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RED DEER 2004-2014 RESIDENTIAL MARKET ANALYSIS

Soderquist Appraisals Ltd. - Real Estate Appraisals and Consulting

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RED DEER 2004-2014 RESIDENTIAL MARKET ANALYSIS

This report is an analysis of MLS System® data for the City of Red Deer for the eleven year period 2004-2014. The report has been separated into two sub-markets:

- **Red Deer Residential Condominium Market:** An analysis of 2,200 residential condominium unit transactions in the City of Red Deer during the 2004-2014 period.
- **Red Deer Residential Market Excluding Condominiums:** An analysis of 17,673 residential transactions (excluding residential condominium units), in the City of Red Deer during the 2004-2014 period.

The following metrics are used in this analysis:

- **Number of Active Listings / Number of Sales:** Represents the size of the market in terms of supply and demand on a monthly basis.
- **Sale / Listing Ratio:** Calculated by dividing the number of sales in a month by the number of active listings in the same month. A high ratio suggests a “sellers market” and a low ratio suggests a “buyers market.” This metric is generally considered as a leading indicator of trend changes in Average Selling Price.
- **Average Selling Price:** Average of all selling prices each month.
- **Average Days to Sell:** Average of all actual “Days to Sell” for each sale that month. This metric is generally considered as a leading indicator of trend changes in Average Selling Price.
- **Sale/Listing Ratio - Days to Sell - Average Selling Price:** An analysis of twelve month moving average trend lines.

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RED DEER RESIDENTIAL CONDOMINIUM MARKET

TABLE 1: Number of Active Listings / Number of Sales

TABLE 2: Sale / Listing Ratio

TABLE 3: Average Selling Price

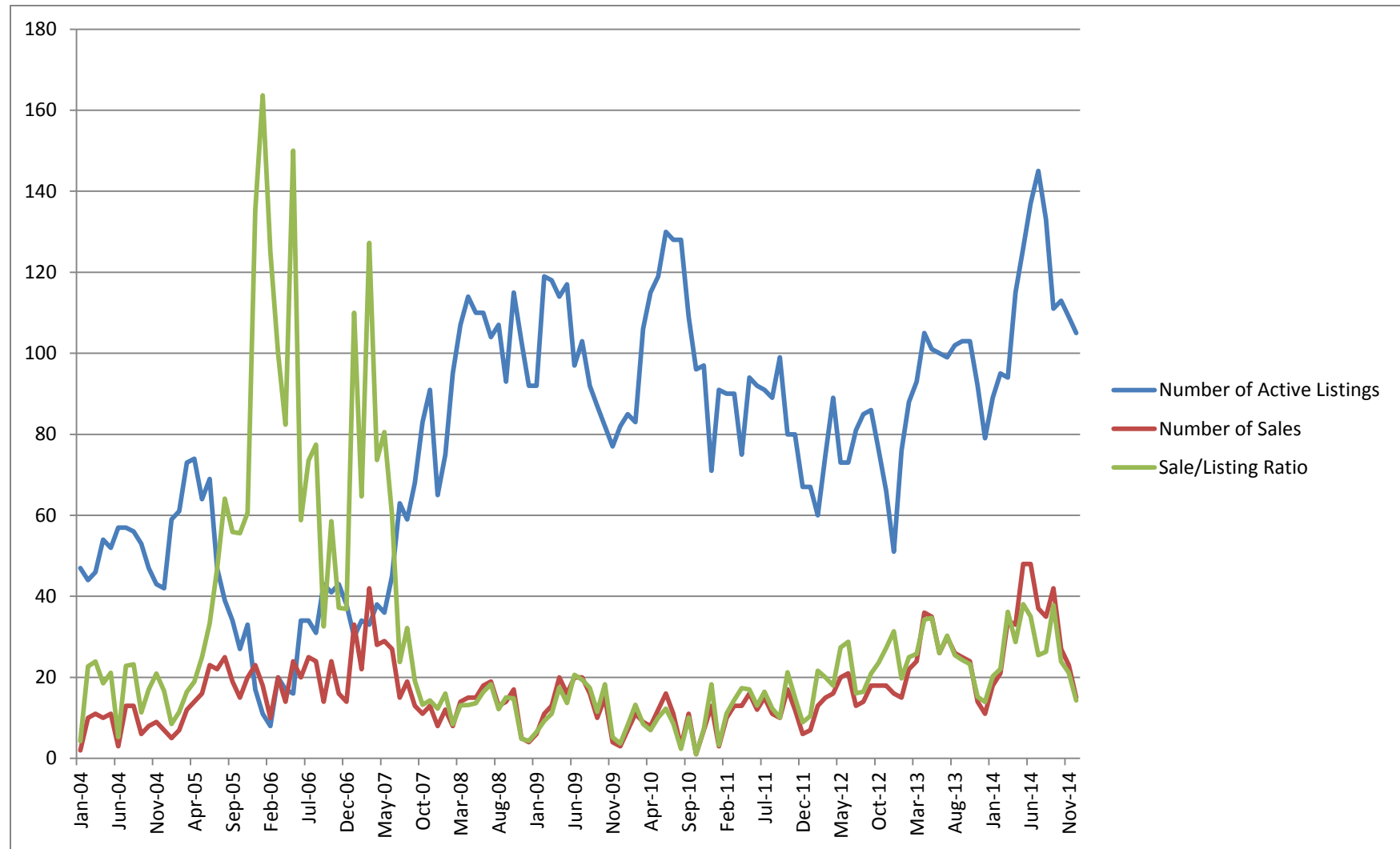
TABLE 4: Average Days to Sell

TABLE 5: Sale/Listing Ratio – Days to Sell – Average Selling Price

COMMENTS: Tables 1-5

TABLE 1: NUMBER OF ACTIVE LISTINGS / NUMBER OF SALES

RED DEER RESIDENTIAL CONDOMINIUM MARKET

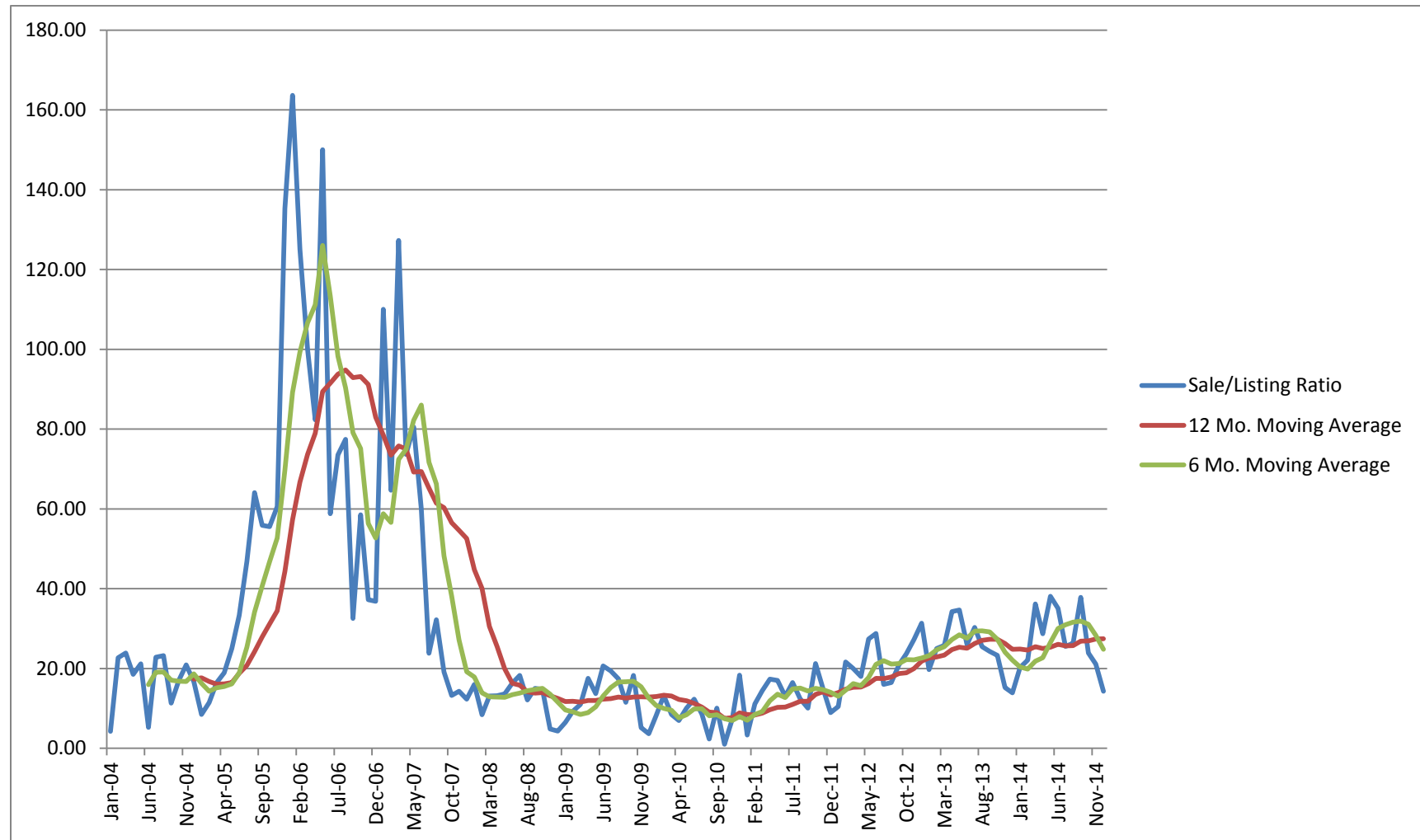


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TABLE 2: SALE / LISTING RATIO

RED DEER RESIDENTIAL CONDOMINIUM MARKET

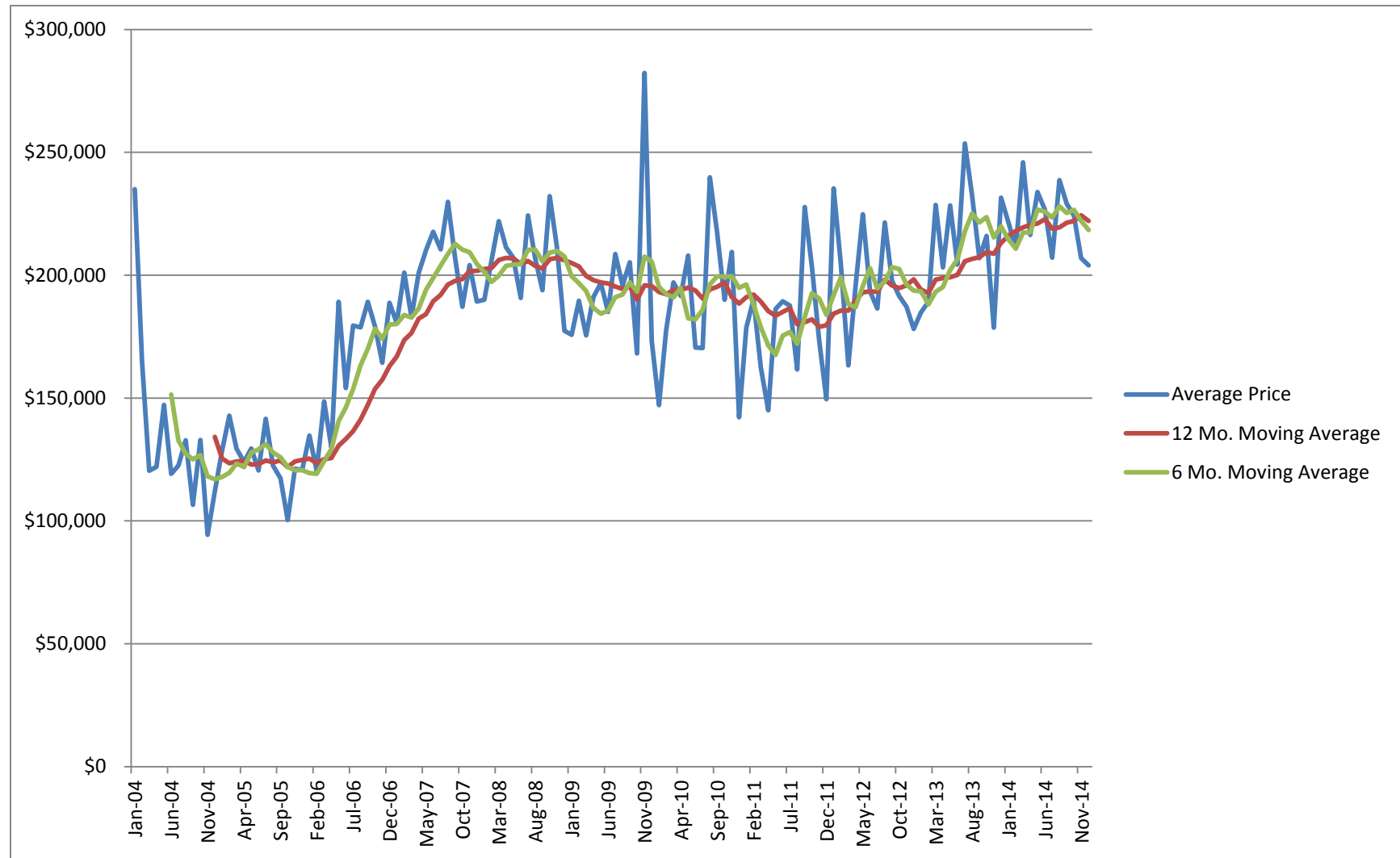


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TABLE 3: AVERAGE SELLING PRICE

RED DEER RESIDENTIAL CONDOMINIUM MARKET

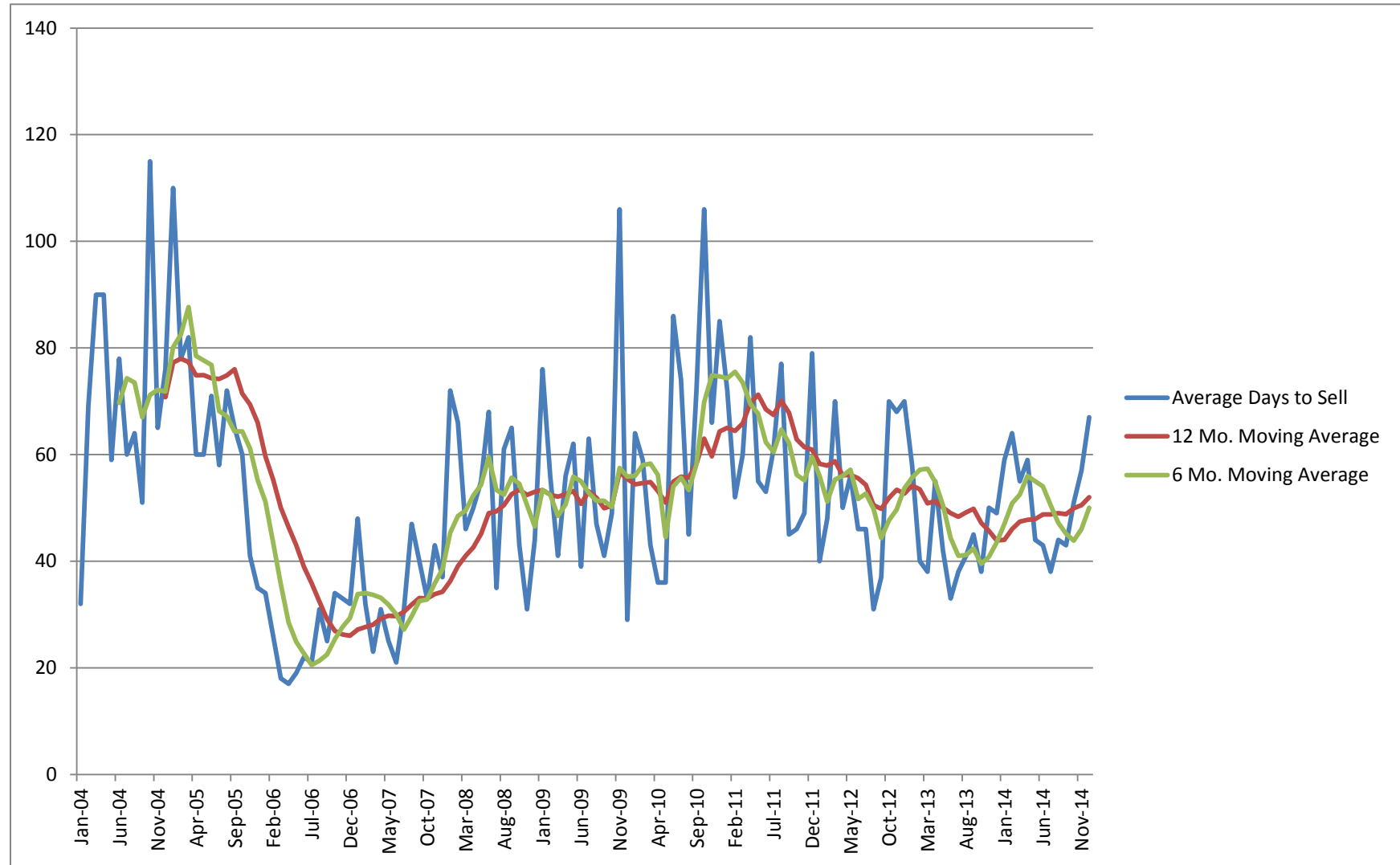


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TABLE 4: AVERAGE DAYS TO SELL

RED DEER RESIDENTIAL CONDOMINIUM MARKET

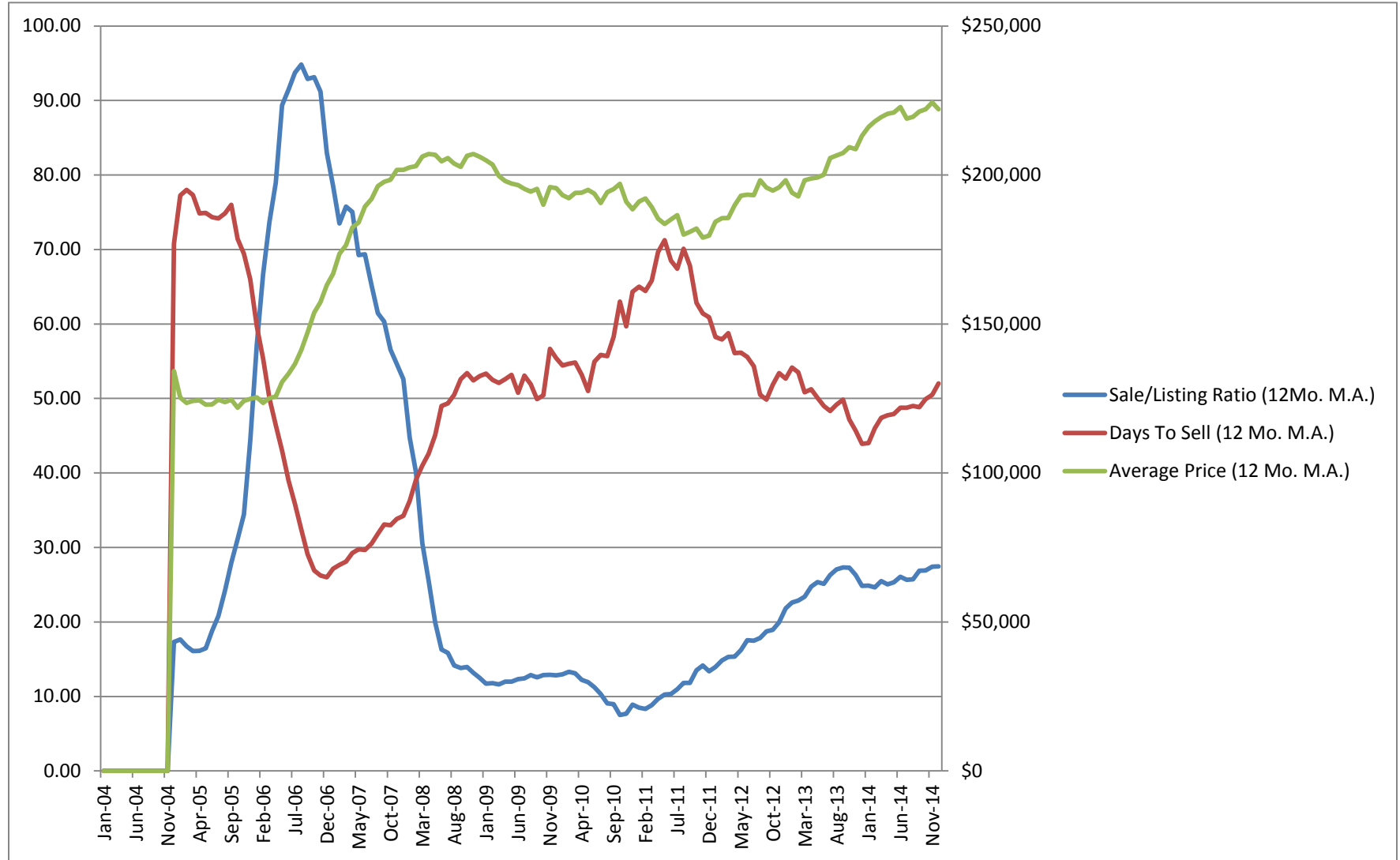


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TABLE 5: SALE/LISTING - DAYS TO SELL - AVERAGE SELLING PRICE

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COMMENTS: Tables 1-5

In general the data illustrated in Tables 1-5 indicates that the Red Deer Residential Condominium market peaked during the 2005-2007 period, was at a trough during the 2008-2011 period, and grew during 2012, 2013, and 2014.

The **Number of Active Listings / Number of Sales** analysis (Table 1) indicates a general increase in both supply (listing) and demand (sales) during 2012-2014. This suggests the size of this market is increasing, however it is noted that both metrics displayed downward trends in the second half of 2014.

The **Sale / Listing Ratio** analysis (Table 2) clearly bottomed out during 2008-2011, and recovered during 2011-2013. It is noted that this metric was basically flat during all of 2014.

The **Average Selling Price** analysis (Table 3) grew sharply during 2006-2007. During the four year 2008-2011 period prices trended lower, and then began recovery in 2012 which continued into 2013 and 2014.

The **Average Days to Sell** analysis (Table 4) shows a market peak in 2006 with a sharp reversal beginning thereafter. This metric shows a trough in early 2011 with tighter Average Days to Sell until early 2014. Average Days to Sell increased throughout 2014.

The **Sale/Listing Ratio – Days to Sell – Average Price** analysis (Table 5) shows that a trend change in the Sale/Listing Ratio precedes a trend change in Average Price by about six months, and that a trend change in Days to Sell precedes a trend change in Average Price by about 12-24 months. It can be seen on Table 5 that the Sale/Listing Ratio trend leveled off in late 2013, and that the 2011-2013 Days to Sell downward trend did a complete reversal in early 2014.

The data suggests that a trend change in Average Price in the Red Deer Residential Condominium Market may be on the horizon in 2015.

RED DEER RESIDENTIAL MARKET EXCLUDING CONDOMINIUMS

TABLE 6: Number of Active Listings / Number of Sales

TABLE 7: Sale / Listing Ratio

TABLE 8: Average Selling Price

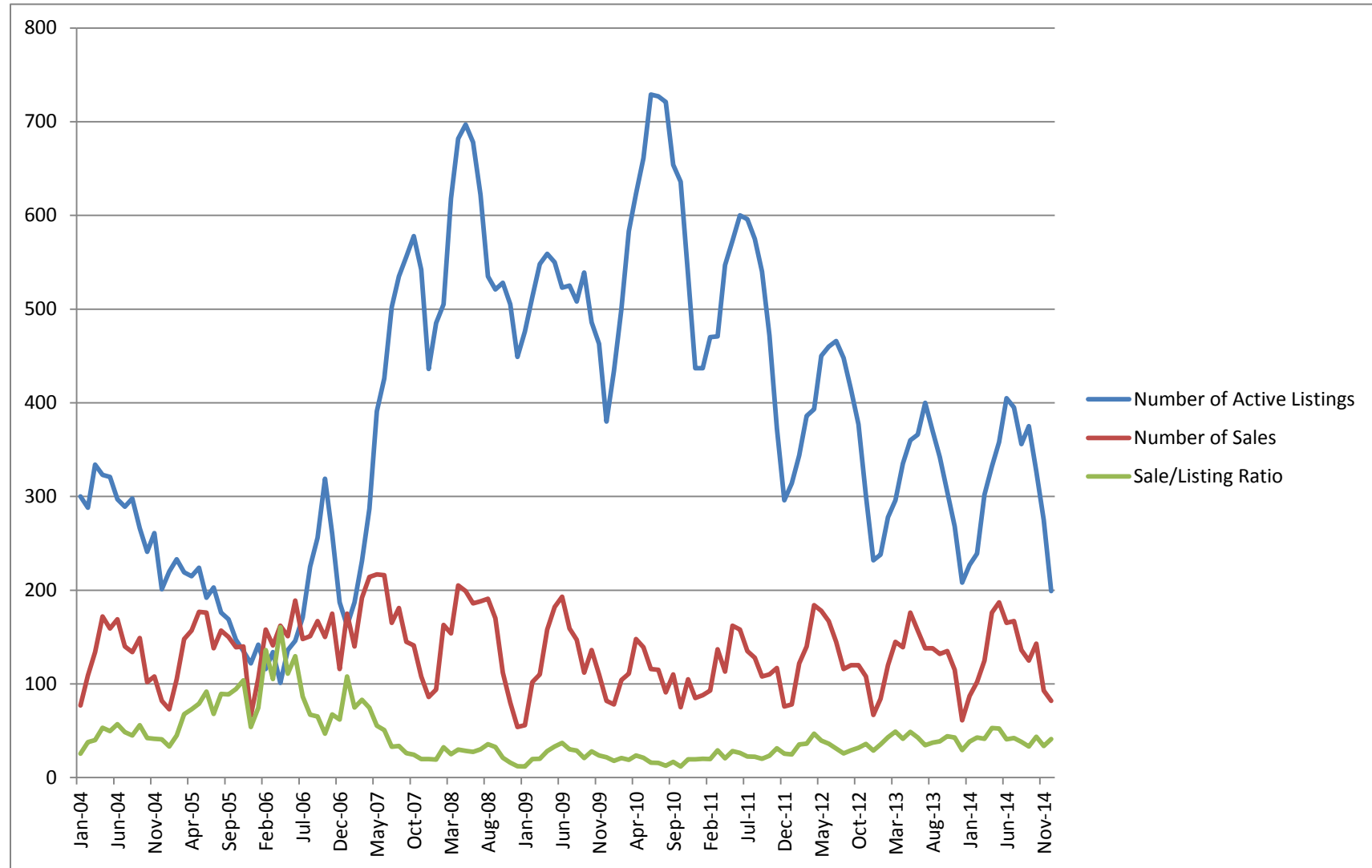
TABLE 9: Average Days to Sell

TABLE 10: Sale/Listing Ratio – Days to Sell – Average Selling Price

COMMENTS: Tables 6-10

TABLE 6: NUMBER OF ACTIVE LISTINGS / NUMBER OF SALES

RED DEER RESIDENTIAL MARKET EXCLUDING CONDOMINIUMS

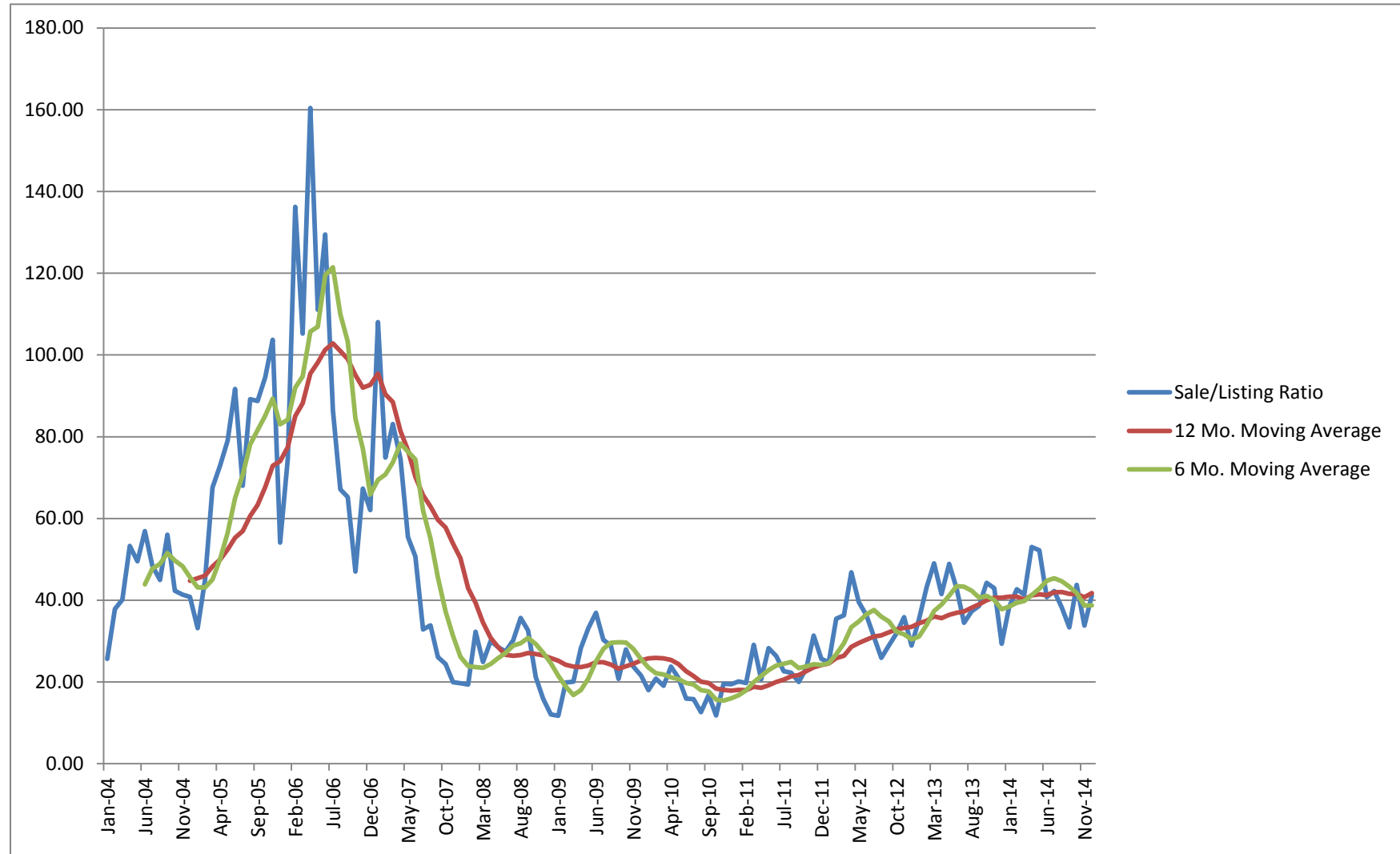


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TABLE 7: SALE / LISTING RATIO

RED DEER RESIDENTIAL MARKET EXCLUDING CONDOMINIUMS



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TABLE 8: AVERAGE SELLING PRICE

RED DEER RESIDENTIAL MARKET EXCLUDING CONDOMINIUMS

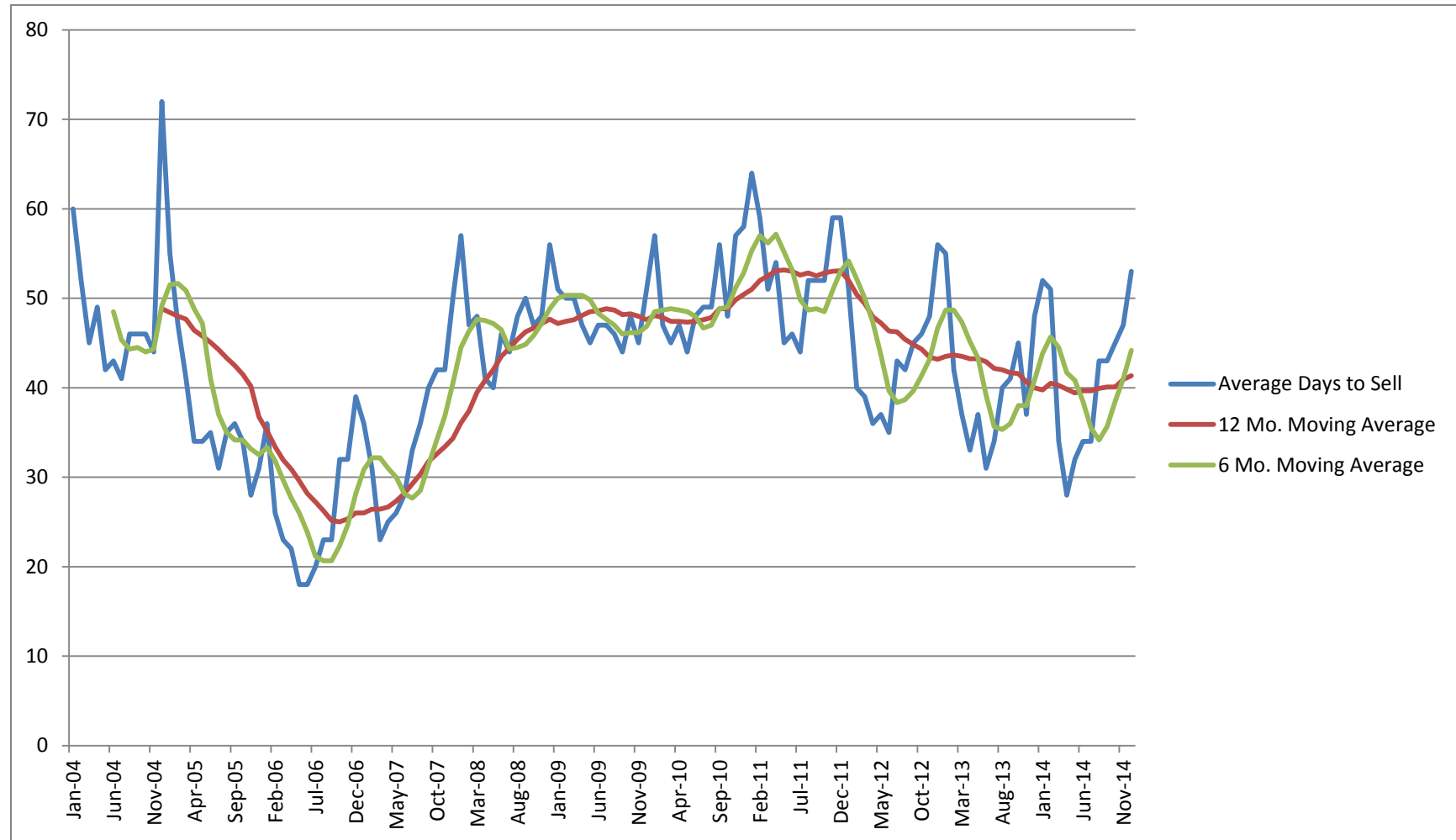


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TABLE 9: AVERAGE DAYS TO SELL

RED DEER RESIDENTIAL MARKET EXCLUDING CONDOMINIUMS

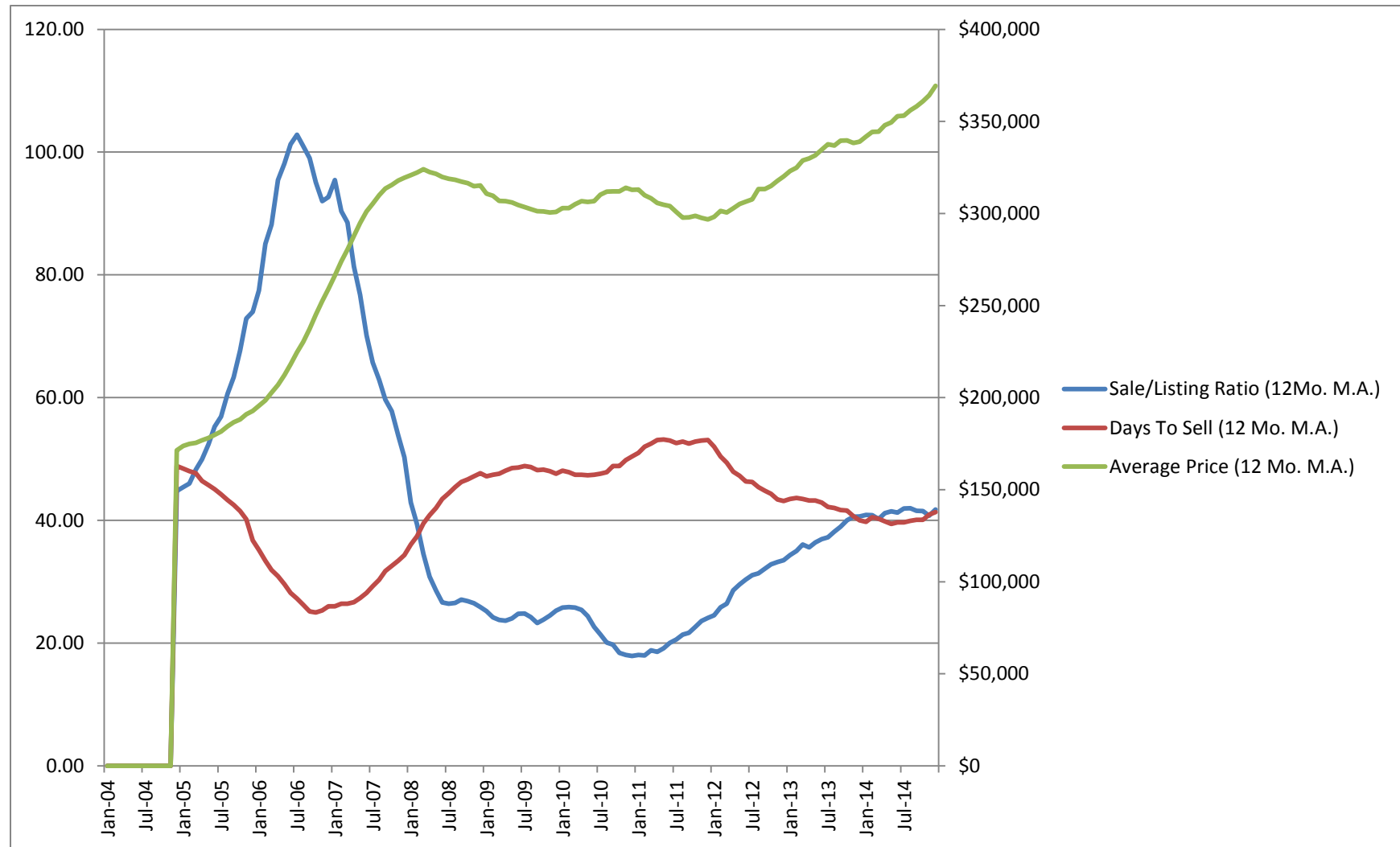


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TABLE 10: SALE/LISTING - DAYS TO SELL - AVERAGE SELLING PRICE

RED DEER RESIDENTIAL MARKET EXCLUDING CONDOMINIUMS



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COMMENTS: Tables 6-10

In general the data illustrated in Tables 6-10 indicates that the Red Deer Residential Condominium market peaked during the 2006-2008 period, was at a trough during the 2008-2011 period, and has shown slow growth in Average Price during 2012, 2013, and 2014.

The **Number of Active Listings / Number of Sales** analysis (Table 6) shows a sharp increase in supply (listings) during the 2006-2010 period, following which the trend reverses and has been decreasing during the 2011-2014 period. Interestingly demand (sales) has been in a general sideways trend for the entire fourteen year period.

The **Sale / Listing Ratio** analysis (Table 7) clearly peaked during the 2005-2007 period and bottomed out during the 2009-2010 period. Recovery began in 2011 and continued into 2012 and 2013, but slowed during 2014.

The **Average Selling Price** (Table 8) grew sharply during the 2005-2007 period. During the four year 2008-2011 period prices trended generally lower. Recovery began in 2011 which continued into 2012, 2013, and 2014.

The **Average Days to Sell** analysis (Table 9) shows a market peak in mid-2006 with a reversal beginning thereafter. This metric shows a trough in 2011. In 2012 the trend reversed with shorter Average Days to Sell until early 2014. Average Days to Sell trended slightly higher throughout 2014.

The **Sale/Listing Ratio – Days to Sell – Average Price** analysis (Table 10) suggests that a trend change in the Sale/Listing Ratio precedes a change in Average Price by about 12-24 months, and that a trend change in Days to Sell precedes a trend change in Average Price by about 6-18 months. This analysis shows that the Sale/Listing Ratio trend leveled off in mid-2013, and the Days to Sell downward trend leveled off in 2013 and 2014.

The data suggests that a trend change in Average Price may be on the horizon for the Red Deer Residential market in 2015.



Soderquist Appraisals Ltd is a full service real estate appraisal and consulting firm providing valuation and consulting services on virtually every real estate property type. Located in Red Deer, Alberta we provide our services throughout western and northern Canada. For more information about Soderquist Appraisals Ltd please visit our web site at:

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