

Dear clients,

I'm sure you are hearing how crazy the real estate market has been. Believe it or not, this year is not expected to see residential real estate resales in the city reach the lofty heights set in 2021, but 2022 is not going to be a soft year for Calgary homes sales by any stretch.

That's a key finding of the annual forecast by the Calgary Real Estate Board (CREB) this month, which predicts the market will remain well above historical levels for demand.

Last year sales grew by 71 per cent over 2020, with 27,686 transactions, surpassing the previous record set in 2005 of 27,192 sales. This year, CREB predicts sales will decline, year over year, to about 25,600 sales.

While COVID-19 should have less of an impact, mortgage affordability will curb demand. Another limiting factor will be lack of supply, an issue we saw last year as well.

In 2021, inventory for the resale market fell by seven per cent over 2020 despite new listings increasing by 34 per cent. Additionally, months of supply also fell by 46 per cent to 2.3 months. The tight market conditions led to a large jump in the benchmark price, up eight per cent, year over year, to \$451,567.

Surprisingly, that wasn't a record price, the record set in 2015 was about \$458,000, so it was close.

Record prices, however, were hit for single-family detached homes — the largest part of the market — and semi-detached homes which seems to be trending higher in 2022.

Prices this year are forecast to grow by about four per cent over last year. Despite more modest growth, 2022 could turn out to be a record-breaking year. In addition, with 5.1% inflation more and more investors are putting their cash into real estate which may also contribute to rising prices.

Please do not hesitate to ask me any questions as any time.

Sincerely,

