

EDMONTON

Demand for residential real estate in Edmonton shows no signs of slowing down. Low unemployment levels, strong economic performance in the oil and gas sector and Canada's westward migration contributed to an upswing in the number of homes sold. Average prices increased for all product types, with the average residential sale price sitting at approximately \$374,000, up \$23,000 from last year.

Alberta leads the way in inter-provincial migration with an estimated 30,000 people settling in the Greater Edmonton Area in the past year alone. Demand from new residents increased sales by 10 per cent in the region. The growth is anticipated to be sustained over the next few years as \$5.2 billion in construction projects, such as Rogers Place, Stantec, Royal Alberta Museum, and Delta Hotels and Resorts, are currently under construction in the downtown core.

Sellers dominate in homes priced below \$400,000, which accounts for 65 per cent of the market. Multiple offers are common in the lower end of the market and pushed some first-time buyers to consider properties in the move-up market, where there is more inventory. This competition has also caused a tremendous resurgence in the condominium market.

The closure of City Centre Airport last year created development opportunities as previous height restrictions due to air traffic safety have been lifted. The first

38-storey high-rise condominium, Pearl Tower, is anticipating occupancy at the end of 2014.

Condominiums represent a growing share of the marketplace in all price ranges as construction continues in the downtown core with 18 cranes and eight projects underway. In particular, in the luxury market, pent houses in the Pearl Tower sold between \$1 - 2.5 million.

Edmonton's luxury market has been setting new sales records over the last three years. At the end of the third quarter of 2014, Realtors Association of Edmonton reported a 29 per cent increase in sales over \$1 million compared to last year. The Symphony Tower, located in River Valley, is slated for construction for early 2015 with four units already sold for more than \$1.5 million each. Record sales of multi-million dollar listings are expected to continue into 2015.

The outlook in Edmonton is optimistic with the inter-provincial migration decreasing the average age of residents. This younger demographic with well-paying employment is attracting more mixed-use community developments with residential, retail and commercial components. As affordability has reduced in the region over the past few years, prices are projected to climb four per cent, while inventory levels are expected to be similar to the past two years, trending slightly downwards.

AVERAGE RESIDENTIAL SALE PRICE (Edmonton)



*Estimate **Forecast - Source: Historical values are sourced from CREA or Local Board statistics. Estimates and forecasts are based on the opinion of independent RE/MAX broker/owners and affiliates.