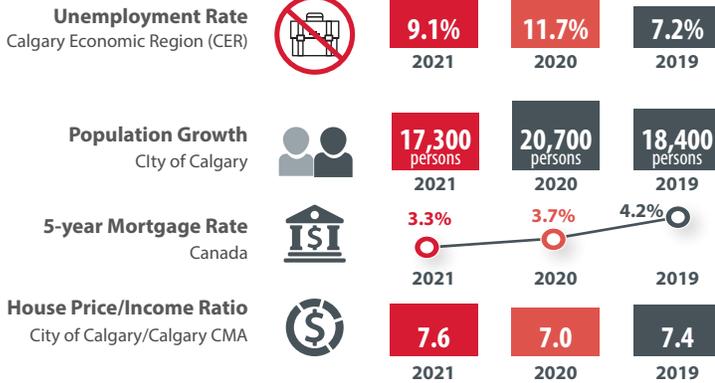


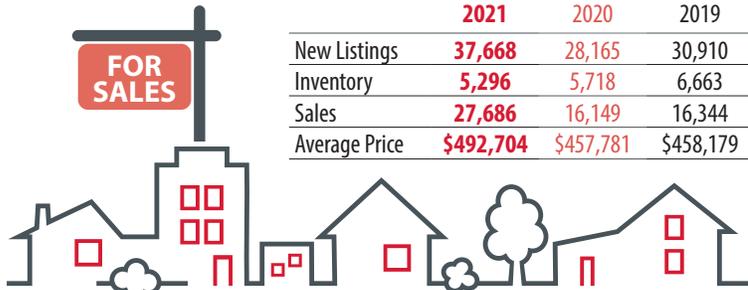
## Highlights:



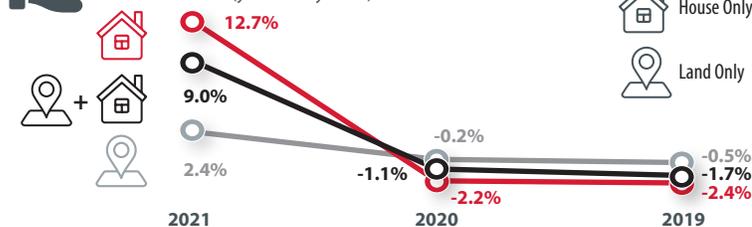
### Factors Affecting Housing Affordability and Demand



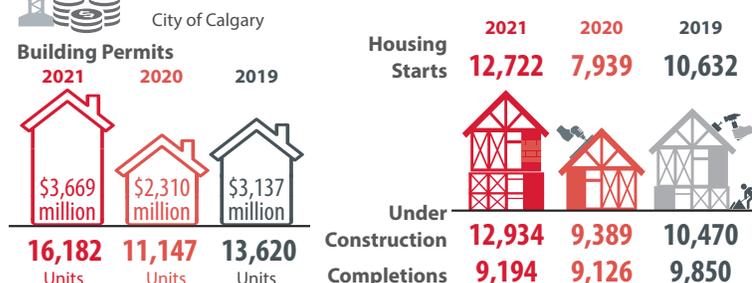
### Resale Market City of Calgary



### New House Market Calgary Census Metropolitan Area Price Inflation (year-over-year %)



### Housing Construction and Investment Intention City of Calgary



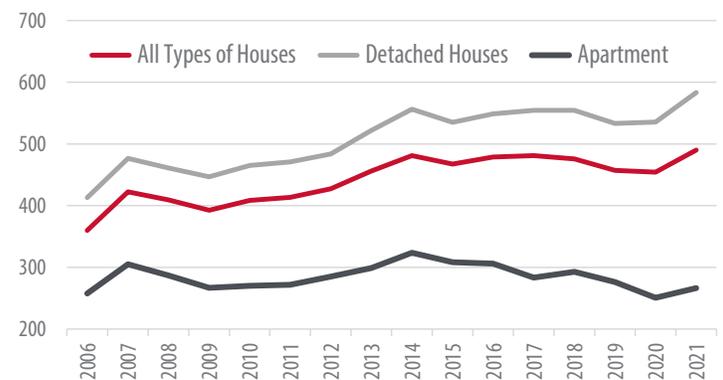
## City of Calgary Resale Housing Market

### Prices

The average resale house price in 2021 was \$490,000, the highest annual average resale price on record. It was also the first price increase since 2017, where the average price was \$481,000. In 2021, the resale price was up by \$36,000, or 8 per cent from 2020. Between 2017 and 2020, the accumulated loss in house prices (home value) was -\$27,000. The house price increase in 2021 was caused by lower interest rates and the pent-up demand from higher household savings, as households were initially unable to spend due to mobility and other restrictions.

The detached resale house price averaged \$583,000 in 2021, an annual increase of 9 per cent, the semi-detached resale price averaged \$497,000 with 8.3 per cent increase, resale prices for row-houses rose by 5.2 per cent to \$324,000, and the average resale price for apartments rose to \$266,000 or 6.3 per cent.

### City of Calgary: MLS Resale Housing Market Average Prices (2006 - 2021, \$thousands)



Source: Calgary Real Estate Board (CREB), Corporate Economics.

### Sales

The demand for housing in 2021 has not been matched by sufficient supply to date due to supply shortages in certain housing categories in Calgary. In 2021, there were record-high 27,686 houses sold. The closest number of sales to this record was the 27,423 houses sold in 2006. The notable difference between these two years, besides a pandemic, stemmed from the significant annual price appreciation of over \$100,000 in 2006 compared to a \$36,000 price increase in 2021.

### New Listings

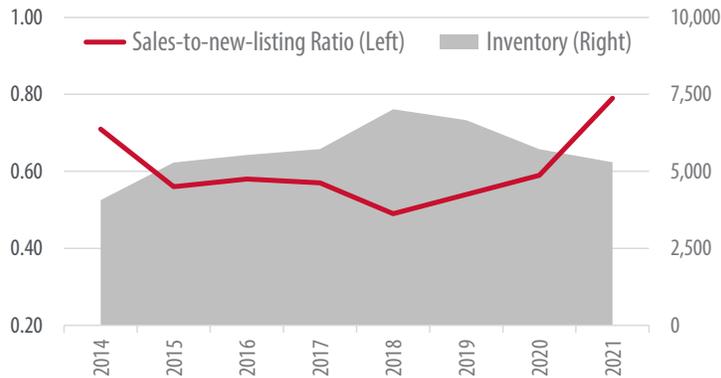
Between 2014 and 2020, the average annual new listings in the Calgary resale market (housing supply) was 33,000

units per year, with 2014 registering the largest annual supply of 36,200. However, 2021 saw the largest supply increase on record at 38,000 units, an increase of 9,500 units from 2020 and 7,000 units from 2019. In addition, the strong growth in housing price appreciation prompted more owners to list their houses on the market as the demand for housing soared.

## Resale Inventory

2014 and 2021 were two good years in Calgary's real estate market. The regional economy was booming in 2014 and was bouncing back in 2021 from the COVID-driven lockdowns. The annual housing resale inventory was 5,300 units in 2021, 420 units less than the annual average between 2014 and 2020. 2014 had the smallest inventory between 2014 and 2021, with 1.9 months of available supply in any month. 2021 had the second tightest inventory, with 2.3 months of available supply. The sales-to-listings ratio in Calgary's housing market averaged at 0.54 in 2015-2020, representing a balanced market. While, the ratio was over 0.7 in both 2014 and 2021, representing a seller's market in the city.

### City of Calgary: MLS Resale Housing Market Balance and Inventory (2014 - 2021, [Left] ratio, [Right] units)



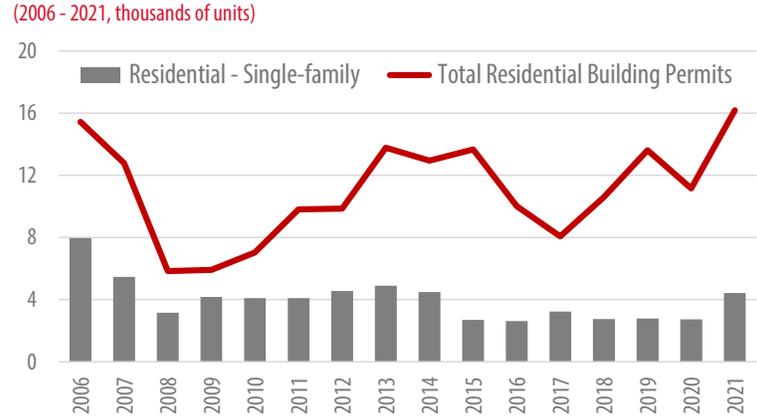
Source: Calgary Real Estate Board (CREB), Corporate Economics.

## City of Calgary New Housing Market

### Building Investment Intentions

The total value of residential building permits in the City of Calgary was \$3.7 billion in 2021, \$1.4 billion higher than that in 2020. The low-interest-rate environment, the change in working space arrangements and the pent-up demand catalyzed by the public health-related restrictions contributed to the rise in residential construction investment intentions in 2021. The last time we saw building permit value higher was in 2014, with over \$4.0 billion in the residential sector. The total number of building permits for homes reached 16,200 units in 2021, 5,000 more units than in 2020 and 2,700 units more than in 2019. Since 2016, single-family houses have accounted for about 27 per cent of total residential building permits.

### City of Calgary: Building Permits (2006 - 2021, thousands of units)

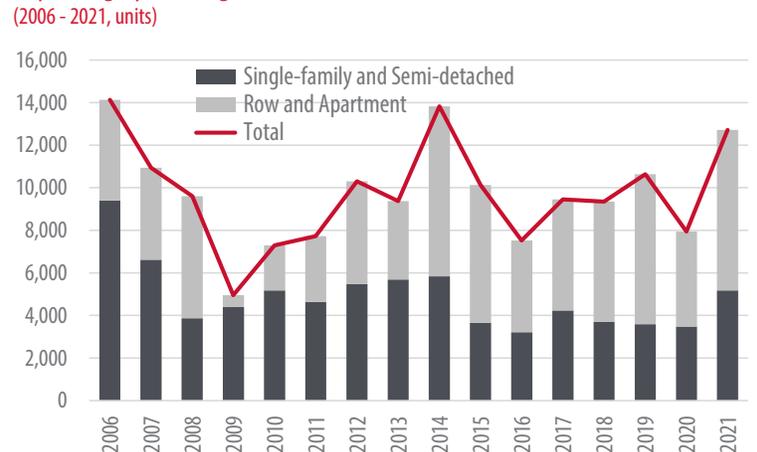


Source: The City of Calgary, Corporate Economics.

### Housing Starts

The total number of housing starts in 2021 was over 12,700 units, the largest observed since 2014 and over 4,700 more than in 2020. Housing starts for single-family houses made up 33 per cent of the total, and apartment units made up 48 per cent of the total in 2021. The share of single-family to total housing starts over 2011-2020 averaged 36.0 per cent per year, but had decreased to 33 per cent in 2021. In comparison, apartments' share increased from 41 per cent per year within the same ten-year period to 48 per cent in 2021. In addition, apartments offer relatively more affordability as real wage growth has not kept pace with the price appreciation of single-family houses.

### City of Calgary: Housing Starts (2006 - 2021, units)



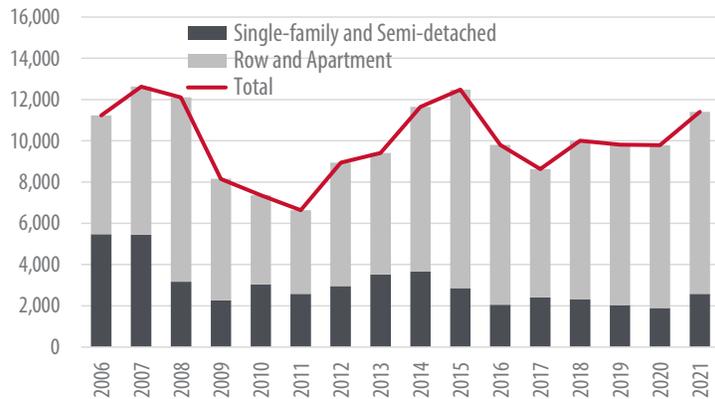
Source: Canada Mortgage and Housing Corporation (CMHC), Corporate Economics.

### Under-Construction Inventory and Completions

In 2021, the total under-construction housing inventory was 11,400 units, up from 9,800 units in 2020. Apartments made up 67.0 per cent, while single-family made up 18.0 per cent of total under-construction inventory in 2021. The elevated

inventory under construction in 2021 was evidence of the continued increasing demand for housing, the lower-interest-rate environment in 2021 and the expectations of a higher interest rate in 2022.

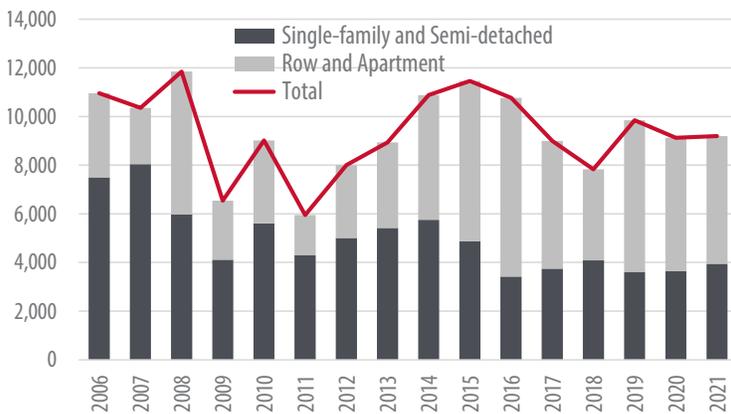
### City of Calgary: Housing Units Under-Construction (2006 - 2021, units)



Source: Canada Mortgage and Housing Corporation (CMHC), Corporate Economics.

The housing completions increased marginally to 9,200 units in 2021. However, the challenge from constrained labour supply in the construction sector due to COVID-19 variants may have played a role in lower than expected housing completions in 2021.

### City of Calgary: Housing Units Completion (2006 - 2021, units)



Source: Canada Mortgage and Housing Corporation (CMHC), Corporate Economics.

Next Update: April 2022

## Who We Are

Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced at researching different economic topics and have developed reliable methods of forecasting and analysis.

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[www.calgary.ca/economy](http://www.calgary.ca/economy)

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Sources:

Bank of Canada, Calgary Real Estate Board (CREB), Canadian Real Estate Association (CREA), Canada Mortgage and Housing Corporation (CMHC), Statistics Canada, The City of Calgary, Corporate Economics.