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## With low supply and high demand, Calgary home prices are trending up

*Calgary's housing market is expected to stay strong this year due to growing demand from high rates of immigration to the city and less than two months worth of stock*

**Josh Aldrich** - Published Jan 13, 2023



Chinook clouds frame recently built homes in the Livingston development on the northern edge of Calgary on Thursday, January 12, 2023. The Calgary census metropolitan area population grew by 3.1 per cent in 2021–22, the highest-such growth rate in the Prairies, according to new Statistics Canada data. PHOTO BY GAVIN YOUNG /Postmedia

Single-family detached houses dropped in value over the final quarter of 2022 in Calgary, according to a report out by Royal LePage on Friday morning.

Median prices dropped 1.8 per cent to \$686,500, down from \$699,100 at the end of September, despite a seller's market with low supply.

Corrine Lyall, broker and owner of Royal LePage Benchmark in Calgary, said in an interview that the hike in interest rates by the Bank of Canada is slowing activity, particularly in the more expensive stratas.

"The lower-end market is still incredibly strong and there's very little inventory and there's still multiple offers," she said. "It's just at the higher range, where, of course, interest rates have had an impact on the buying ability of a lot of people."

Despite the drop in price, single-detached homes still finished up 3.9 per cent year-over-year and expectations are the market will remain strong in 2023. This is due to growing demand from high rates of immigration to the city and less than two months' worth of stock.

Royal LePage forecasted in December that median prices would crest \$700,000 this year, a projection Lyall was not prepared to back off of.

It was a similar situation in the condo market, where median prices remained virtually flat at \$233,700 — a drop of \$700 from the previous quarter. Prices year-over-year were also up four per cent for the apartment and townhouse segment.

Less than two months of supply in the condo market is developing a situation similar to the single-detached housing market.

Lyall said the first three months of a year are generally slower, but this year is particularly challenged by low stock. Activity normally picks up around March, but she is unsure what will happen this year due to resistance from potential sellers to list because of the high interest rates.

With the Bank of Canada overnight targets increasing 400 basis points since March to 4.25 per cent, many homeowners face a much higher interest rate than what they currently have if they were to sell and buy a new property.

"What we need are more listings," she said. "Those sellers that have been sitting on the fence, we're hoping to draw them out and hopefully get their houses on the market so it gives our buyers more choices as to what's available."



Construction continues on new homes in the Livingston development in north Calgary on Thursday. PHOTO BY GAVIN YOUNG /Postmedia

Lyall said the best chance is in looking to those with expiring mortgages and facing an increase to their rate already.

Up Highway 2, Edmonton had a median sale price of \$464,500, down 3.8 per cent since Q3 and 1.1 per cent year-over-year. The median price for a condo in the provincial capital was \$194,100, down 5.9 per cent in the quarter, but up \$500 for the year.

Median prices for a single-family home were still highest in the Greater Vancouver Area at \$1,643,900, despite dropping 3.9 per cent since the third quarter and down 3.7 per cent for the year. West Vancouver, specifically, was at \$2,614,000 as the priciest locale in Canada, even with a 5.1 per cent drop from the third quarter, down six per cent over the last 12 months.

Prices in the Greater Toronto Area also dropped in the third quarter by 1.4 per cent to \$1,325,900, down 6.7 per cent for the year.

Nationally, median prices on single-family homes fell three per cent in the quarter to \$781,900 and 3.7 per cent year-over-year. Condos held up better with a median price of \$561,600, down 0.8 per cent for the quarter but still up 1.4 per cent for 2022.