

Amazing time to buy real estate

Sharon Essington

April's sales information recently released by the REALTORS® Association of Edmonton brings more good news about the local real estate market. Things are heating up!

Residential sales are up 33.6 per cent over March 2009 numbers. It would appear that the word is getting out – 2009 is an amazing time to buy real estate here in Edmonton!

According to Charlie Ponde, President of the REALTORS® Association of Edmonton, "REALTORS® are optimistic about the Edmonton market. In-migration figures are positive, retail sales in Alberta are still higher than the rest of the country and unemployment figures are lower than the other parts of Canada."

Affordable pricing is definitely spearheading the market along. An average single-family home is currently valued at \$353,386, 8.5 per cent lower than April 2008 pricing. Condominiums are averaging \$236,020, still 8.1 per cent lower than last year.

The government incentives are doing nothing but helping as well.

The Bank of Canada has announced

that they intend to keep their key lending rate at current levels until the end of the second quarter in 2010. This rate has brought prime down to 2.25 per cent, the lowest level Canada has ever seen.

Additionally, first time homebuyers are able to access increased funds for a down payment by utilizing the Home Buyers Plan (HBP). This plan, which now allows \$25,000 to be utilized for down payment, an increase of \$5,000, enables first time buyers to access money previously locking in their RRSP's to purchase property.

When utilizing this program borrowers do not pay tax on their RRSP funds as the RRSP is repaid over a 15 year timeframe.

Tax deductions are always good news so be sure to take advantage of the first-time buyers tax credit as well. This program allows new purchasers to write off as much as \$5,000 in closing costs. Utilizing the entire deduction would result in a \$750 tax credit to new owners!

The April sales-to-listing ratio of 61 per cent is a certain indication of increased activity. Average days-on-market in April was 51 – a number not seen since March 2008.

As we move towards a more balanced market place we will start to see sellers





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being less agreeable to buyer's terms and conditions, as the market will no longer require that they be so in order to sell their home.

Right now buyers continue to have an upper hand in the market place, but for how much longer remains to be seen.

Pricing is great, inventory is strong, the government is offering tax incentives to get buyers off the fence and both prime and the fixed interest rates are historically low!

All of these factors have come together in an interesting apex that has buyers excited. Are you prepared to take advantage of the current purchasing environment?

Connect with an experienced mortgage expert today to see what you need to do to take action before you miss out!

Sharon Essington is an Accredited Mortgage Professional with Verico Canada Mortgage Direct. Sharon specializes in providing a creative approach to mortgage financing for individuals looking to take advantage of the current opportunity market. For more information on this topic, or to discuss your individual mortgage needs, please call 1-866-376-8250.