



Buyers competing for low supply keeps upward pressure on Edmonton property prices

Aggregate home price increased 3.0% year over year in Q1 of 2024

EDMONTON, April 12, 2024 – According to the Royal LePage® House Price Survey released today, the aggregate¹ price of a home in Edmonton increased 3.0 per cent year over year to \$442,200 in the first quarter of 2024. On a quarterly basis, the aggregate price of a home in the region increased 2.7 per cent.

Broken out by housing type, the median price of a single-family detached home increased 4.2 per cent year over year to \$485,500 in the first quarter of 2024, while the median price of a condominium increased modestly by 0.6 per cent to \$196,500 during the same period.

“Following a busier-than-normal first quarter, Edmonton’s real estate market is heading into spring with sustained high levels of buying and selling activity. With inventory at a two-year low, sellers have the upper hand in this hot market, driven in part by Ontarians relocating to the city. Edmonton’s more affordable housing options and healthy job market continue to attract out-of-province buyers,” said Tom Shearer, broker and owner, Royal LePage Noralta Real Estate. “Move-up buyers are particularly squeezed by the low-supply conundrum – without enough listings available to upgrade into, existing homeowners are staying put, which is preventing entry-level housing geared towards first-time buyers from hitting the market. Given how competitive conditions are becoming, first-time purchasers do not have the luxury of overthinking their decision right now.”

Shearer noted that Edmonton’s starter homes have been receiving a lot of interest as of late. Homes priced under the \$575,000 mark tend to fetch two or three offers at a time as competition in this segment remains tight. Similarly, interest in the condominium market has been picking up steam for the first time in years, though the segment remains an affordable entry point for most buyers and investors.

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 and includes both resale and new build.

“The critical question we ask ourselves is: Will new inventory come and if so, when?” said Shearer. “With limited home supply and an influx of residents moving to the city, I expect we will continue to see price growth and strong levels of activity throughout the second quarter of 2024 and into the summer and fall markets.”

Royal LePage is forecasting that the aggregate price of a home in Edmonton will increase 6.5 per cent in the fourth quarter of 2024, compared to the same quarter last year. The previous forecast has been revised upward to reflect a stronger-than-expected first quarter.

Nationally, the aggregate price of a home in Canada increased 4.3 per cent year over year to \$812,100 in the first quarter of 2024. On a quarter-over-quarter basis, the national aggregate home price increased 2.9 per cent, an indication that sidelined buyers are rebooting their real estate purchase plans ahead of expected interest rate cuts, as predicted in January.

“Consistent with our previous forecast, the market did reach a critical tipping point in the first quarter of 2024, when home prices bottomed out and began to appreciate again. Clearly, more and more buyers are motivated by the need to get ahead of rising home prices, rather than adopting the strategy of waiting for mortgage rates to fall,” said Phil Soper, president and CEO, Royal LePage.

Within the first months of the new year, the Canadian housing market has already recorded solid price appreciation and higher sales activity. Starting in July of 2023, the Bank of Canada has held rates steady through six review periods. This has prompted many homebuyers to come off of the sidelines in advance of what they expect will be a more competitive spring market that will drive home prices higher.

“Many consumers – particularly first-time buyers – who have the capacity to transact have accepted and adapted to the higher borrowing cost environment. Thus, the modestly-rising home prices we are experiencing today,” continued Soper. “Once the central bank does make a move, and that first highly-anticipated cut to rates is made, even if it is only by 25 basis points, I expect we will see the price appreciation curve steepen upwards when the highly rate-focused crowd jumps into the market.”

The Royal LePage National House Price Composite is compiled from proprietary property data nationally and regionally in 63 of the nation’s largest real estate markets. When broken out by housing type, the national median price of a single-family detached home increased 4.5 per cent year over year to \$845,300, while the median price of a condominium increased 3.5 per cent year over year to \$591,900. On a quarter-over-quarter basis, the median price of a single-family detached home increased 3.6 per cent, while the median price of a condominium increased 1.4

per cent. 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.

“While real estate boards across the country are reporting a boost in listings, which is typical as we head into the spring market rush, just about every region from coast to coast remains chronically short of housing supply,” added Soper. “While we expect that interest rate decreases will draw more buyers back into the ring, this will not be the primary driver of rising home prices – it is the severe shortage of housing in markets small and large in virtually every part of the country that remains the main culprit.”

Royal LePage is forecasting that the aggregate price of a home in Canada will increase 9.0 per cent in the fourth quarter of 2024, compared to the same quarter last year. The previous forecast has been revised upward to reflect a stronger-than-expected first quarter. Nationally, home prices are forecast to see strong price appreciation through the second and third quarters, and taper off in the final months of the year, as is the seasonal norm.

Royal LePage House Price Survey Chart: rlp.ca/house-prices-Q1-2024

Royal LePage Forecast Chart: rlp.ca/market-forecast-Q1-2024

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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 63 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. Additionally, commentary on housing market trends and data on price and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

About Royal LePage

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