



THE SCHMIDT REPORT

February 2022

Feel good about the choice you make.

Average Price or Benchmark Price...

Which one should you pay attention to?

The REALTORS® Association of Edmonton reported that the “All Residential Average Price” went down by 1.1% from January 2021... but is that the statistic you should be relying on? As we’ve talked about in previous Schmidt Reports, the average price doesn’t necessarily tell us what the average property is worth. It tells us what the average buyer was willing to spend. We don’t know what they got for that dollar. A much better indicator of the value of a typical home is to use the Housing Price Index to determine how the **benchmark price** has changed.

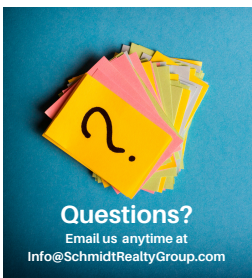
Single-family homes averaged \$445,932, a 4.3% year-over-year increase and a 3.6% decrease from December 2021... But the MLS® Home Price Index (HPI) composite benchmark price in the GEA came in at \$416,000, a 6.1% increase from January 2021, and up 1.2% from December 2021. Average or median prices can change a lot from one month to the next and paint an inaccurate or even unhelpful picture of price values and trends. The MLS® HPI is based on the value home buyers assign to various housing attributes*, which tend to evolve gradually over time. It therefore provides an “apples to apples” comparison of home prices across the entire country. Each month, the MLS® HPI uses more than 15*

years of MLS® System data and sophisticated statistical models to define a “typical” home based on the features of homes that have been bought and sold. These benchmark homes are tracked across Canadian neighbourhoods and different types of houses. – REALTORS® Association of Edmonton

MLS® HPI Benchmark Price*	Month of Jan/22
SFD ² benchmark price	\$416,000
Apartment benchmark price	\$176,200
Townhouse benchmark price	\$207,500
Composite ⁷ benchmark price	\$344,300

*Attributes includes things such as age, size, number of bedrooms and bathrooms.

**for the Greater Edmonton Area (GEA)*



"It's important to understand what these statistics mean, especially when you're pricing your home for sale or considering an offer on a new home. If you're getting ready to buy or sell this spring, you'll want to ask us to dig into the average price and the benchmark price for your area. As you can see, those two prices can be quite different!"

- Kathy Schmidt . Broker Owner . Schmidt Realty Group Inc.

MARKET SNAPSHOT JAN 2022

Our Results:

- For all of 2021, our listings sold on average in just **26 days vs. 43 days** for the REALTORS® Association of Edmonton.
- Our sellers sold for an average of **98.2% of list price** during the same period!
- For all of 2021, **94% of our business** came from referrals, repeat clients and the sphere of people in the Edmonton area who already know, like and trust us!

