



**FORECAST
2024
PREVIEW**
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Q3 2023

Calgary & Region

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The data included in this document is based on information available as of November 15, 2023.

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CITY OF CALGARY UPDATE



SALES

7,802

▲ **24.33%** Y/Y



NEW LISTINGS

9,567

▲ **12.29%** Y/Y



INVENTORY

3,377

▼ **-30.58%** Y/Y



BENCHMARK PRICE

\$569,567

▲ **7.41%** Y/Y



SALES/NEW LISTINGS

81.6%

▲ **10.73%** Y/Y



DAYS ON MARKET

24.46

▼ **-29.80%** Y/Y

This year's sales activity in the Calgary market has been mostly aligned with expectations, with declines occurring earlier in the year offsetting the gains in the second half. What was not expected was that the supply challenges would persist throughout the later part of the year, ensuring that conditions continued to favour the seller and driving stronger-than-expected price growth. Much of this is due to the upside risk identified last year regarding higher-than-expected interprovincial migration into the province, with a larger share coming from Ontario.

Despite higher rates, our relative affordability ensured that demand remained strong in our market's higher price ranges, preventing downward price adjustments in the upper end of the market. Over the past few months, we have seen improvements in new listings, a trend expected to continue into next year; however, when it comes to the supply adjustments, that will take longer.

FORECAST 2024 PREVIEW

As we move into 2024, persistently high inflation and interest rates are expected to weigh on economic activity as consumer spending and business investment are expected to slow. This will also help reduce the job vacancies in the province and cause job loss in sectors most reliant on consumer spending. While economic growth is expected to slow, Alberta benefits from higher commodity prices and strong international and interprovincial migration. This will help offset the impact on the economy and our housing market.

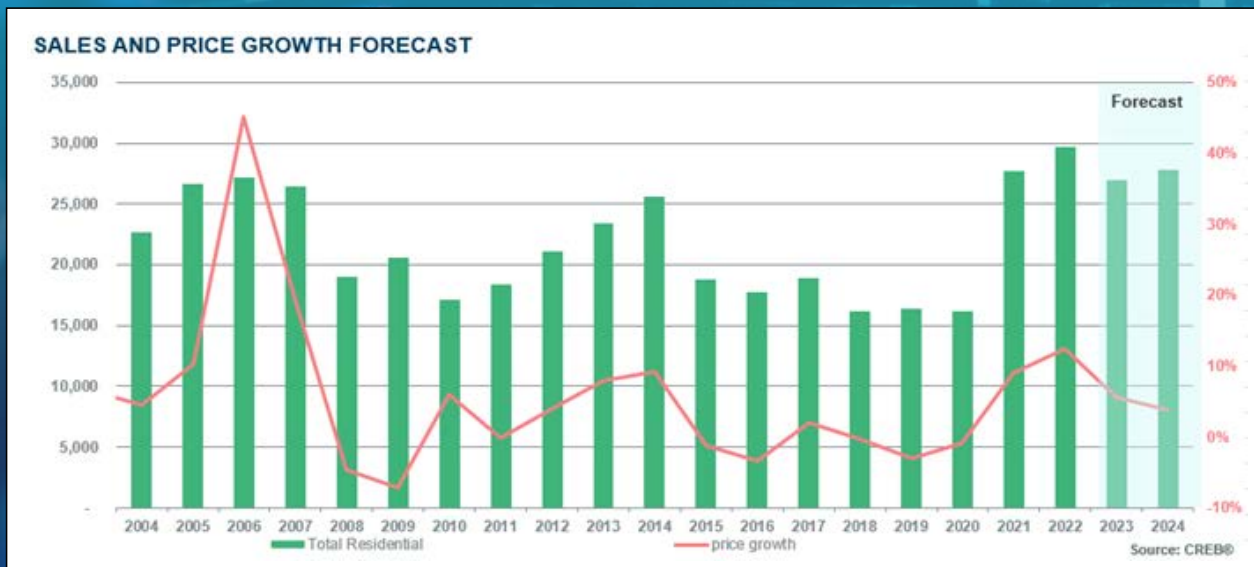
While migration levels are expected to slow in 2024, levels are still likely to remain relatively strong, providing fundamental support for housing demand. At the same time, improving starts and rising new listings will offer more

supply choices in 2024, helping to support stronger sales activity as those previously looking to enter the market will have more options. Furthermore, a pause and a potential rate reduction in the second half of 2024 will provide more certainty for purchasers supporting housing sales activity at higher levels.

Overall supply gains should start to support more balanced conditions by the end of the second quarter, ultimately slowing the market's price growth pace in 2024. However, the balanced conditions are expected to be driven by higher-priced products first, and conditions will likely remain relatively tight for lower-priced products in the market.

While both prices and sales activity are expected to rise in 2024, there is significant risk to the outlook. The first consideration is the overall economy. Should global economic conditions slow weighing on commodity prices, we could see a sharper pullback in economic activity in Alberta. This could also affect employment activity, resulting in broader job losses. Should this happen, we could expect a pullback in sales rather than a modest increase.

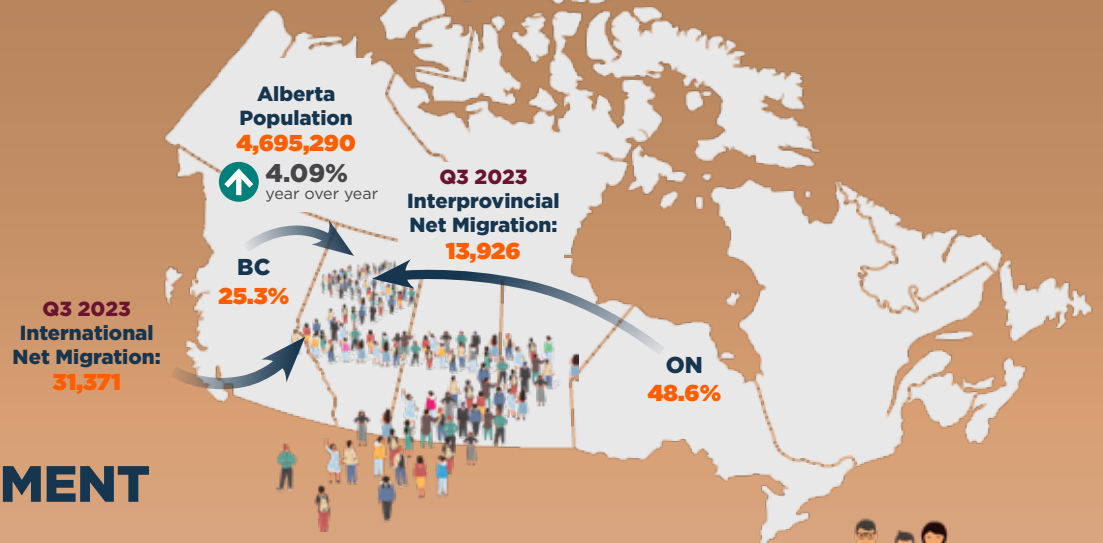
The next major risk factor is migration levels. Should migration levels remain relatively strong, especially from interprovincial sources, we will likely continue to experience challenges with housing supply, limiting sales due to a lack of options and causing stronger-than-expected upward pressure on home prices.



KEY ECONOMIC INDICATORS

Inflation remains higher than target levels, but the Bank of Canada maintained target interest rates in October as the Canadian economy shows signs of weakening. While economic conditions are expected to slow due to pullbacks from consumer and business investment, Alberta is expected to fare better than other provinces thanks to the energy sector and strong international and interprovincial migration inflows.

POPULATION



Bank of Canada Policy Interest Rate
5.00%



Total CPI Inflation Sept 2023
3.80%

EMPLOYMENT



Employment
928,600

↑ 3.82% quarter over quarter

↑ 3.02% year over year

Full time
781,433

↑ 5.26% quarter over quarter

↑ 2.73% year over year

Part time
147,200

↓ -3.18% quarter over quarter

↑ 4.62% year over year



Unemployment Rate
6.20%

↓ -0.54% quarter over quarter

↑ 12.73% year over year

YEAR-TO-DATE HOUSING STARTS



Detached
4,104

↓ -8.94% year over year



Semi
1,208

↑ 3.42% year over year



Row
2,085

↑ 31.46% year over year



Apartment
6,774

↑ 20.88% year over year

RENTAL MARKET



Rental Rate
\$2,182 Calgary 2 bdrm (rentals.ca October 2023)

↑ 13.60% year over year

HOUSING MARKET DETACHED

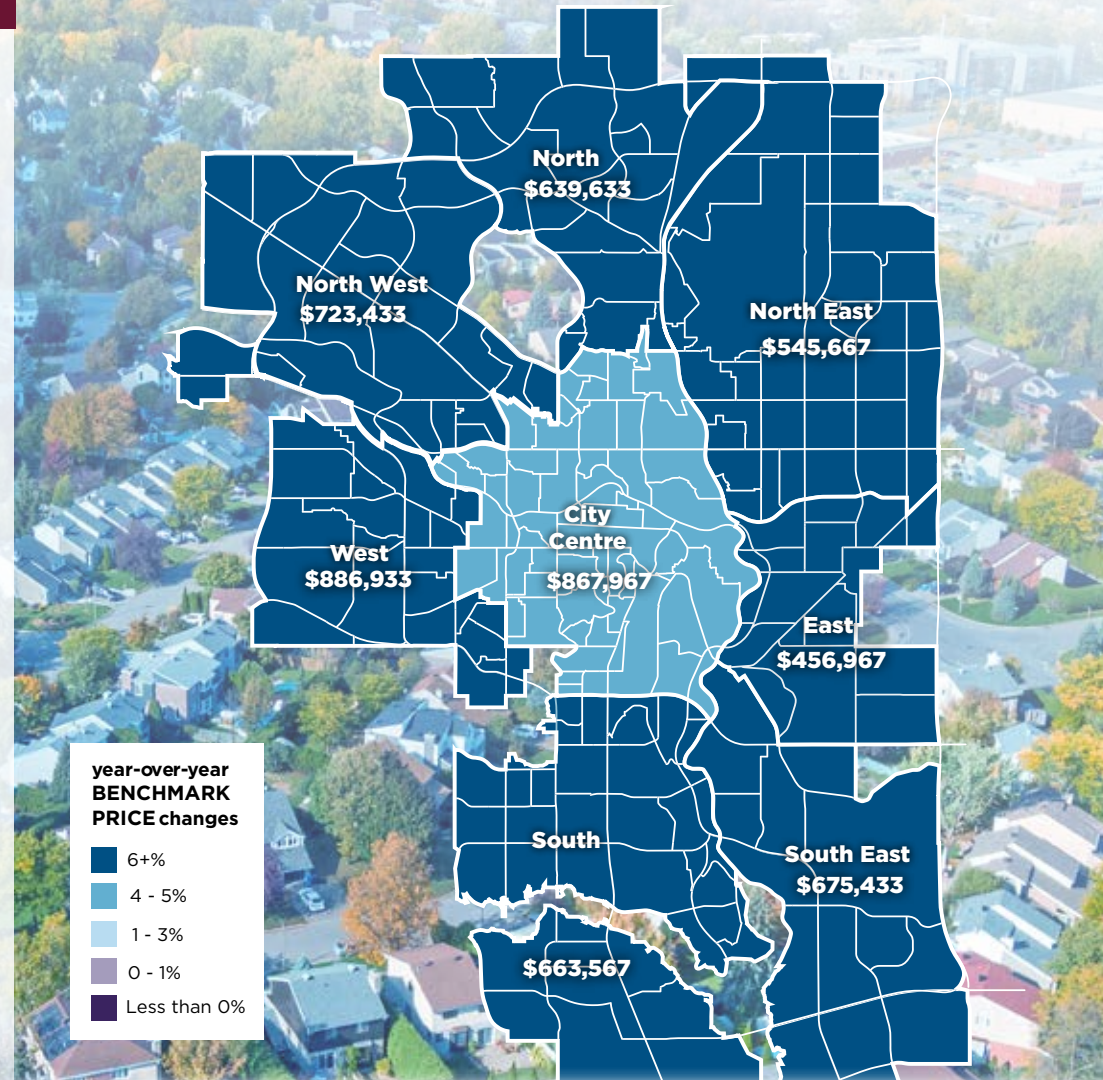
Following several consecutive quarters with slower sales, a boost in sales for homes priced over \$500,000 offset declines reported in lower price ranges. Lack of choice for lower-priced detached homes has prevented stronger sales for detached properties. While many markets are seeing a pullback in demand in the upper price ranges due to the higher lending rates, Calgary continues to see gains in the upper ranges thanks to better supply options and strong interprovincial migration from Ontario. With a benchmark price averaging under \$700,000 in the third quarter, Calgary still seems relatively affordable compared to Canada's largest cities.

Tight housing market conditions have driven up prices, three per cent higher than in the second quarter and nearly 10 per cent higher than last year's third quarter. Prices have trended up over the last quarter in every district. Year-to-date detached price growth has ranged from four per cent in the City Centre to nearly 14 per cent in the East district. The largest gains have occurred in the most affordable districts of the North East and East.



BENCHMARK PRICE
\$694,433

↑ 9.65% year over year | **↑ 3.05%** quarter over quarter



SALES
3,535
↑ 11.80% year over year

NEW LISTINGS
4,618
↑ 3.33% year over year

INVENTORY
1,689
↓ -29.78% year over year

MONTHS OF SUPPLY
1.43
↓ -37.19% year over year

SALES/NEW LISTINGS
76.5%
↑ 8.19% year over year

DAYS ON MARKET
23.73
↓ -25.56% year over year

*source: CREB

HOUSING MARKET SEMI-DETACHED

Both sales and new listings rose over levels reported in the third quarter of last year. With 598 sales and 760 new listings, we also saw the sales-to-new listings ratio ease from 88 per cent in the second quarter to 79 per cent in the third. While conditions are not as tight as last quarter, the shift did little to improve inventory levels, amongst the lowest ever reported in the third quarter.

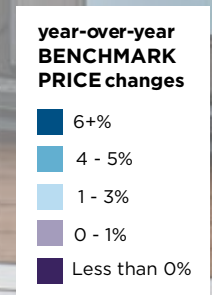
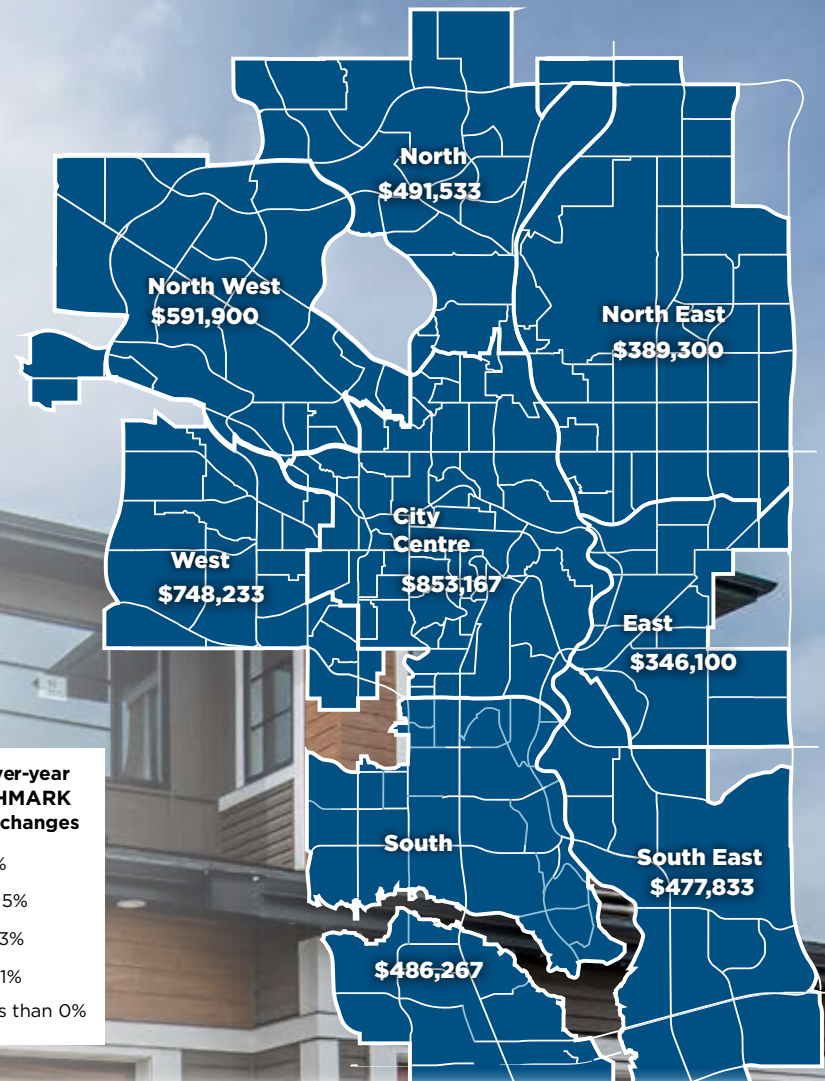
With just over one month of supply, the semi-detached sector continues to favour the seller, contributing to further price growth. In the third quarter, the unadjusted benchmark price rose by three per cent compared to last quarter and was over nine per cent higher than prices reported last year at this time. Like the detached sector, prices have risen across every district, with the most significant gains occurring in the most affordable districts of the North East and East.



BENCHMARK PRICE
\$620,433

9.51%
year over year

3.08%
quarter over quarter



SALES
598

20.81%
year over year



NEW LISTINGS
760

5.70%
year over year



INVENTORY
265

-33.47%
year over year



MONTHS OF SUPPLY
1.33

-44.93%
year over year



SALES/NEW LISTINGS
78.7%

14.29%
year over year



DAYS ON MARKET
22.64

-31.17%
year over year

source: CREB

HOUSING MARKET ROW

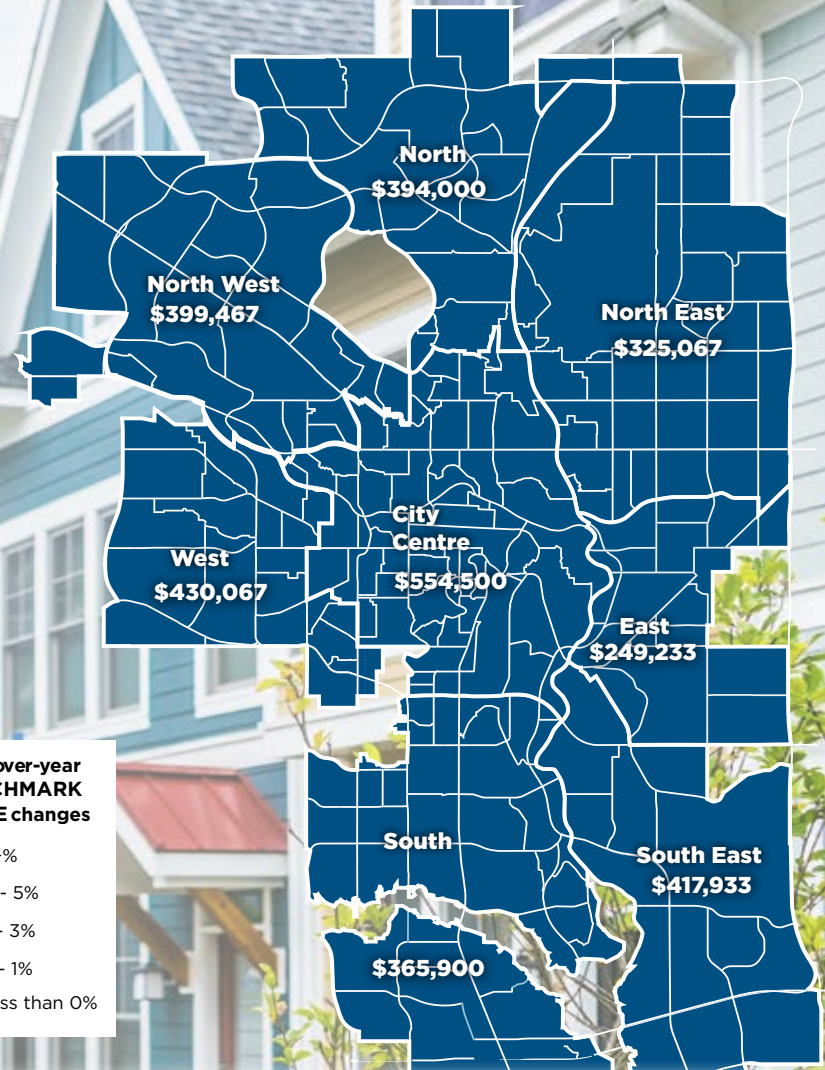
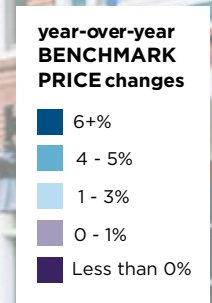
New listings in the third quarter improved over last year, but the shift in new listings also supported strong growth in sales activity. The 1,447 new listings were met with 1,318 sales, causing the sales-to-new listings ratio to push up to 91 per cent. Tight conditions caused further declines in inventory levels, averaging some of the lowest third quarter levels since 2006. Higher lending rates are declining supply for lower-priced detached and semi-detached properties, which has caused many consumers to shift to row/townhouse-style properties.

The strong demand relative to inventory levels has caused further tightening in this market, with months of supply averaging below one month for this quarter and last quarter. The strong seller's market conditions have caused relatively steep price gains. In the third quarter, the benchmark price rose by nearly six per cent over the previous quarter and is almost 16 per cent higher than the third quarter of last year. Year-over-year price growth has ranged from a low of 12 per cent in the North West and City Centre to a high of 29 per cent in the East district.



BENCHMARK PRICE
\$413,367

↑ 15.51% year over year | **↑ 5.79%** quarter over quarter



SALES
1,318
↑ 16.43% year over year

NEW LISTINGS
1,447
↑ 13.14% year over year

INVENTORY
388
↓ -40.05% year over year

MONTHS OF SUPPLY
0.88
↓ -48.51% year over year

SALES/NEW LISTINGS
91.1%
↑ 2.91% year over year

DAYS ON MARKET
19.98
↓ -40.95% year over year

HOUSING MARKET APARTMENT

Apartment condominium sales continue to surge in the third quarter, reaching a record high and contributing to the year-to-date gain of 25 per cent. The growth in third-quarter sales was only possible thanks to the strong growth in new listings; however, with a sales-to-new-listings ratio of 86 per cent, inventory levels eased for apartment condominiums as well. Supply levels are not at record lows, but the recent surge in demand has caused the months of supply to remain just over one month.

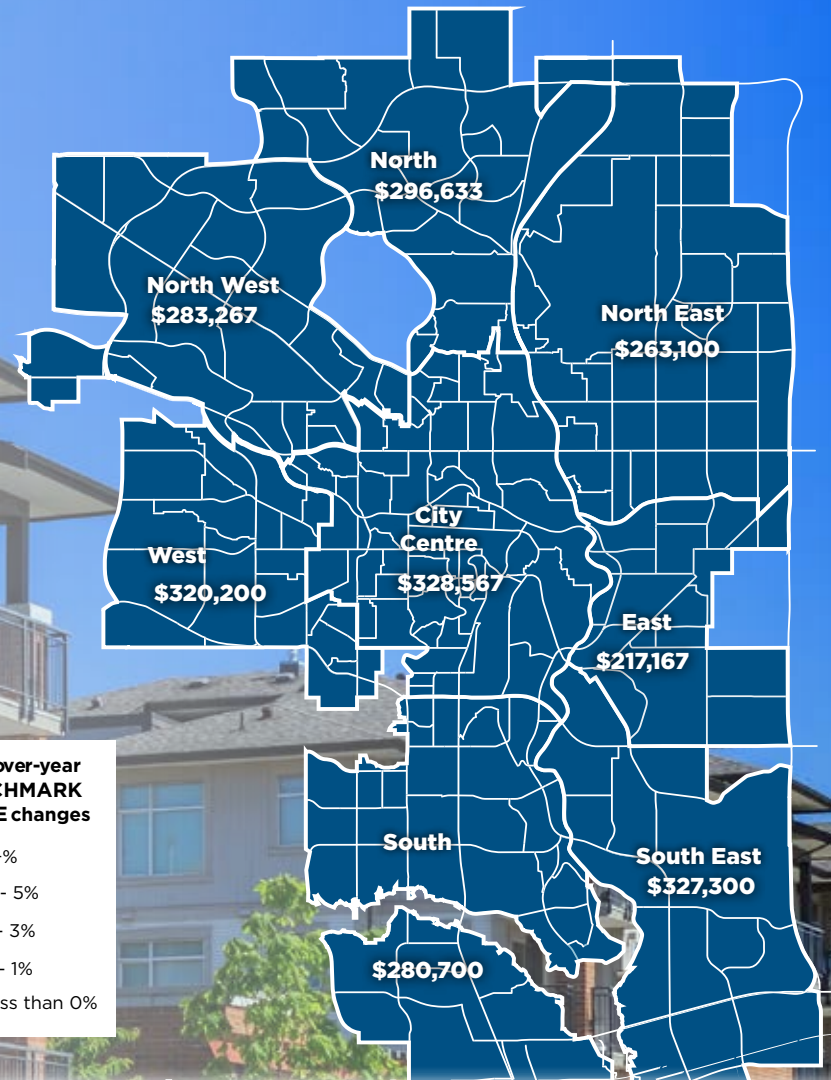
The exceptionally tight conditions have continued to place upward pressure on home prices, which reported a quarterly gain of over three per cent and a year-over-year increase of 14 per cent. While price growth has been significant so far this year, it is important to remember that prices only recovered from the 2014 highs in June of this year and are still just slightly below their peak in the City Centre. The City Centre has seen the slowest price growth, with a quarterly gain of one per cent and a year-over-year increase of over nine per cent.



BENCHMARK PRICE
\$309,267

↑ 13.51%
year over year

↑ 3.56%
quarter over quarter



year-over-year
BENCHMARK
PRICE changes

- 6+%
- 4 - 5%
- 1 - 3%
- 0 - 1%
- Less than 0%



SALES
2,351
↑ 58.21%
year over year



NEW LISTINGS
2,742
↑ 33.56%
year over year



INVENTORY
1,035
↓ -26.80%
year over year



MONTHS OF SUPPLY
1.32
↓ -53.73%
year over year



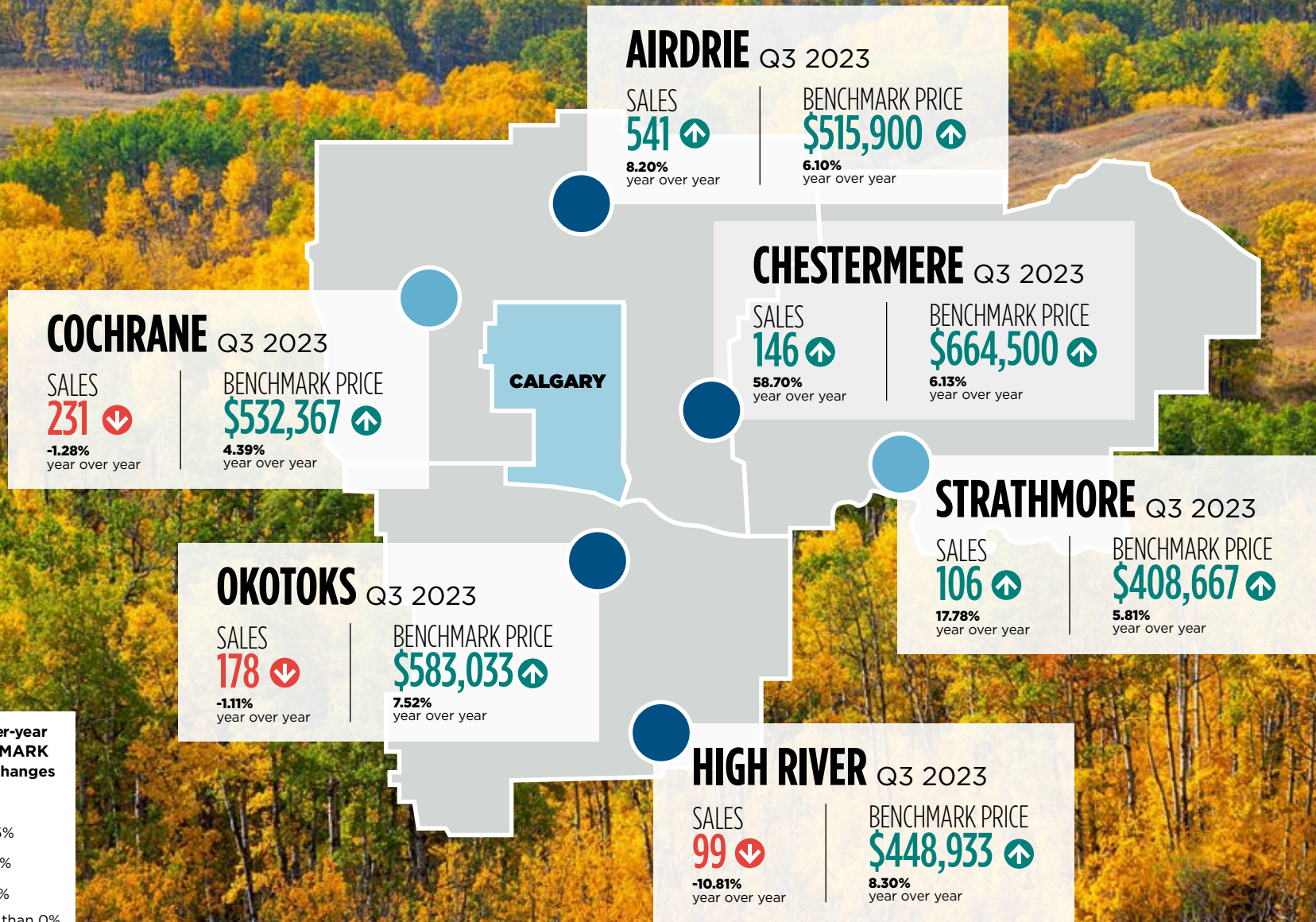
SALES/NEW LISTINGS
85.7
↑ 18.46%
year over year



DAYS ON MARKET
28.54
↓ -32.99%
year over year

*source: CREB

SURROUNDING AREAS



**year-over-year
BENCHMARK
PRICE changes**

- 6+%
- 4 - 5%
- 1 - 3%
- 0 - 1%
- Less than 0%

AIRDRIE

After several consecutive quarters of year-over-year declines, Airdrie reported increased sales and new listings throughout the third quarter. While year-to-date sales are still lower than last year, sales have been restricted by pullbacks in new listings. This quarter's recent gain in new listings and sales primarily occurred in homes over \$500,000. With 541 sales and 640 new listings, the sales to new listings ratio remained relatively high at 85 per cent, doing little to change the low inventory situation in the city. Inventory levels in the city have averaged half the levels we traditionally see in the market.

Low inventory levels compared to sales have kept conditions exceptionally tight, with just over one month of supply in the third quarter. The persistently tight conditions have likely supported additional price growth. In Airdrie, the unadjusted benchmark price reached a record-high of \$515,900 in the third quarter, over two per cent higher than the previous quarter and nearly six per cent above levels reported last year. Prices improved across all property types, with larger gains in the higher-density sectors.



BENCHMARK PRICE
515,900

↑ 6.10%
year over year | **↑ 2.41%**
quarter over quarter

Low inventory levels compared to sales have kept conditions exceptionally tight, with just over one month of supply in the third quarter.

source: CREB



SALES
541

↑ 8.20%
year over year



NEW LISTINGS
640

↑ 5.79%
year over year



INVENTORY
194

↓ -29.02%
year over year



MONTHS OF SUPPLY
1.08

↓ -34.40%
year over year



SALES/NEW LISTINGS
84.5%

↑ 2.28%
year over year



DAYS ON MARKET
24.42

↓ -12.39%
year over year

COCHRANE

Third-quarter sales remained similar to levels reported last year, but earlier declines have caused year-to-date sales to ease by 22 per cent. Despite the decrease in sales activity, it remains well above long-term trends. Pullbacks in new listings have contributed to the area's exceptionally low inventory levels, likely preventing stronger sales activity. Limited inventory relative to sales has kept the months of supply exceptionally low at below two months this quarter, with the tightest conditions for homes priced under \$600,000.

Persistently tight market conditions are likely contributing to further price gains. In the third quarter, the benchmark price reached a new record high of \$532,367, representing a three per cent gain over the previous quarter and over four per cent higher than the \$510,000 reported in the third quarter of 2022.

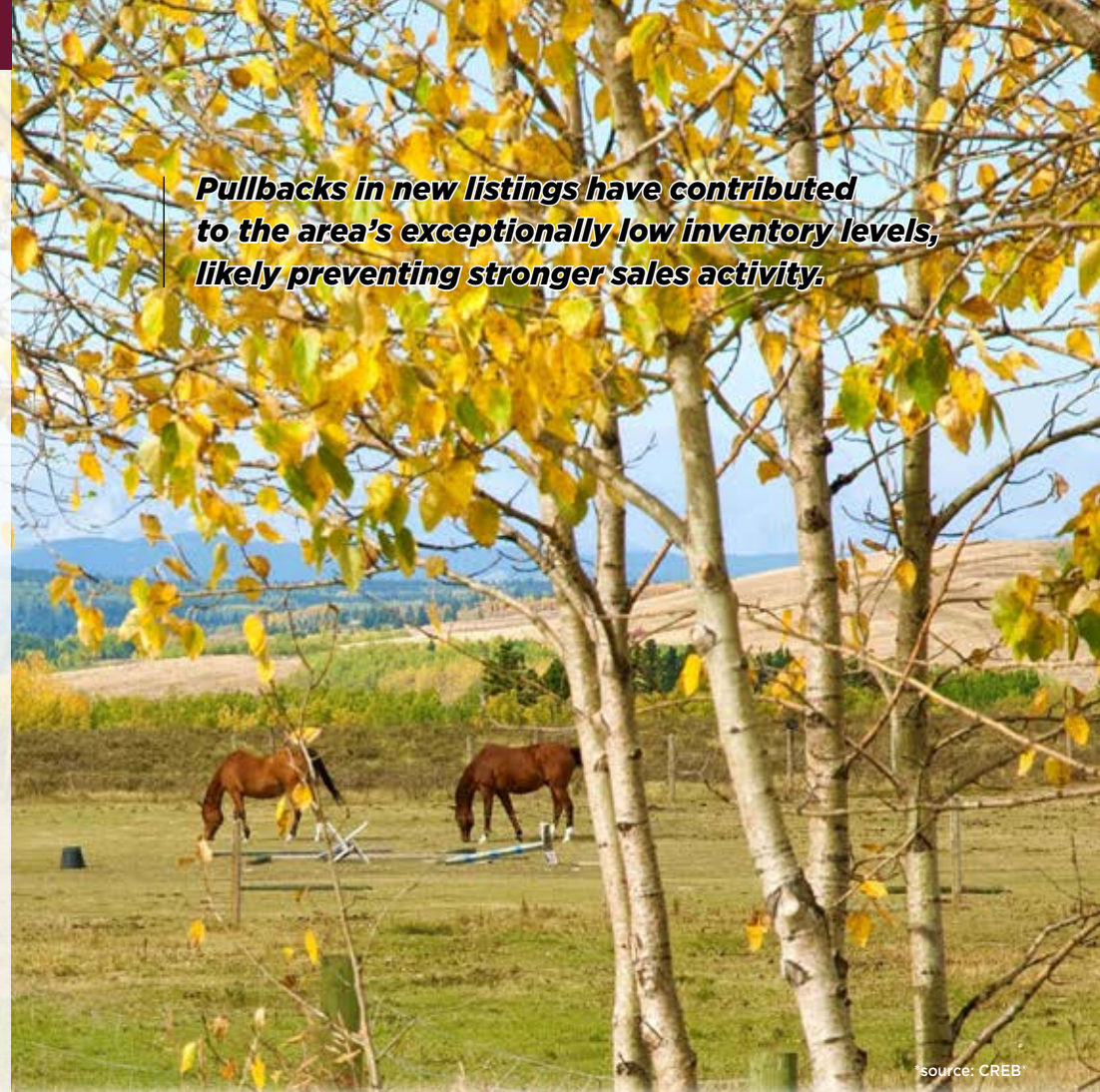


BENCHMARK PRICE

532,367

4.39% year over year |
 3.11% quarter over quarter

Pullbacks in new listings have contributed to the area's exceptionally low inventory levels, likely preventing stronger sales activity.



source: CREB



SALES

231

-1.28%
year over year



NEW LISTINGS

283

-9.00%
year over year



INVENTORY

147

-7.74%
year over year



MONTHS OF SUPPLY

1.91

-6.54%
year over year



SALES/NEW LISTINGS

81.6%

8.49%
year over year



DAYS ON MARKET

36.14

9.84%
year over year

OKOTOKS

While sales in the third quarter remained comparable to levels reported last year, steep pullbacks earlier in the year have resulted in a year-to-date decline of 26 per cent. While sales have slowed over last year's record levels, they remain stronger than those reported from 2015 - 2020. Much of the challenge has been related to limited supply choices, as inventory levels have not been this low since 2006.

With only one month of supply, it is no surprise that we continue to see upward pressure on home prices. The benchmark price has reached an all-new record high of \$583,033, nearly one per cent higher than the last quarter and over seven per cent higher than the \$542,267 reported in the previous year.



BENCHMARK PRICE
\$583,033

7.52% year over year | **0.93%** quarter over quarter

Much of the challenge has been related to limited supply choices, as inventory levels have not been this low since 2006.

source: CREB



SALES

178

-1.11% year over year



NEW LISTINGS

212

-4.07% year over year



INVENTORY

67

-27.60% year over year



MONTHS OF SUPPLY

1.13

-26.79% year over year



SALES/NEW LISTINGS

84.0%

3.09% year over year



DAYS ON MARKET

21.79

-23.65% year over year

CHESTERMERE

After five consecutive quarters of pullbacks, Chestermere reported a more than 50 per cent year-over-year increase in both sales activities. This was possible thanks to the record-high new listings that came onto the market in the third quarter. While year-to-date sales and new listings are slightly lower than last year's and well above long-term trends, inventory levels remain exceptionally low for this market.

Conditions were less tight in the third quarter compared to the second quarter, with just over two months of supply conditions continuing to favour the seller. The persistently tight conditions supported further price gains. The benchmark price averaged \$664,500 in the third quarter, an increase of nearly one per cent over the last quarter and over six per cent higher than last year's.



BENCHMARK PRICE
\$664,500

↑ 6.13% year over year | **↑ 0.67%** quarter over quarter

Conditions were less tight in the third quarter compared to the second quarter, with just over two months of supply conditions continuing to favour the seller.



source: CREB



SALES
146

↑ 58.70% year over year



NEW LISTINGS
231

↑ 50.00% year over year



INVENTORY
110

↑ 1.85% year over year



MONTHS OF SUPPLY
2.27

↓ -35.82% year over year



SALES/NEW LISTINGS
63.2%

↑ 5.80% year over year



DAYS ON MARKET
32.05

↓ 14.87% year over year

HIGH RIVER

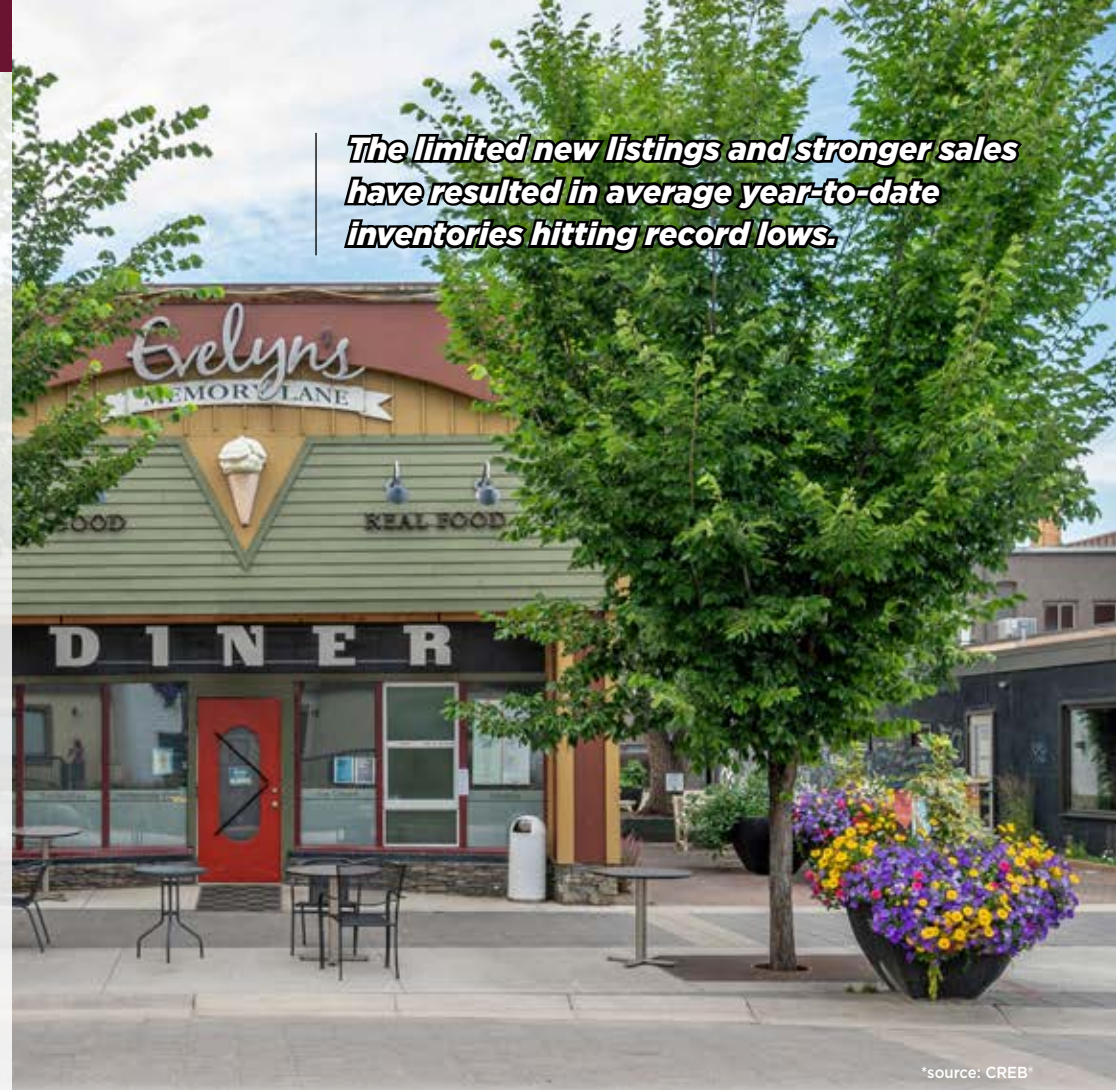
Year-to-date sales in High River eased over levels reported last year but remain much higher than long-term trends. Over the same period, the year-to-date new listings have decreased by nearly 18 per cent over the previous year and reached one of the lowest levels reported in nearly a decade. The limited new listings and stronger sales have resulted in average year-to-date inventories hitting record lows.

With a sales-to-new listings ratio of 100 per cent and months of supply to just over one month in the third quarter, market conditions continued to favour sellers in High River, supporting further price growth. The benchmark price rose to a new record high of \$448,933, a quarterly gain of nearly one per cent and eight per cent higher than the third quarter of 2022.



BENCHMARK PRICE
\$448,933

↑ 8.30% year over year | **↑ 0.77%** quarter over quarter



The limited new listings and stronger sales have resulted in average year-to-date inventories hitting record lows.

*source: CREB



SALES
99

↓ -10.81% year over year



NEW LISTINGS
99

↓ -1.98% year over year



INVENTORY
43

↑ 9.32% year over year



MONTHS OF SUPPLY
1.30

↑ 22.57% year over year



SALES/NEW LISTINGS
100.0%

↓ -9.01% year over year



DAYS ON MARKET
33.21

↑ 16.26% year over year

STRATHMORE

Following five consecutive year-over-year declines, third quarter sales rose by nearly 18 per cent. The gains in sales were met with a further pullback in new listings, causing the sales-to-new listings ratio to push above 90 per cent and the inventory levels to fall to the lowest third quarter on record.

With just over one month of supply, it is unsurprising that prices trended up in the town, reaching a new record high. The benchmark price of \$408,667 is over one per cent higher than the last quarter and nearly six per cent higher than the levels reported last year.



BENCHMARK PRICE

\$408,667

↑ 5.81% | ↑ 1.25%
year over year | quarter over quarter

With just over one month of supply, it is unsurprising that prices trended up in the town, reaching a new record high.

*source: CREB



SALES

106

↑ 17.78%
year over year



NEW LISTINGS

116

↓ -1.69%
year over year



INVENTORY

49

↓ -27.00%
year over year



MONTHS OF SUPPLY

1.38

↓ -38.02%
year over year



SALES/NEW LISTINGS

91.4%

↑ 19.81%
year over year



DAYS ON MARKET

32.75

↓ -10.80%
year over year

CANMORE

The Canmore market is far different from most other markets surrounding Calgary. Higher-density homes account for 84 per cent of the total sales, with the largest share being apartment-style condominiums. Following the spike in sales during the COVID-19 pandemic, sales activity has eased to levels more consistent with activity seen before the pandemic. At the same time, new listings have also eased, causing inventory levels in the third quarter to fall over last year's levels.

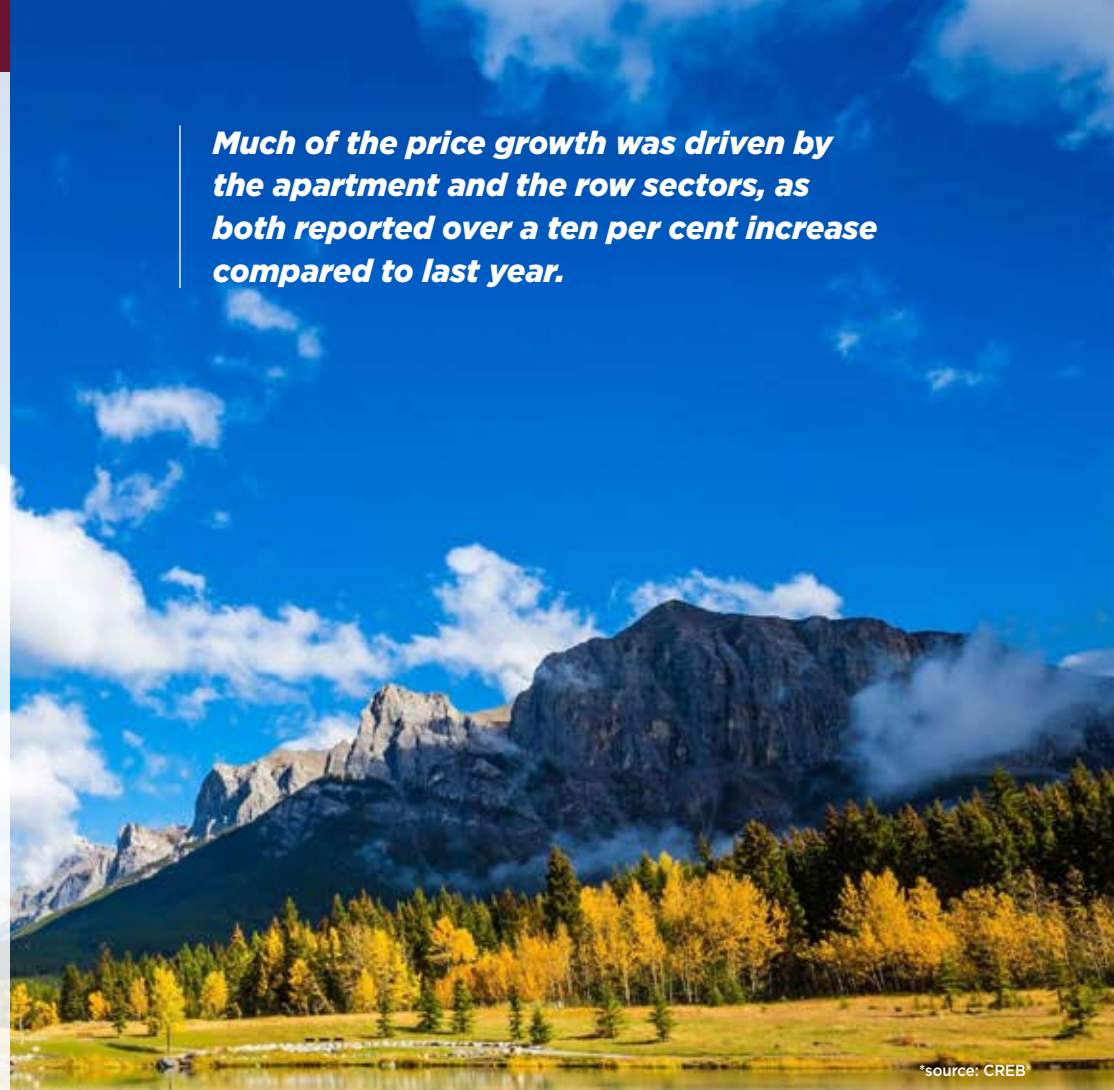
While conditions are not as tight as during the pandemic, at three months of supply and a sales-to-new-listings ratio of 68 per cent, conditions are still tighter than long-term trends. Overall, the benchmark price in Canmore rose nearly three per cent over the second quarter and reached a new record high of \$928,500. Much of the price growth was driven by the apartment and the row sectors, as both reported over a ten per cent increase compared to last year.



BENCHMARK PRICE
\$928,500

↑ 7.71% year over year | **↑ 2.56%** quarter over quarter

Much of the price growth was driven by the apartment and the row sectors, as both reported over a ten per cent increase compared to last year.



*source: CREB



SALES
112

↓ -6.67% year over year



NEW LISTINGS
165

↓ -2.94% year over year



INVENTORY
130

↓ -18.37% year over year



MONTHS OF SUPPLY
3.49

↓ -12.54% year over year



SALES/NEW LISTINGS
67.9

↓ -3.84% year over year



DAYS ON MARKET
48.47

↑ 1.46% year over year



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KEYNOTE SPEAKER

ANN-MARIE LURIE

CREB's Chief Economist



January 23, 2024 9:30 a.m. - 6:30 p.m.

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