

Dear clients,

The Calgary real estate market provided many stories in the second quarter of 2020, from a drastic year-over-year drop in sales in April to an almost full year-over-year recovery in June.

Another good news story from the second quarter, is the aggregate price of a home in Calgary remained relatively flat year over year, decreasing 0.2 per cent to \$465,273.

There are variations on year-over-year comparisons, based on housing type.

The median price of a standard two-storey home increased 1.1 per cent to \$509,918.

The median price of a bungalow remained relatively flat, decreasing 0.1 per cent to \$488,838 and, due to high inventory of condominium apartments, the median price decreased 9.7 per cent year over year to \$252,308.

First-time home buyers drove the market during the second quarter, reducing over-all inventory and increasing competition for homes priced between \$300,000 and \$500,000.

While sales are down year-to-date, activity in June was comparable with last year. Buyers have returned to the market more quickly than sellers, and inventory has not kept pace. With the exception of the condominium market, Calgary real estate continues to shift towards a balanced market.



The forecast of the aggregate price of a home in Calgary will decrease 1.5 per cent in the fourth quarter of 2020 to \$463,000 from \$470,066 in the fourth quarter of 2019.

At the national level, the aggregate price of a home increased 6.8 per cent year over year to \$673,072, in the second quarter.

As provinces allowed regular real estate activity to resume, demand surged in many markets, particularly those not hit by the double whammy of COVID and a weak energy sector, while inventory levels did not keep pace with sales.

Home prices shot up in the second quarter as a crush of buyers entered the market, attracted by extremely low interest rates and the perception of bargains to-be-had, the demand for housing outpaced the growth in supply, particularly in the early weeks of post-lockdown. The surge in the number of first-time buyers was felt acutely, as these housing consumers soaked up supply without contributing to it.

In summary, it seems that buyers waiting for a significant drop in prices may not see it happen. It seems Calgary continues to be resilient and as long as rates stay low, we are not expecting any significant drops.

Have a wonderful August, I am here for any questions at any time.

