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## **Rising Mortgage Rates - Boosts Housing Market in Central Alberta**

**RED DEER** -April 7, 2010 The housing market in Red Deer and the rural towns throughout Central Alberta received a helping hand in March as homebuyers anticipate an earlier than expected rise in interest rates, according to figures released today by the Central Alberta Realtors® Association (CARA).

The number of single family homes sold in March 2010 in the city of Red Deer was up 18.06% per cent compared to February 2010, and by 3.66% per cent compared to the same month last year. The combined sales for single family homes sold in March 2010 for the rural towns in central Alberta increased by 56.25% per cent compared to February 2010, and decreased by 9.42% per cent compared to March 2009.

Last month 85 single family homes sold in the city of Red Deer, and combines sales figures for the rural towns in central Alberta was 125.

"The real estate market typically gets more active at this time of the year, coinciding with the beginning of Spring," said Sandi Gouchie, President of CARA.

"The recent announcement by the major banks and lending institutions to raise mortgage rates combined with a positive improvement in the economic forecast has prompted buyers to purchase a home," said Gouchie, "which in turn has contributed to the heightened activity in the sale of homes and has lead to sellers listing their homes for sale to take advantage of the upsurge in activity associated with the Spring market."

"A rise in interest rates may weaken demand later this year, but this should not stop the buyers who have solid financial resources, from selling or purchasing a house," said Gouchie

The average price of a single family home in the city of Red Deer in March 2010 was \$357,273, an increase of 2.26% per cent from February 2010, when the average price was \$349,372, and an increase of 8.82% per cent compared to March 2009, when the average price was \$328,321.

The overall average price of a single family home representing the rural towns in central Alberta in March 2010 was \$275,312, a slight decrease of 0.19% per cent compared to February 2010, when the average price was \$275,823, and an increase of 2.83% per cent compared to March 2009, when the average price was \$267,732.

Average price information can be useful in establishing trends over time, but does not indicate actual prices in centres comprised of widely divergent neighbourhoods, or account for price differentials between geographical areas.

Listings for single family homes in the city of Red Deer added for the month of March totalled 322, an increase of 27.78% per cent from February 2010 when 252 new listings were added, and showing an increase of 14.59% per cent compared to March 2009 when 281 new single family listings came on the market.

Combined listings for single family homes in the rural towns in central Alberta added for the month of March totalled 630, an increase of 31.8% per cent from February 2010 when 478 new listings were added, and showing an increase of 18.87% per cent compared to March 2009 when 530 new single family listings came on the market

“Average prices have edged upwards, as more move-up buyers enter the market and overall demand strengthens.” said Gouchie.

The Central Alberta REALTORS® Association (CARA) is an MLS® listing co-operative, representing more than 640 REALTORS® located in Red Deer and Towns throughout Central Alberta. Details and photos of all CARA MLS® listings can be found on the Association’s public web site [www.cara.ca](http://www.cara.ca).