



What's *Really* Happening in the Real Estate Market

Calgary Insight with Chris Grier

March 2019

Sales for February are down over this time last year and inventory is up. Both metrics are exceeding the extremes experienced during the 2007-2008 financial crises.

Calgary's economic climate has remained stagnant. High unemployment rates, combined with concerns regarding layoffs in the energy sector are putting downward pressure on the housing market. A glut of new apartment condos coming into the market in the last couple years has not helped.

Inventories in September totaled 5885 units which pushed the months of supply to 6.03. The unadjusted citywide benchmark price totaled \$414,4000 which is roughly equivalent to last month,

however it is 4.6% below last year and roughly 10% below 2014 highs.

Detached single family benchmark prices are down 5.3% over this time last year and 4.2% for the year. Last year experienced a year over year decrease of 1.4% over 2017 totals, with roughly stagnant year over year benchmark price changes in January and February. This appears to suggest the market is increasingly trending downwards.

Apartment benchmark prices are down 1.7% over this time last year and 1.9% for the year. This decline is driven largely by the oversupply of new condos in the market with older supply experiencing the heaviest decline.

Days on market is at a near record high of 64 days for February with a year to date average of 67 days which is an increase over 2018 at 53 days and 2017 at 45 days.

The rental market is showing continued signs of growth with vacancy rates dropping for the second straight year from 6.3% in October 2017 to 3.9% in October 2018 and average two bedroom rates increasing by roughly 2% over the same time period.

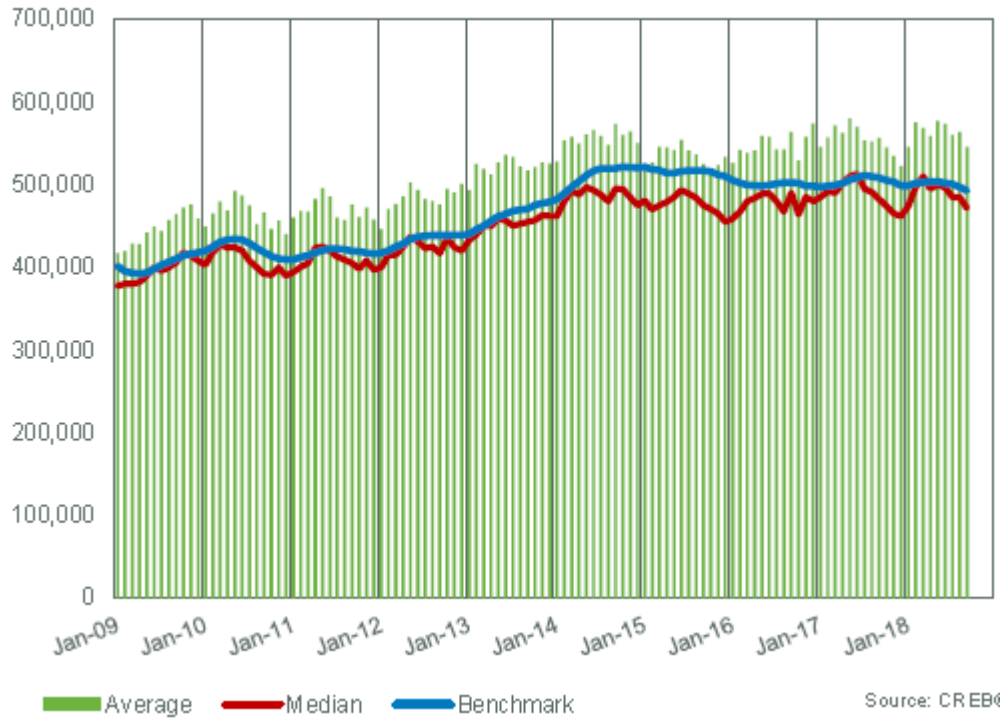
According to ATB, the number of new homes that are completed but vacant across Alberta has reached record highs to start the year further suggesting that prices are likely to continue dropping in 2019.

Snapshot of the Past 5 years Statistics for the Calgary Real Estate Market

Edmonton	2018	2017	2016	2015	2014
House Avg. Price	\$545,471	\$556,463	\$563,643	\$524,987	\$573,897
Median Price	\$471,750	\$482,500	\$490,000	\$475,000	\$495,000
Condo Avg. Price	\$300,853	\$283,796	\$303,202	\$295,954	\$325,325
Median Price	\$249,500	\$247,500	\$280,000	\$265,000	\$293,500
Total Sales	1,272	1,460	1,479	1,449	2,142
Inventory (Month End)	7,947	6,882	5,881	5,599	4,805

Detached Price Comparison

PRICE COMPARISON



Apartment Condo Price Comparison

PRICE COMPARISON

