

# Pulse of the city

**JUNE 2023 MARKET UPDATE** 

Mike Abou Daher | Realtor® (403) 809-9386 | Team@MikeAbouDaher.com

### A Decade of Growth and Opportunities

Hold on to your hats, everyone, because the Conservatives are on a roll! And you won't believe what our real estate market has been up to lately. Brace yourselves because we've just achieved the impossible!

The Calgary real estate market has been experiencing unprecedented growth and resilience, defying expectations and surpassing previous records. As the highest-selling May in history, the market continues to exhibit strength and buyer demand, creating an ideal environment for homeowners and investors alike.

Today I'm going into the reasons behind this remarkable performance, shed light on the current market dynamics, and dispel any doubts or concerns that may arise.

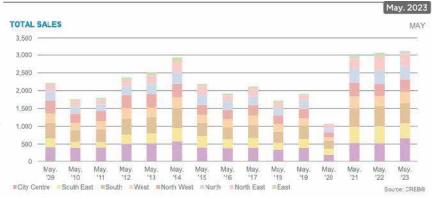
# May 2023 will go down in history as the most jaw-dropping, record-smashing month for real estate in Calgary.

It even outperformed last year's mind-boggling numbers, which we thought were untouchable. And believe me, that surprised the heck out of me, the self-proclaimed real estate guru who has been raving about the strength of our market based on solid data all year long.

#### **Unveiling the Numbers**

To put it into perspective, let's take a little trip down memory lane. January was a bit of a slow start with 40% fewer sales than the previous year. February continued the trend with a 47% drop. March? Another 40% down. April? A modest 20% decrease. And just when we thought the trend would continue, May swooped in like a real estate superhero, showing a surprising 2% increase! *Can you believe it?* 

This is a clear testament to the unstoppable momentum and unwavering demand from buyers in the Greater Calgary area. It's as if our market has sprouted wings and taken off to new heights. Take a look at this graph comparing recent years and you'll see that we're soaring high above the last decade. Talk about a confidence boost for our real estate market!



We're talking about a whopping 100 homes being sold per day, surpassing April's 90 and March's 80 sales per day. It's like a real estate marathon, and we're sprinting ahead with no signs of slowing down.

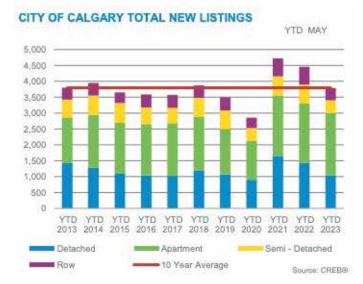
## Understanding the Market Segments - let's dig deeper and uncover the juicy details.

When we break it down by property types, we see that the real MVP behind our success is none other than the apartment market. Those little guys have shown a staggering 36% increase in sales compared to last year. They're the master puppeteers pulling the strings of our show.

Detached and row homes, on the other hand, have taken a bit of a breather with a 10% decrease in sales, while semi-detached homes are strutting their stuff with a modest 5% increase. It's a mixed bag, but the apartment market is the real star of the show.

#### **The Inventory Conundrum**

Now, let's shift our attention to new listings. Are we finally seeing more properties hit the market to satisfy the ever-growing demand?



Well, take a gander at this graph showcasing the year-to-date new listings. The bar on the far right, representing 2023, is pretty much on par with the 10-year average. So, at first glance, we might think new listings aren't a problem. They may not be as high as the last two years, but they're certainly no slouch either.

In May, we started with 3,229 homes on the market, a 34% drop from last year, and ended the month with 3,207. That's a mere 20 homes fewer, further heightening the shortage compared to last year's numbers. Remember last year, despite all the chaos, we saw 400 more homes accumulate on the market

between April and May? Well, this year, it's a big fat zero. Zip. Nada.

This graph is like a visual smack in the face, showcasing the downward trend in inventory. It's as if the inventory gods decided to take a vacation, leaving us high and dry. Detached homes saw zero net gain, semi-detached witnessed nearly a 20% drop, row homes remained stagnant, and even apartments didn't budge. It's a shortage across the board, not just in the hottest part of the market.

#### Now, let's address the elephant in the room - Pricing.

Everyone wants to know if their home prices are skyrocketing or plummeting, so they can make informed decisions. Feast your eyes on this graph... and focus on that red line—the Benchmark Price. It's like watching a rocket taking off; the prices just keep climbing higher and higher.



CITY OF CALGARY TOTAL PRICES

570,000

If you thought this was a recent phenomenon, think again. Take a look at this year's price graph. The red line is as straight as an arrow, indicating a steady increase without any signs of slowing down. We've reached yet another all-time high in housing prices!

Detached homes are flirting with \$674k, semi-detached are strutting their stuff at \$600k, row homes are playing it cool just below \$400k (\$390k, to be precise), and apartments are shyly hiding just under \$300k. We've hit new highs in all property types!

# 370,000 320,000 2018 2019 2020 2021 2022 2023 Average Price Median Price Benchmark Price Source: CREBO

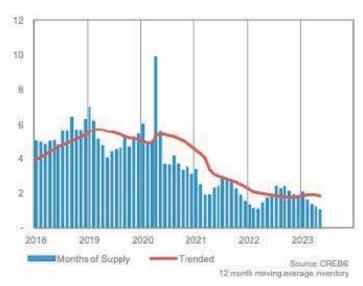
#### CITY OF CALGARY TOTAL INVENTORY AND SALES



Take a look at this graph depicting the "Months of Supply." It combines the total inventory of homes on the market with our current buyer demand. The lower the graph, the faster the market, and the more demand outweighs supply. It's a powerful indicator, and when we examine it over the course of several years, we can see the gradual climb to this point. So, all those naysayers claiming we're about to crash or adjust out of this market soon? They're just looking for catchy headlines.

Now, I know what you're thinking—how is this even possible? Is the other shoe going to drop? Well, let me assure you, unless a war breaks out or we witness a "Great Depression" (knock on wood), this momentum and price surge are here to stay. This isn't some overnight fling or a passing trend. No, no, this is the result of years of solid groundwork, firmly rooted in economic fundamentals.

#### CITY OF CALGARY TOTAL MONTHS OF INVENTORY



Imagine this scenario: if we didn't put another home on the market in June, we'd be left with absolutely zero homes to buy by the end of the month!

May

1,616 2,220 2,559

647,000 595,000 659,734

266

1,486

1.797

1,482

674,000

656,000 732,321

22

That's supply and demand working their magic and sending prices soaring to new heights. This situation is firmly grounded in economic fundamentals, not mere hype or emotions. It's a testament to real people, real profits, and real investments in our beautiful city. This is exactly what we want and what we can confidently plan our future around, especially when it comes to housing.

#### Now, let's talk about speed.

How quickly can you make your move in this sizzling market? Well, hold onto your hats, because homes in the Calgary area are now selling on average in a mind-blowing 24 days! That's right, from listing to a firm, condition-free deal, it's as quick and worry-free as it gets. You can practically blink, and your home will be off the market.

To wrap it all up, let me leave you with this thought: if you were considering a
purchase or a move last year, you might have felt frustrated, caught in a whirlwind of
multiple offers and sky-high prices. But guess what? The correction or crash you were
waiting for never arrived. In fact, the prices have continued to climb steadily. Just take
a glance at this slice from the detached homes chart. Last year, when you were on the
verge of giving up, the average price was \$647k. And now? It's a whopping \$674k!
Apartments have gone from \$269k to \$299k, row homes from \$359k to \$390k, and
semi-detached from \$581k to \$600k. The numbers don't lie!

#### **Seizing the Opportunities**

So, it's time to seize the moment, to make your move, because history has shown us that real estate is a long game that always comes out on top. The pain of getting in is always easier than the pain of missing out on future upside. And here's the icing on the cake: the year-over-year city-wide gain of 2.6% is actually below the 40-year average. We're not just talking about a flash in the pan; this is a solid market with true staying power.

As someone with industry experience, I'm not just shouting from the rooftops, I'm also putting my money where my mouth is. My motto is simple: get more assets in the market and let time do its thing. So, buckle up and make your move, because the real estate train is leaving the station, and it's one ride you don't want to miss!

If you'd like to discuss your needs and strategy, please get in touch. I'd love to hear from you, and you know I love discussing Calgary Real Estate.

You can always go to PlanWithMike.ca to schedule a time for a chat or reach out directly to (403) 809-9386!

REAL ESTATE CROUP | TEST