

Dear clients,

First off, hope your new year is off to a great start.

More price growth is ahead for the city's resale real estate market, a new report suggests.

The recently released reports the first 2022 forecast for major markets in Canada, including Calgary, revealing the average price of a Canadian home is expected to rise more than 10 per cent, year over year, to about \$860,000.

Calgary is forecast to see another banner year, building on 2021 which saw sales records set as well as near new highs for prices. The report predicts Calgary's resale market will see the average price of a home grow by six per cent to about \$611,000 by year's end.

Following a busy fall, and for that matter most of last year, real estate demand remains very strong, and we should expect another very brisk spring market.

The market is still being fuelled by pandemic drivers that include low interest rates and high demand for single-family homes, which should remain in relatively short supply.

In fact, the lack of inventory is likely to remain the biggest headwind for the market, pushing up prices as demand is expected to continue to be strong.

The forecast further notes single-family detached home prices in the city will increase about 6 per cent to a median price of about \$689,000 while the median price for condominiums will rise only about 2 per cent to \$229,500.

The dramatically lower cost for multi-family homes in the city is one reason Calgary will be an attractive draw for young families and professionals from larger centres like Toronto and Vancouver looking to get a toehold in real estate.



Calgary and its surrounding regions, like Airdrie and Cochrane, could see even stronger growth than predicted. Calgary and the surrounding counties may see price growth of 10 per cent or more for residential real estate in 2022.

The region did not see the same large price gains experienced in other major centres in Canada last year and, in turn, has a lot more room for prices to grow sustainably even amid low supply, he says.

In addition to factors driving housing price growth in 2021 — pent-up buyer demand, low inventory and cheap borrowing costs — international and inter-provincial migration should increase to more historical levels.

Despite expected price growth for Calgary's resale market, single-family detached homes market remains affordable compared with the Greater Toronto Area, which is forecast to see the average price of a single-family home rise by 10 per cent to almost \$1.6 million. The Greater Vancouver Area is forecast to hit even pricier heights with a single-family home expected to increase in price by 12 per cent to almost \$1.9 million.

2022 seems to be the year to make some good appreciation on your purchase, hedge yourself against inflation, and get yourself a low interest rate. If you have any questions, please let me know.

Sincerely,

