

Improving Affordability Trends in Calgary

— Mortgage Payments as a Percentage of Average Calgary Household Income

Calgary housing affordability is now better than long term averages. This is due to three reasons: growth in household income, falling interest rates and a correction in the housing market. This chart also illustrates how housing affordability is much better than the early 1980's real estate cycle and more similar to the early 1990's real estate cycle. One factor for improving affordability is interest rates are at record lows (but could go lower). One should always budget for a rise in interest rates to ensure they are not exposed to any excessive risks.

