



## Calgary: Record year for residential sales in 2022

By Daren King

Based on December data released by the Calgary Real Estate Board (CREB) for the Calgary economic region\*, cumulative home sales reached a record level in 2022, surpassing the previous record set in 2021 by 4.2% despite the slowdown observed in the second half of the year (chart 1). Indeed, sales in December decreased 31.0% on a year-over-year basis. On the supply side, the inventory of homes for sale continued to be extremely low as it declined 7.9% on an annual basis (chart 2).

On a monthly basis, the downward trend continued as we estimate that sales decreased by 1.9% between November and December, a tenth consecutive monthly decline. Since the peak registered in February 2022, sales have decreased by 47.0% but remain well above pre-pandemic levels (chart 3). Looking ahead, we see limited upside for residential sales in the Calgary market in the coming months. Indeed, since the Bank of Canada is expected to keep its policy rate in restrictive territory for most of 2023, we believe that sales should remain below the level of activity seen in 2021 and the beginning of 2022. However, the region's economic strength coupled with robust

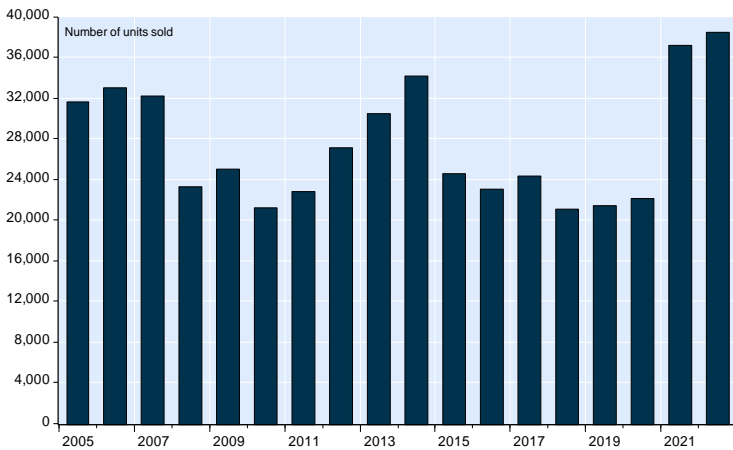
household formation and favourable affordability conditions compared to other major cities in the country do not argue for a collapse for housing demand and/or significant price declines.

Also, note that the December decrease in sales was accompanied by a sharp drop in new listings (-8.9% from November to December), a fourth decline in six months. As a result, the new-listing-to-sales ratio continues to show a "favourable to sellers" market thanks to the limited supply (chart 4).

Data for the City of Calgary (less inclusive than the CREB economic region) showed a decrease in sales of 30.7% in December compared to December 2021. Condo sales increased slightly by 1.3%, while attached and detached home sales declined by 34.8% and 38.7% respectively on an annual basis. On the supply side, the inventory of homes for sales dropped by 15.1% over the past year to its lowest level ever recorded for a month of December.

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

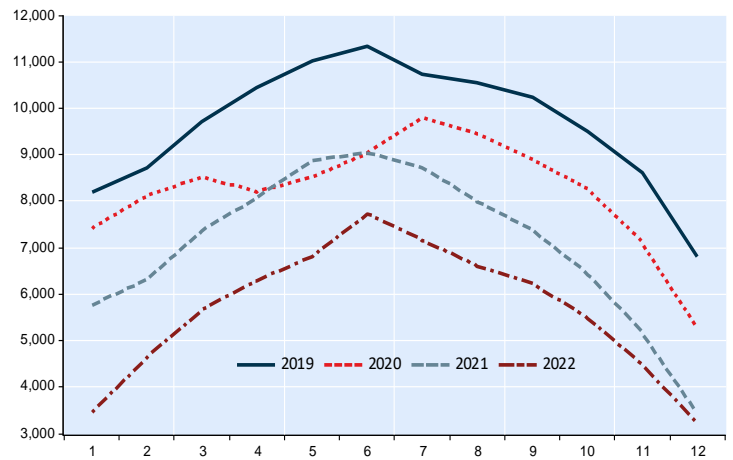
### 1. Calgary: Year-to-date home sales



NBF Economics and Strategy (historical data via CREA; last month estimated from Calgary Real Estate Board data)

### 2. Calgary: Active listings

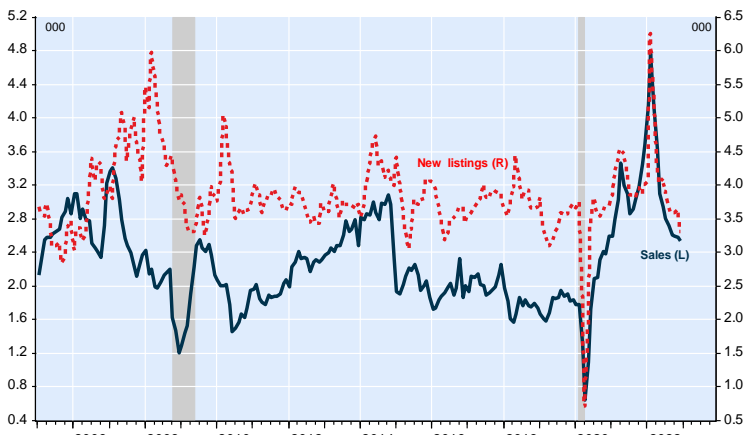
Last observation: December 2022



NBF Economics and Strategy (data via CREB)

### 3. Calgary: Home sales and listings

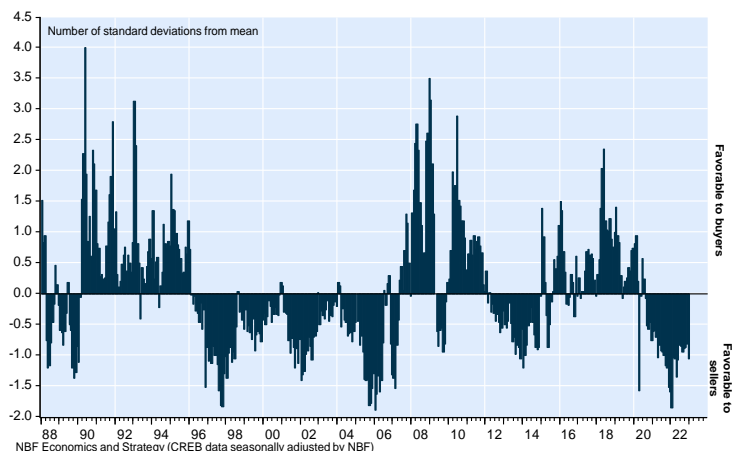
Seasonally adjusted by NBF. Last observation: December 2022



NBF Economics and Strategy (Historical data via CREB; last month estimated by NBF)

### 4. Calgary: Home resale market conditions

New-listing-to-sale ratio. Last observation: December 2022



NBF Economics and Strategy (CREB data seasonally adjusted by NBF)

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