

Calgary rated a low-risk housing market

Dear clients,

Calgary's real estate market is again one of the most affordable in Canada, according to a recent report. The report showed the city fared best among major centres in Canada regarding affordability and resale market balance.

Combined with low interest rates, and growing demand for better living spaces amid the pandemic, the city's relative affordability — caused by falling prices since 2015 — has sparked a housing boom fanned by demand from first-time and other young buyers.

Nearly half of Canadians aged 25 to 35 own a home, with one quarter purchasing since the onset of the pandemic. This trend is likely to continue as 68 per cent of this demographic, who do not own a home, plan to buy a home in the next five years.

In Alberta, the trend is even more pronounced with 56 per cent owning a home, about one-quarter also having purchased in the past year, and 71 per cent of those who don't own are planning a purchase.

Among major cities, Calgary ranked the highest for ownership at 59 per cent among 25- to 35-year-olds.

A recent poll asked respondents other housing preference-related questions, including whether their savings have grown in the pandemic — to which 40 per cent of Calgarians in this demographic responded to the affirmative.

FINALLY, this means some good news for the condominium segment which is now particularly attractive to first-timers. Along with 50-year lows for fixed rate, five-year mortgages, many young adults renting have been considering buying.

Often the mortgage, taxes, condo fees and utilities are less than people are paying for rent.



Canada Mortgage and Housing Corp. statistics for the city show average rent was \$1,195 a month in 2020, while the carrying cost for a median condominium apartment was \$1,343 a month, the tightest spread in the past four years.

Existing condo owners in this demographic are jumping into the townhome and single-family home markets. The key driver is more space. That's a trend overall among gainfully employed Canadians, who are increasingly working from home due to pandemic safety protocols.

Here in Calgary, four in 10 stated they desire to move to a less dense area. And almost one in two indicated moving between 15 minutes to two hours further away.

This demand has driven activity in outer markets, like Airdrie, Chestermere, and Okotoks.

As a final note, I know many of you who are looking for a property are becoming increasingly frustrated that properties are selling fast and with multiple offers. Remember not to get caught up in the hype and overpay. We are coming into the spring season which will see an influx of properties on the market.

Have a great month and enjoy the nice weather (you know it wont last).

