

Dear clients,

Calgary's resale real estate market is Canada's hottest this year so far, and that includes its luxury segment with a new report showing high-end sales surged in September and October.

Calgary is really the outlier, which speaks to the fact it is really the powerhouse of luxury real estate in Canada right now.

A recent report notes that Calgary resales of homes priced \$1 million and up — considered the luxury in the city — increased 69 per cent in July and August, year over year.

That was only topped by Vancouver, up 96 per cent. Overall, Canada's major markets saw jumps over the summer for luxury sales after a lacklustre activity in the first half of the year, the report notes.

Yet September marked a slowdown nationally with most markets seeing modest growth or declining sales.

The exception was Calgary where sales increased 106 per cent year over year in September for luxury.

That is really driven by buyer enthusiasm and belief in the city overall, the economy has been very robust, and so people are leaving other parts of Canada to come to Alberta.

Another reason is luxury in Calgary is a bargain for out-of-town buyers compared with Vancouver and Toronto where the luxury home prices start at \$4 million.

Calgary offers a very attractive lifestyle with more discretionary income, great schools, variety of arts and sports entertainment and, of course, proximity to the mountains which is also driving migration.

Add shorter commutes to work compared with other major cities, and ultimately you get more value for your money here and more time for extracurricular activities.

Like other major markets, luxury demand is flowing toward single-family detached homes, the report notes.

July and August saw sales for condominiums priced \$1 million or more jump 150 per cent year over year in Calgary — though only 10 transactions occurred in that span.



In contrast, Vancouver saw 225 sales of condominiums with \$1 million or more, though the city had only six sales over \$4 million.

In September, luxury condo activity in Calgary fell from seven to five sales, hinting at the trend toward single-family homes, as noted in the report.

Luxury condo sales are really driven by investors, new residents wanting to be close to downtown, and downsizers looking for that lock-and-leave lifestyle.

Given all that Calgary offers, its entire luxury market should see strong sales growth for the rest of 2023, especially given the value it offers relative to other big markets.

Calgary continues to be one of the most affordable major cities in the country.

