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Dear clients,

Calgary's once hot resale real estate market has seen sales and prices flatten over the past year and a half amid declining migration and a boost in supply from new homes construction. A recent study illustrates how these factors are resulting in more resale homes selling below their list price than in previous years.

A big driver is that out-of-province investors are now off-loading condo apartments they purchased a few years ago and these homeowners are increasing the pool of sellers in the Calgary market. The Study shows the impact of reduced demand meeting growing housing supply.

It found that just 13 per cent of sales (ending June 30) sold above their list price while more than 80 per cent sold below list. The median amount under list was \$10,000, or two per cent below list. The impact was higher, however, for apartment style listings, where the median percentage a listing would sell below list was three per cent. That is the highest among all housing types.

Apartments are the softest in absolute terms. Even the hottest housing type a few years ago, semi-detached homes, has seen a pullback in demand, dropping from selling 2.4 per cent over list in.

Even detached homes are seeing more under list on average than in the past, though demand remains strong and that segment is the most balanced.

The study shows the median number of days on the market has also been rising. Year to date (June 30), the number of days was 32 for all housing types in Calgary. That is up from 20 in 2022 when the market deeply favoured sellers.

Notably, apartments sit on the market the longest with a median of 50 days in June compared with 25 days in 2022.

Many buyers, including first-timers, have been on the sidelines for the last few years. Today, they are seeing more favourable conditions, especially for apartment dwellings.

At the same time, more sellers are delisting and renting properties until market conditions lean more toward sellers. If they don't sell at their desired price, they are just waiting now because rent is still pretty good because it can cover the mortgage.



Still, conditions vary by housing type and neighbourhood, whereby some areas of the city are seeing much stronger demand and less supply for certain segments, especially single-family homes.

What's really changed today in the market now reflects more balance rather than a collapse in demand seen in the mid-2010s.

Two years ago, every property type was selling at or above list price., Sellers held all the leverage and multiple offers were the norm.



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As June statistics show, that hot market is no more.

This is not a crash, nor will it be; it's a rebalancing. Buyers have more choice, more time, and for the first time in years, real room to negotiate.

