



Cedric Swift <cedric@cedricswift.ca>

Media release: Housing Market Second Quarterly Report Released

1 message

CREB® Communications <info@creb.ca>

Mon, Jul 27, 2020 at 10:57 AM

Reply-To: info@creb.ca

To: cedric@cedricswift.ca



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Housing market second quarterly report released

City of Calgary, July 27, 2020 –

The second quarter of 2020 marked the first full quarter since COVID-19 began to weigh on the economy.

Calgary housing sales slowed by 35 per cent compared to the previous year. This is better than original expectations, thanks to June figures that were far stronger than initial estimates. The pullback in new listings in the second quarter caused inventories to trend down, preventing a more significant decline in prices.

The second quarter benchmark price trended down compared to the first quarter and eased by 2.3 per cent compared to last year, just slightly above initial forecasted levels.

“Unquestionably, COVID-19 will continue to impact the housing market over the next several quarters. However, the extent of the impact may not be as severe as estimates from three months ago,” said CREB® chief economist Ann-Marie Lurie.

“While the situation may look brighter than it did a few months ago, it is also important to note that challenges remain.”

Overall, we continue to expect citywide benchmark home prices to ease by nearly three per cent this year and sales activity will remain weak compared to the already low levels recorded last year.

Despite the wide range of expectations on home prices, we do not expect a stronger price decline in 2020 for a couple reasons:

- Adjustment in supply. Demand has fallen, but so have new listings and inventory levels. This is preventing significant gains in the months of supply and slowing the downward price pressure.
- Support provided by lenders and government is expected to cushion the blow from COVID-19, preventing a more significant price drop this year.

As we move into the second half of this year and into 2021, there remains significant downside risk. If jobs do not return as anticipated and the support from lenders and government ends, we could start to see a rise in supply relative to demand. This may cause stronger price declines in the market entering 2021.

For more information, please download CREB®'s Q2 2020 Calgary & Region Quarterly Update Report [here](#).

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For more information, please contact:

Terence Leung
Manager, External Relations & Media
Phone: 403-781-1349
Email: terence.leung@creb.ca

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CREB®
300 Manning Road NE
Calgary, AB T2E 8K4
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