



## **Edmonton real estate market returns to normal; modest uptick in prices posted in second quarter**

*Aggregate home price posts quarterly increase of 1.3% in Q2 of 2023*

**EDMONTON, July 13, 2023** – According to the Royal LePage House Price Survey released today, the aggregate price of a home in Edmonton decreased 5.4 per cent year-over-year to \$434,400 in the second quarter of 2023. On a quarterly basis, however, the aggregate price of a home in the region increased modestly by 1.1 per cent.

Broken out by housing type, the median price of a single-family detached home decreased 5.5 per cent year-over-year to \$471,400 in the second quarter of 2023, while the median price of a condominium decreased 8.7 per cent to \$193,500 during the same period.

“This time last year, we witnessed a steep decline in market activity as the effects of higher borrowing rates kicked in. In 2023, the tides turned, and we experienced a much more normal start to the spring market,” said Tom Shearer, broker and owner, Royal LePage Noralta Real Estate. “Edmonton’s inventory remains low, and most new listings are only staying online for a short period of time compared to earlier this year. Well-priced listings are attracting multiple offers, as buyers are eager to transact before interest rates rise again. Inventory shortages have been compounded by hesitant sellers who are holding off on listing their properties, as they are under the impression that they won’t get as much money today as they would have a year ago.”

Shearer noted that homes at the lower price points of the market are facing the most competition in today’s high interest rate environment.

“Frustration among buyers has not peaked just yet. First-time buyers are willing to wait to get into the single-family home that they want versus settling for a more affordable housing type, such as a condominium,” noted Shearer. “With interest rate increases now smaller and more incremental, I don’t imagine any additional hikes this year will have a significant impact on home prices. 2023 will likely conclude with near-flat price growth.”

Royal LePage is forecasting that the aggregate price of a home in Edmonton will increase 4.0 per cent in the fourth quarter of 2023, compared to the same quarter last year. The previous forecast

has been revised upward to reflect strong activity and price appreciation in the first half of the year.

Nationally, the aggregate price of a home in Canada decreased modestly by 0.7 per cent year-over-year to \$809,200 in the second quarter of 2023, indicating that nationally, the real estate market is close to the point where it will have recovered fully from 2022's post-pandemic market correction. On a quarter-over-quarter basis, the aggregate price of a home in Canada rose 4.0 per cent in Q2. This was the second consecutive quarter to show positive growth following a rapid decline in prices over the last year as a result of the Bank of Canada's aggressive interest rate hike campaign, which began in March of 2022.

"Almost all Canadian homeowners have seen the value of their properties appreciate handsomely over time. A few who purchased at the tail end of the pandemic-fueled real estate boom saw the value of their homes drop below purchase price during the subsequent market correction," said Phil Soper, president and CEO of Royal LePage. "We are close to that pivotal point where people who purchased at the peak would break even if they sold today.

"The Bank of Canada's prolonged series of interest rate hikes has changed where and how people live. It has pushed some buyer hopefuls to choose less expensive housing types or neighbourhoods. Others have chosen to relocate to more affordable markets across their province or across the country. And some buyers have been pushed to the sidelines indefinitely," Soper continued. "Economic uncertainty has caused some potential sellers to reevaluate their plans as well. The worry that they will be unable to find the move-up home they need in today's tight market is a major concern. Further, there are those who secured fixed-rate mortgages at generational lows of two per cent or even less, who are understandably reluctant to wade back into a market with substantially higher borrowing costs. Fewer sellers mean fewer listings, which adds further pressure to our chronic shortage of inventory. Access to affordable housing in Canada will continue to be a major social issue."

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 declined 2.0 per cent year-over-year to \$841,900, while the median price of a condominium remained essentially flat, decreasing by just 0.4 per cent year-over-year to \$586,900. On a quarter-over-quarter basis, the median price of a home in these property segments rose 4.1 and 2.7 per cent, respectively. 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.

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

**Royal LePage House Price Survey Chart:** [rlp.ca/house-prices-Q2-2023](http://rlp.ca/house-prices-Q2-2023)

**Royal LePage Forecast Chart:** [rlp.ca/market-forecast-Q2-2023](http://rlp.ca/market-forecast-Q2-2023)

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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 20,000 real estate professionals in over 670 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, which has been dedicated to supporting women's shelters and domestic violence prevention programs for 25 years. Royal LePage is a Bridgemark 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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