



Q1 2023

Calgary & Region

QUARTERLY UPDATE REPORT

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The data included in this document is based on information available as of April 12, 2023.

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SALES

5,366

▼ **-42.84%** Y/Y



NEW LISTINGS

7,557

▼ **-40.10%** Y/Y



INVENTORY

2,814

▼ **-20.55%** Y/Y



BENCHMARK PRICE

\$531,200

▲ **2.44%** Y/Y



SALES/NEW LISTINGS

71.0%

▼ **74.4%**
Down from
in Q1 2022



DAYS ON MARKET

32.40

▲ **26.79%** Y/Y

CITY OF CALGARY UPDATE

Sales activity has behaved as expected through the start of 2023 and slowed by 43 per cent over last year's all-time record-high performance in the first quarter. The steeper decline in the first quarter was expected, given the surge in sales last year, as purchasers were eager to enter the market ahead of expected rate gains. While no further rate gains have occurred so far this year, the higher lending rates and limited supply choice are contributing to some of the pullbacks in sales. Nevertheless, despite the decline, sales activity has remained well above pre-pandemic levels thanks to recent gains in migration coupled with a stronger employment market.

The most notable challenge in the market has been related to supply levels. New listings were expected to ease as higher lending rates would make it more difficult for the move-up buyer. However, the pace of decline in new listings has exceeded expectations. New listings in the first quarter declined by 40 per cent, preventing any significant shift in the supply levels given the relatively strong sales. Inventory levels in the city averaged 2,814 units in the first quarter, 21 per cent lower than last year's levels and over 42 per cent below long-term trends for the first quarter. With a sales-to-new-listings ratio of 71 per cent and a months of supply of under two months in the first quarter, conditions continue to favour the seller.

Exceptionally tight market conditions early last year drove significant price gains throughout the 2022 spring market, peaking at \$544,733 in the second quarter. While supply-demand balances remained tight throughout 2022, prices did trend down over the third and fourth quarters, somewhat adjusting for the rapid rise earlier in the year. Further tightening in the supply-demand balance in the first quarter was enough to stop the downward price trend as the quarterly benchmark price rose over two per cent in the fourth quarter to \$531,200 but remained below the Q2 high.

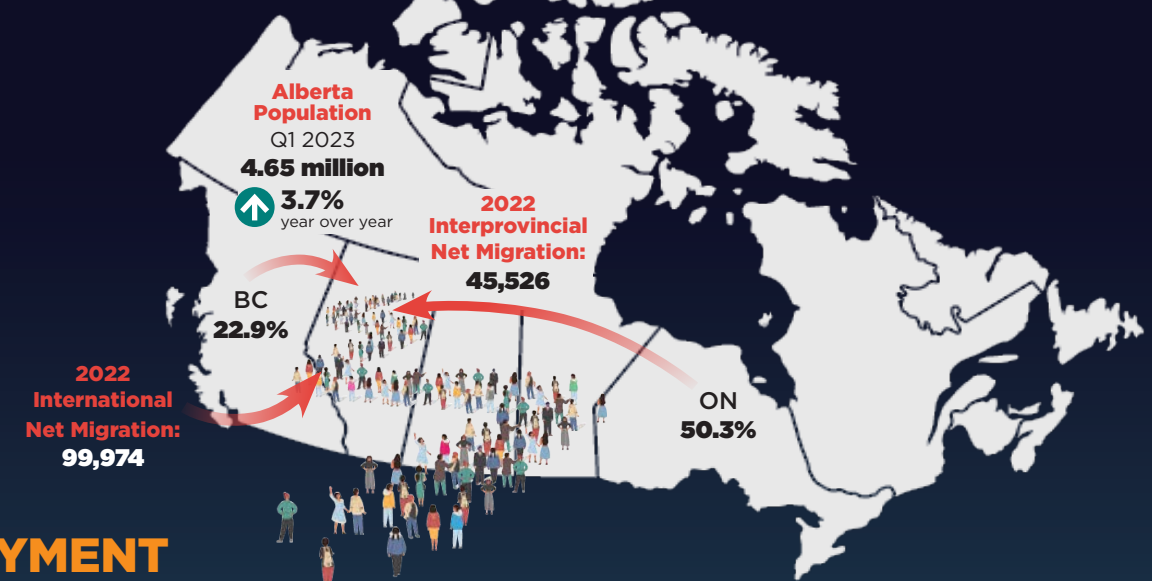
Some of the fluctuations in price were expected this year, given what happened last year. However, price growth to date has been stronger than expected. Given the limited supply currently on the market, we could expect to see some stronger price growth through spring, potentially supporting a modest annual gain in 2023.



KEY ECONOMIC INDICATORS

Inflation levels continue to be a dominant theme over the year's first quarter. While inflation has shown signs of easing, further reductions are still required to achieve the target rate. The Bank of Canada has paused increasing rates thanks to signs of slowing economic activity and heightening risk. Also, a short, mild national recession is still expected over the next several quarters as higher prices weigh on consumer spending and investment activity. While households and businesses in Alberta will feel the impact of inflation and higher lending rates, a stronger energy sector and migration growth will help to offset some of the effects. As a result, while Alberta's economic growth is expected to slow, most forecasters expect Alberta's growth to outperform most other provinces.

POPULATION



Bank of Canada Policy Interest Rate
4.50%



Total CPI Inflation
March 2023:
4.3%

EMPLOYMENT



Employment
864,233
↓ **-3.22%** quarter over quarter
↑ **2.78%** year over year

Full time
711,300
↓ **-4.33%** quarter over quarter
↑ **5.56%** year over year

Part time
152,967
↑ **2.32%** quarter over quarter
↓ **-8.40%** year over year



Unemployment
6.73%
Up from **5.77%** Q4 2022
Down from **7.57%** Q1 2022

Q1 HOUSING STARTS



Detached
1,036
↓ **-13.59%** year over year



Semi
370
↑ **10.12%** year over year



Row
506
↑ **39.78%** year over year



Apartment
1,715
↑ **61.03%** year over year

RENTAL MARKET



Rental Rate
\$1,932 Calgary 2 bdrm
↑ **20.1%** year over year

Vacancy
2.5% 2 bdrm Apartment
Down from **5.4%** in 2021

HOUSING MARKET DETACHED

The biggest challenge in the detached market has been available supply in the lower price ranges. This is the only market segment where inventory has improved for homes over \$700,000. Based on the first quarter benchmark price, the typical detached home is now priced at \$636,167. This is a significant shift from a few years ago when detached benchmark prices were \$550,000. This is causing a shift in sales toward more affordable property types like semi-detached, row and apartment condominiums. As of the first quarter, detached sales accounted for 47 per cent of all sales activity.

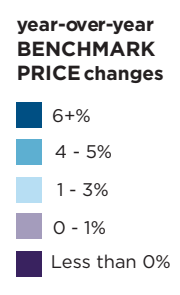
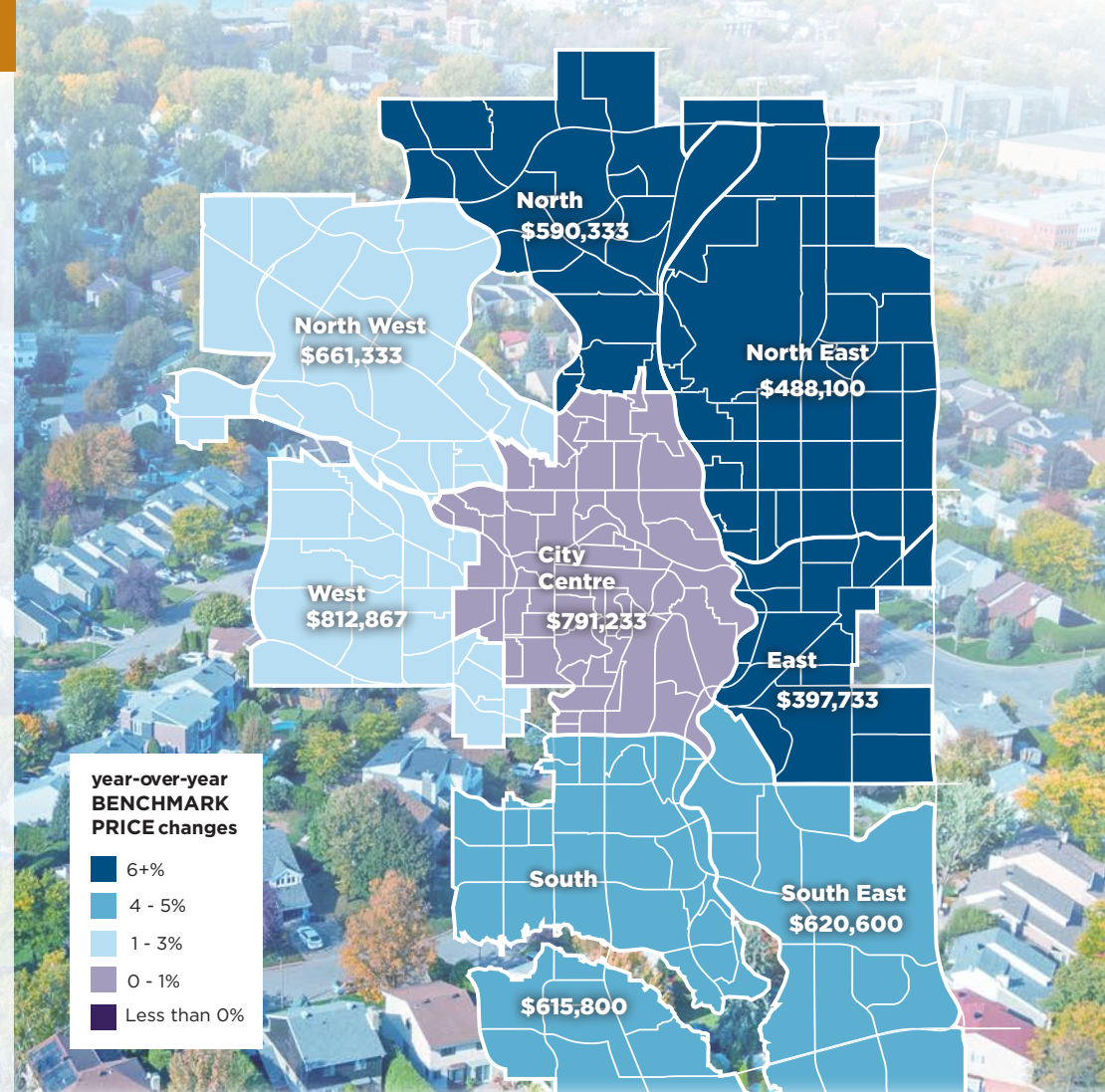


BENCHMARK PRICE

\$636,167

↑ 3.61%
year over year

↑ 2.43%
quarter over quarter



SALES

2,498

↓ -52.95%
year over year



NEW LISTINGS

3,627

↓ -50.42%
year over year



INVENTORY

1,326

↓ -17.00%
year over year



MONTHS OF SUPPLY

1.59

↑ 76.40%
year over year



SALES/NEW LISTINGS

68.9%

↓ -5.09%
year over year



DAYS ON MARKET

30.8

↑ 71.13%
year over year

*source: CREB

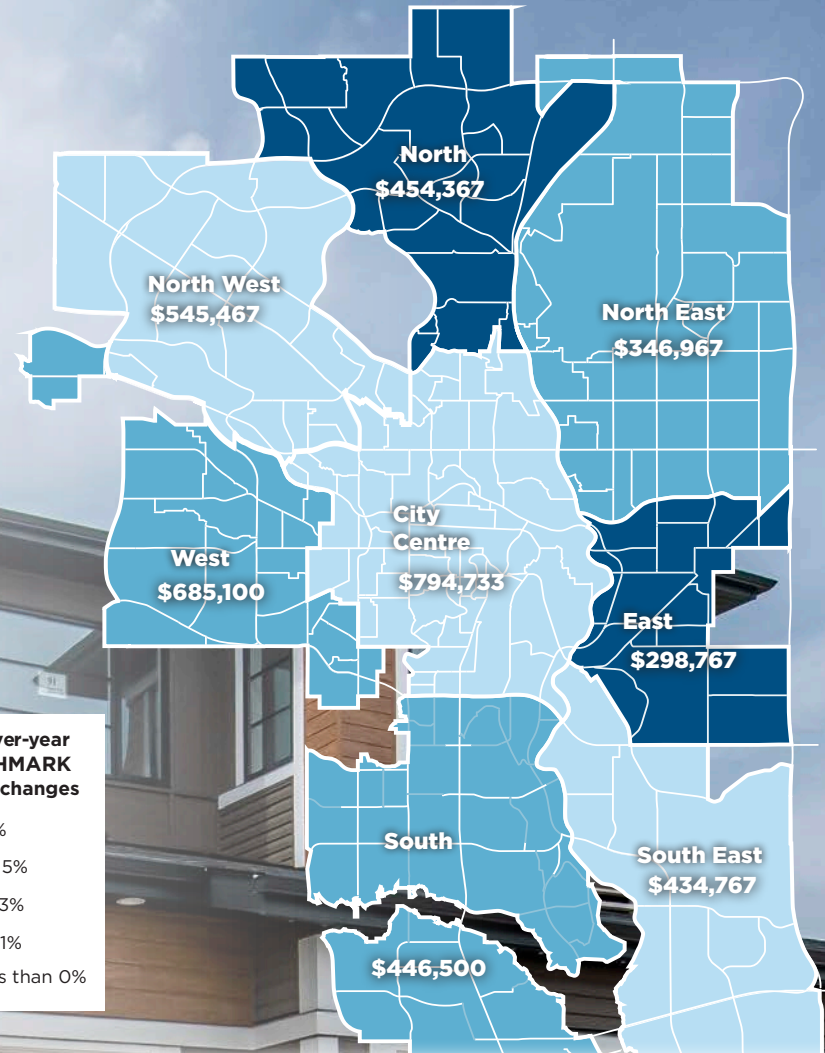
HOUSING MARKET SEMI-DETACHED

Like the detached sector, limited supply has weighed on activity in this market segment. As a result, inventory levels slowed in the first quarter compared to the end of 2022 and levels reported in the first quarter of last year.



BENCHMARK PRICE
\$569,533

↑ 3.34% year over year | **↑ 1.43%** quarter over quarter



SALES
468

↓ -44.22% year over year



NEW LISTINGS
623

↓ -44.57% year over year



INVENTORY
255

↓ -18.60% year over year



MONTHS OF SUPPLY
1.64

↑ 45.93% year over year



SALES/NEW LISTINGS
75.1%

↑ 0.64% year over year



DAYS ON MARKET
35.2

↑ 36.87% year over year

source: CREB

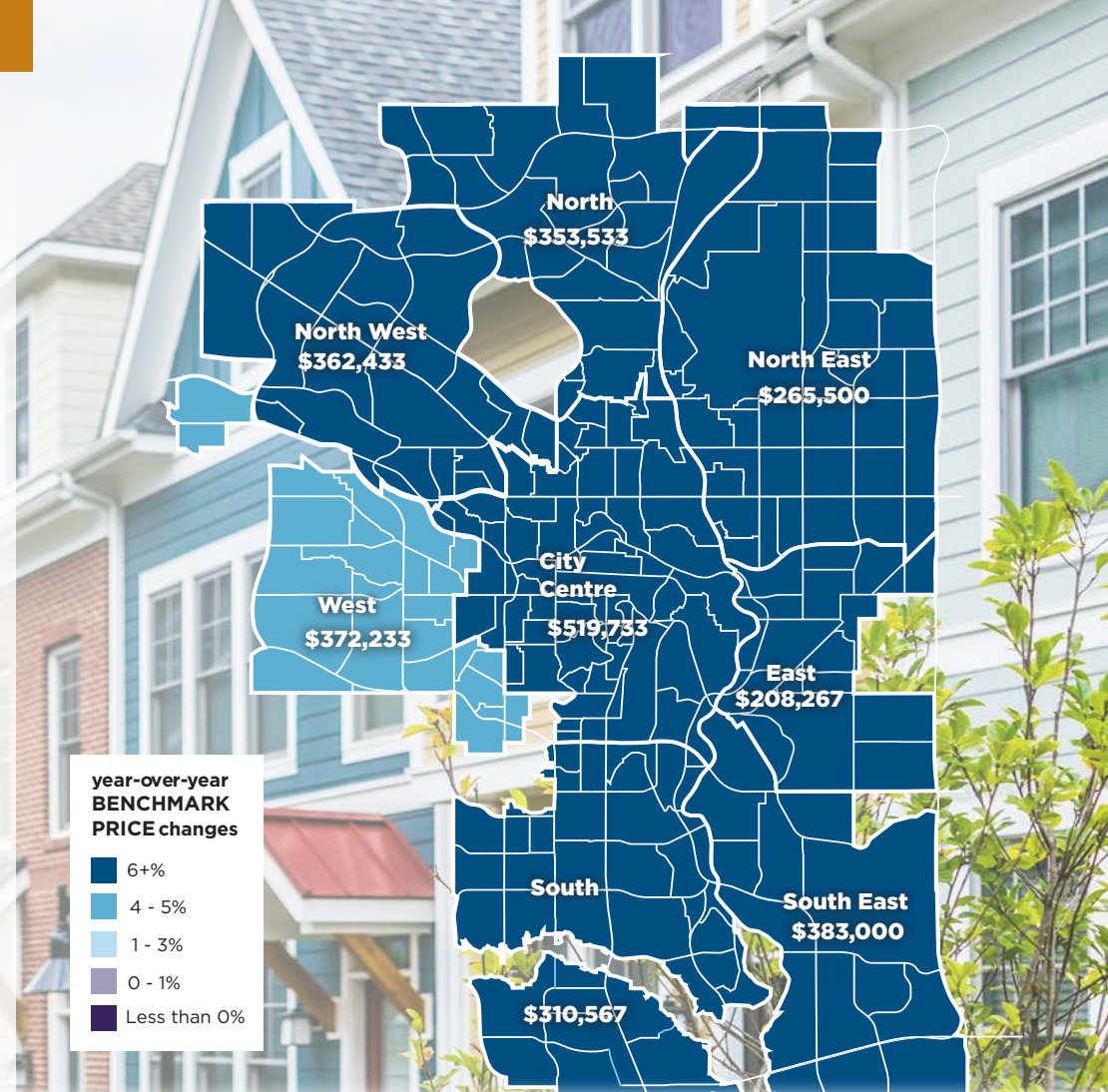
HOUSING MARKET ROW

Relative affordability has drawn many purchasers to seek row/townhouse style properties. However, like the other property types, the supply levels have remained low compared to sales keeping conditions exceptionally tight. As a result, the months of supply and the sales-to-new listings ratio are similar to the levels reported at the start of 2022, causing prices to rise to a new quarterly record high of \$369,733.



BENCHMARK PRICE
\$369,733

↑ 9.58% year over year | **↑ 2.89%** quarter over quarter



SALES
911

↓ -41.23% year over year



NEW LISTINGS
1,147

↓ -40.85% year over year



INVENTORY
349

↓ -34.17% year over year



MONTHS OF SUPPLY
1.15

↑ 12.00% year over year



SALES/NEW LISTINGS
79.4%

↓ -0.64% year over year



DAYS ON MARKET
29.67

↓ -2.98% year over year

*source: CREB

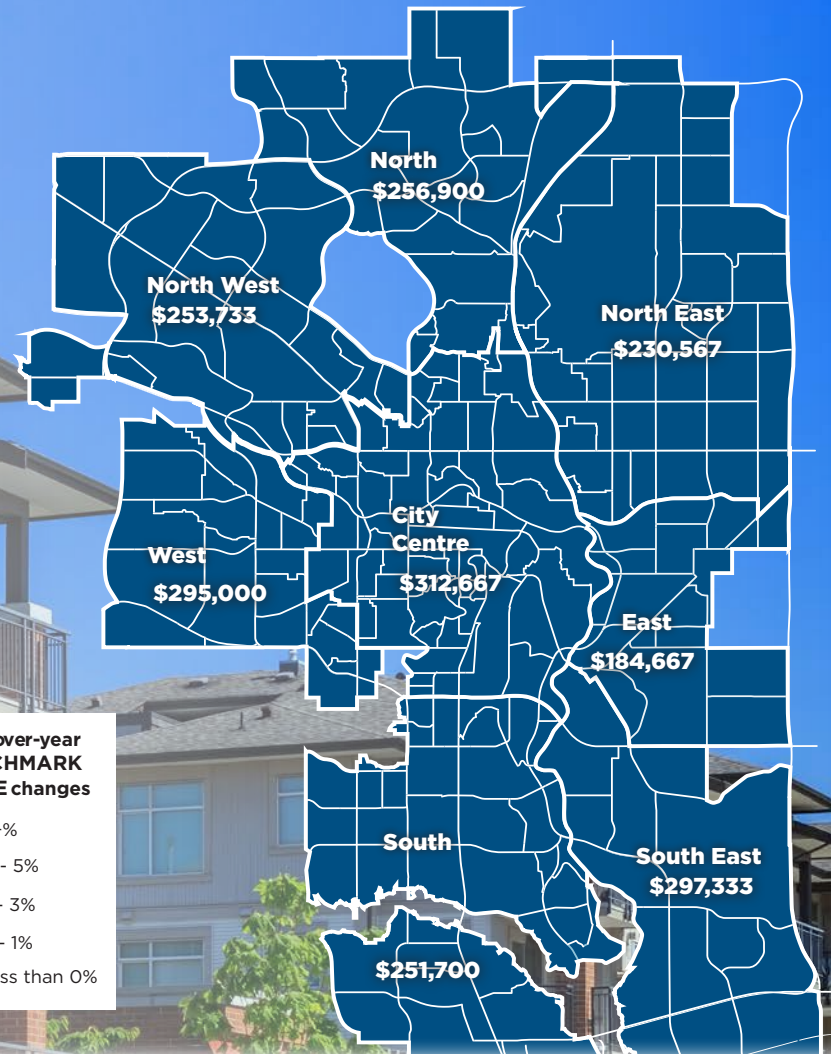
HOUSING MARKET APARTMENT

While sales eased compared to last year, sales have remained slightly lower than the high levels seen in the previous year. This was possible as the pullback in new listings has been lower for apartment-style properties. Nonetheless, the strength in sales still prevents any significant shift in inventory levels which remain at levels not seen since 2014. In addition, the recent shift to seller's market conditions has driven up prices. However, despite the recent shift, the quarterly benchmark price still remains below the highs reported in 2014.



BENCHMARK PRICE
\$285,700

↑ 10.54% year over year | **↑ 3.31%** quarter over quarter



SALES
1,489
↓ -11.89% year over year



NEW LISTINGS
2,160
↓ -3.49% year over year



INVENTORY
883
↓ -19.70% year over year



MONTHS OF SUPPLY
1.78
↓ -8.86% year over year



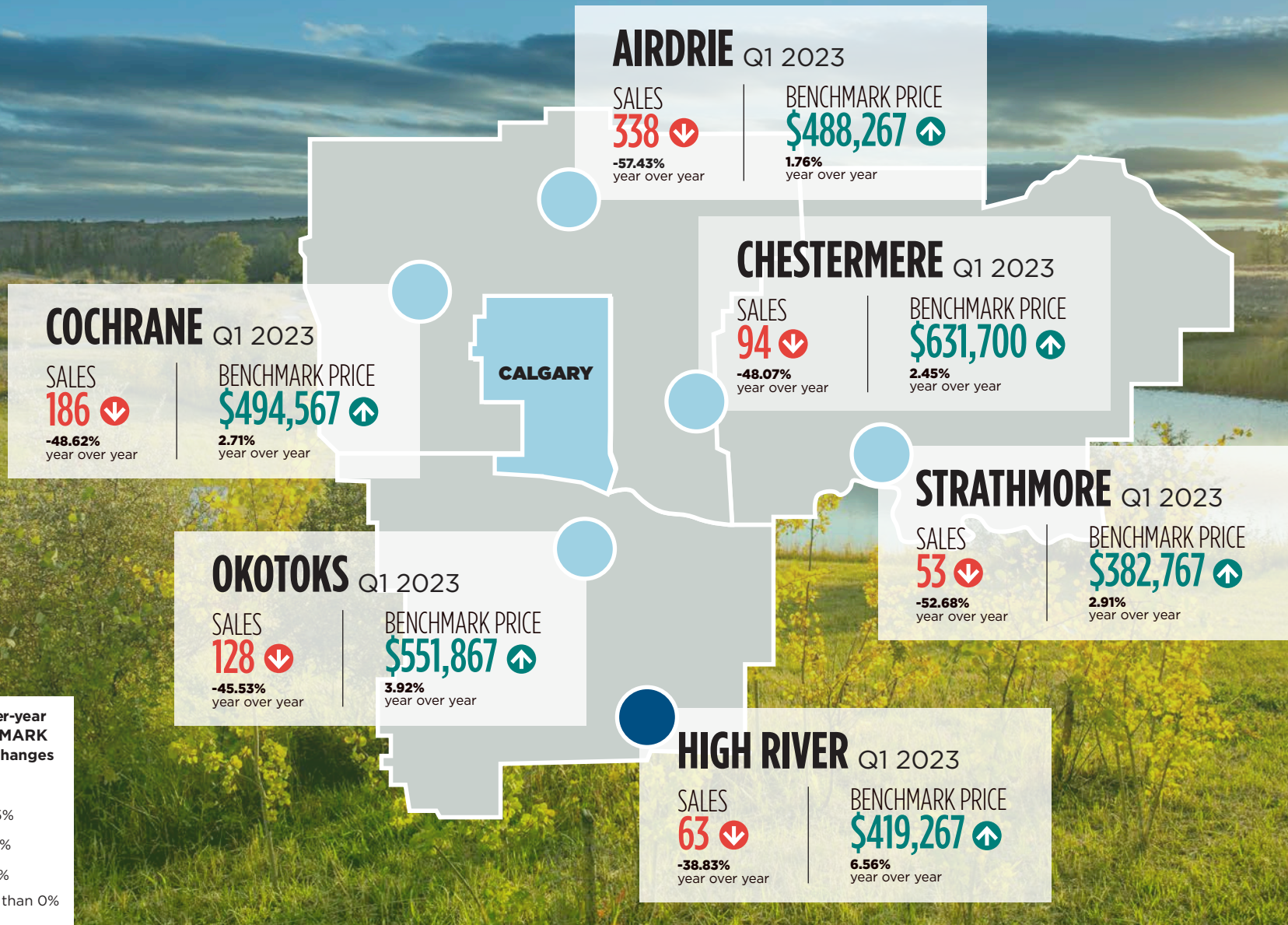
SALES/NEW LISTINGS
68.9%
↓ -8.71% year over year



DAYS ON MARKET
35.77
↓ -30.33% year over year

*source: CREB

SURROUNDING AREAS



AIRDRIE

First-quarter sales and new listings reported a significant drop over the record high levels from 2022.

While new listings fell below the long-term trend, the 338 sales are higher than levels seen before the pandemic. While higher lending rates impact sales activity, persistent supply challenges also impact the market. Inventory levels averaged 174 units in the first quarter, amongst the lowest level reported in over a decade. Low inventory and relatively strong sales kept the months of supply relatively low at 1.5 months, ensuing ensuring the market continued to favour the seller in the first quarter.

While conditions are not as tight as last year, the persistent sellers' market conditions contributed to the benchmark price's quarterly gain. Following two consecutive quarters of easing prices, the benchmark price rose to \$488,267 in the first quarter, nearly two per cent higher than the previous quarter and still higher than last year's levels. Despite the shift, prices still remain below the quarterly record high of \$506,467 reported in the second quarter of last year. The first quarter also saw some improvement in new home starts and a decline in the sales-to-new listings ratio. Should both of these trends continue, we could see some shift from the challenging supply situation.



BENCHMARK PRICE
488,267

↑ 1.76%
year over year

↑ 1.85%
quarter over quarter

While conditions are not as tight as last year, the persistent sellers' market conditions contributed to the benchmark price's quarterly gain.

source: CREB



SALES
338

↓ -57.43%
year over year



NEW LISTINGS
493

↓ -51.86%
year over year



INVENTORY
174

↓ -1.51%
year over year



MONTHS OF SUPPLY
1.54

↑ 131.17%
year over year



SALES/NEW LISTINGS
68.6%

↓ -11.58%
year over year



DAYS ON MARKET
29.17

↑ 83.30%
year over year

COCHRANE

In the first quarter sales and new listings eased compared to last year's record highs. However, the pullback in sales did outpace the pullback in new listings contributing to the gains in inventory levels over the low levels reported last year. While inventory levels have improved, they are still over 40 per cent lower than the long-term trends. Rising inventory combined with slower sales has helped the market shift away from the strong sellers' market conditions reported last year. However, with just over two months of supply, conditions remain in the seller's favour.

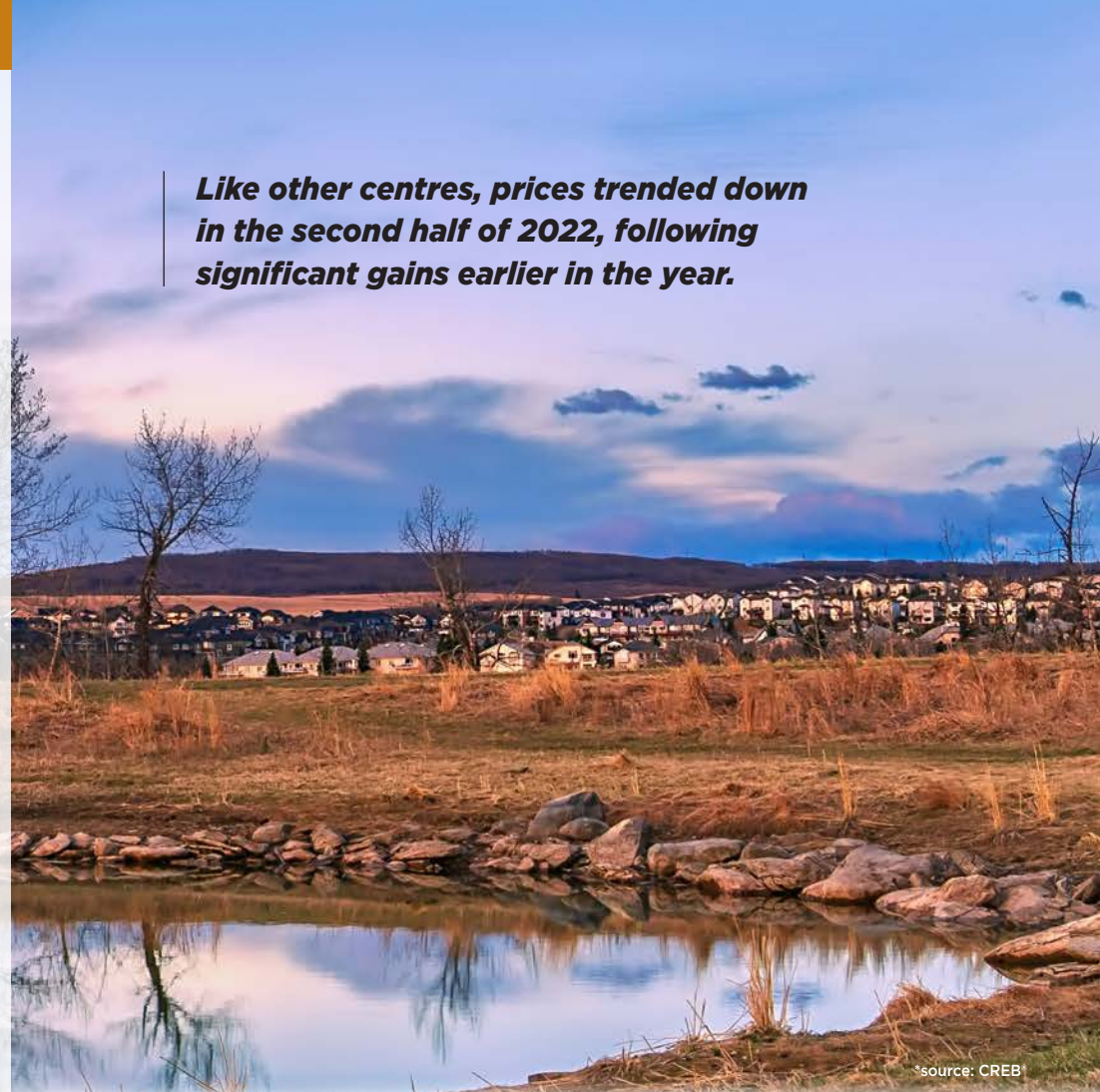
Like other centres, prices trended down in the second half of 2022, following significant gains earlier in the year. While conditions have remained tight, prices still trended down in the first quarter to the previous quarter, primarily due to lower January figures. Overall, the first quarter benchmark price of \$494,567 is nearly three per cent higher than the first quarter of 2023, but below the quarterly peak price of \$520,833 reported in the second quarter of 2022.



BENCHMARK PRICE
494,567

2.71% year over year | **-1.13%** quarter over quarter

Like other centres, prices trended down in the second half of 2022, following significant gains earlier in the year.



*source: CREB¹



SALES

186

-48.62% year over year



NEW LISTINGS

285

-30.15% year over year



INVENTORY

136

93.84% year over year



MONTHS OF SUPPLY

2.20

277.26% year over year



SALES/NEW LISTINGS

65.3%

-26.44% year over year



DAYS ON MARKET

46.17

142.31% year over year

OKOTOKS

The first quarter sales in Okotoks eased over last year's record high levels but remained comparable to the long-term trends. At the same time, new listings have decreased to the lowest level reported in over a decade, contributing to the area's persistently low inventory. With a sales-to-new listings ratio of 83 per cent and months of supply averaging just over one month in the first quarter, sellers' market conditions persisted in Okotoks. The conditions were tight enough to support renewed price growth in the first quarter. As a result, the benchmark price rose to \$551,867, nearly three per cent higher than last quarter and four per cent higher than the first quarter of 2022. Prices remain slightly lower than the second quarter 2022 peak of \$556,267.



BENCHMARK PRICE
551,867

3.92%
year over year

2.70%
quarter over quarter

With a sales-to-new listings ratio of 83 per cent and months of supply averaging just over one month in the first quarter, sellers' market conditions persisted in Okotoks.



source: CREB



SALES

128

-45.53%
year over year



NEW LISTINGS

154

-52.02%
year over year



INVENTORY

57

-11.46%
year over year



MONTHS OF SUPPLY

1.33

62.56%
year over year



SALES/NEW LISTINGS

83.1%

13.53%
year over year



DAYS ON MARKET

28.08

49.18%
year over year

CHESTERMERE

Sales and new listings activities in Chestermere eased over last year's record high levels and returned to more typical levels seen in the first quarter. The sales to new listings ratio did ease from 71 per cent last year to 56 per cent this quarter, contributing to some gains in inventory levels. Shifts in both sales and inventory levels did cause the market to shift away from the strong sellers' market conditions seen early last year. However, with less than three months of supply, conditions still remained relatively tight for this time of year.



BENCHMARK PRICE
631,700

2.45%
year over year

2.61%
quarter over quarter

Like other centers, prices reported significant gains early in 2022, followed by some easing in the year's second half. 2023 Started the year with prices rising by nearly three per cent over the last quarter. The \$631,700 benchmark price was also over two per cent higher in the first quarter of last year, but still shy of the second quarter peak of \$646,567.

With less than three months of supply, conditions still remained relatively tight for this time of year.



source: CREB



SALES

94

-48.07%
year over year



NEW LISTINGS

169

-33.46%
year over year



INVENTORY

90

49.17%
year over year



MONTHS OF SUPPLY

2.87

187.23%
year over year



SALES/NEW LISTINGS

55.6%

-21.95%
year over year



DAYS ON MARKET

46.45

109.75%
year over year

HIGH RIVER

Sales and New Listings eased over the last years levels, but supply levels remain a challenge in the area. Inventory levels in the first quarter averaged a mere 29 units, making it the lowest level seen since the early 1990s. Overall, the market continued to favour the seller in the first quarter, with a months of supply remaining just over one month. The persistently tight market conditions have supported further price gains. By the end of the first quarter, the benchmark price reached \$419,267, nearly three per cent higher than last quarter and seven per cent higher than levels recorded last in the previous year.



BENCHMARK PRICE
419,267

6.56%
year over year

2.66%
quarter over quarter



Overall, the market continued to favour the seller in the first quarter, with a months of supply remaining just over one month.

*source: CREB



SALES
63

-38.83%
year over year



NEW LISTINGS
82

-28.70%
year over year



INVENTORY
29

-5.38%
year over year



MONTHS OF SUPPLY
1.40

54.70%
year over year



SALES/NEW LISTINGS
76.8%

-14.22%
year over year



DAYS ON MARKET
33.05

3.02%
year over year

STRATHMORE

Following the strong sales levels over the past two years, sales activity in the first quarter returned to levels more consistent with pre-pandemic levels. While higher lending rates contribute to the slowing, so is the significant drop in new listings keeping inventory levels exceptionally low. Inventory levels averaged 42 units in the first quarter, making it the lowest level ever reported level in the first quarter.

While the slower sales shifted the market away from the strong sellers' conditions reported last year, with just over two months of supply, conditions continued to favour the seller, and prices once again started to rise. By the end of the first quarter, the benchmark price averaged \$382,767, nearly one per cent higher than the last quarter and a three per cent gain over last year's level.



BENCHMARK PRICE
382,767

2.91%
year over year

1.20%
quarter over quarter

While higher lending rates contribute to the slowing, so is the significant drop in new listings keeping inventory levels exceptionally low.



*source: CREB



SALES

53

-52.68%
year over year



NEW LISTINGS

82

-39.71%
year over year



INVENTORY

42

-1.56%
year over year



MONTHS OF SUPPLY

2.38

108.02%
year over year



SALES/NEW LISTINGS

64.6%

-21.52%
year over year



DAYS ON MARKET

42.32

17.82%
year over year

RURAL ROCKYVIEW

Sales activities have gradually returned to more typical levels in the first quarter in the Rural Rockyview region as higher lending rates have significantly impacted higher-priced properties. At the same time, new listings remained consistent with the long-term trends, and inventory levels improved slightly over the last year. Despite the modest gain, inventory levels remain low relative to historical levels. However, the reduction in sales compared to higher inventories did cause the months of supply to rise to six months. The shift is a change compared to the exceptionally tight conditions seen at the start of last year, but this market segment is not facing the excess supply conditions seen before the pandemic.

Like most areas, price gains were the strongest in the first and second quarters of 2022, followed by easing prices in the year's second half. However, 2023 is starting the year with relatively stable prices compared to the last quarter of 2022, and prices are still over four per cent higher than last year's levels.



BENCHMARK PRICE
731,933

3.55% year over year | **-0.74%** quarter over quarter

Despite the modest gain, inventory levels still remain low relative to historical levels.

source: CREB



SALES

79

-56.59% year over year



NEW LISTINGS

231

-8.70% year over year



INVENTORY

165

14.32% year over year



MONTHS OF SUPPLY

6.27

163.37% year over year



SALES/NEW LISTINGS

34.2%

-52.46% year over year



DAYS ON MARKET

54.28

-4.41% year over year

CANMORE

After two years of exceptionally strong sales, activity has eased to levels more consistent with levels seen before the pandemic. At the same time, new listings have remained relatively consistent with long-term trends, causing inventories to rise over the low levels reported in the first quarter of last year. As a result, the rise in inventory and fall in sales has resulted in a shift toward more balanced conditions.

While conditions are not as tight as they were last year at this time, prices still reported both a quarterly and year-over-year gain, albeit at a slower pace. Benchmark prices rose by nearly two per cent over the previous quarter, reaching a new record high at \$867,500. Much of the gain was driven by price growth for row and apartment-style units, as higher-priced detached and semi-detached prices trended down slightly over the fourth quarter of 2022.



BENCHMARK PRICE
867,500

8.81%
year over year

1.67%
quarter over quarter

The rise in inventory and fall in sales has resulted in a shift toward more balanced conditions.



source: CREB



SALES

94

-37.33%
year over year



NEW LISTINGS

167

-3.47%
year over year



INVENTORY

113

92.61%
year over year



MONTHS OF SUPPLY

3.61

207.36%
year over year



SALES/NEW LISTINGS

56.3%

-35.08%
year over year



DAYS ON MARKET

59.60

72.67%
year over year



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