



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

With Appraisal Expert Gerhardt Klann

September 2019

The end of summer blues....

With no positive changes to trends in the housing market occurring, the end of summer transpired much like the weather we've had locally, with some fairly gloomy numbers.

The number of sales (total demand) for August was 1,571 units, which is the lowest demand over the past 5 years for the month of August. Looking at the sales volume for residential properties in Edmonton, the year to date volume is also the lowest of the past 5 years which is concerning as this is measure of the overall demand.

Total inventory remains high at 10,389 total units, which is an improvement from 2017 and 2018, but still far above inventory numbers seen historically in rising markets. This continued higher

inventory coupled with lower demand will continue to hamper any rise in pricing and in some areas is leading to price declines.

Average and median pricing in single family homes continues to hover in the same range seen this past two years with larger decreases seen in condominiums. The new condominium market appears to be doing well with new towers being built and selling out. However, it is the resale market that is suffering in particular for condominiums as buyers prefer the new buildings.

From paired sales analysis, we as appraisers are noticing a decline in house prices in most average neighbourhoods year over year, with certain desirable neighbourhoods seeing price increases. These conflicting trends lead to "average" numbers which don't seem to really be

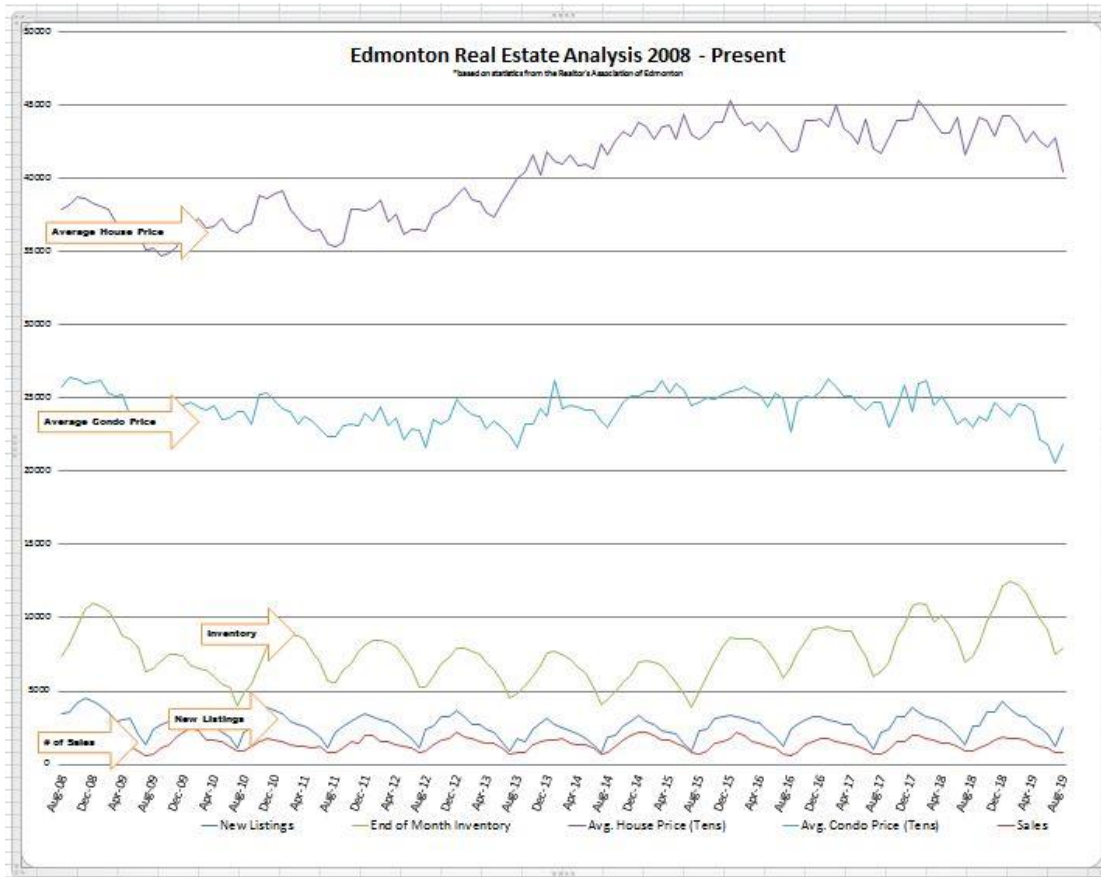
down significantly.

Average and median days on market have improved slightly from 2018 and are currently 62 days on market (average) with 49 days on market (median). Given the lower inventory in comparison with 2018, this is one positive step in the right direction for the local market. However, we are still a long ways off from seeing market conditions that would see any sort of price increases.

Residential rental rates continue to rise slowly with some decreasing vacancy rates seen. However, with the higher number of active sales listings, some sellers are converting their properties to rental properties, which is keeping the rental market competitive. Again, rental trends are regional within the City and can vary greatly. **Special thanks to the REALTORS® Association of Edmonton for statistics.*

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

Edmonton	2019	2018	2017	2016	2015
House Avg. Price	\$434,634	\$425,129	\$441,022	\$436,017	\$440,375
Median Price	\$392,500	\$387,250	\$399,700	\$405,000	\$407,000
Condo Avg. Price	\$234,480	\$247,241	\$243,991	\$258,819	\$259,612
Median Price	\$218,500	\$225,750	\$228,500	\$240,000	\$241,000
Total Sales	1,571	1,678	1,635	1,700	1,701
Inventory (Month End)	10,389	11,722	10,680	9,568	9,279



In June, Gerhardt was voted to the Board of Directors for the Canadian National Association of Real Estate Appraisers (CNAREA). Kevin Lonsdale, Executive Director of CNAREA, giving Gerhardt a special thank you gift and recognizing him for his volunteer teaching to industry partners.