

Real estate starts to soar Active month suggests trend for sales year

Cassandra Kyle

The StarPhoenix

Wednesday, March 03, 2010

Saskatoon's residential real estate market is off to a hot start after February home sales jumped 12 per cent over 2009.

Harry Janzen, executive officer of the Saskatoon Region Association of Realtors (SRAR), said it's becoming clear 2010 will be an active year for the sector -- a change from 2009, which saw a lengthy market correction and relative sales stability.

"We're starting to see in certain areas now where we could use more inventory in certain price ranges and styles of homes," Janzen said Tuesday. "Of course demand dictates price, and (if) people want those homes and there isn't as much inventory then we will see an upward trend in house prices."

While the industry is preparing for a busy year, Janzen said 2010 won't be anything like what the city went through in 2007 and 2008.

"We're already seeing the odd situation where we have multiple offers on properties and again -- we're talking maybe two or three offers at one time rather than the buying frenzy we saw in 2007 -- but certainly that's indicating that there is demand for good, solid residential property."

SRAR's figures show a total of 236 homes were purchased in the city in February, a

12 per cent increase from the same month in 2009, when 219 homes found new owners.

February's sales averaged \$291,056 per home, a four per cent increase in price over last year when February's average selling price was \$280,784.

Realtors listed 464 homes in February, an 18 per cent drop from the same time last year. At the end of the month, 866 houses were up for sale in the city.

Janzen said the figures are encouraging.

"Again, it just verifies there is definite confidence in the economy," he said. "People are also responding to the fact that right through 2009 we had a very level market so we didn't have a lot of increases or decreases, which typically causes people to take sort of a wait-and-see (approach)."

Last month, buyers eyed more homes in the \$300,000 and \$350,000 price range rather than the typical \$250,000 to \$300,000 range. It's another indicator, Janzen said, of the growing demand for pricier homes.

Demand has picked up in all areas of Saskatoon, he said, but especially in existing neighbourhoods located close to new residential areas that are under construction.

Outside of the city, home sales dropped slightly last month. According to SRAR data, 38 homes sold in Saskatoon's surrounding communities in February, down from 44 sales in February 2009.

The average price for a home outside of the city rose three per cent last month to \$265,011.

Year-to-date, 307 homes have been listed for sale outside of the city, a seven per cent drop from this time last year.

Janzen believes the residential market in the region will continue to show strength leading up to the spring months.

ckyle@sp.canwest.com

© The StarPhoenix (Saskatoon) 2010

CLOSE WINDOW

Copyright © 2010 CanWest Interactive, a division of CanWest MediaWorks Publications, Inc.. All rights reserved.
CanWest Interactive, a division of CanWest MediaWorks Publications, Inc.. All rights reserved.