



Current Market
Conditions and Pg. 6
Trends

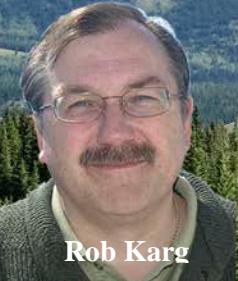
ISSUE
February

VOLUME
Five

YEAR
2015



Featured Pg. 4
Listings



Rob Karg

www.OwnTheMountains.com

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

This month's edition is a bit late coming off the 'presses'. Apologies to those of you who have taken the time to let me know you've been waiting to read it! I was down in San Diego for the latter part of January and first part of February. Interesting to note Realtors there were bragging that a unique fixer upper a block off Pacific Beach was available for 'only' \$999,900! An example of value being in the eye of the beholder. It is all about perspective. - Rob

Moving Towards A Buyer's Market ?

In this issue we take a look at how the slowdown in the economy due to oil other commodity prices declining has started to affect our local real estate market. On page two we take a look at the market trends and what it means to you moving forward.

The Alberta Government recently passed the *Condominium Property Amendment Act*. How does this update to the 2000 Condo Act affect Condo Owners? Check out page three for an overview.

This month's featured listing is a beautifully upgraded 3BR, 3 Bath Townhouse unit with views of mountains and the Bow River located in Homesteads. Check out page four for more details.

Page 5 shows a comparison of average List vs Selling Prices for the 4th Quarter of 2014.

Stats for the month found on page 6. The market saw another dip in sales in January, continuing the dip year over year that began in November though there was only three fewer sales total. The number of new listings increased by 20 which represents a jump of 17 over the same period in 2014 but the overall number of Active Listings remained stagnant indicating a significant number of listings expiring.

As always feedback welcomed – drop me a line. As well look for my open house signs every weekend. 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 a note 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.

Are We Moving Towards A 'Buyer's Market' ?

I have had a lot of comments in the last month and a half that prices are going rock bottom and even had one gentleman tell me "experts he has talked to in Alberta tell him prices in our area have gone down 15%". He wasn't impressed when I told him his 'experts' were woefully misinformed.

The comments though got me thinking a look at the factors that lead to a Buyer's Market might be in order. Typically we call a market a "Buyer's Market" when the following factors are in play:

1. **More Sellers than Buyers** (i.e. lots of listings chasing few Buyers). This has the effect of giving more choices to the Buyers and can result in lower selling prices
2. **Days On Market Increasing** with homes taking longer to sell
3. **Selling Price to List Price Spread Growing** which often reflects the fact that there is a lag in perceptions of value between Sellers and Buyers. When market prices have been rising for a period of time the expectation becomes that it will continue to rise at the same or greater rate into the future. Similarly when prices have been falling the expectation is they will continue to fall. When the market shifts to a Buyer's Market the Sellers are initially reluctant to accept lower prices and may even react by pulling the listing off of the market rather than sell it 'too low'.

Other factors determining where we are in the real estate cycle include: interest rates, employment growth, investment growth, construction and net population migration.

So how does the local market compare?

Interest rates remain incredibly low in historic terms; employment growth in Alberta is mixed but downward due to layoffs in oil & gas, investment growth is also trending downward, construction is neutral and net population migration forecasts are positive. On page five there is an analysis of the spread between list and selling prices. There was an increase in the spread for Single Family and Condo segments from Oct-Dec but Single Family bounced back dramatically in January. The Townhouse/Duplex segment had up and down months. In other words - mixed results with no steady trend. Days on Market (DOM) have also been mixed with some up and down but no trend across all segments.

Finally looking at the trend of new listings to sales as I mentioned last month I have begun tracking the number of expired listings. When they are factored in the following emerges:

	New	Expired	Net	Sales	Overall
October	58	29	29	43	-14
November	49	16	33	38	-5
December	48	41	7	24	-17
January	68	15	53	14	+39

By the numbers I would argue we are still in a Stable Market because the indicators continue to be mixed. I will be posting an entry on my blog : (<http://blog.ownthemountains.com/>) that using called the Sales to Listing Ratio shows a different picture. Check it out.

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:

Ski Louise Torchlight Dinner & Ski Event (February 14):

<https://www.skilouise.com/things-to-do/events/torchlight-dinner---ski-event---the-ultimate-apres-ski-party-2015-02-14.php>

Family Day at Fenlands (February 16):

<http://www.banff.ca/Calendar.aspx?EID=3294&month=2&year=2015&day=13&calType=0>

Canmore Winter Festival (February 13-March 1) :

<http://www.tourismcanmore.com/event-calendar/canmore-winter-carnival>



Condominium Property Amendment Act Changes

The Government of Alberta proclaimed the update to the Condominium Act in December 2014 under the name “*Condominium Property Amendment Act*” . There was a lot of industry and public participation in the drafting of the new legislation and sought to update best practises as well as upgrading the licensing requirements for Property Managers. Prior to the new legislation Property Managers were not required to have any licensing or proof of competency. With the changes they now will fall under RECA’s purview and require the same type of licensing as other industry professionals.

An Overview of the Key Changes can be downloaded from:

<http://www.servicealberta.ca/2166.cfm> and if you wish a copy of the new Act please go to:
http://www.assembly.ab.ca/ISYS/LADDAR_files/docs/bills/bill/legislature_28/session_3/20141117_bill-009.pdf

Some of the Key Changes include:

1. Expanding Purchase Disclosure

Information to include: a statement setting out a fixed date or range of dates, including a final date, by which the unit must be ready for occupancy; a budget or proposed budget for the corporation; summary of findings from a Building Assessment Report and a copy of the home warranty insurance contract under the *New Home Buyer Protection Act*.

2. Improved protection for existing owners

by: limiting the circumstances by which Boards can impose special levies as well as restricting the registration of a caveat against an Owner’s Title for unpaid contributions and limiting the amount of

monetary sanctions that can be imposed in accordance to the bylaws

3. Allowing for more efficient governance by: enabling Board Directors to participate in board meetings electronically as well as allowing certain types of votes to be conducted electronically. Also prescribing maximum fees that can be charged for corporation documents as well as clarifying insurance, maintenance and repair obligations of the corporation and unit owners.

Many of the details in the changes will be enacted in the Rules and Regulations which will accompany the new legislation and which are still a ‘work in progress’ but the overall intent of the new Act is to clean up real and potential abuses and raise the standards and expectations for managers, boards and condo corporations and to provide a greater degree of accountability and transparency. Some of the changes directly affect developers and how they can do business in the stages between pre-selling units and completion/occupancy of the units. For the majority of the developers in the Bow Valley these changes will not have significant impacts as they have already moved to these best practises. Improved protections for Buyers by mandating the appointment of an interim board to run the affairs of the corporation while the developer still owns the majority of the units and the strengthening of the provincial power to inspect, investigate and enforce rule with respect to condominium sales under the mandate of RECA will help to ensure Buyers are properly protected.

This Month's Featured Listing



4-205 Carey, Canmore

This 3 bedroom, 3 bathroom, 3 level condo has upgrades galore in its 1707 sq ft layout . This condo is in an excellent location in the Homesteads, in a highly desirable neighborhood. The features of the fine townhouse condo are: newer kitchen with granite countertops and stainless steel appliances, 2 storey windows in the living room looking out to the tranquil forest, hardwood floors, open concept with a walk out to a forest side deck off the dining area, lower level also walks out to it's own patio, large deck above the oversized single garage with outstanding mountain views. This condo would be perfect for full time family living or a beautiful weekend retreat. This home is close to the river and hiking and biking trails. Condos like this do not come up often and is definitely a must see.

Priced at \$669,900



Comparing List vs. Selling Prices Across Market Segments

Selling prices as a percentage of List Price continued to show volatility in the final quarter of 2014. A comparison of the three segments with sales (no sales of lots in last four months) breaks out as follows:

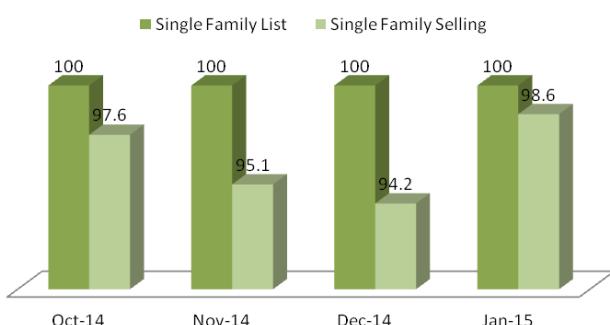
	Oct	Nov	Dec	Jan
SINGLE FAMILY				
# of Sales	8	6	6	3
List Price	\$881,350	\$778,950	\$873,906	\$687,660
Selling Price	\$860,050	\$741,166	\$823,375	\$678,000

	Oct	Nov	Dec	Jan
CONDOS				
# of Sales	19	18	8	8
List Price	\$396,542	\$296,554	\$280,643	\$255,562
Selling Price	\$384,982	\$287,404	\$270,875	\$245,630

	Oct	Nov	Dec	Jan
TOWNHOUSE/DUPLEX				
# of Sales	16	9	9	3
List Price	\$720,430	\$587,075	\$679,844	\$487,300
Selling Price	\$698,299	\$568,199	\$661,544	\$483,333

Utilizing these figures as a tool in negotiations as the Buyer you will want to begin negotiations between 10-13% below list price for Single Family and 8-10% below list price for the other segments if you are hoping to meet in the middle as a final price. If you are listing the home for sale as the Seller the numbers would indicate pricing between 8-10% above your bottom line number for Single Family and 5-7% above your bottom line for the other segments. Incorporating this analytic as part of your strategy will allow you to negotiate the best price possible.

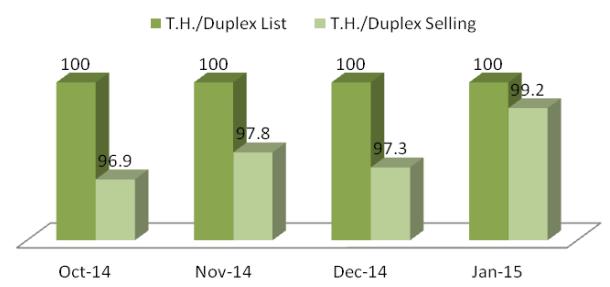
Selling Price As Percentage Of List Price



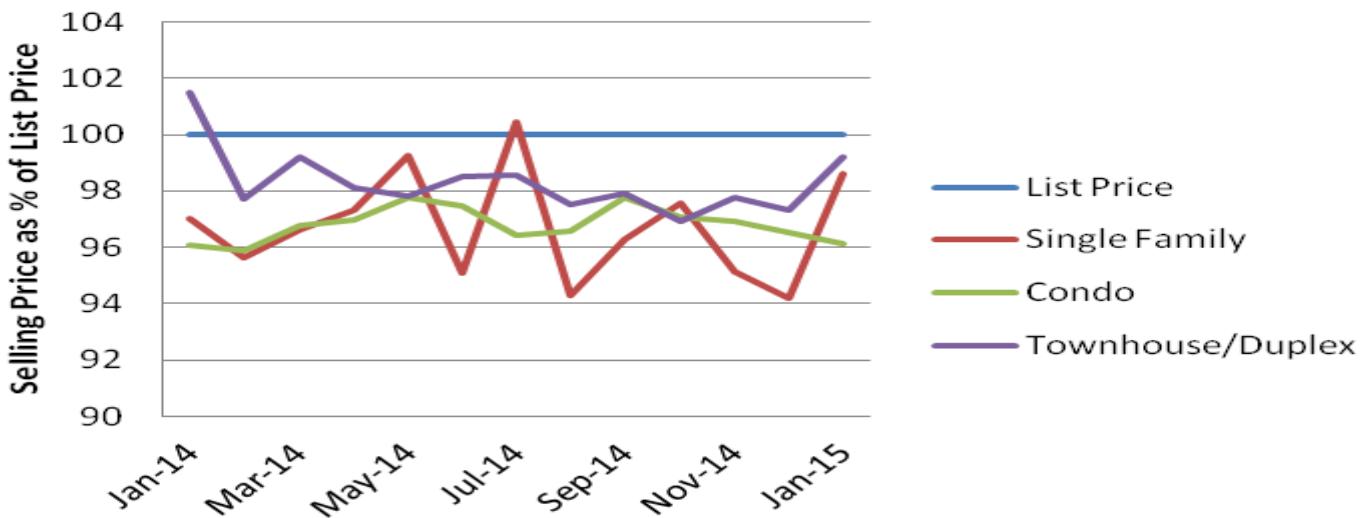
Selling Price As Percentage Of List Price



Selling Price As Percentage Of List Price

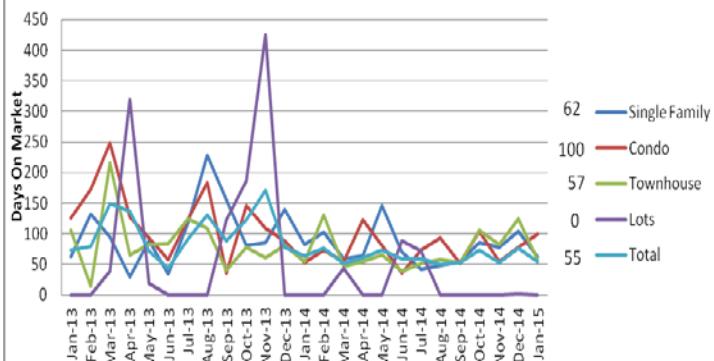


Comparison List Price to Selling Price Averages

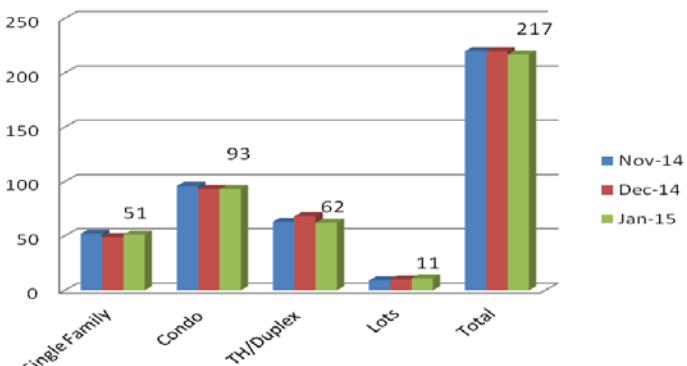


Current Market Conditions

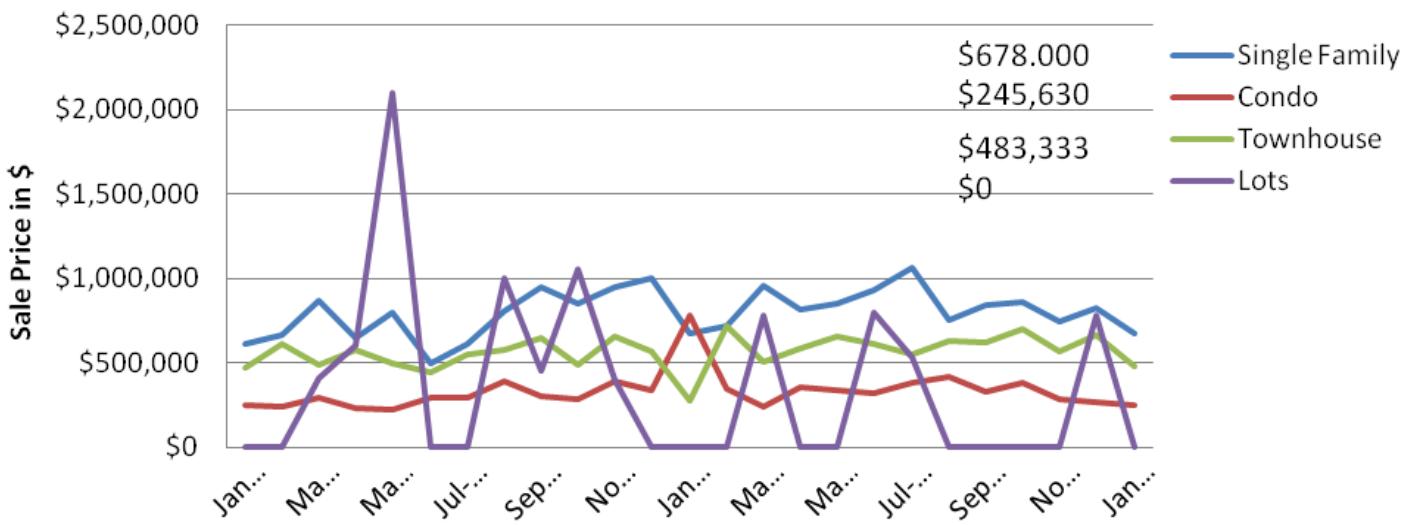
Average DOM for Sold Properties By All Companies



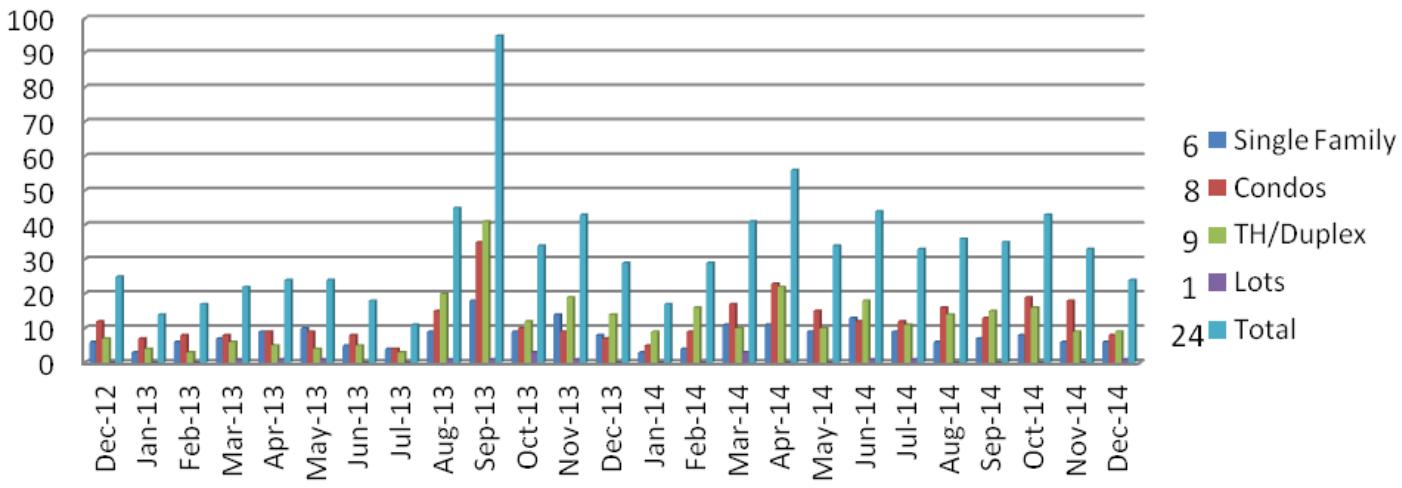
Number of Active Listings by All Companies



Average Selling Price of Listings Sold by All Companies



Number of Listings Sold By All Companies



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