

## Home Prices in Calgary See Healthy Growth in Fourth Quarter of 2017

*Economic stability supports housing market expansion in the region*

**CALGARY, January 10, 2018** – According to the Royal LePage House Price Survey<sup>1</sup> released today, the aggregate price of a home in Calgary saw healthy growth in the fourth quarter of 2017, rising 4.4 per cent year-over-year to \$479,352.

When broken out by housing type, the median price of a two-storey home increased 4.1 per cent year-over-year to \$517,913, while the median price of a bungalow increased 7.9 per cent to \$512,531. During the same period, the median price of a condominium saw a moderate decrease, dipping 1.7 per cent year-over-year to \$298,735.

“The economy has been more buoyant in the last year and we’re seeing consumers gain confidence in the Calgary housing market,” said Corinne Lyall, broker and owner, Royal LePage Benchmark. “A number of factors have contributed to increasing demand in recent quarters. In addition to gains in employment and improved consumer confidence, the looming threat of interest rates rising and the new Office of the Superintendent of Financial Institutions’ stress test rules have enticed consumers to get into the market ahead of higher mortgage financing costs.

“Calgary’s economy is continuing in its recovery and we expect to see housing market activity grow as we enter the new year,” concluded Lyall.

Nationally, Canada’s residential real estate market saw strong, but slowing year-over-year price growth in the fourth quarter of 2017. The Royal LePage National House Price Composite, compiled from proprietary property data in 53 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 10.8 per cent year-over-year to \$626,042 over the three-month period. When broken out by housing type, the median price of a two-storey home rose 11.1 per cent year-over-year to \$741,924, and the median price of a bungalow climbed 7.1 per cent to \$522,963. During the same period, the median price of a condominium appreciated faster than any other housing type studied, rising 14.3 per cent to \$420,823 on a year-over-year basis.

“To prospective homeowners in our largest cities, condominiums represent the last bastion of affordability,” said Phil Soper, president and CEO, Royal LePage. “This is especially true for first-time buyers whose purchasing power has been reduced by tightening mortgage regulations.”

In line with Royal LePage’s previous [Market Survey Forecast](#), Royal LePage predicts that the price of a home in Canada will increase 4.9 per cent by the end of 2018. Looking ahead, the company anticipates that the new OSFI stress test will slow the housing market in the first half of 2018, as buyers adjust their expectations and many market participants take a “wait and see” approach.

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<sup>1</sup> Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

“The unsustainably high rates of home price appreciation witnessed in recent years in B.C. and Ontario were dangerous to the stability of not only the housing market, but to the broader economy itself,” continued Soper. “Policy measures like the OSFI stress test will quell runaway housing inflation to an extent. However, we do foresee an upswing in demand in the latter portion of the year, as prospective buyers adjust to the new realities. To put it another way, the demand is still there.”

### **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, RPS Real Property Solutions, 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 close to 18,000 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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