



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

With Appraisal Expert Gerhardt Klann

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All signs pointing to big changes

Things are lining up for a very interesting year for the Edmonton real estate market. The latest stats show record in-migration into Alberta in Q3 of 2023 and this is clearly putting pressure on the resale and rental markets. We adjust for seasonal fluctuations by looking at the past 5 years of the same month's data. January 2024 sales were the strongest in the past 5 years at 1,439 units sold – and it's not an anomaly. This has been the trend for the past 4 months where demand has been the strongest we've seen when comparing the past 5 years.

This is resulting in much lower inventory which is currently 3.2 months supply. One of the reasons Edmonton didn't see price increases in the past several years was due to higher available inventory. If that picture is

changing, prices will be impacted.

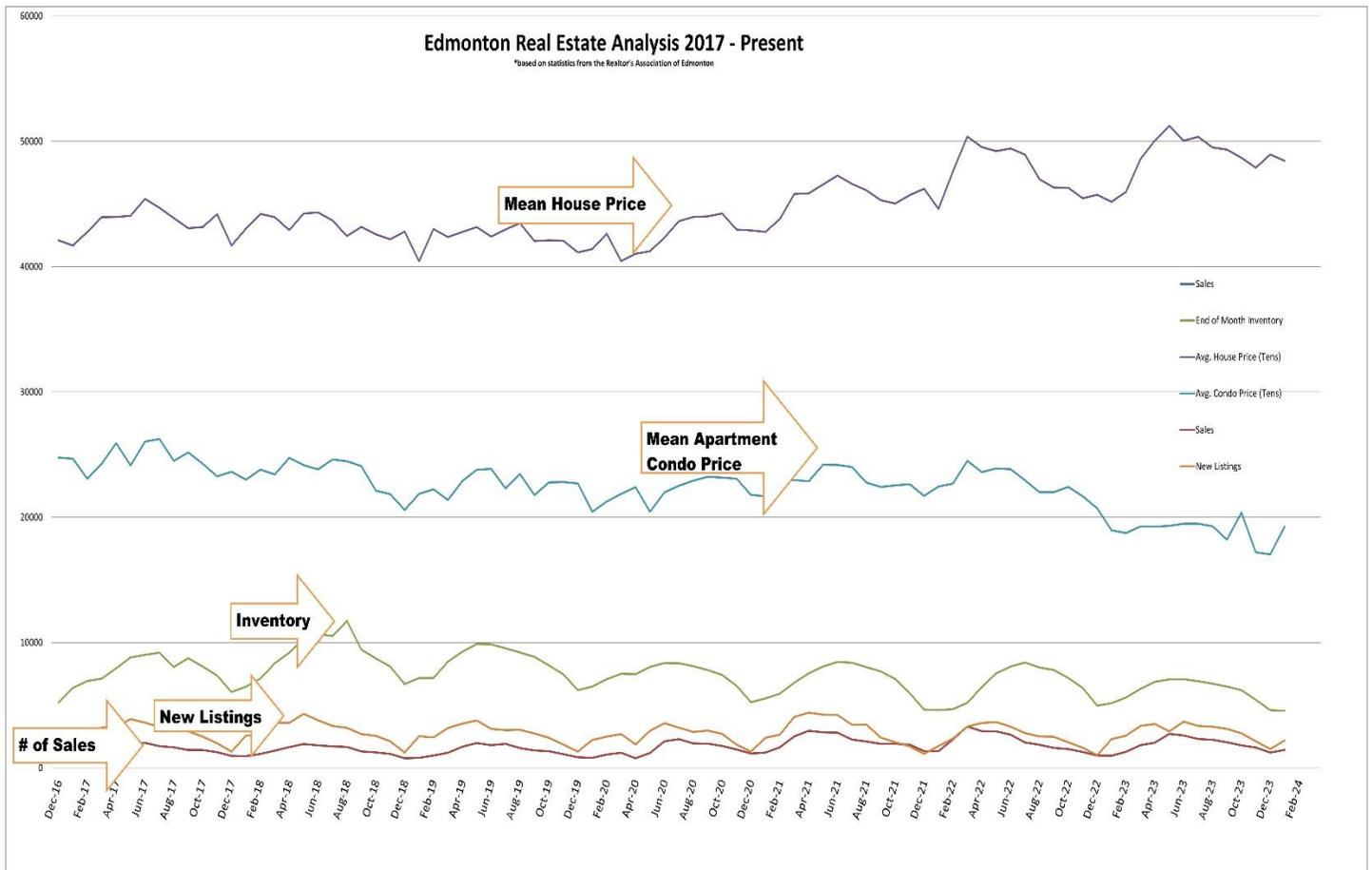
On the rental side, CMHC reports rents continue to rise and vacancies are falling and are expected to be below 2%. What does this mean for the market? My personal take is that this may be Edmonton's year to take off. Edmonton is the most affordable of Canada's major cities and has not really seen a significant uptick through the Co-vid 19 pandemic while the rest of the country has. This means that buyers from most other Canadian markets can get a significant upgrade by buying in our relatively cheap market. We are seeing conditions I haven't seen since 2004-2005, and if the trends continue, it could mean house prices increasing and a dramatic swing from a somewhat

balanced to a full-fledged seller's market as we've seen in Calgary over the past 2 years. Based on the fundamentals, I'm forecasting a very busy year in sales with the big "x factor" being inventory. If inventory falls, and builders can't keep up, we will see larger price gains. On top of that, any lowering of interest rates will also spark increased demand.

Will this happen? As we've seen in the past, markets don't always respond as we predict and if any other major variables change, it could alter things. But, if things keep heading in the direction they are now, 2024 will be very busy indeed! Join us next month as we continue to watch how this unfolds. **Special thanks to the REALTORS® Association of Edmonton for statistics.*

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

Edmonton	2024	2023	2022	2021	2020
House Avg. Price	\$484,365	\$451,659	\$445,932	\$427,677	\$413,954
Median Price	\$450,000	\$422,500	\$420,000	\$395,000	\$384,000
Condo Avg. Price	\$192,660	\$189,631	\$224,566	\$216,757	\$204,355
Median Price	\$167,000	\$163,500	\$192,000	\$195,000	\$188,750
Total Sales	1439	986	1012	1171	799
Inventory (Month End)	4,547	5,163	4,614	5,533	6,492



"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