Calgary: Home sales continued to fall in August
By Alexandra Ducharme

Based on August data released by the Calgary Real Estate Board (CREB) for the Calgary economic region*, we estimate that seasonally adjusted home sales fell by 2.5% compared to July, a sixth consecutive decline from the record level registered in February 2022. Since the peak, sales have fallen by a total of 42.2% in six months. Despite this marked slowdown, the housing market remained well above levels of activity seen in the year leading up to the pandemic and at a level neighboring the strong prints observed in 2014 (chart 1). As the Bank of Canada continues to raise its policy rate, we expect the Calgary real estate market to weaken further in the coming months. However, the region’s economic strength and robust household formation do not argue for significant price declines. Also, note that the August decrease in sales was accompanied by an even bigger decline in new listings (-6.4% from July to August), a fifth decline in six months. As a result, the new-listing-to sales ratio remained in balanced territory in the month (chart 2).

On a year-over-year basis, home sales decreased by 5.5% (chart 3). Despite the cooling in recent months, the first few months of the year have given the Calgary real estate market a solid start to 2022. As a result, over the course of the eight first months of the year, sales were up 13.6% compared to the same period a year ago, reaching a record level. On the supply side, the inventory of homes for sale decreased 17.4% 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 0.5% in August compared to August 2021. Condo and attached home sales increased by a robust 57.8% and 4.8% respectively, while detached home sales declined by 17.8% on an annual basis. On the supply side, the inventory of homes for sales dropped by 21.2% over the past year.

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