

# Pivotal year for housing market

## Report points to 2009 as the bottoming out year

**MYKE THOMAS**  
Sun Media

The Calgary and area real estate market has turned a corner and, although there are a few bumps to be smoothed out, 2009 is expected to be a pivotal year on the road to recovery.

In his second-quarter 2009 Housing Market Outlook report, Lai Sing Louie, senior market analyst for Canada Mortgage and Housing Corporation, expects total MLS sales in the Calgary CMA to reach 17,000 units this year, with a 10% increase in sales in 2010.

"We're looking at 2009 as being the bottoming out year," says Louie.

"Overall, what we're seeing is the market is strengthening and is becoming more balanced in some segments.

"New listings are coming down, which is a good sign because that will restore price stability. The single-family market is a bit stronger now and the market is balanced at some price points, although the higher end is oversupplied and inner-city condos represent a weak area."

The expected 17,000 sales, which is a 27% decrease from

last year, include single-family and multi-family homes listed on MLS, plus a very limited number of mobile homes.

If reached, or exceeded, that number means the Calgary real estate market should remain stable throughout the last six months of the year.

To the end of April, statistics from the Calgary Real Estate Board show 5,333 single-family homes and condominiums had been sold, or about 31% of the forecast total.

While being optimistic 2009 will be the bottoming out of the real estate cycle, Louie cautions today's market is still highly volatile.

"With today's economic situation, there are still potential dark clouds in the background and we're still experiencing full-time job losses," he says.

"We would like to see strength in the market going into the last months of summer, which would be a signal the market has turned."

One of the potential bumps on the road to a completely balanced market is the state of the condominium market, says Louie.

"New listings in Calgary are down significantly, but one area of uptick we might see is in condos. A lot of new units will be completed, not all that were sold as principal residences and to what extent

that may be is uncertain.

"We can peg that to completions — 90% of the units are absorbed but of that 90, there is a certain percentage owned by investors who will be trying to take profits," he says.

Which means, depending on the investor, some condos will be listed above market value, others will be listed for quick sale at more reasonable prices, while others will be put up for rent.

"No one is really certain how the condo market will play out.

One certainty in the whole thing is mortgage rates.

"This year has been one of the best years for someone to get into a low rate," says Louie.

"The Bank of Canada can't take its rate much lower than what it is and we see a low rate at the beginning of next year but slowly going up as the economy starts going up again and when we see inflation again."



**LOUIE**  
Market stronger



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The latest Housing Market Outlook report indicates the Calgary market should turn around by the end of year.