Calgary: Home sales continued to fall in July
By Daren King

Based on July data released by the Calgary Real Estate Board (CREB) for the Calgary economic region*, we estimate that seasonally adjusted home sales fell by 7.4% compared to June, a fifth significant drop in a row after reaching a record level in February (chart 1). Since the peak, sales have fallen by a total of 43.3% in five months. Despite this slowdown the housing market remains above the level of activity seen prior to the pandemic and at a level similar to the strong period observed in 2014. With the Bank of Canada continuing to increase its policy rate, we believe that the slowdown in the Calgary real estate market should continue in the months to come. However, the strength of the economy in the region, supported by strong commodity prices, should keep the real estate market activity at decent level. The July decrease in sales was accompanied by an even bigger decline in new listings (-12.7% from June to July), a fourth decline in five months. As a result, the new-listing-to-sales ratio remained in balanced territory in July (chart 2).

On a year-over-year basis, home sales decreased by 6.0% (chart 3). For the first seven months of the year, sales were up 15.9% to a record level compared to the same period in 2021. On the supply side, the inventory of homes for sale decreased 18.2% on a year-over-year basis (chart 4).

Data for the City of Calgary (less inclusive than the CREB economic region) showed a decrease in sales of 2.6% in July compared to the same month last year. Condo and attached home sales increased by a robust 48.7% and 8.0% respectively, while detached home sales declined by 19.4% on an annual basis. On the supply side, the inventory of homes for sales dropped by 20.1% over the past year.

*CREB economic region: Calgary CMA + Regions of Foothills, Mountain View, Kneehill, Wheatland, Willow Creek, Vulcan and Bighorn.

1. Calgary: Home sales and listings
Seasonally adjusted by NBF. Last observation: July 2022

2. Calgary: Home resale market conditions
New listing-to-sale ratio. Last observation: July 2022

3. Calgary: Home sales in July
Raw data, non seasonally adjusted

4. Calgary: Active listings
Last observation: July 2022
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