

Calgary Home Values Remain Steady in Fourth Quarter

Ongoing slump in condominium prices overshadow price appreciation gains in detached segments

CALGARY, January 11, 2019 – According to the Royal LePage House Price Survey¹ released today, the aggregate home price in Calgary increased 1.3 per cent to \$484,462 in the fourth quarter of 2018.

When broken out by housing type, the median price of a two-storey home rose 2.0 per cent to \$530,840. Bungalows also rose in value in the fourth quarter, increasing 1.7 per cent year-over-year to \$517,573. Meanwhile condominiums decreased 3.5 per cent year-over-year to \$279,745.

“Calgary’s real estate market in 2018 was affected by a confluence of lackluster oil prices, new mortgage rules, and rising interest rates. Although we saw some market improvement in full-time employment and increased migration from the last 12-18 months, the market continues with higher than normal inventory levels and slower sales, which limits price appreciation growth,” said Corinne Lyall, broker and owner, Royal LePage Benchmark. “It’s important to note that interest rates are still low despite the increases seen during last year, and as buyers adapt to the mortgage changes, we are starting to see some demand return. Currently, with increasing residential vacancy rates due to migration and higher downtown office vacancies, there are some attractive opportunities for investors and companies considering a move to Calgary.”

Lyall added that while sales are down compared to last year, homes listed below \$450,000 are the most active market segment.

Nationally, year-over-year home prices made healthy gains in many regions across Canada in the fourth quarter of 2018. The Royal LePage National House Price Composite, compiled from proprietary property data in 63 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 4.0 per cent year-over-year to \$631,223 in the fourth quarter of 2018. When broken out by housing type, the median price of a two-storey home rose 3.9 per cent year-over-year to \$745,007, while the median price of a bungalow climbed 1.5 per cent to \$516,950. Condominiums continued to see the highest rate of appreciation nationally when compared to the detached segment, rising 7.2 per cent year-over-year to \$447,915.

“The invisible hand that guides our complex economy hit the real estate reset button in 2018 and that is a good thing,” said Phil Soper, president and CEO, Royal LePage. “Major market home price inflation through much of the decade had led to dangerous overheating in our most

¹ 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.



populous regions. Government regulatory intervention and rising interest rates, when combined with property price overshooting, triggered the correctional cycle we find ourselves working through today.”

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