

First Quarter Edmonton Home Prices Decline As Inventory Remains High

Region remains in buyer's market

EDMONTON, April 4, 2019 – According to the Royal LePage House Price Survey¹ released today, year-over-year home prices in Edmonton declined modestly in the first quarter of 2019 by 1.0 per cent to \$371,782.

The median price of a two-storey home went down 2.1 per cent year-over-year to \$420,656. The median price of a bungalow increased by 1.3 per cent to \$375,582.

“Home prices are down but they’ve reached a price floor,” says Tom Shearer, broker and owner, Royal LePage Noralta Real Estate. “We’ve already seen the drop and now we are in a relatively flat market.”

Shearer added that the impact of the OFSI stress test on Edmonton was felt most by move-up buyers and investors interested in purchasing rental properties. As a result, the new federal housing incentives announced last month may not have much impact in the region.

“First-time homebuyers do quite well in Edmonton,” Shearer emphasizes. “The stress test limited purchasing power for other buyer groups, creating an expectation gap behind what they want and what they can afford.”

On a quarter-over-quarter basis, the aggregate price of a home in Edmonton is expected to remain relatively flat, dipping 0.4 per cent to \$370,416 in the second quarter of 2019.

Nationally, year-over-year home prices showed moderate gains in many regions across Canada in the first quarter of 2019. 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 just 2.7 per cent year-over-year to \$621,575 in the first quarter of 2019, well below the long-term norm of approximately 5 per cent. When broken out by housing type, the median price of a two-storey home rose 2.6 per cent year-over-year to \$729,553, while the median price of a bungalow rose 1.1 per cent year-over-year to \$513,497. Condominiums remained the fastest growing housing type on a national basis, rising 5.4 per cent year-over-year to \$447,260.

“We are expecting this to be a sluggish year overall in Canada’s residential real estate market, with the hangover from the 2018 market correction and weaker economic growth acting as a

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.



drag on home price appreciation, balanced by lower for longer interest rates,” said Phil Soper, president and CEO, Royal LePage. “There is a silver lining here. This slowdown gives buyers, and first-time buyers in particular, an opportunity to buy real estate in our country’s largest cities.”

For further information, please contact:

Angela Pinzon
Kaiser Lachance Communications
647.295.0517
angela.pinzon@kaiserlachance.com