

November, 2011

In preparing to write this newsletter I recently reviewed a copy of the Highlights of the Alberta Economy 2011 prepared by Alberta Finance and Enterprise. Reading this report I am struck at how fortunate we are to live in Alberta. Here is a quote expressing Alberta's economic leadership "In 2010, the Alberta economy recovered from the global recession and expanded by an estimated 3.8 per cent. Private sector forecasts suggest that Alberta is seeing strong economic growth in 2011 and is poised to lead the country again in 2012.

The Alberta economy current strength and the delayed recovery in the Calgary housing market have put Calgary in an enviable position in that housing affordability is back. As the most recent RBC Housing Trends and Affordability report discusses "Owning a home in the area (Calgary) continues to be close to the most affordable that it has been in almost six years. Notwithstanding the latest bout of uncertainty, we believe that the strong economic fundamentals of Alberta and Calgary will find their way into the housing market and will support homebuyer demand in the period ahead".

The Bank of Canada is also in no rush to increase short term rates, given the actions of the other North American and European central banks. The latest projection is that they have likely pushed out a call for the next rate hike until the second half of 2012.

All this combined is pointing to a recovery in the market. We have had a few false starts over the last few years but once consumer confidence returns the housing market is poised for a health rebound.

If you would like to discuss the market in detail or would like us to update you on the value of your home please do not hesitate to call. Our preferred mortgage broker Jason Dodd with Verico Maximum Mortgage Inc. is also available to help you with any question you may have on interest rates or mortgage options. He can be reached at 403-815-0565.

As always if you or someone you know is considering a move, Lone and I would be honoured if you passed along our names. We promise to give your referral the same uncompromising service that you have come to expect from us. You can reach us at 403-685-2413 or toll free at 1-888-681-6683.

Here are the online addresses if you are interested in viewing the full reposts mentioned in this update.

http://albertacanada.com/documents/SP-EH_highlightsABEconomy.pdf

<http://www.rbc.com/economics/market/pdf/house.pdf>

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