

SIX, formerly Selling Systems Inc, provides market research, consulting, and creative marketing solutions for the real estate industry. We are active members of the Professional Pricing Society, Market Research and Intelligence Association of Canada, Canadian Marketing Association, and the CHRBA. Questions? research@sixrealestate.ca

Saying good buy to 2008

New year delivers a real estate market ripe with choices


AS THE NEW YEAR IS NOW HERE, we can take a look back at the real estate markets in 2008 to see what has transpired over the past year and what we can expect to see in 2009. The past year has been anything but static, with the key story changing from price increases in 2007 to inventory levels in 2008. The strong demand for housing that started in mid-2005 accelerated throughout 2006 and put increased demands on developers and the City to add new products into the market

However, home builders and developers could not add new supply overnight, and given the construction and approval constraints, it took time to ramp up supply and meet the demand coming from new migrants to Calgary, local purchasers, and investors. This is particularly relevant within the multi-family market, where it can take years to take a project from concept to construction. As the pent-up demand began to be fulfilled in 2007, single-family builders began to react and slow new construction, while multi-family construction continued, albeit with fewer new developments coming to the market. In fact, many of the multi-family construction starts in 2008 were a result of projects that started marketing and sales in 2006 and 2007.

The new multi-family market in 2008 was one of transition from the booming

market in 2006/07 to more normal market conditions, and the process is not always smooth. Compared to the previous years, sales in 2008 were comparably slower as consumers chose to wait out the market and delay making purchase decisions. Slower sales meant recently launched projects had more available units, resulting in improved choice for consumers and better availability of lower-priced suites, both of which are ideal. It also resulted in many developers offering product upgrades and pricing

that the housing market performed remarkably well considering all the negative pressures placed on Calgary.

This speaks to the underlying strength of the city's real estate market, which is expected to remain the bright spot in the global economic scene for the next 12 months. While the outlook for 2009 is difficult to forecast given the uncertainty that remains in world financial markets, there is reason for cautious optimism the upcoming year will see the real estate markets begin to turn more positive. While the entire 

Despite the negative global pressures, 2009 can still be a good year to make a move.

incentives to encourage buyers to purchase, creating some very attractive opportunities in the market.

While many consumers did purchase new units in 2008, overall sales for the year were slower than in previous ones, which kept price growth flat and increased the supply of available product. The 2008 market was also impacted by the global financial and economic crisis, which added to the uncertainty and created more consumer concern. When you look back at how turbulent the economic conditions were, you realize



As Seen in
Condo Living
Magazine

condo
LIVING

**SURVEY CLOSES
January 31**

2008 CONDO LIVING READER SURVEY

WHO CARES WHAT YOU THINK? WE DO!

Your opinion matters. Condo Living magazine is created for you — tell us what you want to see.

Visit www.itsaboutliving.com and you could

WIN 1 of 5 Apple iPod™ nanos.



condo
LIVING

Calgary's **only** Condo
Lifestyle Magazine

ALWAYS READ THE FINE PRINT. Results of the 2008 Reader Survey are used to gauge reader interest and improve overall reader impressions. Survey and personal information are compiled separately and confidentially. 2008 Reader Survey ends December 31, 2008. Apple is not a participant in or sponsor of this promotion.

world is being impacted, Calgary is forecast to escape the brunt of the global economic storm and still experience positive economic growth in 2009.

Calgary's population is expected to continue to grow, with our strong economic base continuing to attract new residents from within Canada and internationally. As population growth, particularly from new migrants, is a critical factor supporting ongoing real estate market growth, positive migration numbers will allow Calgary's real estate market to stabilize and improve. Expected demographic shifts will also have a positive impact on the real estate market in 2009, with members of the "echo boom" seeking their first home, while their baby boomer parents seek more convenient lifestyle-oriented housing, with multi-family housing being the natural choice for both.

Despite the negative global pressures, 2009 can still be a good year to make a move. With an excellent number of housing options, low interest rates, improved housing affordability, and the attractive lifestyle benefits of multi-family housing, the right opportunity to choose your new home might be just around the corner. **CL**