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MLS® Residential Average Price Declines in January

In January 2009, fewer sales of higher-priced homes resulted in a sharp drop in the average price of MLS® residential homes sold in the area served by Central Alberta REALTORS® Association.

“While still at historically high levels, new and active listings have been trending lower from their recent peak,” said Derek Austin, President of the Central Alberta REALTORS® Association. “This suggests that some sellers unwilling to accept offers below the price at which they are prepared to sell are removing their homes from the market with a view to selling another day.”

New MLS® residential listings totaled 601 units in January, down 25.2 per cent from one year earlier. Active listings numbered 2,084 units at the end of the month, a 6.9 per cent year-over-year increase. The small increase in active listings stands in sharp contrast to skyrocketing levels over the past two years. The small rise in active listings combined with softer demand and pricing environment suggests that active listings may soon return to more typical levels if listings that expire are not renewed.

Total MLS® sales activity in January numbered 176 units. This is down 35.3 per cent compared to January 2008, and is the lowest number of transactions for the month of January since the year 2000. Some 156 residential properties traded hands in January 2009, down 36.8 per cent from January 2008.

The total value of MLS® homes sales reported through the Association’s MLS® system amounted to \$42.4 million in January 2009, down 43.2 per cent year-over-year. Residential dollar volume declined 44.5 per cent, to \$37.3 million.

Note: The Association cautions that the average MLS® residential price is a useful figure only for establishing trends and comparisons over a period of time. It does not indicate an actual price for a home due to the wide selection of housing available in the area.

The Central Alberta REALTORS® Association is an MLS® listing co-operative, representing more than 640 REALTORS® located in Red Deer and throughout Central Alberta. Details and photos of all Central Alberta REALTORS® Association listings can be found on the national public web sites www.REALTOR.ca (residential properties) and ICX.CA (commercial and investment properties).