



# What's *Really* Happening in the Real Estate Market

With Appraisal Expert Gerhardt Klann

April 2019

**Can weather impact Real Estate sales? The trend continues....**

Well... March didn't really warm up outside and the housing market didn't either. The high inventories of available homes are still present, giving buyers plenty of choice.

With the warm weather finally here it will be very interesting to see how the market responds over the month of April.

In the meantime, total demand for residential real estate measured in both Total Sales (1,200 units) and Sales Volume for the month of March are close to the lowest seen over the past 5 years, even though sales were up by about 230 units from February.

Supply in terms of Inventory, continues to be at its highest level at 9,487 residential units, which represents approximately 8

months of inventory. This higher inventory, coupled with lower demand continues to impede any price growth.

There has been some moderate price erosion in single family homes looking at both average and median prices. It is important to note that this information is based on all sales and that some individual neighbourhoods are actually climbing in value. These tend to be the highly desirable established neighbourhoods, where recent changes in minimum lot size and lot splitting & in-fills are driving substantial increases in values. Smaller towns and average neighbourhoods are seeing price decreases.

Condominium pricing has seen the much more dramatic drop-off with noticeable price erosion in both mean and median pricing due to an over-supply.

On the rental front, the mortgage rules and lower confidence appear to be keeping some renters from making the choice to buy which is leading to lower vacancy rates with rental rates actually on the rise.

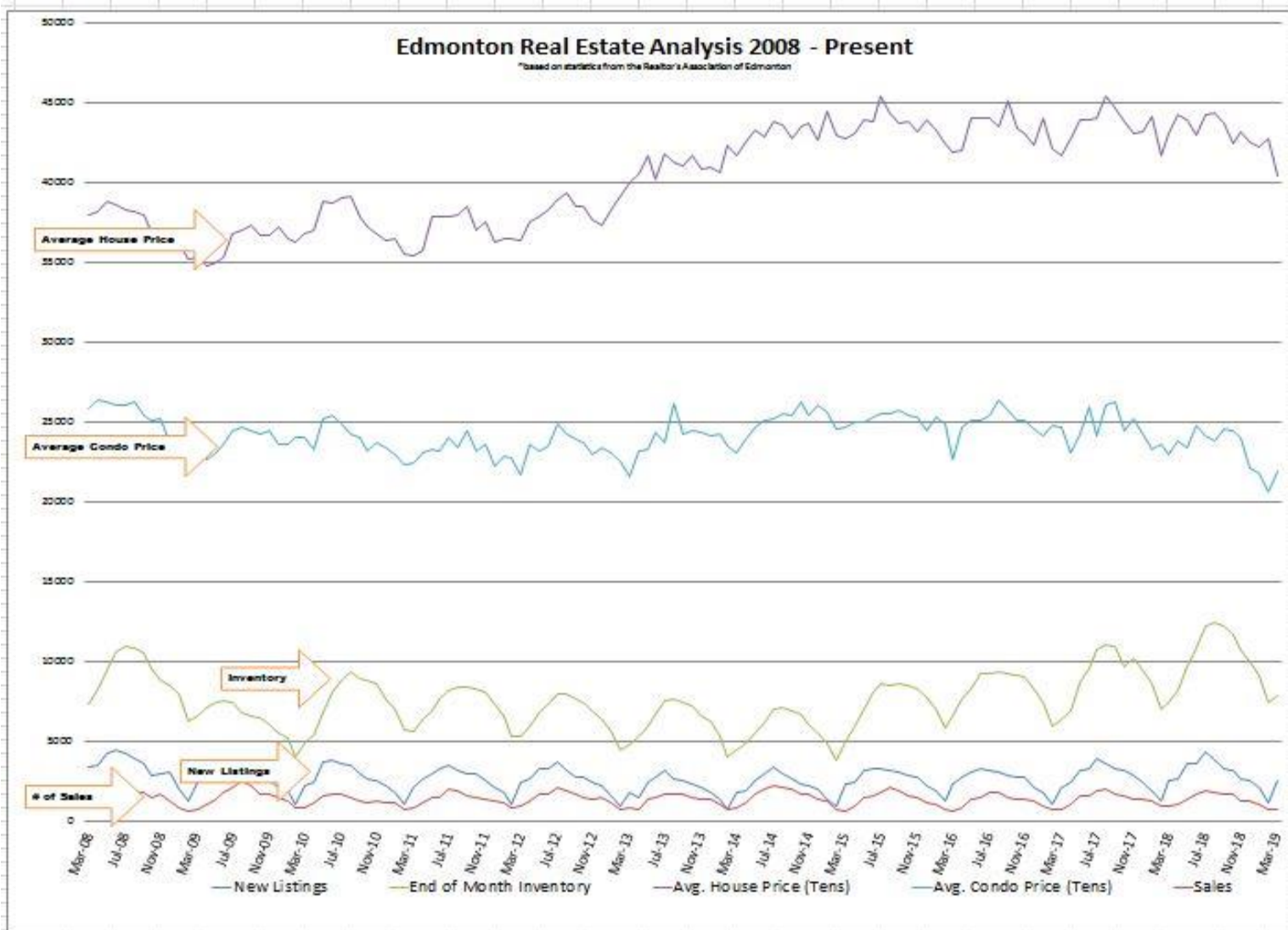
As of today, there is a new government in Alberta, so it will also be interesting to see if that changes consumer and investor confidence within the local Real Estate market in any way.

Next month, we will definitely be watching to see how the market has responded to the seasonal changes and see if any of that "pent up demand" results in higher sales.

*\*Special thanks to the REALTORS® Association of Edmonton for statistics.*

## Snapshot of the Past 5 years Statistics for the Edmonton Real Estate Market for March

Edmonton	2019	2018	2017	2016	2015
<b>House Avg. Price</b>	\$423,571	\$445,945	\$440,197	\$439,669	\$442,494
<b>Median Price</b>	\$389,950	\$399,500	\$400,750	\$405,000	\$416,000
<b>Condo Avg. Price</b>	\$213,856	\$238,724	\$245,632	\$252,186	\$252,387
<b>Median Price</b>	\$197,000	\$220,500	\$220,000	\$235,500	\$235,000
<b>Total Sales</b>	1,039	1,211	1,368	1,362	4,498
<b>Inventory (Month End)</b>	9,487	9,724	8,678	9,225	7,944



*"Thank you for completing our commercial appraisal with a detailed analysis and within the tight timelines. After researching multiple appraisal companies to appraise a commercial property I was looking at purchasing, I chose Gerhard Klann of Northern Lights Real Estate Consulting. He was very professional, and informative. Gerhard has excellent knowledge in doing appraisals. I am very happy with his service and he will be my go to person from here on."*

**Sandeep Datla, Investor**

*"Thank you for completing our appraisal and the timely fashion it was done in. We are more than happy with the quality and final outcome. If I find someone else I know who is in need of your services I will tell them to call you, hands down."*

**Thomas and Rennie, Home Owners**