



Edmonton market on track for ‘one of the most productive years on record’

Aggregate home price increased 5.4% year over year in Q3 of 2024

EDMONTON, October 10, 2024 – According to the Royal LePage® House Price Survey released today, the aggregate¹ price of a home in Edmonton increased 5.4 per cent year over year to \$456,300 in the third quarter of 2024. On a quarterly basis, the aggregate price of a home in the region increased 1.3 per cent.

Broken out by housing type, the median price of a single-family detached home increased 5.7 per cent year over year to \$498,900 in the third quarter of 2024, while the median price of a condominium increased 3.1 per cent to \$201,000 during the same period.

“Edmonton’s real estate market is on track to have one of the most productive years on record. We had an extraordinarily busy summer. Typically, activity dips in July and August, but this year we saw a steady stream of sales right through the summer months. And, it looks like that momentum is being carried into the fall,” said Tom Shearer, broker and owner, Royal LePage Noralta Real Estate. “Inventory remains very tight – among the lowest levels we’ve seen in nearly two decades – as buyer demand continues to rise, driven in large part by first-time buyers from other cities and provinces relocating to the region. Our healthy job market and access to nature are a huge draw.”

Shearer noted that while sales remain strong, the slow and steady pace of the Bank of Canada’s rate cuts has helped to keep price gains in check.

“Affordability remains a challenge, especially for those purchasing their first home with no equity to leverage. The gradual easing of borrowing rates is beginning to make an impact, and will continue to do so, but we have yet to see a dramatic boost in prices as a result,” added Shearer. “While consumer confidence is up overall, buyers remain cautious and many are waiting for more listings to come online. Activity should begin to plateau in the coming weeks. I expect a strong spring is on the horizon, especially with further rate cuts expected.”

Royal LePage is forecasting that the aggregate price of a home in Edmonton will increase 6.5 per

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.

cent in the fourth quarter of 2024, compared to the same quarter last year.

Nationally, the aggregate price of a home in Canada increased 1.6 per cent year over year to \$815,500 in the third quarter of 2024. On a quarter-over-quarter basis, however, the national aggregate home price decreased 1.1 per cent, following sluggish activity in most – though not all – markets through the summer months. Coast to coast, sales volumes began to pick up in September, and more than one third (38%) of regional markets covered in the report recorded positive aggregate price gains in the third quarter over the previous quarter.

“Despite three cuts to the Bank of Canada’s overnight lending rate, buyer demand nationally remains weak, particularly among two key groups: first-time homebuyers and small investors,” said Phil Soper, president and chief executive officer, Royal LePage. “First-time buyers, who are more sensitive to interest rates, are adopting a wait-and-see attitude. With home prices essentially flat and interest rates steadily declining, they perceive no penalty in postponing their purchase.

“Similarly, small investors who typically buy condominiums to rent out and supply much of Canada’s rental housing, are also hesitant. Elevated rates have made the financials unworkable, with carrying costs surpassing rental income. While historically some landlords accept negative cash flow temporarily when properties are appreciating in value, the current flat prices do not justify many investments,” said Soper. “We believe that both groups will re-enter the market in significant numbers as property values begin to rise again. With further rate cuts from the Bank of Canada likely this year, we anticipate prices will appreciate more quickly, eliminating the advantages of waiting for first-time buyers and making calculations more favourable for investors.”

The Royal LePage National House Price Composite is compiled from proprietary property data nationally and regionally in 64 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 2.0 per cent year over year to \$850,400, while the median price of a condominium increased 0.5 per cent year over year to \$590,200. On a quarter-over-quarter basis, the median price of a single-family detached home decreased modestly by 1.2 per cent, while the median price of a condominium decreased 1.1 per cent. Price data, which includes both resale and new build, is provided by RPS Real Property Solutions, a leading Canadian real estate valuation company.

“With rates dropping, we see positive signs for sidelined buyers. As confidence grows and buyers anticipate rising prices, we expect a significant increase in activity. Given the building demand – both organic and from immigration – the 2025 spring market may start as early as late January or early February, a pull-ahead phenomenon we’ve seen in previous market turnarounds. The stage is set for a busy year ahead.”

In recent weeks, a series of new regulations impacting mortgages and lending practices in Canada were announced. Starting on December 15th, all purchasers of new construction homes

and all first-time buyers will be able to acquire an insured mortgage with a 30-year amortization period. In addition, the federal government announced an increase to the insured mortgage cap from \$1 million to \$1.5 million. Following the announcement of these changes, the Office of the Superintendent of Financial Institutions (OSFI) revealed that, beginning November 21st, it will eliminate the mortgage stress test for uninsured borrowers who plan to switch lenders upon renewing their loan, provided they maintain the same amortization schedule and loan amount.

“These changes will have more impact on the early 2025 market than many anticipate. Expect a material bump in activity. In addition to assisting first-time buyers, raising the cap on insured mortgages expands opportunities for move-up buyers in higher-priced markets, thereby freeing up inventory for new homeowners entering the market,” said Soper.

Royal LePage is forecasting that the aggregate price of a home in Canada will increase 5.5 per cent in the fourth quarter of 2024, compared to the same quarter last year. The previously upgraded forecast has been revised down to reflect current market conditions, specifically in the greater regions of Toronto and Vancouver, which recorded lower-than-anticipated activity through the spring and summer months.

“The market recovery, albeit uneven across the country, is well underway in a majority of markets. While we may not see significant price appreciation in the typically-slower fourth quarter of this year, we believe our previous forecast will come to fruition in the anticipated early spring market of 2025.”

Royal LePage House Price Survey Chart: rlp.ca/house-prices-Q3-2024

Royal LePage Forecast Chart: rlp.ca/market-forecast-Q3-2024

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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 64 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

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 Bridgemarq Real Estate Services® Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information, please visit www.royallepage.ca.

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