

Dear Clients,

Economic momentum in Calgary may be good news for many but housing affordability in the city will take a six per cent hit next year, says a real estate survey.

The median price of a single-detached home in the city is expected to rise by six per cent to \$689,000 in the fourth quarter of 2022 compared to the same period this year.

In the same period, the aggregate price for those homes is forecast to rise by the same amount, to \$610,600.

Calgary's surging real estate market, which set sales records in September and October, still has plenty of energy, fed by an economic recovery and infrastructure boom. Real estate demand continues to be very strong, enough to expect a very brisk spring market.

The city's downtown revitalization and infrastructure projects such as the Green Line LRT and Event Centre are helping drive the boost and higher home prices are also being driven by low inventory. Without a significant boost in inventory, we will continue to see upward pressure on prices.

Although we are seeing this increase, Calgary remains an affordable place to buy a home, compared to Canada's other major cities.

The median price of a single-detached home in the Greater Toronto Area is expected to spike by 11 per cent a year from now, to \$1,564,200, while the median price tag on a condominium is forecast to rise 12 per cent to \$763,800.

By comparison, the median cost of a condominium in Calgary is expected to increase by two per cent next year to \$229,500.

The priciest market will be Vancouver, says the report, with the median cost of a single-detached home there to increase by 12 per cent to \$1,892,800.

It's all contributing to an overall Canadian inflation rate in November of 4.7 per cent over 2020, the highest in nearly 19 years.

Some of that demand for single-detached homes is due to the stay-at-home effect of the pandemic, which has made larger homes with yards more desirable.



That (pandemic) lifestyle has helped the market recover. We were a buyer's market for six years before that adding the absorption of apartments, condos and attached homes has led to a focus on detached houses. And that inventory has also dried up, boosting prices.

But the high median price of nearly \$700,000 for detached homes, is being skewed by a booming Calgary market in luxury homes, of which up to 600 have sold this year — nearly double the typical number.

Late last month, ATB Financial forecast four-per-cent growth in Alberta's GDP next year after a 6.3 per cent rise in 2021.

TD Economics is forecasting 4.6 per cent growth for 2022.

But ATB said its numbers reflect a catch-up after a steep economic drop over the past several years and will be tempered by lower-than-normal investment and job growth.

In October, the city's unemployment rate was eight per cent, down from 8.9 per cent the previous month but still among the highest for major Canadian cities.

In Summary, if you are actively looking for a property, it looks to be a great investment in the short term as well as the long term, which will also protect you from rising inflation.

Rates have continued to stay low which should help boost property values as well.

That is another year in the book!!! I thank you all for your continued support. I wish everyone a happy holiday and we will continue this in the new year.

I will be available anytime throughout the holiday, please do not hesitate to reach out.

Sincerely,

