

Red Deer Home Prices Continue to Decline in the Second Quarter of 2017

Inventory levels across Red Deer continue to grow, leading to further reductions in home prices

RED DEER, July 13, 2017 – According to the Royal LePage House Price Survey¹ and Market Survey Forecast released today, the aggregate² price of a home in Red Deer saw a moderate decline in the second quarter of 2017, dropping 2.0 per cent year-over-year to \$342,304.

When broken out by housing type, the median price of a two-storey home fell by 5.4 per cent year-over-year to \$368,924, while the median price of a bungalow rose by 3.4 per cent over the same period of time to \$336,522.

“While some areas of Alberta have witnessed an upward pressure on pricing, inventory levels across Red Deer continue to grow, intensifying the region’s buyer’s market,” said Norm Jensen, co-owner, Royal LePage Network Realty Corp. “With more options available, prospective homeowners simply have more power at the negotiating table, leading to further reductions in pricing.”

Looking ahead to end of the year, Jensen forecasts that sales activity within the region will slightly surpass levels achieved in 2016, as consumer confidence continues to strengthen on the back of improved oil prospects.

“Though house prices have continued to wane across Red Deer, there are many reasons to be optimistic about the future of our real estate market,” concluded Jensen. “As confidence within the oil sector slowly continues to grow, so too does faith within the region’s real estate market, causing more and more purchasers to search for a home under the assumption that there is nowhere to go but up from here.”

Nationally, Canada’s residential real estate market posted strong home price gains in the second quarter of 2017, with the majority of metropolitan markets across Canada displaying expansionary trends. During the quarter, the Royal LePage National House Price Composite showed that the price of a home in Canada increased 13.8 per cent year-over-year to \$609,144. When broken out by housing type, the price of a two-storey home rose 14.6 per cent year-over-year to \$725,391, while the price of a bungalow increased by 10.7 per cent to \$511,965. Over the same period, the price of a condominium climbed 13.4 per cent to \$397,826.

“Following a period of unprecedented regional disparity in activity and price appreciation, we are now seeing a return to healthy growth in the majority of Canadian housing markets,” said Phil Soper, president and CEO, Royal LePage. “The white-hot markets are moderating to very warm; the depressed markets are beginning to grow again. Canadian housing is in great shape – a statement that I certainly did not make last quarter.”

¹ Powered by Brookfield RPS

² Aggregate prices are calculated via a weighted average of the median values of homes for reported property types in the regions surveyed

“The rate of national house price appreciation that we experienced in the second quarter continues to be above what we would consider a normal range, driven primarily by very strong year-over-year price growth across much of Ontario,” continued Soper.

Looking ahead to the remainder of the year, Royal LePage forecasts that the national aggregate price of a home will increase by 9.5 per cent in 2017 to \$617,773 when compared to year-end, 2016.

About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 53 of the nation’s largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, Brookfield RPS, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

About Royal LePage

Serving Canadians since 1913, Royal LePage is the country’s leading provider of services to real estate brokerages, with a network of over 17,000 real estate professionals in more than 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women’s and children’s shelters and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

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