Alberta Provincial Election of May 5, 2015 . The political pundits have already begun to decipher what it all means and what lies ahead. I think the first NDP budget will set the tone and given the challenges the economy already was under let us hope that the Premier and her caucus seek input from the business community and the public at large to avoid the mistakes other NDP governments have made.

To go to the link please click on:

<http://www.nanosresearch.com/library/polls/Bloomberg%20Nanos%20BNCCI%202015-05-01.pdf>

To update to the current week's findings change the date to the appropriate week date.

Upcoming Events in the Bow Valley:

Every month brings new and exciting things to do and see in the mountains. To stay up to date on the latest happenings please browse and bookmark the following websites:

Closing Day – Ski Louise (May 10):

<http://www.skibig3.com/event/closing-day-celebrations-at-lake-louise-ski-resort/>

Children's Festival (May 16):

<http://www.banfflakelouise.com/Area-Events/Festivals/Spring/Children-s-Festival>

Sunshine Ski Resort Closing (May 18):

<http://www.skibanff.com/events/>



This Month's Featured Listing



406-101 Montane Rd., Canmore

This fully furnished, fully equipped, top floor one bedroom, one bath unit makes excellent use of its 460 sq ft layout. Add in a spacious 12'X12' deck with incredible mountain views and you have the perfect entry into the Canmore market. Enjoy for personal use or take advantage of several rental options to offset the costs of ownership. This unit is currently in a rental program earning good returns. The Lodges at Canmore offers stable condo fees, a great Reserve Fund, amenities like a heated pool open year round, three hot tubs, fitness center and several open decks as well as heated underground parking. The complete package is waiting for you. Contact me today to arrange your private viewing.

Priced at \$219,000 +applicable GST



This Month's Second Featured Listing



329-101 Montane Rd., Canmore

This 2 bedroom 2 bathroom units has an open concept layout offering a 1000 sq ft that features upscale finishes such as granite in the kitchen, brand new flooring, stainless steel appliances and in-floor heating in the bathrooms. Relax in front of the gas fireplace in the living room or walk out onto your private balcony and enjoy mountain views while being sheltered from road noise .Amenities at the Lodges of Canmore include an outdoor swimming pool (open and heated year round) three hot tub areas, fitness center and underground parking. Use personally or take advantage of several rental options to help offset the cost of ownership. Call today to arrange your private viewing.

Priced at \$289,900 +applicable GST



CMHC increases mortgage insurance premiums (again!)

Canada Mortgage and Housing Corporation (CMHC) announced a hike in the premiums being applied for mortgages that have less than 20% down payment. These changes will only effect new policies on or after May 1st, and not any currently approved or previously committed and underwritten deals.

The last round of hikes took place across the board on May 1st, 2014, while newly announced changes will affect only borrowers with 5% and not more than 10% down.

Shortly after this announcement, the other two insurers (Canada Guaranty and Genworth) also increased their premiums accordingly to match effective May 1st. Suspect the same to happen this time with the new increases for 2015. (Genworth Canada has already matched the CMHC increases)

Standard			
Loan-to-Value Ratio	Total Loan Amount	Increase effective May 1, 2014	Increase effective June 1, 2015
Up to and including 65%	0.50%	0.60%	NIL
Up to and including 75%	0.65%	0.75	NIL
Up to and including 80%	1.00%	1.25%	NIL
Up to and including 85%	1.75%	1.80%	NIL
Up to and including 90%	2.00%	2.40%	NIL
Up to and including 95%	2.75%	3.15%	3.60%
90.01% to 95% – Non-Traditional Down Payment	2.90%	3.35%	3.85%

Examples:				
95% Loan-to-Value				
Loan Amount	\$150,000	\$250,000	\$350,000	\$450,000
Current Premium	\$4,725	\$7,875	\$11,025	\$14,175
New Premium	\$5,400	\$9,000	\$12,600	\$16,200
Additional Premium	\$675	\$1,125	\$1,575	\$2,025
Increase to Monthly	\$3.12	\$5.20	\$7.29	\$9.36

Based on a 5 year term @ 2.79% and a 25 year amortization

NDP election win reverses proposed PC increases to mortgage registration fees:

Premier Designate Notley announced today that the NDP will cancel the PCs' increases to variable and fixed mortgage and land transfer taxes. The NDP will retain the 2014/2015 rates and will also cancel the increase to the fee for searching the Land Titles Registry. The Conservative Budget would have seen fees jump almost 600%. For example, on a home value of \$450,000 the fees would have risen from \$262 to \$1122.00. On a home value of \$650,000 the fees would have risen from \$334 to \$1554. *There is a plus side to already having a mortgage* – these new fees would not have affected you. You are not changing anything on your title by renewing your mortgage, or, if you decide to switch lenders mid term, or at near renewal time, the new lender would still picking up these costs to bring your business over. It pays to shop well in advance of renewal time to determine the benefits of transferring your balance straight over to a new lender!

If you have questions about how these changes may affect you, feel free to contact me to discuss!



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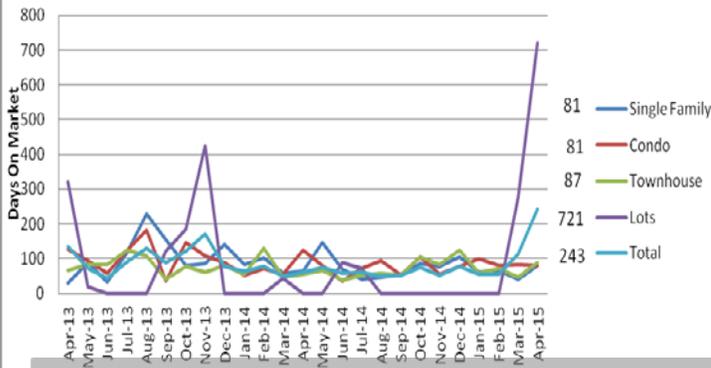
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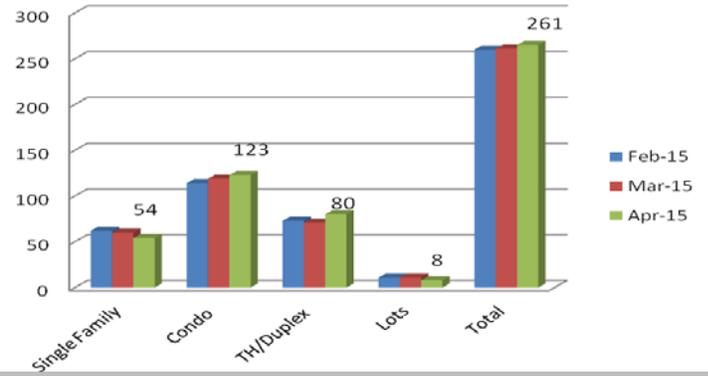


Current Market Conditions

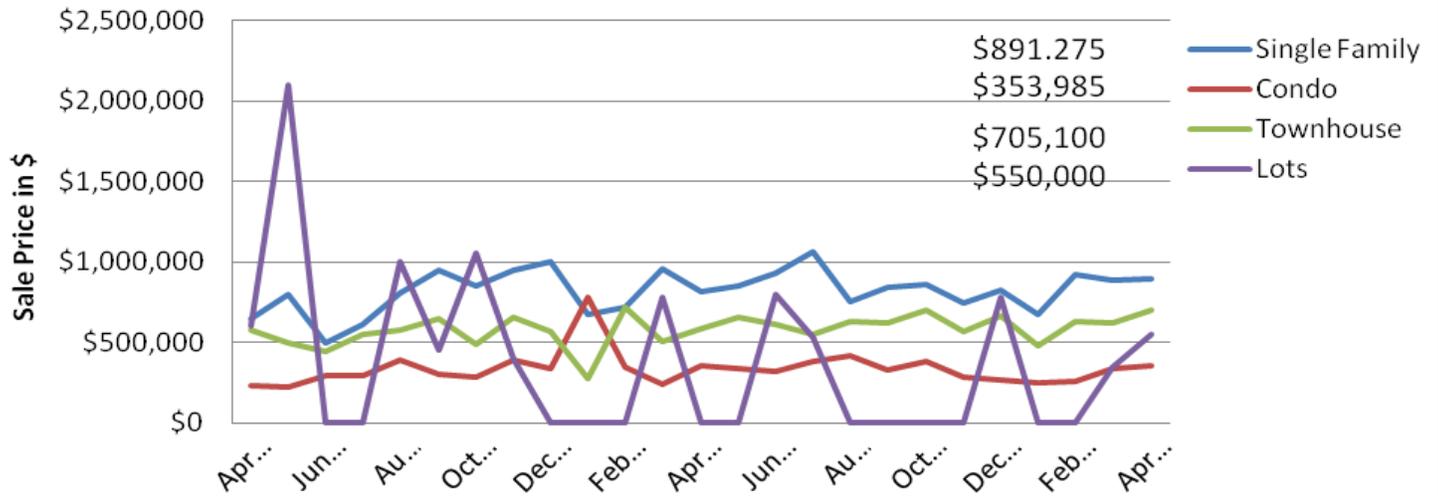
Average DOM for Sold Properties By All Companies



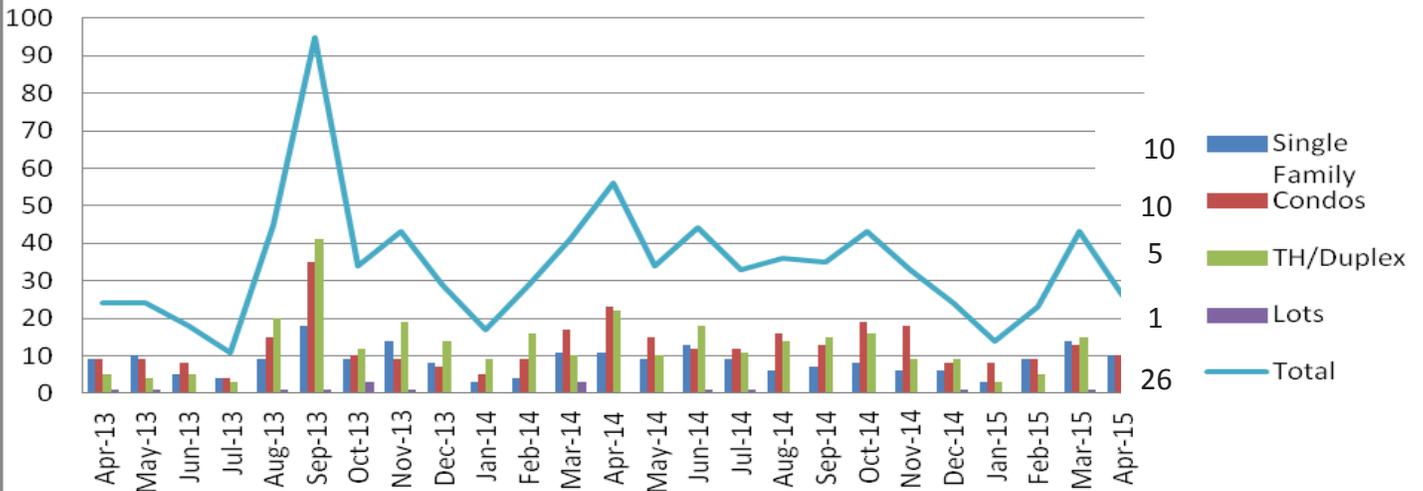
Number of Active Listings by All Companies



Average Selling Price of Listings Sold by All Companies



Number of Listings Sold By All Companies



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