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Low building costs see Alberta home prices tumble

Calgary and Edmonton led the country in price declines for new homes, Statistics Canada said yesterday, followed closely by Vancouver and Victoria.

But whereas competition and generally slower markets drove down prices in B.C., it was lower material and labour

costs that, in March, dragged down prices by 1.2% in Alberta's two largest cities.

Prices for new homes dropped 1.1% in Vancouver in March, and 0.9% in Victoria. Across Canada, new home prices dipped 0.5%.

Year-over-year, Calgary's new home prices had dropped 8.7% in March, and 12.3% in

Edmonton. Nationally, prices had dropped 2.4% during the same period.

Norm Mross, president of the Canadian Home Builders' Association for the Calgary region, said material and labour costs have become "stable or more stable" during the first three months of this

year. Land prices, too, have started declining.

"We haven't seen enough yet, but they are coming down," he said.

Mross said he has no firm data on how much input prices have dropped in the Calgary area, as much of the evidence to date is anecdotal.

— Markus Ermisch

