

HOUSING RECOVERY CONTINUES WITH ACTIVE DECEMBER MARKET YEAR-OVER-YEAR SALES INCREASE FOR SEVENTH CONSECUTIVE MONTH

Calgary, January 5, 2010 – The Calgary housing market continues to show signs of a sustained recovery according to figures released today by the Calgary Real Estate Board (CREB®).

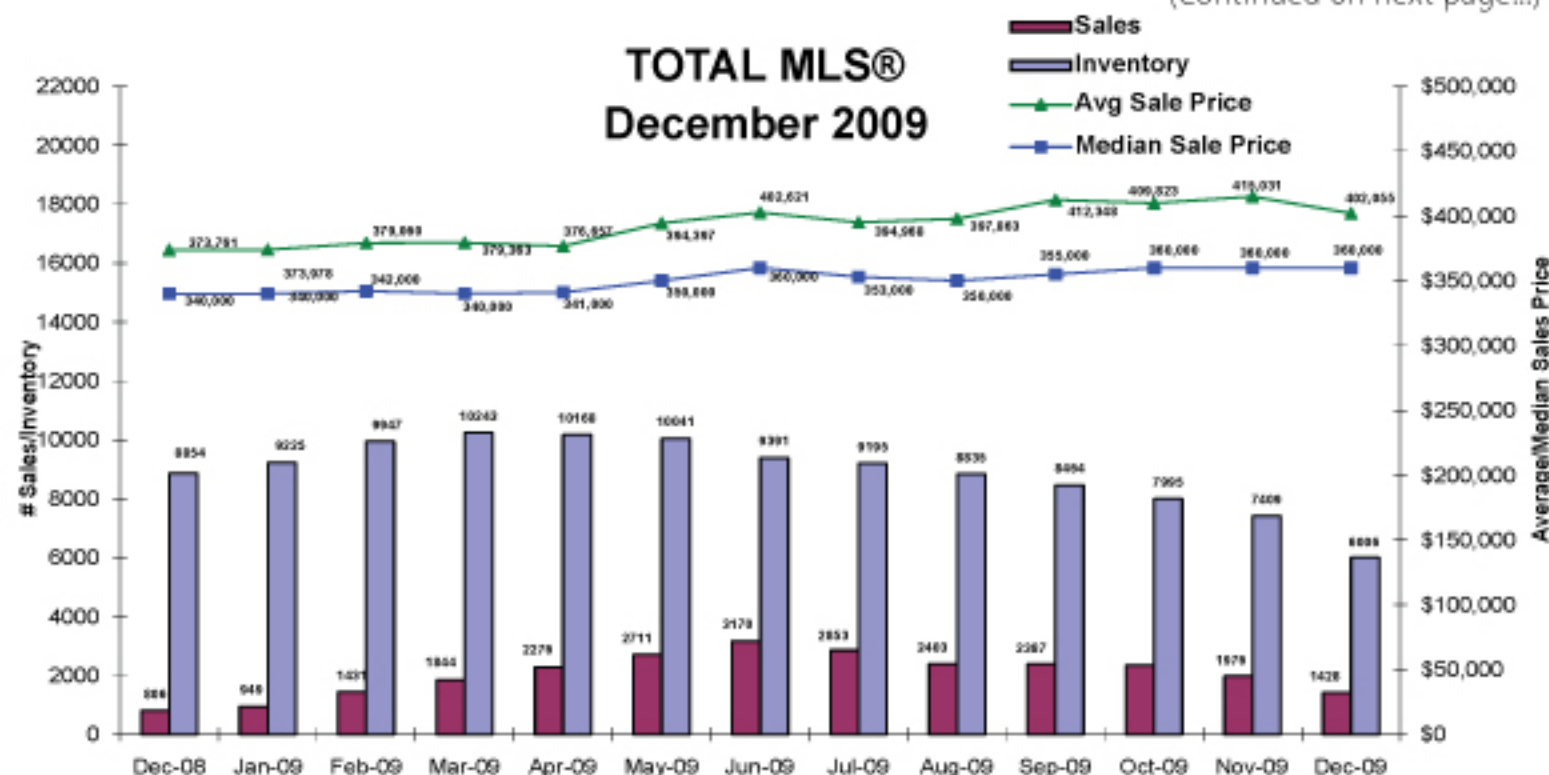
The number of single family homes sold in December 2009 in the city of Calgary was up 78 per cent from the same time a year ago, while condominiums sales saw an increase of 66 per cent from the same time a year ago.

"What a difference a year makes. Undoubtedly the recovery in Calgary's housing market came sooner than expected this past year," says Bonnie Wegerich, president of CREB®. "Pent up demand by first time buyers, record low mortgage rates and improved affordability have helped bolster the Calgary market in 2009."

December 2009 saw 799 single family homes sold in the city of Calgary. This is a decrease of 27 per cent from 1,095 sales in November 2009. In December 2008, single family home sales totaled 449. The number of condominium sales for the month of December 2009 was 341. This was a decrease of 32 per cent from the 504 condominium transactions recorded in November 2009. In December 2008, condominium sales were 205.

"The same time last year the cards were stacked in favour of the buyer, but this month sales once again show Calgary has returned to a balanced market," says Wegerich. "While our sales did taper off slightly in December, as expected for this time of year, home buying activity in Calgary indicates we are in a sustained recovery." The average price of a single family home in the city of Calgary in December 2009 was \$451,349, showing a decrease of 3 per cent from November 2009, when the average price was \$464,444, and showing an increase of 8 per cent from December 2008, when the average price was \$417,398. The average price of a condominium in the city of Calgary was \$288,640, showing a 2 per cent decrease from November 2009, when the average price was \$294,264 and a 5 per cent increase over last year, when the average price was \$274,919. 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.

(Continued on next page...)



For more information, visit www.creb.com

Happy New Year! 5 GREAT NEW YEAR'S RESOLUTIONS

1. Spend More Time with Family & Friends

Home is where the heart is. Good family and friends are so important, show them you care by inviting them over more often!

2. Get Fit in Fitness

The evidence is in for fitness. Regular exercise has been associated with more health benefits than anything else known to man. Studies show that it reduces the risk of some cancers, increases longevity, helps achieve and maintain weight loss, enhances mood, lowers blood pressure, and even improves arthritis. In short, exercise keeps you healthy and makes you look and feel better.

3. Learn Something New

Have you vowed to make this year the year to learn something new? Perhaps you are considering a career change, want to learn a new language, or just how to fix your computer? Whether you take a course or read a book, you'll find education to be one of the easiest, most motivating New Year's resolutions to keep.

4. Get Out of Debt

Was money a big source of stress in your life last year? Join the millions of Calgarians who have resolved to spend this year getting a handle on their finances. It's a promise that will repay itself many times over in the year ahead.

5. Enjoy Life More

Given the hectic, stressful lifestyles of millions of Americans, it is no wonder that "enjoying life more" has become a popular resolution in recent years. It's an important step to a happier and healthier you!



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The median price of a single family home in the city of Calgary for December 2009 was \$401,000, showing a decrease of 2 per cent from November 2009, when the median price was \$408,000, and up 6 per cent from December 2008, when the median price was \$380,000. The median price of a condominium in December 2009 was \$265,000, showing virtually no change from November 2009, when the median was \$264,900, and up 4 per cent from December 2008, when the median price was \$254,000.

All city of Calgary MLS® statistics include properties listed and sold only within Calgary's city limits. The median price is the price that is midway between the least expensive and most expensive home sold in an area during a given period of time. During that time, half the buyers bought homes that cost more than the median price and half bought homes for less than the median price.

Single family listings in the city of Calgary added for the month of December totaled 806, a decrease of 41 per cent from November 2009 when 1,365 new listings were added, and showing a decrease of 4 per cent from December 2008, when 836 new listings came to the market. Condominium new listings in the city of Calgary added for December 2009 were 444, down 37 per cent from November 2009, when the MLS® saw 705 condo listings coming to the market. This is an increase of 3 per cent from December 2008, when new condominium listings added were 431.

"Our inventory, while lower than last year, still offers a good selection for all ranges of buyers. Typically we see lower inventory at the end of the year with the listing count rising in the spring months. Our absorption rate remains under three months for single family homes, and just under four months for condos. Both are in a balanced market range," Wegerich says.

"As we look to the year ahead, interest rates along with employment will continue to be key factors for a sustained recovery in the housing market. We expect a modest rise in interest rates by the middle of year—and this may spur some buyers to take advantage of low rates before the end of 2010," adds Wegerich.

CREB® is a professional body of 5,393 licensed brokers and registered associates, representing 252 member offices. The board does not generate statistics or analysis of any individual member or company's market share. All MLS® active listings for Calgary and area may be found on the board's website at www.creb.com.

PROPERTY ASSESSMENT

What is Property Assessment?

The City of Calgary Assessment business unit estimates the market value of your property for the purpose of distributing fair and equitable taxation.

We are governed by the Municipal Government Act of the Province of Alberta. The estimated value we place on your property comes from the measurement, analysis and interpretation of the real estate market.

Property assessment is the estimated value of a property used for Municipal and Provincial taxation purposes. The formula used to determine your property tax is:

Property assessed value x Tax Rate = Your property tax levy.

July 01, 2009 Valuation Date

Your Property Assessment Notice reflects the estimated market value of your property based on the valuation date of July 01, 2009, as set by the Municipal Government Act. Real estate market conditions may change from the time of the valuation date to when you receive your 2010 assessment. Market changes that have occurred since July 01, 2009 will be reflected on your 2011 annual market value assessment, which will be mailed in January 2011. Your 2011 assessment will be based on a July 01, 2010 valuation date.

Mass Appraisal

Mass appraisal is the process of valuing a group of properties as of a given date using standard methodology, employing common data and allowing for statistical testing. The process is based on mass appraisal models that are an expression of how supply and demand factors interact in the real estate market.

Residential Property Assessment

When we prepare residential assessments, we typically look at all similar properties within a similar area that are sold during the same timeframe. When properties are sold, there is a range of sale prices. Assessed values are based on these prices. This is called the sales comparison approach to valuation.

Multi-Residential Property Assessment

For multi-residential property assessments we use the income approach to valuation – capitalize the income being generated by the property.

Non-residential Property Assessment

In determining non-residential assessments, we use one of three approaches to value, depending on the type of non-residential property:

- * Sales comparison approach – sales of similar properties.
- * Income approach – capitalize the income being generated by the property.
- * Cost approach – land value plus the depreciated replacement cost of the property.



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