



THE SCHMIDT REPORT

January 2023

Feel good about the choice you make.

2022 WRAP-UP!

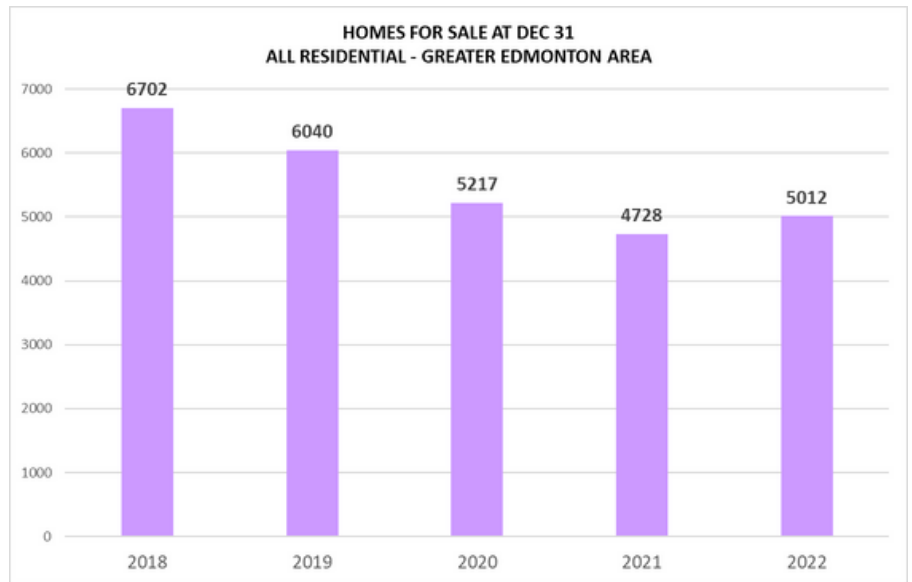
So how did things go in 2022 overall? Let's take a look at the past 5 years to put 2022 in context.

The 4 key factors of any market are:

1. **Product** – How many homes are on the market? Is there a lot of choice for buyers? Lots of competition for sellers?
2. **Perception** – How is consumer confidence in the market and in the economy in general?
3. **Pace** – Pace is the product of the first two factors. When there's a shortage of product and high confidence, homes sell quickly. A combination of a lot of homes for sale and low consumer confidence slows the pace of sales.
4. **Price** – Price is the result of all of these factors.

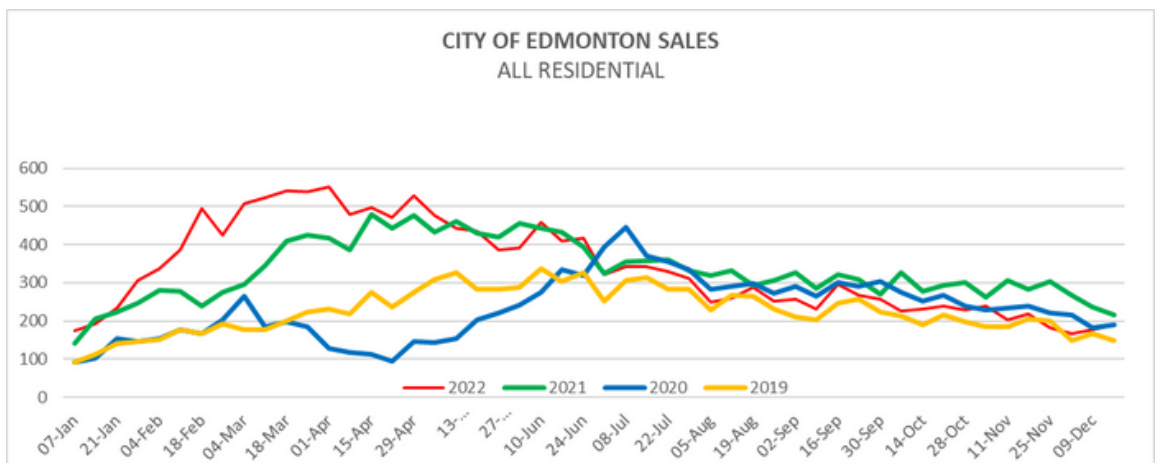
Let's look at PRODUCT first...

The graph to the right shows the number of homes for sale (Active Inventory) at the end of December in the past 5 years. At Dec 31 2022 there were 5012 homes for sale, which is right in the middle of the range for inventory at that time of year in the past 5 years.

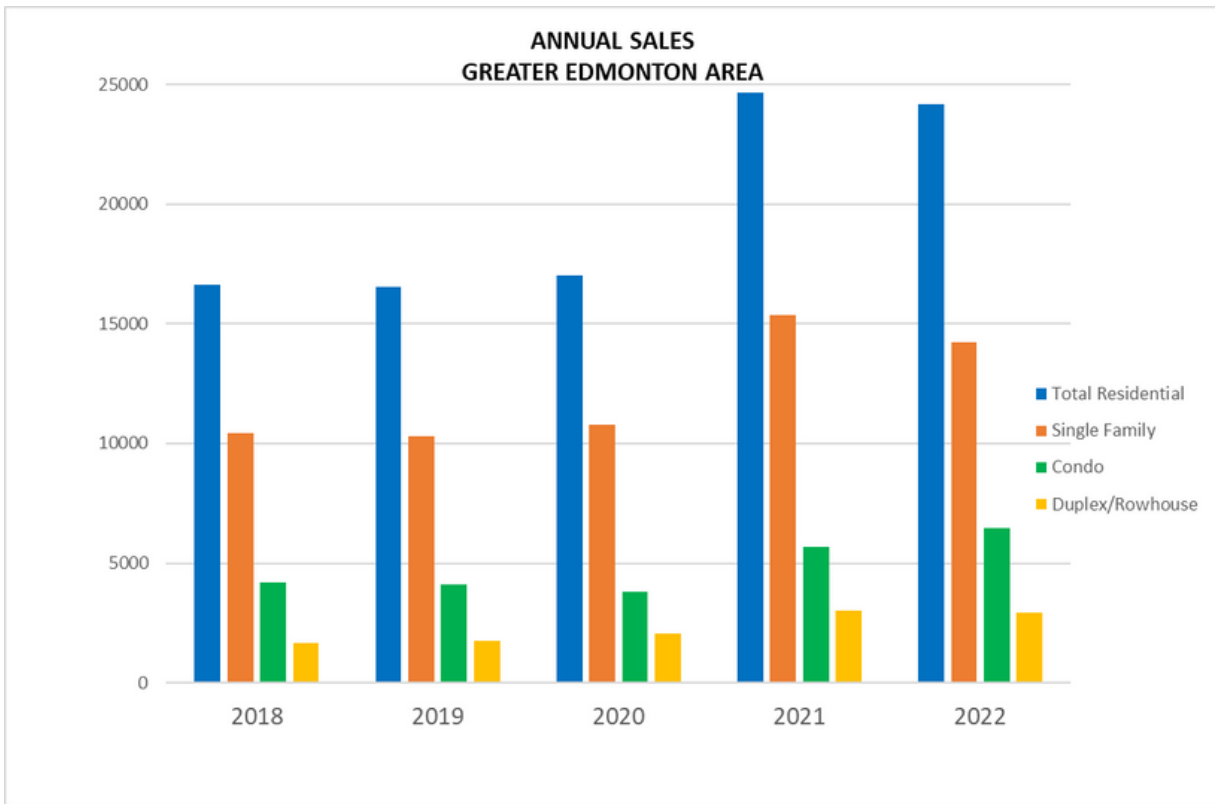


Looking at PERCEPTION next...

The graph below shows a week by week comparison of residential sales for 2019 to 2022. You can clearly see how sales activity plummeted at the beginning of the pandemic in March 2020. By the same time the following year, activity was well above average as consumers accepted that the pandemic wasn't going to go away overnight and it was time to get on with life. And then as as the world opened up and life got mostly back to normal in the spring of 2022, consumer confidence was high and so were sales. As interest rates have increased, and enthusiasm for borrowing waned, the market calmed, and the remainder of 2022 followed much more typical patterns for sales.



Another way to look at this is to compare total annual sales (the blue bar) for each of the past 5 years.



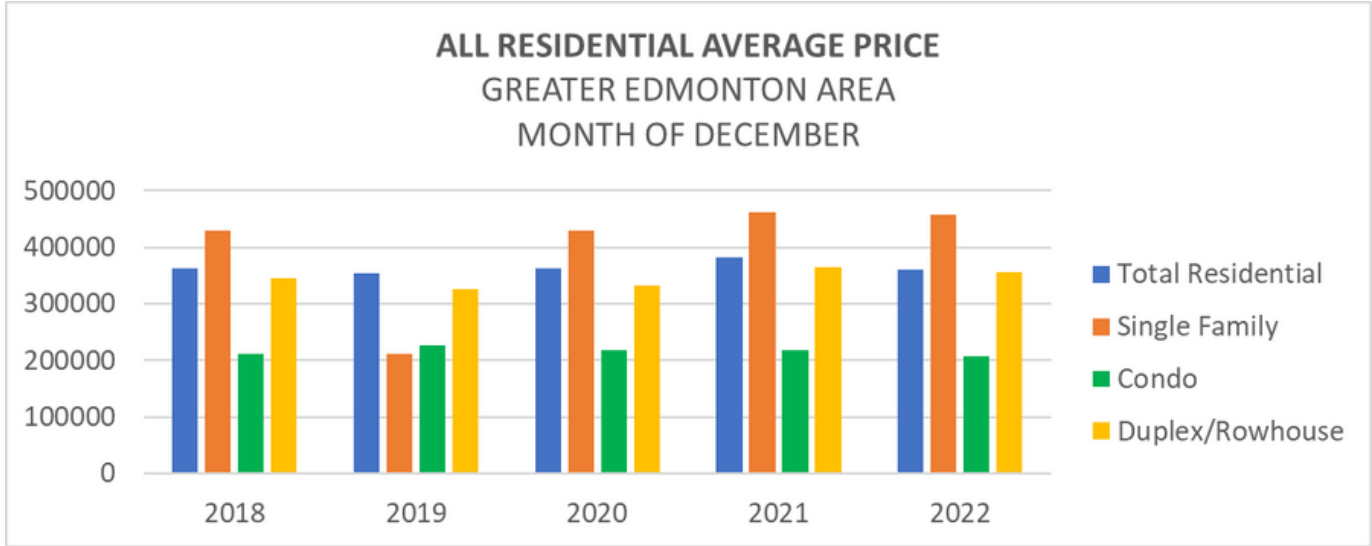
PACE is a product of Product and Perception.

Months of Supply is a very helpful statistic to understand the current market. This represents the number of months it would take for all the homes available to be sold, provided sales continued at the same rate. Between 3 and 6 months of supply is considered to be a Balanced Market. That's where we are now. More than 6 months is a Buyer's Market. Less than 3 months is a Seller's Market.

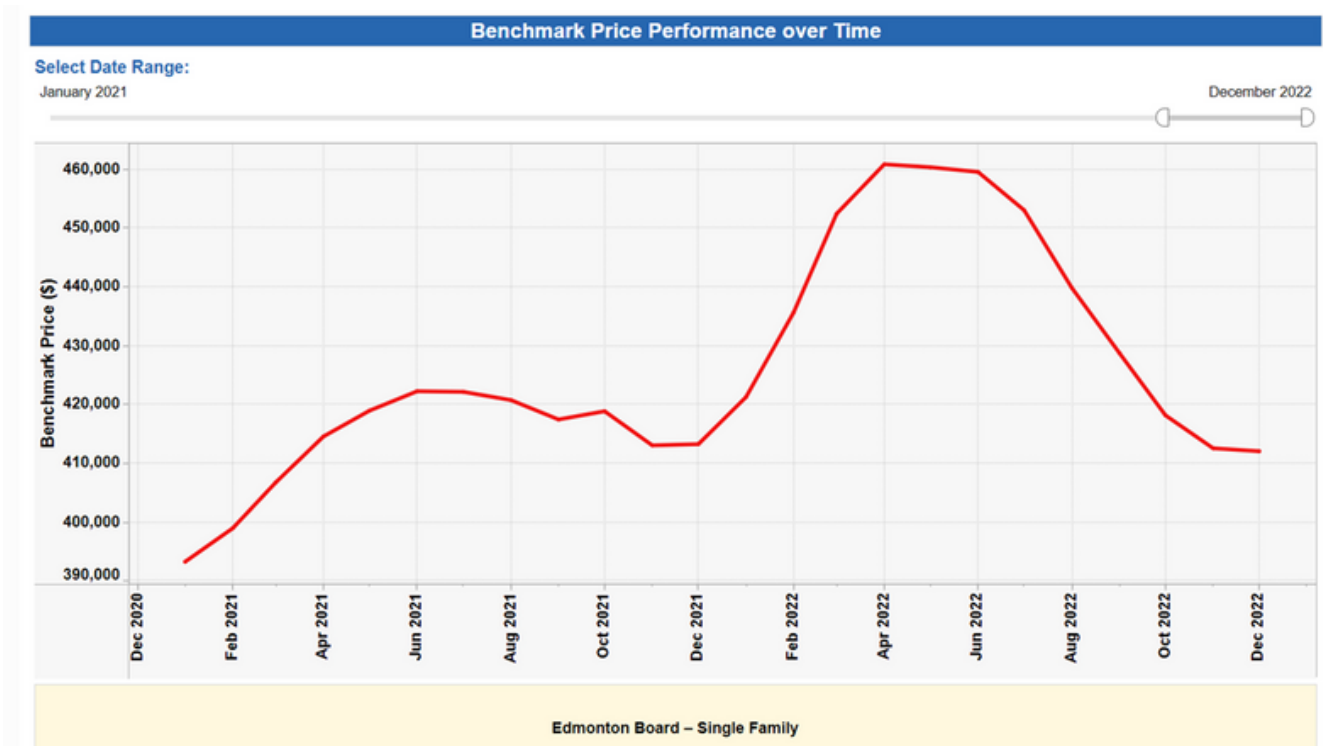


The end result of all these factors (Product, Perception, and Pace) is PRICE.

The amount of homes for sale, the demand for those homes, and the speed with which they are selling all impact the final selling price. Multiple offers like we saw frequently in the spring of 2022 compound this effect causing prices to rise even further. The graph below shows how prices have changed in each category over the past 5 years.



The Benchmark Price represents the selling price of a “typical” single family home in the Greater Edmonton Area. As you can see, there was a sharp rise in the spring of 2022, driven in part by over-list offers in bidding wars. As of December 2022, the Benchmark Price was almost exactly where it had been 12 months earlier.



So far in January the market is already showing some signs of warming up, as is typical for spring. Time will tell!

As for 2023, we'll be reporting next month on the forecast for the new year, so stay tuned!

MARKET SNAPSHOT DEC 2022

schmidt
realty group inc

Our Results:

- For the full year of 2022, our listings sold on average in just **30 days vs. 40 days** for the REALTORS® Association of Edmonton.
- Our sellers sold for an average of **98.5% of list price** during the same period!
- For the full year of 2022, **90% of our business** came from referrals, repeat clients and the sphere of people in the Edmonton area who already know, like and trust us!

