

2024 In Review – The Three Biggest Stories in Canmore's Real Estate Market

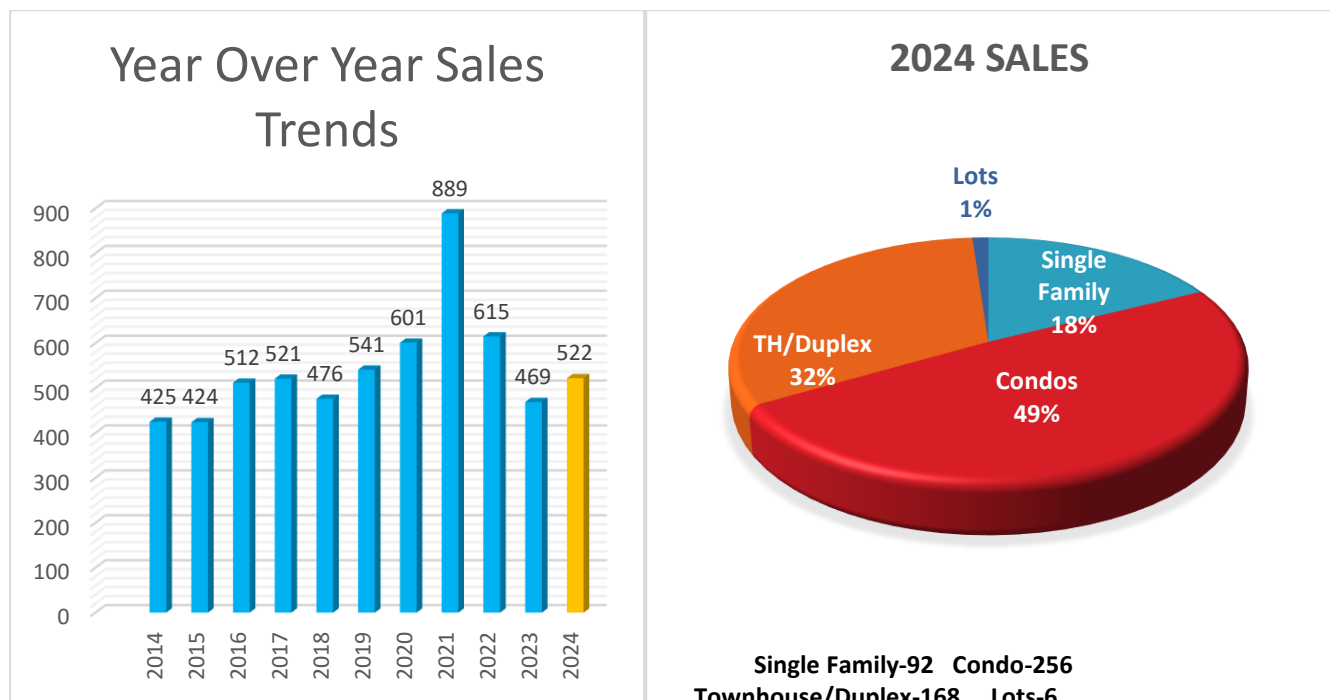
Quarter 4																			
2024 YEAR-END MARKET REVIEW																			
CANMORE, BANFF & AREA*																			
QUARTERLY STATISTICS																			
	Single Family				Town-Homes/ Duplexes				Apartment Condos				Recreational (28 Days) & Tourist				Average number of Sales per Month	Average Active Listings per Month	Average Months of Inventory
	%	Avg Price	#	DOM	%	Avg Price	#	DOM	%	Avg Price	#	DOM	%	Avg Price	#	DOM			
Q4 2024	10	1,945,537	21	56	11	1,316,291	37	38	15	796,289	24	57	-34	737,280	35	52	39	154	4.1
Q3 2024	-12	1,767,348	24	71	-3	1,182,435	40	50	-12	691,239	40	53	7	1,112,506	20	33	42	166	4
Q2 2024	6	2,004,739	30	63	14	1,215,148	52	53	9	784,987	37	46	35	1,042,076	38	36	53	151	3.1
Q1 2024	12	1,883,938	17	53	-11	1,063,261	41	57	-7	716,905	26	62	-5	773,500	36	42	40	130	3.3
Q4 2023	12	1,678,213	21	69	6	1,198,355	37	59	25	766,955	24	75	-7	811,692	33	34	38	157	4.4
ANNUAL STATISTICS																	Total Sales		
2024	13	1,900,391	92	61	10	1,194,284	170	50	6	747,355	127	54	11	916,340	129	68	524	150	3.6
2023	2	1,687,171	89	52	20	1,086,517	158	49	12	706,486	94	58	14	826,145	124	41	469	140	3.7
2022	18	1,655,186	113	64	1	903,723	176	41	1	631,243	143	38	25	726,221	173	38	615	135	2.7
2021	30	1,398,994	170	70	11	892,752	261	53	22	624,018	209	52	19	580,914	230	45	889	150	2.1
2020	-4	1,073,043	142	66	0	801,544	195	86	5	512,945	140	68	3	490,166	116	60	601	281	
2019	3	1,113,402	110	96	1	800,387	167	78	-3	487,211	116	63	17	473,772	98	42	541	243	
Note	New construction sales not included in these statistics																		
*	Includes Canmore, Banff, Exshaw, Deadman's Flats & Harvie Heights																		
%	Percentage Price Change compared to previous period																		
#	Number of Units Sold Per Period																		
DOM	Average Days on Market																		
Tables compiled by Rob Karg & Kathy Corless, Coldwell Banker Rockies Realty, Data Source - Canmore Interface System.																			

Story 1: Year-Over-Year Sales Comparison

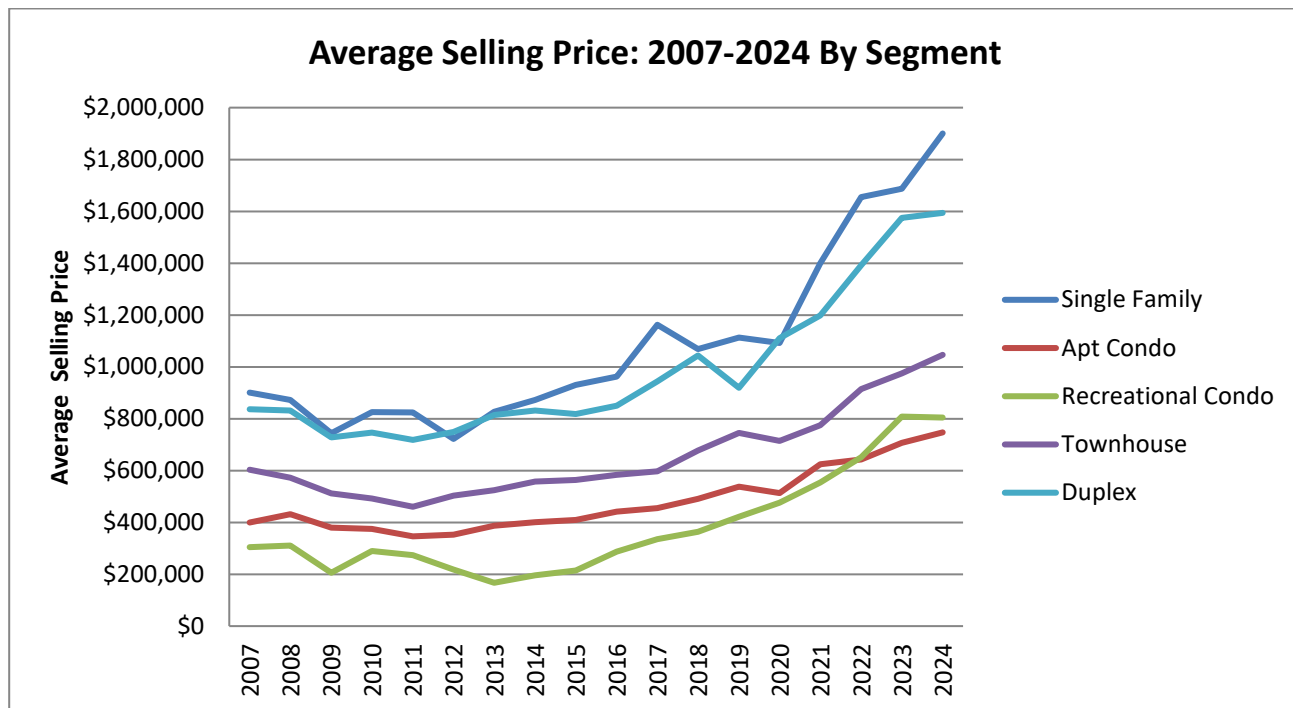
2024 experienced an 11% increase in sales over 2023, with a total of 522 units sold. However, the market has not yet returned to pre-COVID average unit sales numbers in the resale market.

Market Share Breakdown:

- **Condos** (Apartment, Hotel Condo, and Tourist Home): 49%
- **Townhouse/Duplex**: 32%
- **Single Family**: 18%
- **Lots**: 1%



The trend of rising prices continued throughout much of the year, alternating between 'Seller's Market' and 'Balanced Market' conditions. Active listing inventory remained below average, leaving many buyers ready and willing to purchase but unable to find the right property. This frustration has grown as prices continue to rise.



Let's look at the breakdown of the 92 Single Family homes sold in 2024:

- **13%** were priced under \$1M (mostly in Exshaw).
- **31.6%** were priced between \$1M and \$1.5M.
- **55.4%** were priced above \$1.5M.

The Single Family segment recorded an 11.4% year-over-year increase. This segment will have the least potential for supply growth in the coming years, so prices are expected to continue to rise. Areas like Exshaw and Harvie Heights are likely to see redevelopment as older homes are purchased. If you are considering purchasing a Single Family home this year is prime time.

Condo Market Insights:

- **Apartment Condos** (full-time living with ResMulti zoning) made up nearly 50% of condo sales and saw a 5.6% year-over-year price increase.
- **Tourist Home Units** (zoned for fulltime living, long or short-term rentals) accounted for 14.8% of condo sales and had the highest price increase at 12.28% year-over-year.
- **Hotel Condos** (Visitor Accommodation zoning) represented 35.5% of the market share but registered only a 0.07% increase in average selling price.

This muted growth is partly due to rental revenues lagging behind recent price increases and the start of new-build construction units coming to market. These new-build units, mostly committed to in 2022 and 2023, are expected to add 300-360 units in the first two quarters of 2025. These additional units are expected to moderate prices in this sub-sector.

Townhouse and Duplex Market Trends: The Townhouse and Duplex segment showed surprising trends in 2024. In the fourth quarter, average Duplex selling prices approached Single Family prices. Townhouses have become the go-to choice for buyers seeking non-apartment homes.

- 123 Townhouse units were sold, representing almost 24% of total sales.
- This segment saw a 7.3% rise in value and is expected to see similar increases in 2025.

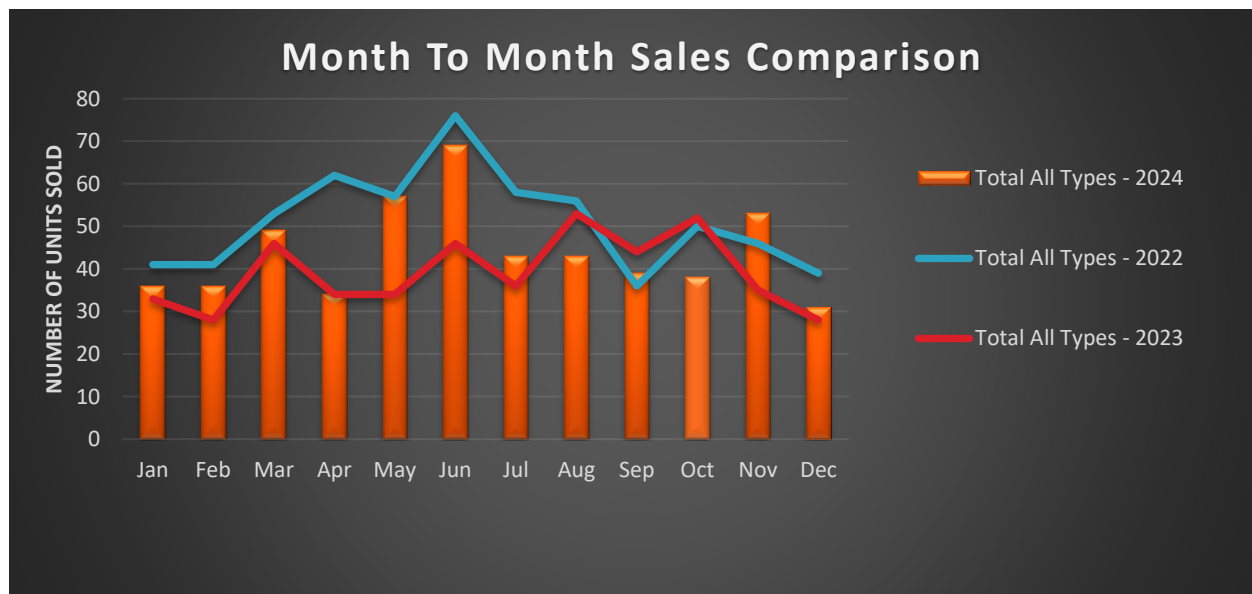
New developments in Stewart Creek and Three Sisters Mountain Village will benefit from the Gateway commercial development near the Three Sisters exit off Highway 1. This segment is one to watch.

Story 2: Where Do We Go From Here?

Alberta leads the nation in housing starts, reflecting ongoing net migration from other parts of Canada. The primary reasons buyers cite for owning in Canmore are:

1. Lifestyle
2. Live/work balance
3. Investment potential

Most buyers are looking for a combination of investment and personal enjoyment. With Canmore being a secondary home market, buyers tend to wait for the perfect property rather than rushing purchases.



Market Outlook for 2025:

- **Demand vs. Supply:** We expect most market segments to experience healthy price increases. However, short-term rental units are an exception. Spring is the peak time for buyers seeking these units to capture summer rental profits, driving prices higher in the first half of the year before moderating in the fall and winter.

Economic uncertainty stemming from the incoming U.S. Administration's policies may weaken the CAD\$ exchange rate. Potential tariffs could lead to a Canadian recession, cooling consumer confidence and the ability to purchase second homes. However, a weaker dollar could increase domestic tourism, boosting demand for short-term rentals as more Canadians vacation locally and American tourists capitalize on favorable exchange rates.

Bank of Canada Interest Rates: The Bank of Canada (BOC) is expected to decrease interest rates in the first half of the year, potentially lowering the benchmark rate by 2+% from its peak of 5% in July 2023. Last year BOC predicted a decrease of this magnitude would encourage more buyers to re-enter the market, especially for high-end properties.

Opportunities in 2025: Buyers less affected by financing will likely target 'wow-factor' properties, creating competing offers, while 'nice' properties will compete on value. Now is the time to prepare and position yourself to take advantage of these opportunities.

Story 3: Things That Could Upset the Apple Cart

Several challenges may impact the market:

1. **Vacancy Tax:** The Town of Canmore introduced a 0.4% vacancy tax on homes zoned for full-time living but not occupied for at least 183 days annually (60 of which must be continuous). For example, a property assessed at \$800,000 would incur an additional \$3,200 in taxes.

This tax could prompt long-term owners to leave the market, similar to trends seen in Kelowna. Learn more: [Town of Canmore Housing Action](#).

2. **Tourist Home Zoning Phase-Out:** The Town plans to eliminate Tourist Home zoning to promote more full-time residential use. Changes include:
 - Taxing all units at the higher rental property rate.
 - Removing the ability for long-term rental owners to switch back to short-term rentals.
 - Prohibiting Tourist Home zoning in future developments.

These changes will impact current owners and developers who paid premiums for flexible usage. Expect legal challenges and market shifts as this policy unfolds.

3. **Prohibition on Non-Canadian Buyers:** The Federal Government's 2023 Act prohibits foreign nationals from purchasing property in Canmore until 2027. This policy benefits Canadian buyers by reducing competition but could see a reversal if the government changes, creating a sudden spike in demand.

Market Implications: These policies may lead to more listings in the first half of 2025 as owners reassess their positions. This could put slight downward pressure on Single Family, Townhouse, and Duplex prices before demand pushes them higher again by year-end.

Final Thoughts

We are living in interesting times with various factors pulling the market in different directions. If you are considering buying or selling in 2025, contact us to discuss how these trends may impact you and how we can help you to position yourself for success. With over 30 years of experience in Canmore, Rob believes there's no better place to own in Canada over the next decade. Let's get started!