



## **Limited supply and strong demand from out-of-province buyers continue to drive price growth in Fredericton**

*Aggregate home prices increased 21% in the fourth quarter of 2021*

**FREDERICTON, January 14, 2022** – According to the Royal LePage House Price Survey released today, the aggregate<sup>1</sup> price of a home in Fredericton increased 21.0 per cent year-over-year to \$311,900 in the fourth quarter of 2021. During that same period, the median price of a single-family detached home increased 19.6 per cent to \$321,100, while the median price of a condominium increased 12.2 per cent to \$235,000.

“Despite the typical seasonal slowdown in activity, Fredericton continued to see strong demand in the region in the final quarter of 2021,” said Lincoln Thompson, broker and manager, Royal LePage Atlantic. “Buyer demand remains strong, and many who were unable to transact last year are anticipating new inventory will become available soon. Residential listings in the fourth quarter were approximately half of what they were in 2020, and about a third compared to the year prior.”

Thompson noted that demand from first-time buyers remains high, although this demographic is not the main driver of demand in the market. The region continues to see an increase of out-of-province buyers from the Greater Toronto Area, Western Ontario, Alberta and British Columbia.

“More people are choosing to improve their quality of life by selling their homes in large cities and purchasing similar or upgraded properties in Fredericton for a fraction of the price,” said Thompson. “The growing demand from out-of-town buyers continues to fuel price appreciation in the region, making it challenging for local buyers looking to enter the market.”

Thompson expects that home prices will continue to increase in Fredericton, as growing demand continues to outpace supply.

“We will continue to see price appreciation in Fredericton, as there is simply not enough supply to satisfy demand. Further upward price pressure is expected in 2022 as a result of increased demand from newcomers to Canada.”

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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 and includes both resale and new build.

Nationally, the aggregate price of a home in Canada increased 17.1 per cent year-over-year to \$779,000 in the fourth quarter of 2021. Canada’s real estate market has sustained another year of record prices, as strong buyer demand continues to outpace supply in almost every market from coast to coast. Canada’s chronic housing shortage pre-existed the pandemic and with growing household formation and more newcomers to Canada adding to demand, affordability threatens to erode again.

“Everywhere, in our largest urban centres, and in the nation’s small and medium-sized towns and cities, new homes are not being built fast enough to satisfy growing demand,” said Soper. “In addition to the slow and expensive regulatory processes that burden builders, construction has been hampered by pandemic-specific challenges, including labour shortages and the increased cost of construction materials as suppliers struggle with supply chain issues. Some developers have been hesitant to commit to new projects.”

The Royal LePage National House Price Composite is compiled from proprietary property data, nationally and in 62 of the nation’s largest real estate markets. When broken out by housing type, the national median price of a single-family detached home rose 21.1 per cent year-over-year to \$811,900, while the median price of a condominium increased 15.8 per cent year-over-year to \$553,800. Price data, which includes both resale and new build, is provided by Royal LePage’s sister company RPS Real Property Solutions, a leading Canadian real estate valuation company.

In December, Royal LePage issued its 2022 forecast stating that the national aggregate price of a home is expected to increase 10.5 per cent year-over-year.

### **Royal LePage Home Price Data:**

**Royal LePage House Price Survey Chart:** [rlp.ca/house-prices-Q4-2021](https://rlp.ca/house-prices-Q4-2021)

**Royal LePage Forecast Chart:** [rlp.ca/market-forecast-Q4-2021](https://rlp.ca/market-forecast-Q4-2021)

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### **About the Royal LePage House Price Survey**

The Royal LePage House Price Survey provides information on the most common types of housing, nationally and in 62 of the nation’s largest real estate markets. Housing values in the Royal LePage House Price Survey are based on the Royal LePage Canadian Real Estate Market 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 approximately 19,000 real estate professionals in over 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 Bridgemarq Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information, please visit [www.royallepage.ca](http://www.royallepage.ca).

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