



Q3 2021

Calgary & Region

QUARTERLY UPDATE REPORT

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The data included in this document are based on information available as of Oct. 8, 2021.

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CITY OF CALGARY HOUSING SUMMARY

The persistent challenges caused by the pandemic continue to weigh on economic activity. However, the housing market remains resilient. The pace of growth and level of sales have eased from the record highs seen in the second quarter, but with 6,628 sales, this was the best third quarter since 2014.

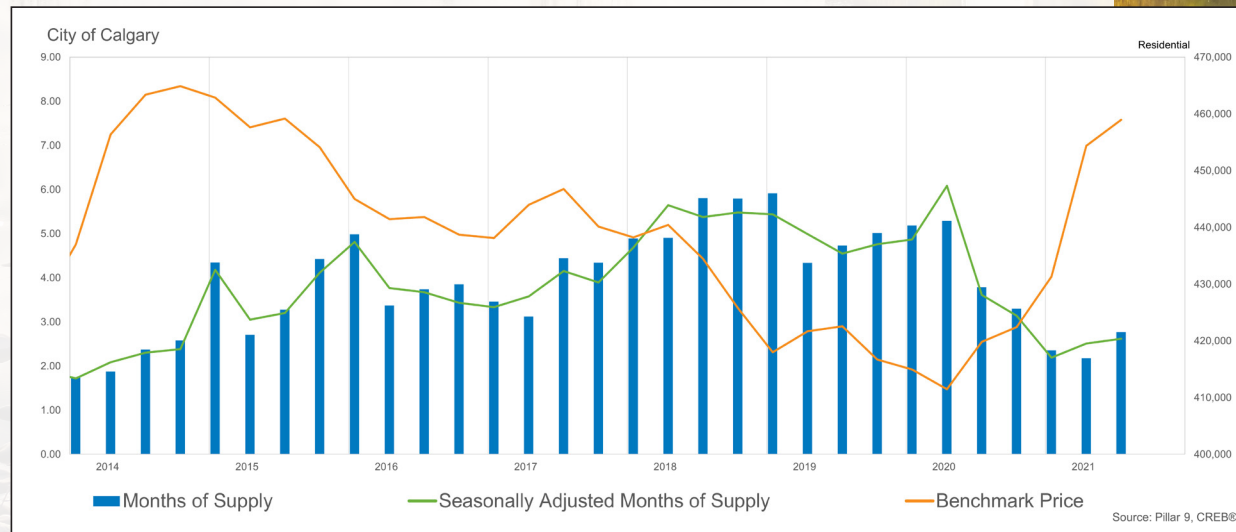
Much of the demand growth continues to be driven by the low-lending-rate environment and increased savings among those whose incomes were not impacted by COVID-19 shutdowns. At the same time, supply levels have struggled to keep pace with demand, especially in the second quarter, which likely prevented stronger sales in the spring and supported some of the continued growth in housing demand into the third quarter.

The number of new listings coming onto the market has increased compared to last year, preventing a

larger decline in supply levels. This has helped the housing market shift away from the strong sellers' market conditions seen in the second quarter and toward more balanced conditions.

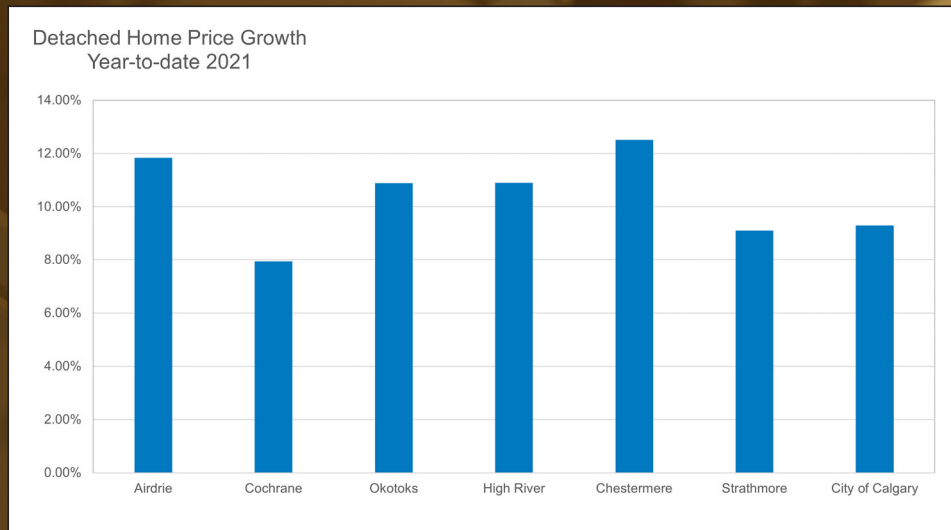
The housing market still favoured the seller in the third quarter, but better supply-demand balances helped take some of the pressure off home prices. In Calgary, the residential benchmark price rose by one per cent over the previous quarter and sits over nine per cent higher than prices recorded in the third quarter of last year.

Within the city of Calgary, we are seeing undersupplied markets in many of the districts outside of the City Centre, resulting in double-digit price gains. This is driven mostly by the detached and semi-detached sectors, as conditions in the apartment condominium sector are relatively balanced across all districts.



CITY OF CALGARY HOUSING SUMMARY CONTINUED

Many of the areas outside of Calgary city limits have seen exceptionally strong sales and supply that has not kept pace with demand. Setting aside lifestyle preferences, in most surrounding areas, detached properties are often more affordable or provide more features and space relative to what is available within Calgary. Along with more remote work flexibility provided by employers, this is likely supporting the exceptional demand growth in communities outside of Calgary. For many of these areas, supply could not keep pace with demand, contributing to price gains that are higher than what was recorded in Calgary. This has narrowed the price gap between many of the surrounding areas and Calgary, especially in the detached sector.



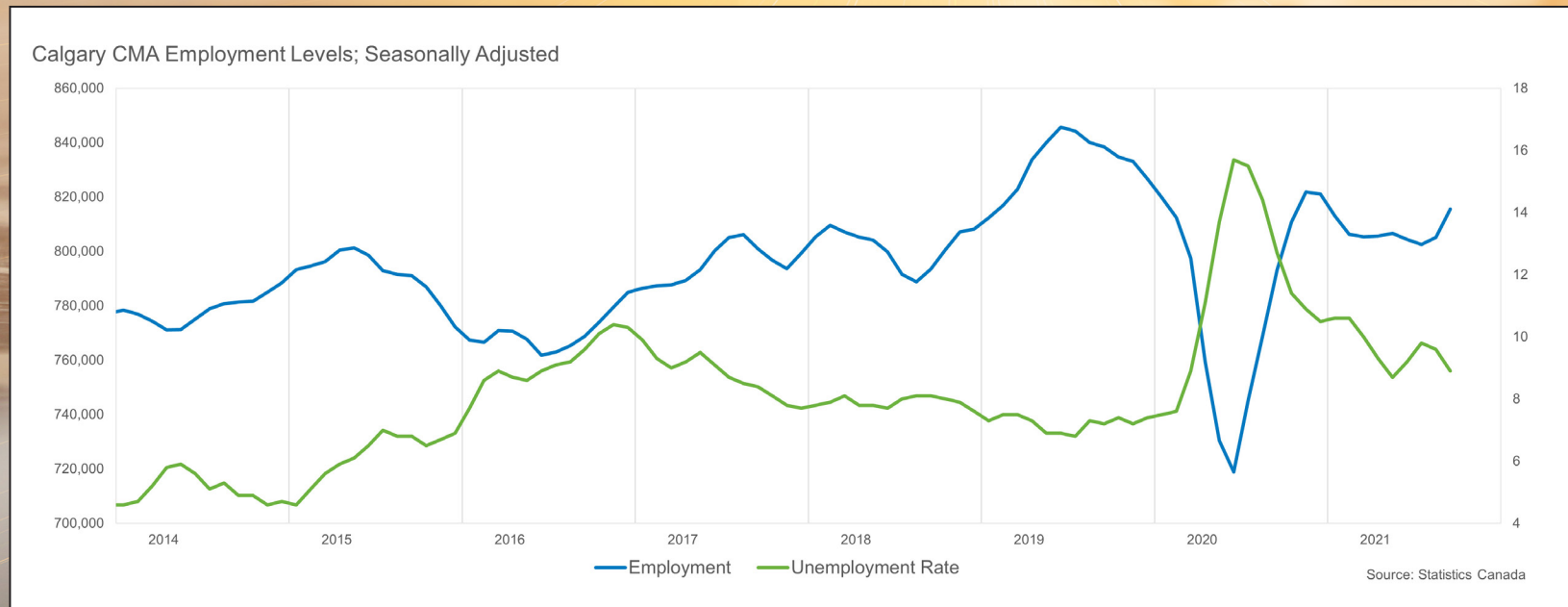
LOCATION COMPARISON DETACHED

	CALGARY	AIRDRIE	COCHRANE	OKOTOKS	HIGH RIVER	CHESTERMERE	STRATHMORE
LIVING AREA	1,410 SQF	1,444 SQF	1,553 SQF	1,545 SQF	1,349 SQF	1,915 SQF	1,303 SQF
LOT SIZE	4,897 SQF	4,606 SQF	5,447 SQF	5,000 SQF	5,800 SQF	5,649 SQF	5,713 SQF
YEAR BUILT	1992	2003	2000	2003	1997	2004	2000
ABOVE GROUND BEDROOMS	3	3	3	3	3	3	3
BATHROOMS	3	3	3	3	2	3	2
Q3 BENCHMARK PRICE	\$538,700	\$437,200	\$501,967	\$505,267	\$415,033	\$553,467	\$418,267

ECONOMIC UPDATE

The fourth wave of COVID-19 is causing concerns regarding the economic recovery in the province, but other factors are supporting some optimism for Alberta's economic outlook. The improvements in both oil and natural gas prices have helped support some recovery in the energy sector. While most of the improvement is driven by production gains rather than investment growth, this shift is supporting some modest gains in employment.

Fueled by low lending rates, the boost in housing market activity is also contributing to gains in the economy. In addition to the growth in the resale side of the market, there have been significant gains in the new-home sector, where housing starts are up by more than 70 per cent in Calgary alone. This has contributed to employment growth in not only the finance, insurance and real estate sectors, but also the construction industry.

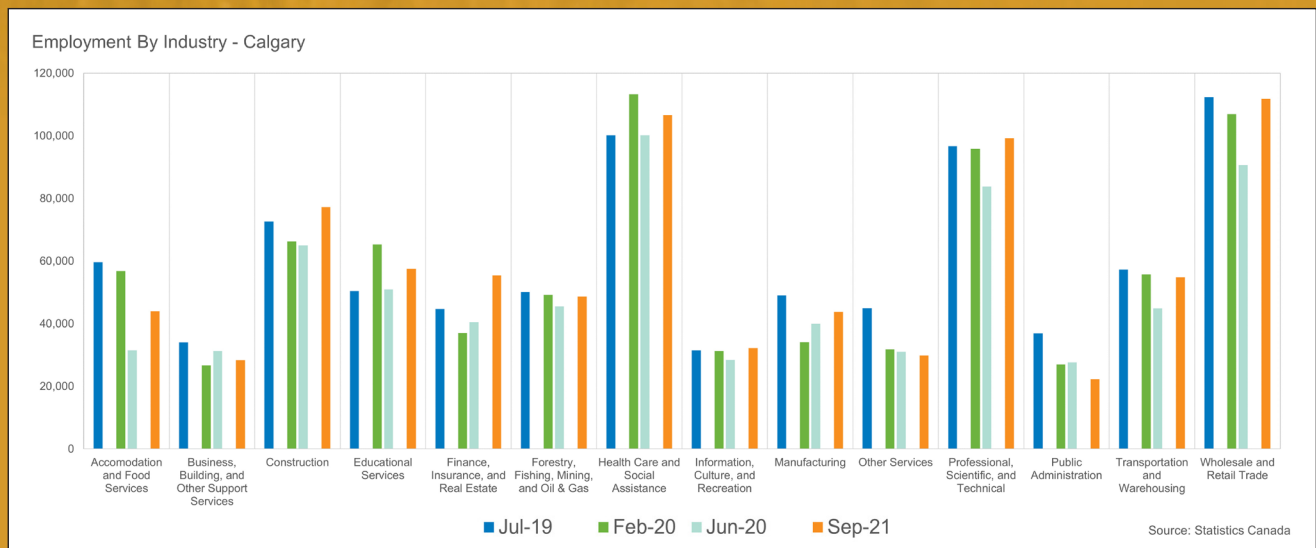
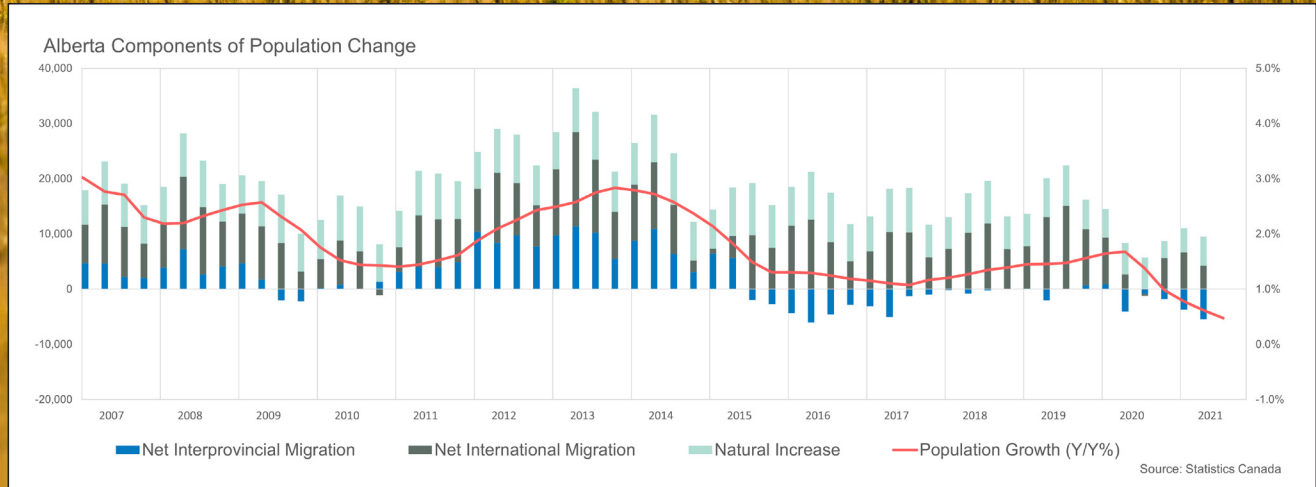


ECONOMIC UPDATE CONTINUED

Some sectors are still reporting employment levels that are lower than before the pandemic, but the city has recorded gains in employment and steady declines in the unemployment rate. Unemployment is still higher than pre-pandemic levels, but conditions today are far better than original expectations.

While economic conditions are showing signs of improvement, migration and population gains remain relatively weak. In the second quarter, population growth slowed to less than one per cent, thanks to more people leaving the province than moving here. International migration did improve, but it was not enough to offset the declines stemming from interprovincial migration. The majority of people leaving the province went to B.C., followed by Atlantic Canada.

Housing market activity has generally exceeded expectations, driven by low lending rates, increased savings among some buyers and pent-up demand. Some economic challenges still exist, but continued improvements in job prospects should eventually translate into a shift in migration levels, helping to sustain a more balanced housing market.



HOUSING MARKET **DETACHED**

Much of the gains in the housing market have been driven by the detached sector, which has accounted for more than 60 per cent of all resale activity so far this year. The detached sector moved into sellers' market conditions by the end of 2020 and saw conditions tighten even further during the first two quarters of this year, averaging less than two months of supply.

In the third quarter, sales continued to rise, but at a slower pace, falling short of new record-high levels. However, some of this can be attributed to low supply levels, especially for homes priced below \$400,000. New listings in the third quarter totalled 4,954 units and there were 3,976 sales. This narrowed the spread compared to the past few months, as the sales-to-new-listings ratio rose to 80 per cent. This is far higher than what we traditionally see at this time of year, which likely prevented stronger sales and contributed to supply declines in the market.

Overall, the quarterly pullback in sales outweighed the pullback in inventory levels and the months of supply averaged just over two months in the third quarter. This is slightly higher than the under two months recorded over the past two quarters, but it still reflects an exceptionally tight market that continues to favour the seller.

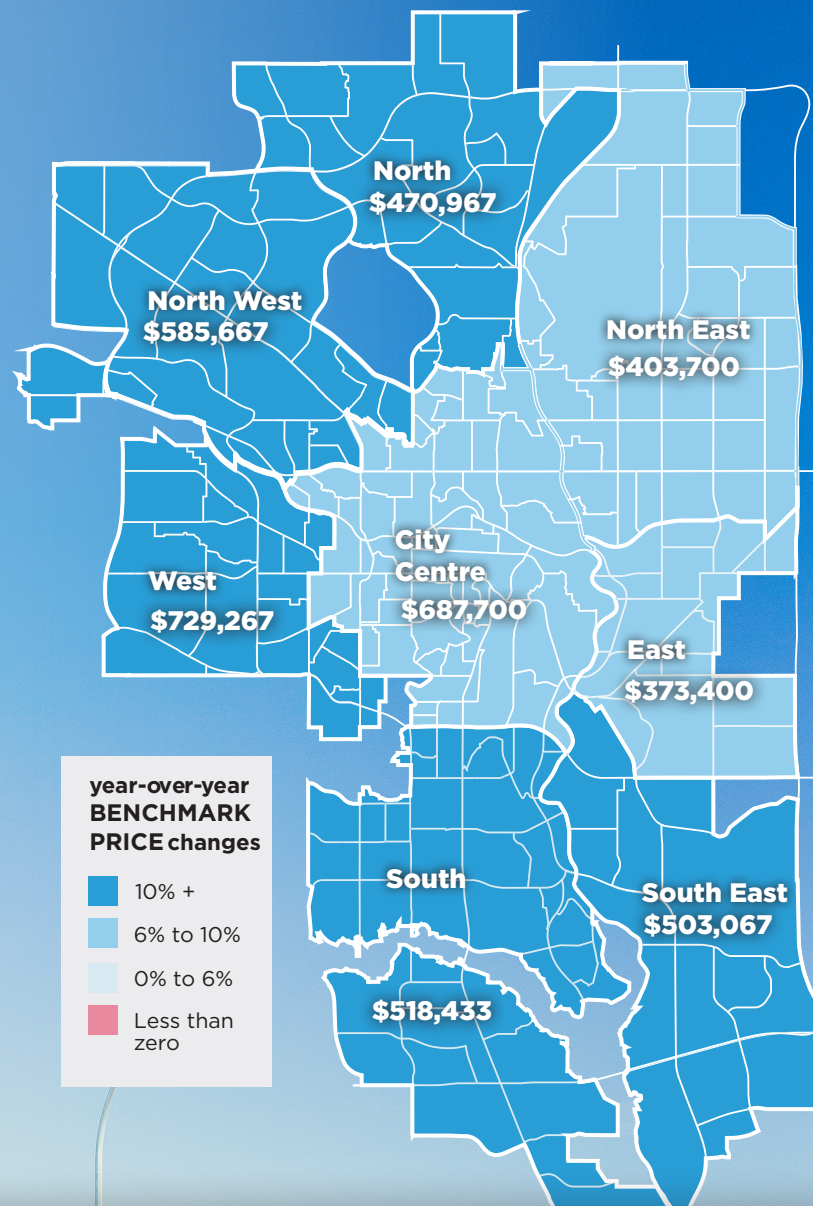
Benchmark prices in the quarter averaged \$538,700, slightly higher than last quarter and nearly 11 per cent higher than last year's levels. Prices increased across all districts, but the gains did vary based on location. On a year-to-date basis, price gains were strongest in the North and South East districts and weakest in the City Centre. The City Centre also remains the only district where prices have not recovered to previous highs.

Q3 BENCHMARK PRICE
\$538,700

10.52% year over year ▲
1.11% quarter over quarter ▲

Q3 MONTHS OF SUPPLY
2.11

-29.22% year over year ▼
31.54% quarter over quarter ▲



SALES

Total Q3	Record High Q3	10-yr average Q3
3,976	4,268	3,175
23.63% yoy ▲	2005	

NEW LISTINGS

Total Q3	Record High Q3	10-yr average Q3
4,954	7,607	5,106
7.21% yoy ▲	2007	

AVERAGE INVENTORY

Total Q3	Record High Q3	10-yr average Q3
2,792	5,262	3,428
-12.49% yoy ▼	2008	

HOUSING MARKET



SEMI-DETACHED

Strong semi-detached sales continued in the third quarter, with levels far stronger than long-term averages and equal to the third-quarter record high set in 2014. Quarterly record highs in this sector have been set each quarter since the fourth quarter of last year.



Like other sectors, semi-detached supply levels have struggled to keep pace with demand, despite three consecutive quarters of year-over-year gains in new listings. These gains in new listings helped prevent tighter market conditions, but it was not enough to cause inventory gains. However, in the third quarter, the quarterly decline in inventories was not as high as the quarterly decline in sales, causing the months of supply to rise to under three months. While this is still an exceptionally tight level relative to what we typically see at this time of year, it is an improvement relative to the past two quarters.

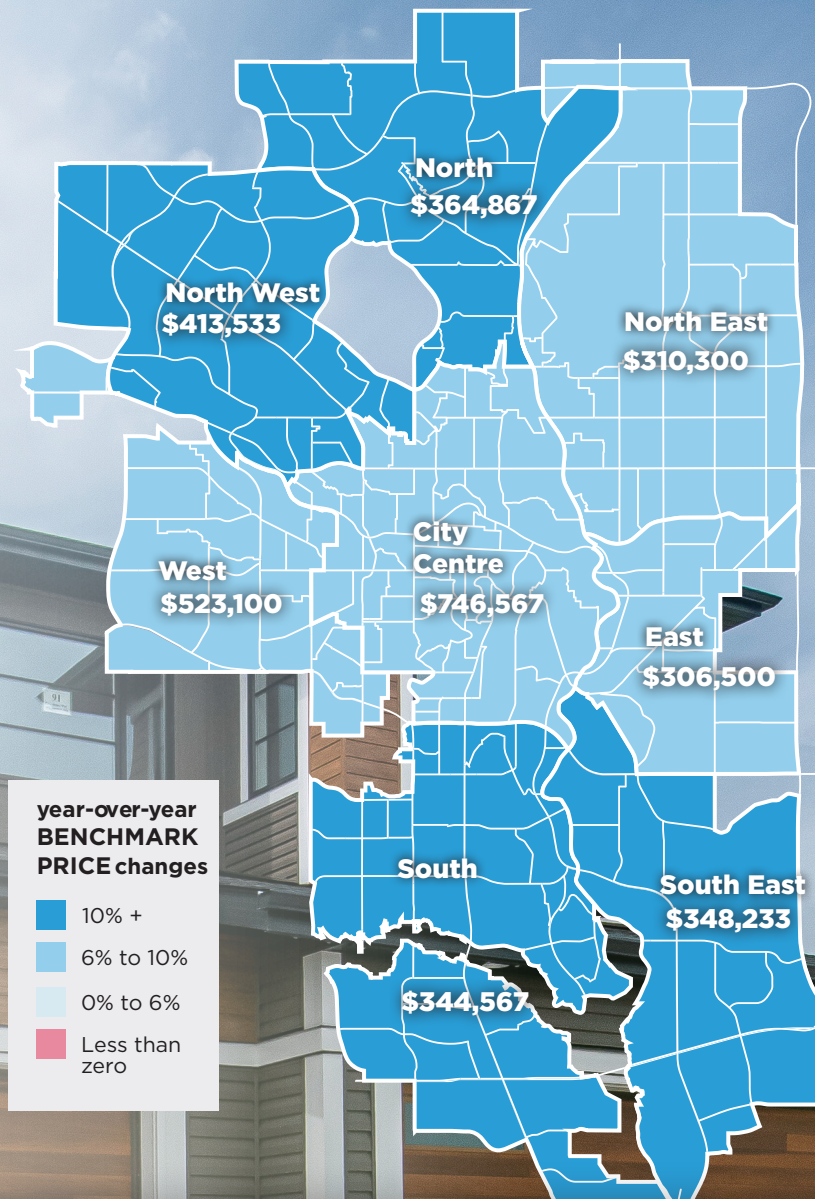
Persistently tight market conditions have resulted in steady price gains. In the third quarter, the benchmark price rose by one per cent compared to last quarter and currently sits nine per cent higher than last year's levels. Every district in the city has seen price improvements this year, with the largest gains occurring in the North at nearly 12 per cent and the smallest gains occurring in the City Centre and North East at just under eight per cent. On a year-to-date basis, prices have hit new highs this year in the city, but prices in the City Centre, North East, South and East districts remain below previous highs.

Q3 BENCHMARK PRICE
\$427,767





9.36% year over year 
1.02% quarter over quarter 

Q3 MONTHS OF SUPPLY
2.75

-24.56% year over year 
33.59% quarter over quarter 



year-over-year BENCHMARK PRICE changes

-  10% +
-  6% to 10%
-  0% to 6%
-  Less than zero

SALES

Total Q3	Record High Q3	10-yr average Q3
596	596	463
19.92% yoy 	2014	

NEW LISTINGS

Total Q3	Record High Q3	10-yr average Q3
887	949	810
9.78% yoy 	2018	

AVERAGE INVENTORY

Total Q3	Record High Q3	10-year average Q3
547	895	585
-9.54% yoy 	2018	



HOUSING MARKET **ROW**

Sales in the third quarter pushed above 1,000 units, making it the strongest third quarter on record for the sector. Prior to this year, conditions generally favoured the buyer due to elevated supply levels. As we moved into 2021, new listings in this sector were rising, providing more choice to buyers and likely supporting the record level of sales. However, the growth in demand far outpaced the growth in new listings, causing progressively tighter conditions.



As of the third quarter, inventories remained comparable to levels from last year, but sales were more than 50 per cent higher and the months of supply averaged less than three months for the quarter. With the market generally favouring the seller for three consecutive quarters, the pace of price growth has risen.

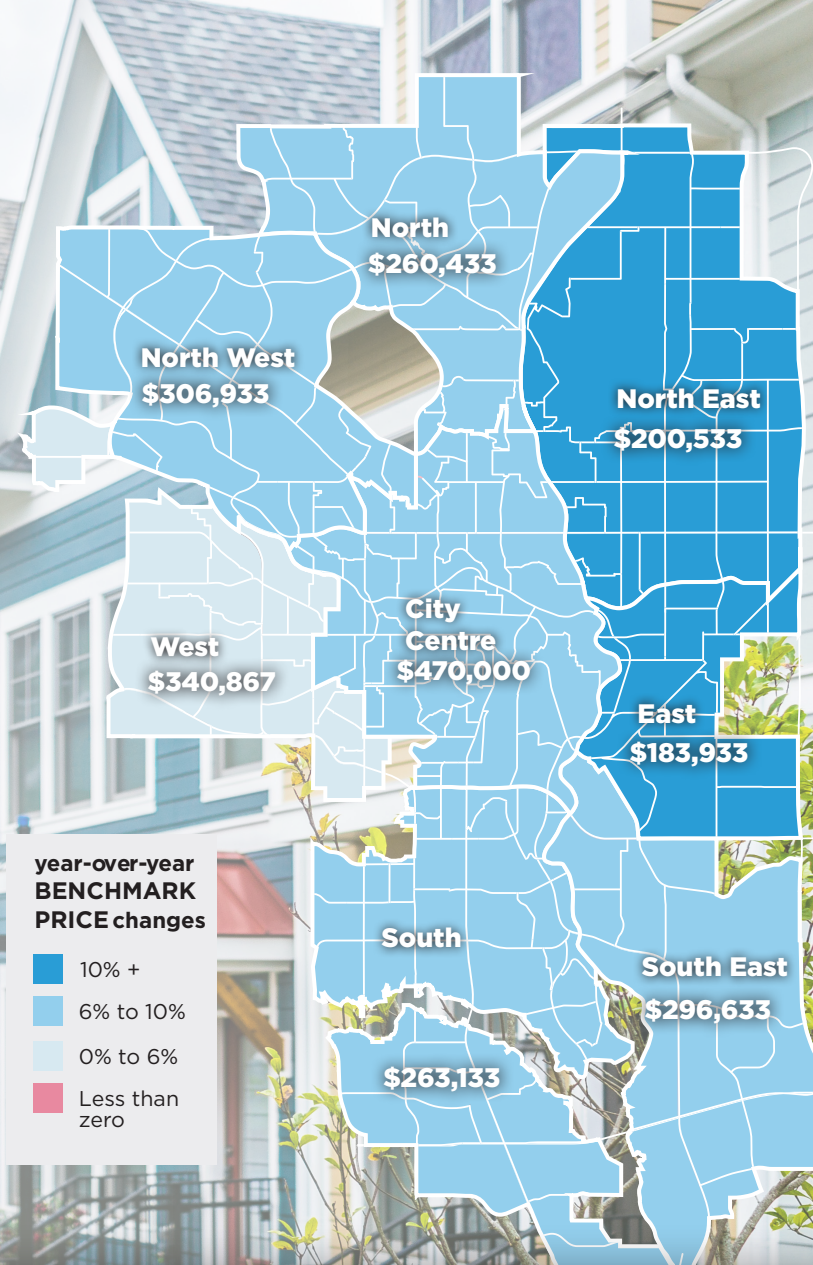
In the third quarter, row benchmark prices rose compared with the previous quarter and currently sit nearly nine per cent higher than last year's levels. Price gains have varied across the city, with year-over-year quarterly gains ranging from double-digit growth in the North East and East districts to five per cent growth in the West. Despite the range of price growth, no district has seen row prices fully recover to previous highs on a year-to-date basis.

Q3 BENCHMARK PRICE
\$299,933





8.58% year over year 
1.20% quarter over quarter 

Q3 MONTHS OF SUPPLY
2.88


-34.74% year over year 
15.54% quarter over quarter 



year-over-year BENCHMARK PRICE changes

-  10% +
-  6% to 10%
-  0% to 6%
-  Less than zero

SALES

Total Q3	Record High Q3	10-yr average Q3
1,012 50.15% yoy 	1,012 2021	642

NEW LISTINGS

Total Q3	Record High Q3	10-yr average Q3
1,334 12.95% yoy 	1,424 2007	1,089

AVERAGE INVENTORY

Total Q3	Record High Q3	10-yr average Q3
971 -2.02% yoy 	1,178 2018	819

HOUSING MARKET **APARTMENT**



Condominium demand improved, but not to the same levels as other property types. In the third quarter, there were 1,044 sales, which is far higher than anything recorded over the previous six years, but well below record highs.

Since sellers in the condo market have faced challenging conditions for the past five years, signs of improving demand also supported a gain in new listings. This ensured supply levels remained higher than levels recorded over the past few years. Despite supply gains, relatively stronger sales did help push down the months of supply from an average of seven-plus months over the past two years to an average of just over five months so far this year. The condominium market never entered sellers' market conditions like other property types, but at five months of supply this market is considered relatively balanced.



With more balanced conditions only arriving earlier this year, prices have been slower to react. Prices started to see year-over-year gains in the first quarter and have continued to record modest quarterly growth. As of the third quarter, benchmark prices were nearly three per cent higher than levels recorded last year. The current levels remain well below previous highs, but the gains are a shift from the persistent declines seen since 2015.

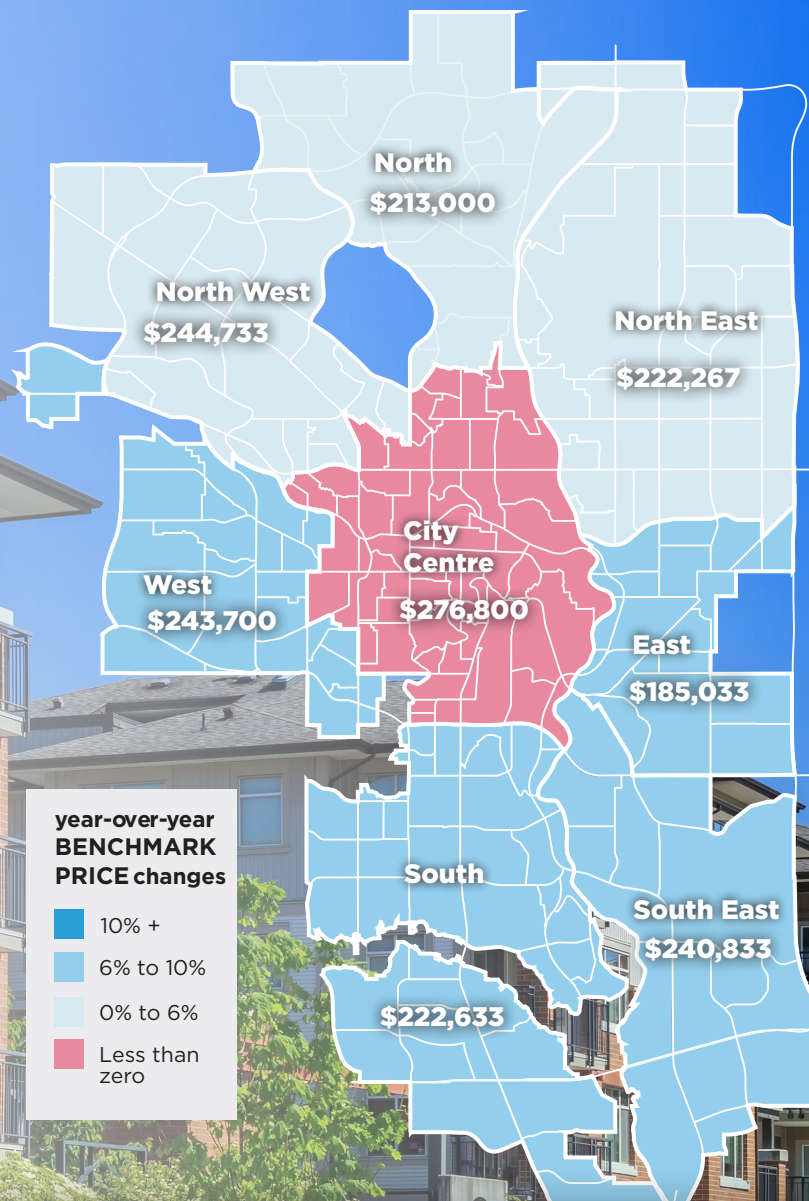
There have also been significant differences in conditions based on location. While conditions have generally tightened across each district relative to last year, the City Centre is still seeing a relatively high months of supply at over seven months. This has prevented any significant change in quarterly prices in the district, but prices remain nearly one per cent higher than last year on year-to-date basis. So far this year, the highest price gain has occurred in the West district at over six per cent.

Q3 BENCHMARK PRICE
\$253,533





2.47% year over year 
0.36% quarter over quarter 

Q3 MONTHS OF SUPPLY
5.19

-24.54% year over year 
14.07% quarter over quarter 




year-over-year BENCHMARK PRICE changes

-  10% +
-  6% to 10%
-  0% to 6%
-  Less than zero

SALES

Total Q3	Record High Q3	10-yr average Q3
1,044 43.41% yoy 	1,323 2014	865

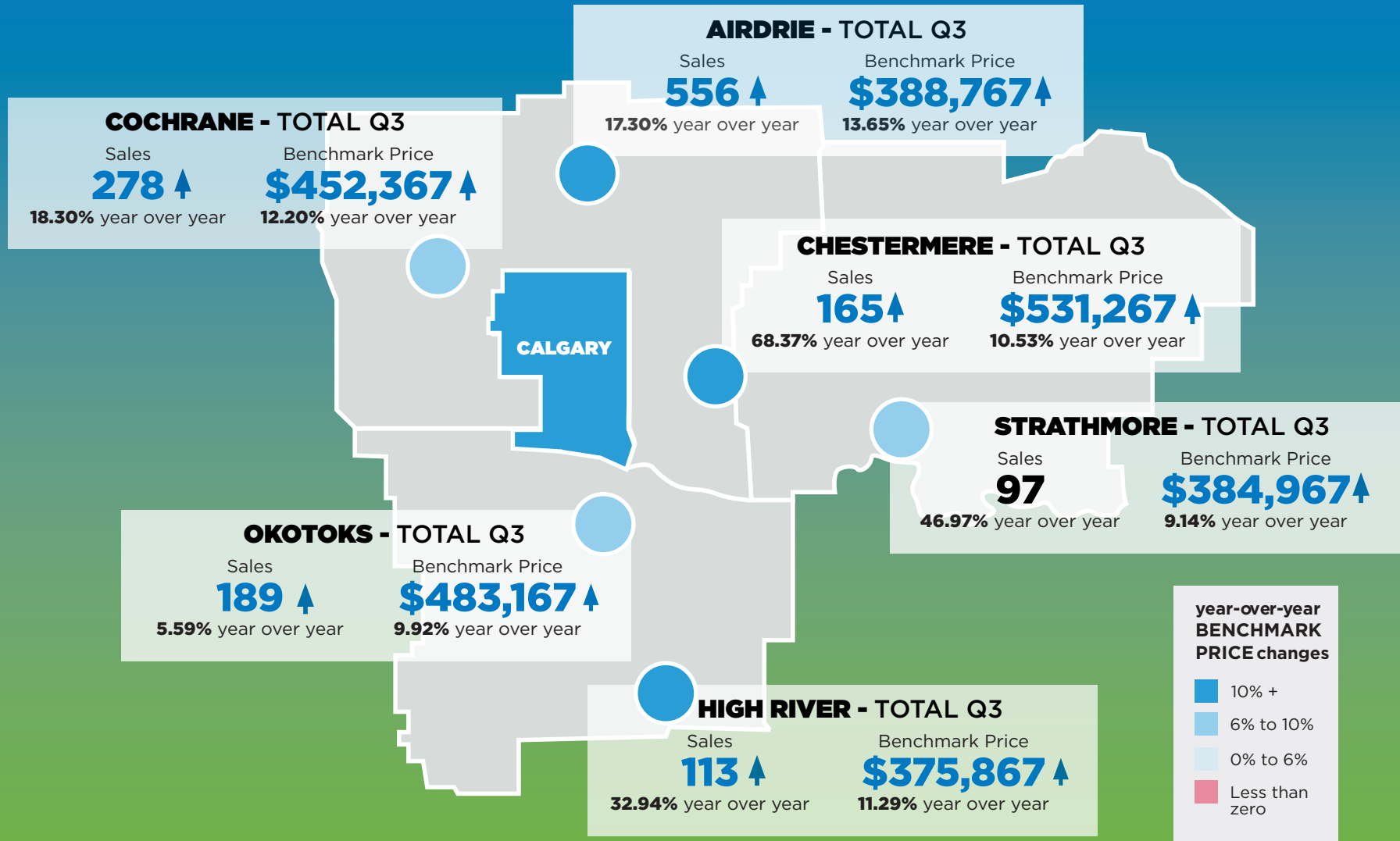
NEW LISTINGS

Total Q3	Record High Q3	10-year average Q3
1,845 7.52% yoy 	2,097 2007	1,676

AVERAGE INVENTORY

Total Q3	Record High Q3	10-year average Q3
1,805 8.21% yoy 	1,812 2017	1,422

SURROUNDING AREAS



AIRDRIE

The pace of sales growth eased in the third quarter compared with the all-time record high from last quarter. However, the 556 sales this quarter still reflect a third-quarter record, 17 per cent higher than the previous third-quarter record achieved last year. The pace of sales growth did ease, but some of this is related to lack of supply in the market. There were only 584 new listings in the third quarter, causing the sales-to-new-listings ratio to rise to 95 per cent.

With not enough new listings to meet demand, inventory levels eased, averaging 256 units over the quarter. Meanwhile, the months of supply remained below two months for the third consecutive quarter. The persistent sellers' market conditions in Airdrie are showing no signs of letting up and have led to significant price gains in the market.

The tightest conditions have been in the detached sector, where benchmark prices have recorded steady quarterly gains since the fourth quarter of 2020. In the third quarter, detached prices averaged \$437,200, a three per cent gain over the previous quarter and nearly 15 per cent higher than last year's levels.

Q3 BENCHMARK PRICE \$388,767

13.65% year over year ▲
2.66% quarter over quarter ▲

Q3 MONTHS OF SUPPLY 1.38

-45.28% year over year ▼
10.79% quarter over quarter ▲



SALES

Total Q3	Record High Q3	10-yr average Q3
556 17.30% yoy ▲	556 2021	362

NEW LISTINGS

Total Q3	Record High Q3	10-yr average Q3
584 2.64% yoy ▲	660 2017	538

AVERAGE INVENTORY

Total Q3	Record High Q3	10-yr average Q3
256 -35.81% yoy ▼	617 2018	411


COCHRANE


Sales trended down relative to last quarter's record levels and the pace of growth slowed. However, like Airdrie, Cochrane sales still reached a record quarterly high and were 18 per cent higher than the previous third-quarter record.

The resale market in Cochrane also struggled to muster enough supply to meet demand. In the third quarter, the sales-to-new-listings ratio pushed up to 99 per cent, indicating that nearly every new listing was being sold. This drove down standing inventories and the months of supply remained below two months for the third consecutive quarter. All property types have been experiencing tighter market conditions, but like other areas, Cochrane's tightest conditions have been in the detached sector.

While sellers' market conditions have been persistent over the past three quarters, in 2020, the Cochrane market took longer than other areas to work through additional supply. As a result, price growth only started gaining traction by the end of 2020. However, after several quarters of gains, detached benchmark prices averaged above \$500,000 in the third quarter, setting a new record high and rising by more than 13 per cent compared to last year.

Q3 BENCHMARK PRICE
\$452,367

12.20% year over year 

1.33% quarter over quarter 

Q3 MONTHS OF SUPPLY
1.59

-50.49% year over year 

30.46% quarter over quarter 



SALES

Total Q2	Record High Q2	10-yr average Q2
278	278	171
18.30% yoy 	2021	

NEW LISTINGS

Total Q2	Record High Q2	10-yr average Q2
280	347	274
3.32% yoy 	2018	

AVERAGE INVENTORY

Total Q2	Record High Q2	10-yr average Q2
147	390	268
-41.43% yoy 	2018	

OKOTOKS

Third-quarter sales in Okotoks were likely subdued by a lack of new listings, which were among the lowest levels recorded in the third quarter in over a decade. The number of new listings entering the market was matched by the number of sales, pushing the sales-to-new-listings ratio to 100 per cent. This caused inventories to average only 92 units over the quarter.

Supply issues have impacted the Okotoks market since the third quarter of 2020.

The combination of strong demand and low inventory levels has caused the months of supply to remain below two months for four consecutive quarters. Conditions are not as tight as last quarter, but with just over one month of supply the market continues to favour the seller.

Persistently tight market conditions have caused relatively steep price gains. However, those gains have been mostly driven by the detached sector, which has seen prices soar to new record highs. Detached benchmark prices started trending up in the third quarter of 2020 (\$455,400). As of the third quarter of 2021, benchmark prices averaged \$505,267, nearly 11 per cent higher than last year's levels.

Q3 BENCHMARK PRICE \$483,167

9.92% year over year ▲
0.22% quarter over quarter ▲

Q3 MONTHS OF SUPPLY 1.46

-46.41% year over year ▼
22.22% quarter over quarter ▲



SALES

Total Q3	Record High Q3	10-yr average Q3
189 5.59% yoy ▲	211 2013	159

NEW LISTINGS

Total Q3	Record High Q3	10-yr average Q3
189 -10.43% yoy ▼	339 2007	244

AVERAGE INVENTORY

Total Q3	Record High Q3	10-yr average Q3
92 -43.42% yoy ▼	281 2018	207

CHESTERMERE

Sales reached a new record high for the third quarter that is nearly double the levels traditionally seen at this time of year. Like other centres, Chestermere's new listings could not keep pace with demand growth, as the sales-to-new-listings ratio rose to 90 per cent. This caused a significant drop in inventory levels, which averaged 99 units in the quarter. This is the lowest level of supply recorded in the third quarter in over a decade.

The lack of supply relative to sales caused the months of supply to remain below two months for the second consecutive quarter. This represents the tightest conditions ever recorded in the town and is far lower than the five-plus months traditionally seen during this time of year. Conditions were relatively tight across all price ranges, but the tightest conditions existed among properties priced below \$600,000.

Persistent sellers' market conditions have contributed to the record-high prices seen in the market this year. Detached home prices have stabilized compared to the last quarter, but they remain nearly 12 per cent higher than the previous year.

Q3 BENCHMARK PRICE

\$531,267

10.53% year over year ▲

-0.31% quarter over quarter ▼

Q3 MONTHS OF SUPPLY

1.80

-57.60% year over year ▼

0.16% quarter over quarter ▲



SALES

Total Q3	Record High Q3	10-yr average Q3
165	165	86
68.37% yoy ▲	2021	

NEW LISTINGS

Total Q3	Record High Q3	10-yr average Q3
183	202	165
22.00% yoy ▲	2019	

AVERAGE INVENTORY

Total Q3	Record High Q3	10-yr average Q3
99	214	160
-28.61% yoy ▼	2019	

HIGH RIVER

Despite reaching a new record high based on third-quarter sales, activity was likely limited by a lack of supply in the market. Relatively strong sales were met with a drop in new listings, causing the sales-to-new-listings ratio to rise to 123 per cent and inventories to drop to one of the lowest quarterly averages ever recorded.

The months of supply in the third quarter was well below two months, down relative to the previous quarter and half of what it was in the third quarter of last year. The record-low levels point to strong sellers' market conditions occurring in the area.

Conditions have generally favoured the seller in this market since the end of 2020, contributing to the steep price gains. Despite some recent monthly fluctuations, third-quarter residential benchmark prices trended up over the previous quarter and were 11 per cent higher than last year's levels. Prices have been generally trending up since the third quarter of 2020, which was enough to support full price recovery in this market.

Q3 BENCHMARK PRICE
\$375,867

11.29% year over year ▲
0.61% quarter over quarter ▲

Q3 MONTHS OF SUPPLY
1.46

-52.45% year over year ▼
-16.16% quarter over quarter ▼



SALES

Total Q2	Record High Q2	10-yr average Q2
113	113	64
32.94% yoy ▲	2021	

NEW LISTINGS

Total Q2	Record High Q2	10-yr average Q2
92	174	112
-8.91% yoy ▼	2008	

AVERAGE INVENTORY

Total Q2	Record High Q2	10-yr average Q2
55	190	119
-36.78% yoy ▼	2008	

STRATHMORE

While not at record levels, sales activity in the third quarter was the highest seen since 2015. Prior to the pandemic, the town was dealing with excess supply and price declines. While it took a bit longer for these conditions to shift than in other areas, that shift did start to materialize at the end of 2020. However, supply is now struggling to keep pace with sales activity and inventory levels have remained relatively low.

In the third quarter, new listings pulled back, likely preventing stronger gains in sales. This ensured that the sales-to-new-listings ratio remained above 80 per cent and inventories trended down. The months of supply also remained relatively tight for this market, sitting just below three months. Conditions were not as tight this quarter as last quarter, but conditions continue to favour the seller.

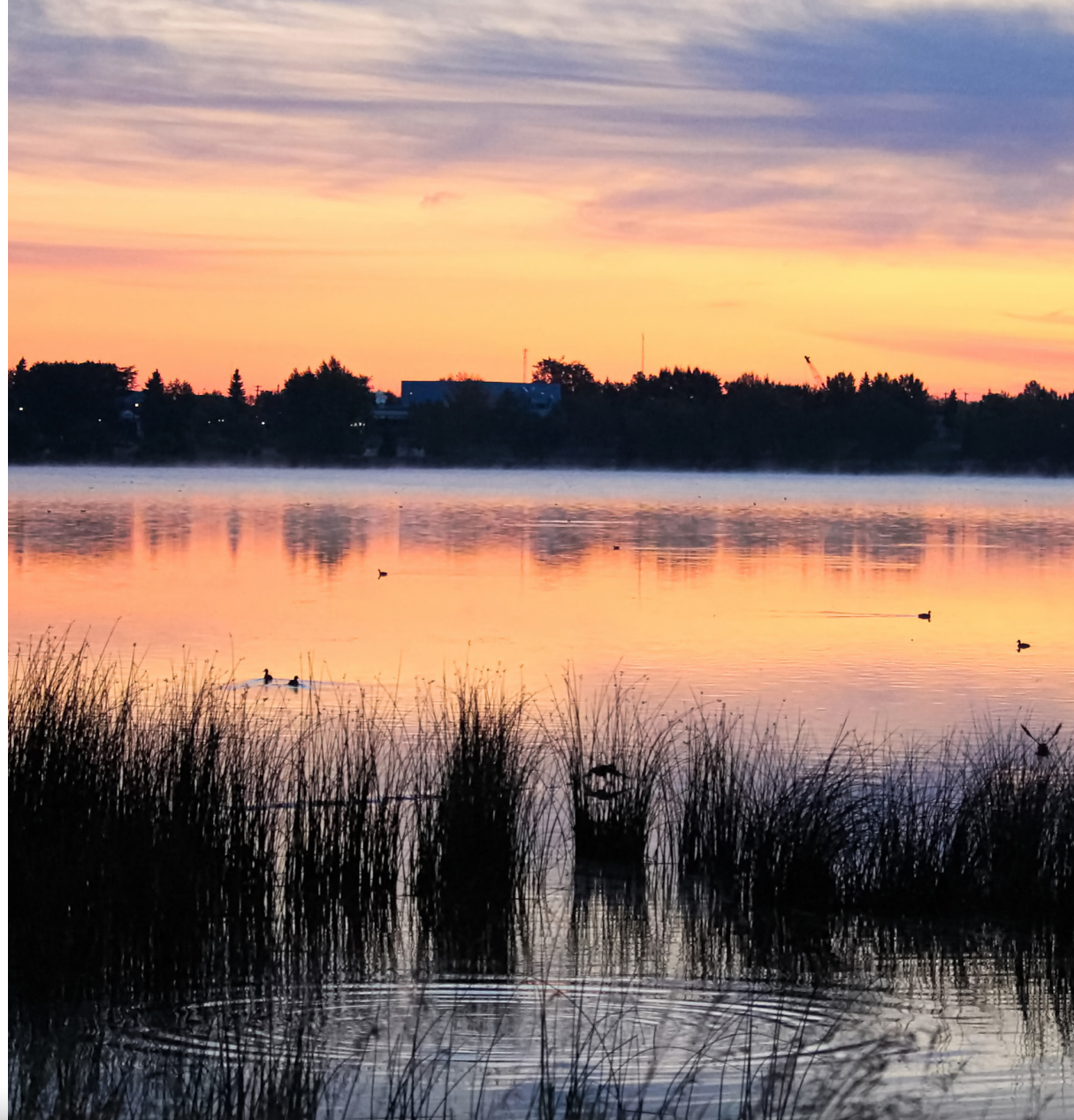
Tighter market conditions have supported price gains across all property types. Levels have stabilized compared to last quarter, but benchmark prices in the third quarter were over nine per cent higher than levels recorded last year.

Q3 BENCHMARK PRICE
\$384,967

9.14% year over year ▲
-0.21% quarter over quarter ▼

Q3 MONTHS OF SUPPLY
2.85

-52.34% year over year ▼
31.69% quarter over quarter ▲



SALES

Total Q3	Record High Q3	10-yr average Q3
97 46.97% yoy ▲	112 2006	75

NEW LISTINGS

Total Q3	Record High Q3	10-yr average Q3
120 -4.76% yoy ▼	183 2008	129

AVERAGE INVENTORY

Total Q3	Record High Q3	10-yr average Q3
92 -29.95% yoy ▼	197 2008	139

RURAL ROCKYVIEW

This rural area just outside of city limits tends to attract consumers looking for more space. However, with more than 85 per cent of listings in the area priced above \$700,000, Rural Rockyview struggled with too much supply relative to demand prior to COVID-19. Thanks to more flexible work arrangements and increased desire for more space among homebuyers, there has been a turnaround in demand in the region.

It took a bit longer than other areas to work through the excess inventory, but over the past three quarters, Rural Rockyview has been experiencing sellers' market conditions.

While properties in the area are relatively diverse, tight conditions have supported three consecutive quarters of price gains, especially in the high-end communities of Springbank and Bears paw.

Q3 BENCHMARK PRICE

BEARSPAW

\$1,179,567

37.17% year over year ▲

3.68% quarter over quarter ▲

Q3 BENCHMARK PRICE

SPRINGBANK

\$1,432,167

44.94% year over year ▲

5.4% quarter over quarter ▲



SALES

Total Q3	Record High Q3	10-yr average Q3
145	150	100
2.84% yoy ▲	2014	

NEW LISTINGS

Total Q3	Record High Q3	10-yr average Q3
253	336	258
1.20% yoy ▲	2011	

AVERAGE INVENTORY

Total Q3	Record High Q3	10-yr average Q3
273	499	396
-17.04% yoy ▼	2011	



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