

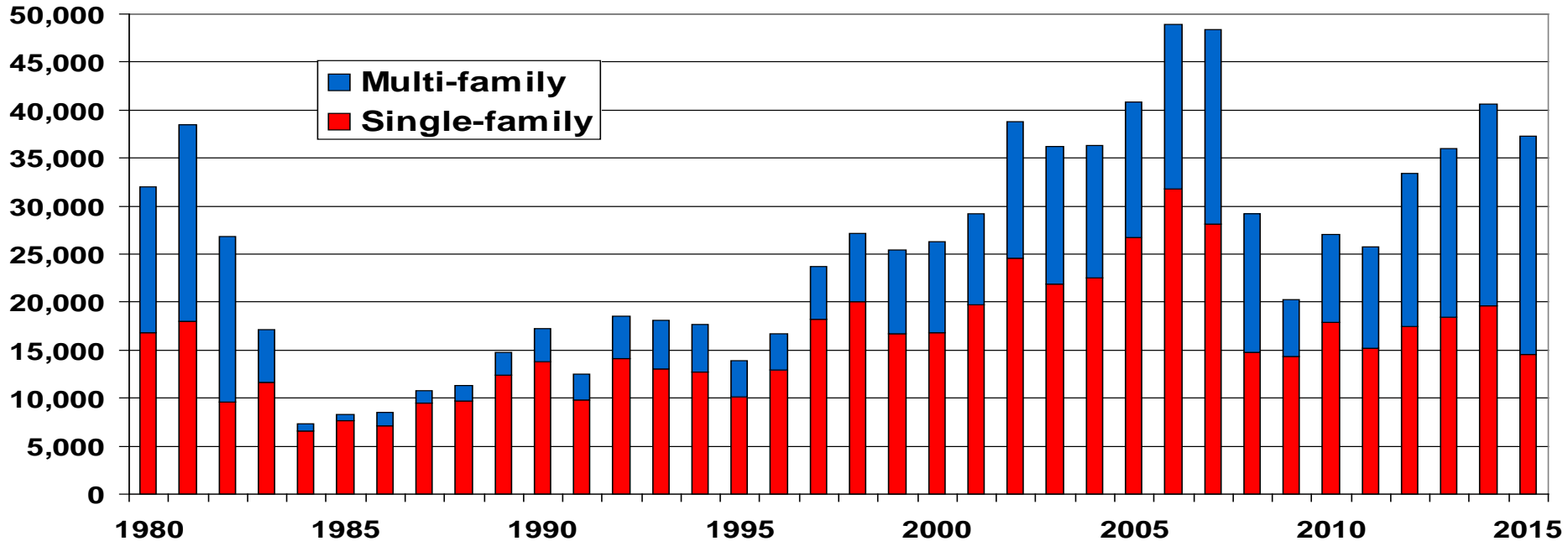
# Housing Market Trends: Supply, Cost & Affordability in Alberta

Presented by Richard Goatcher  
Economic Analyst  
CHBA - Alberta  
January 28, 2016

# Total Housing Starts

## Alberta – All Areas

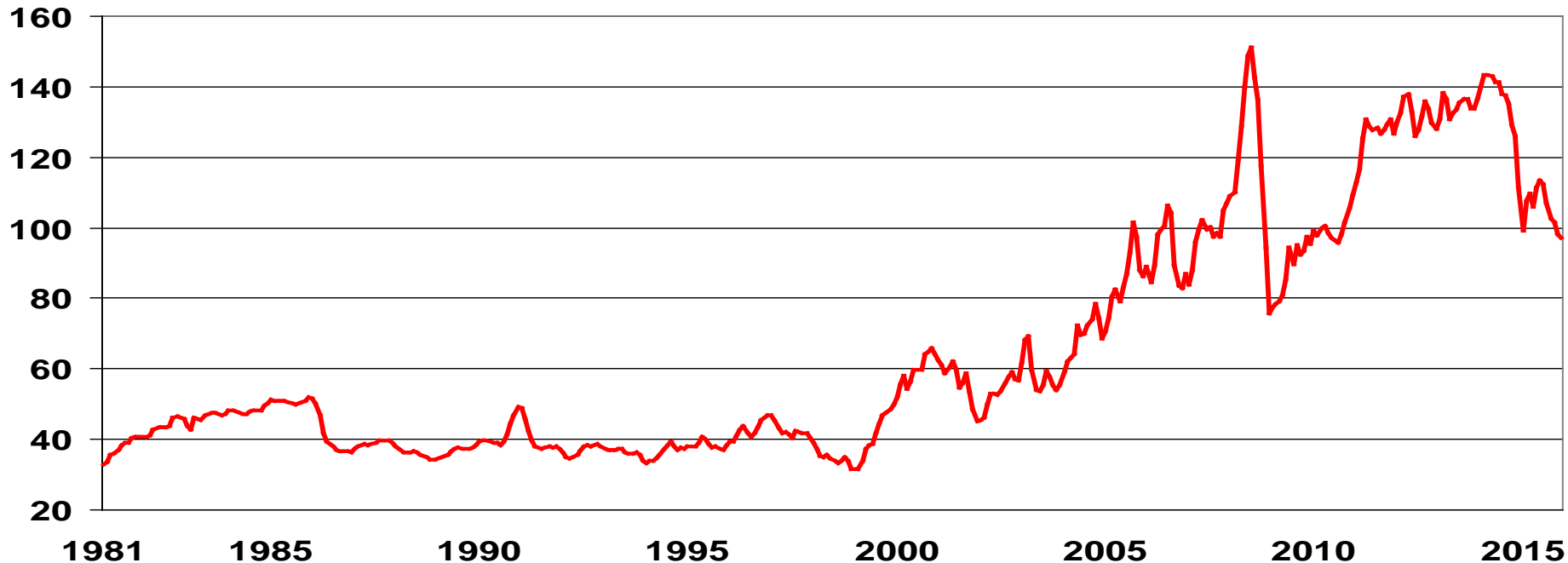
units (annual)



Source: CMHC

# Energy and Petroleum Products Price Index

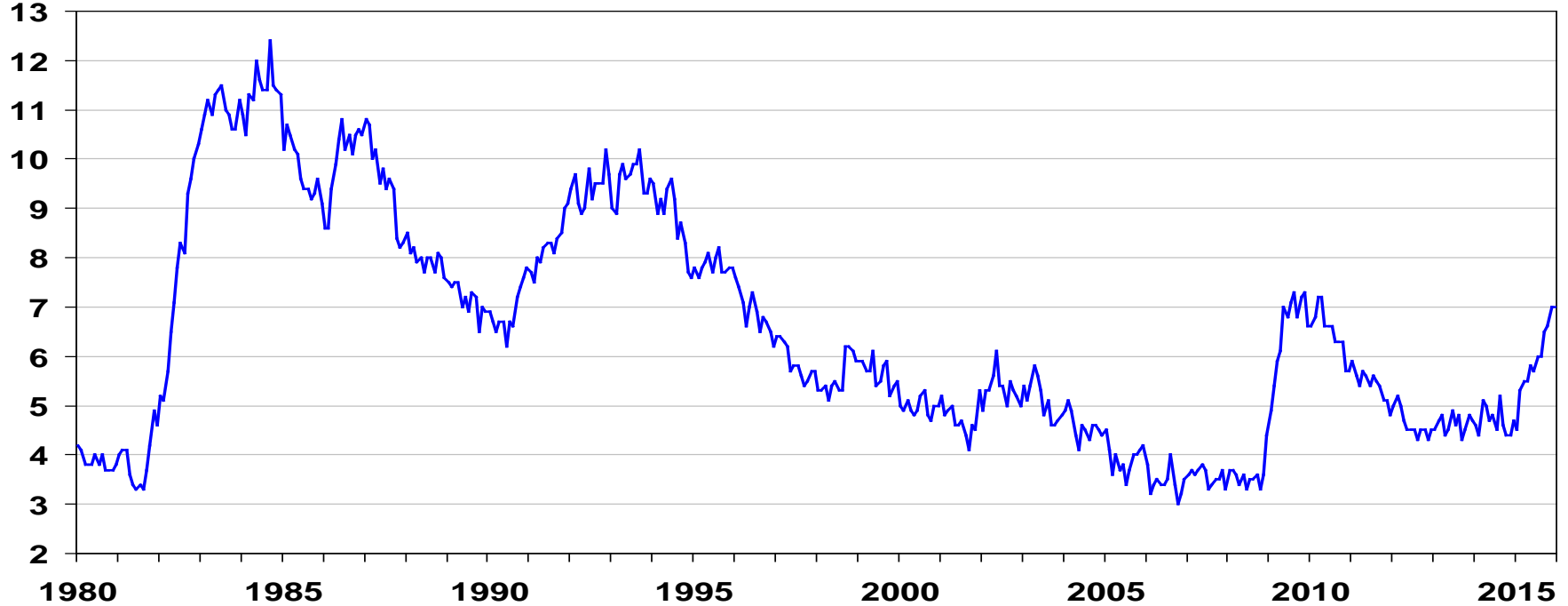
2010 = 100



Source: Statistics Canada

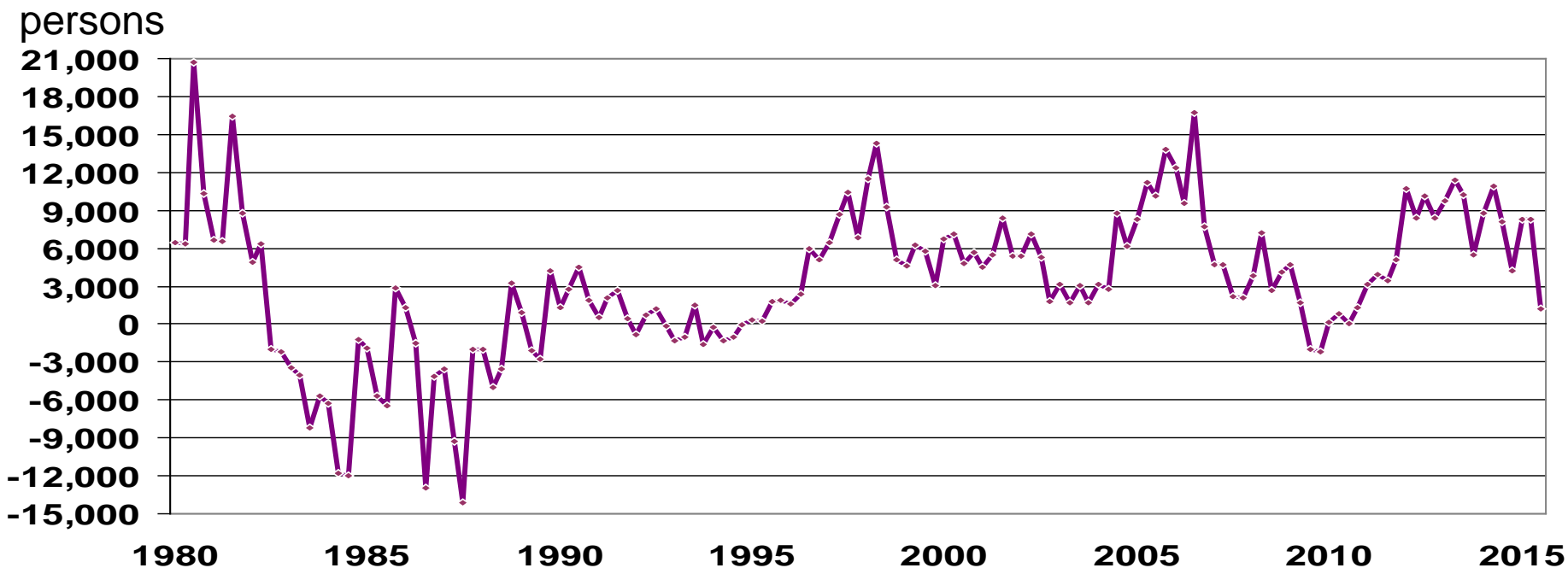
# Unemployment Rate Alberta

% (seasonally adjusted)



Source: Statistics Canada

# Inter-provincial Net Migration Alberta

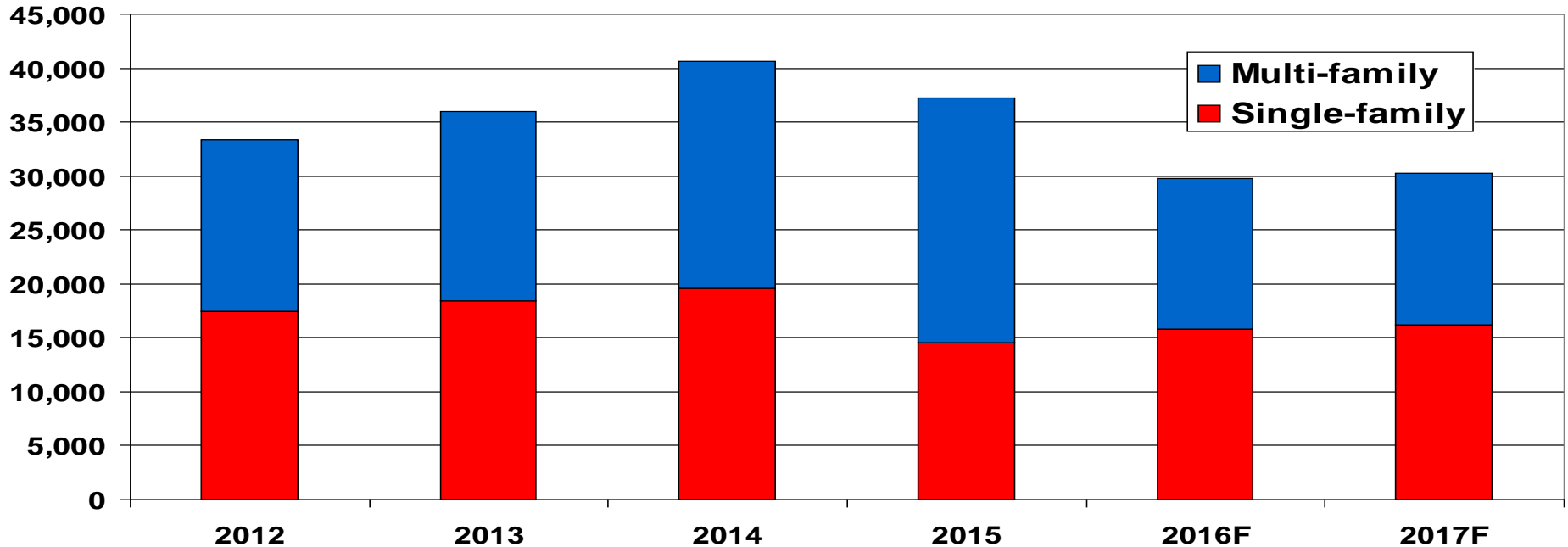


Source: Statistics Canada

# Total Housing Starts Forecast

## Alberta – All Areas

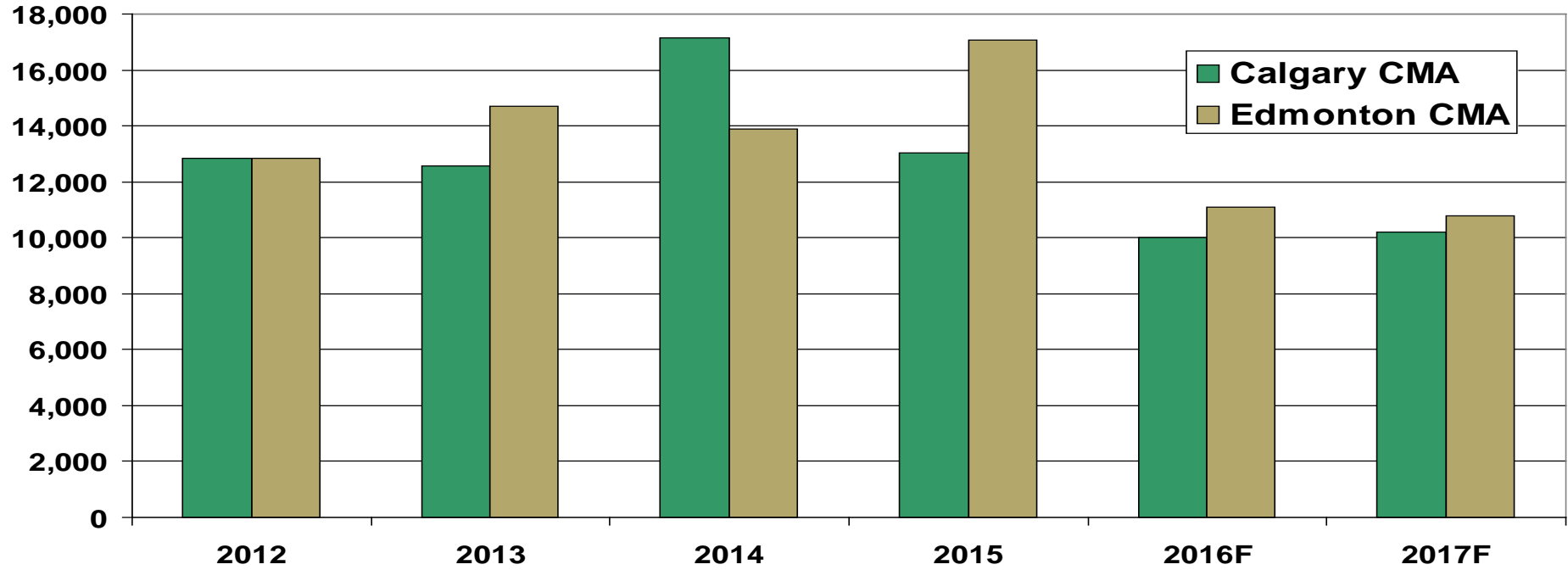
units (annual)



Source: CMHC

# Total Housing Starts Forecast Metro Areas

units (annual)



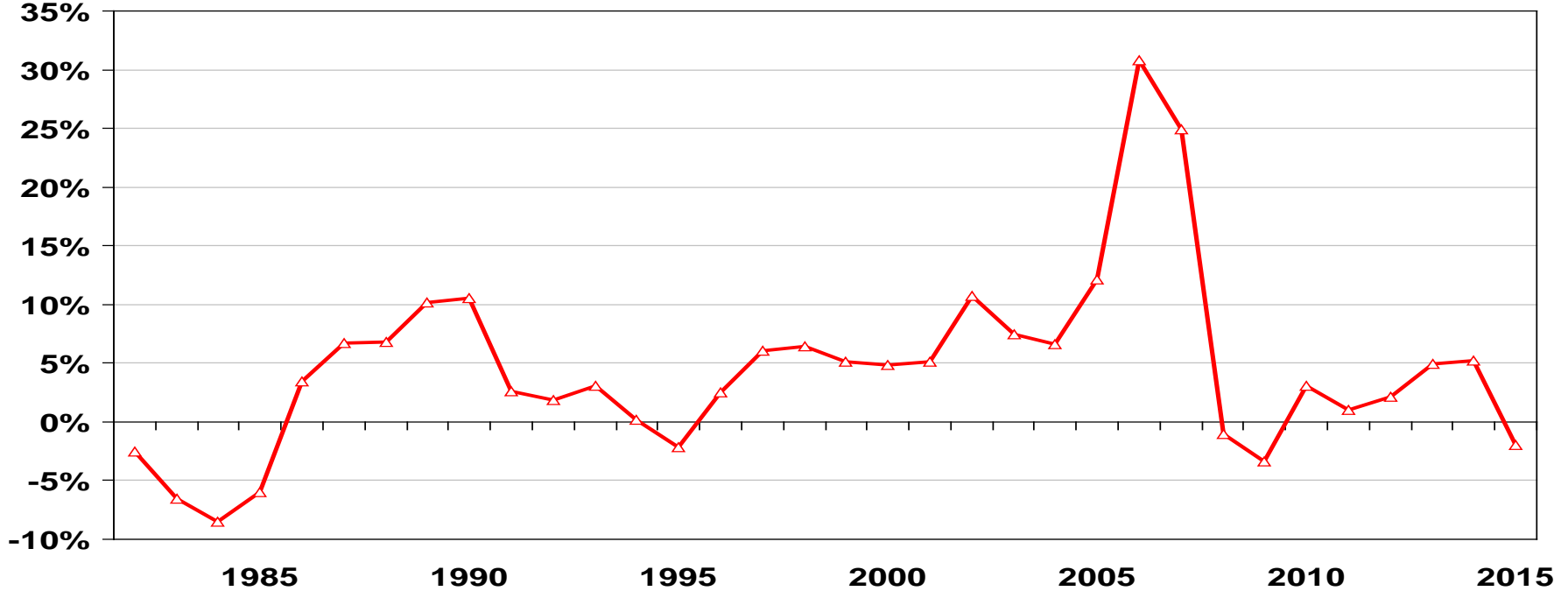
Source: CMHC

# How Housing Prices Respond to Economic Trends



# Resale Home Price Change Alberta

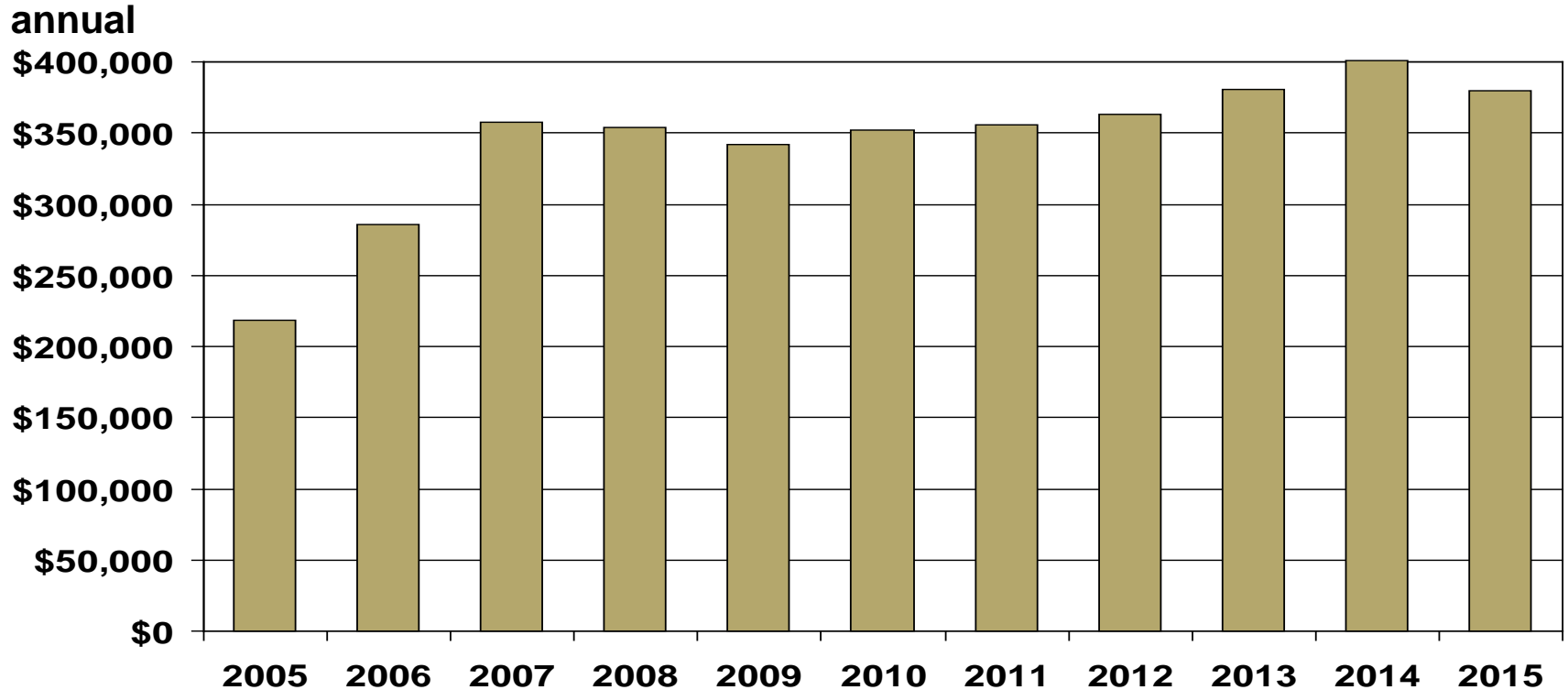
annual avg. % change



Source: CREA

# Residential MLS<sup>®</sup> Average Sale Price

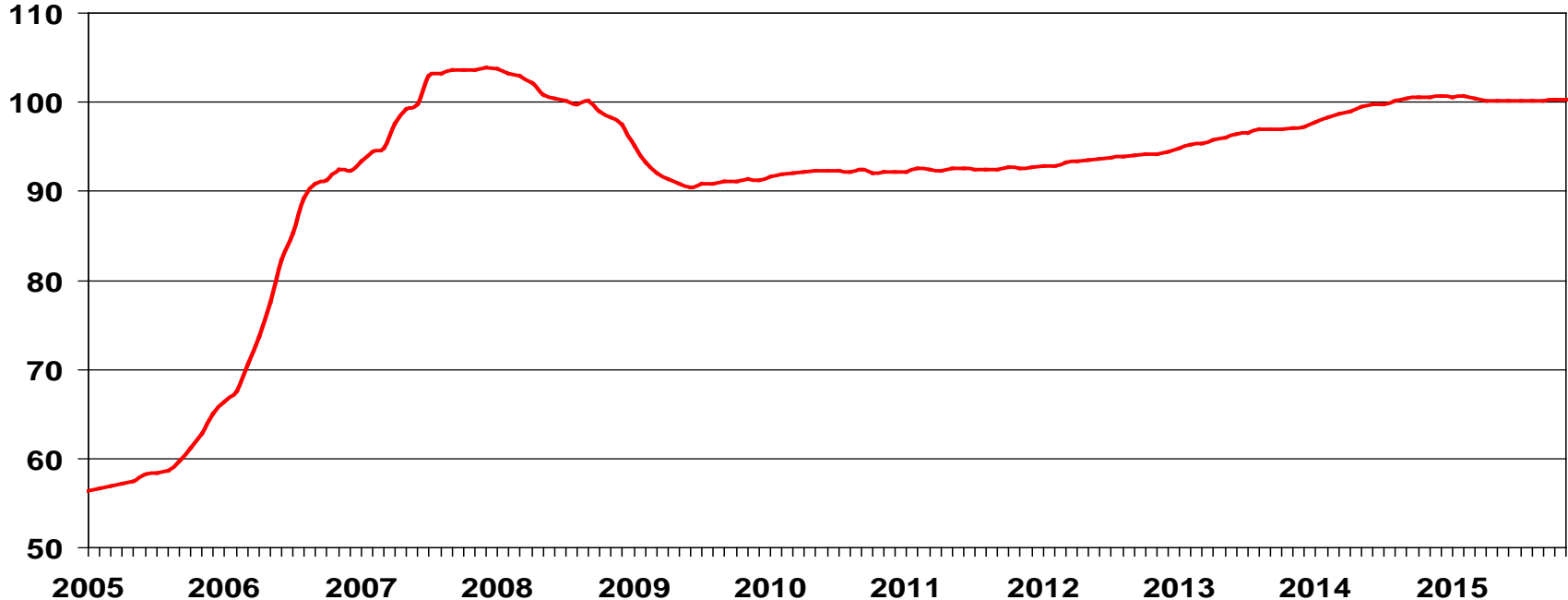
## Alberta



# New Housing Price Index

## Alberta

2007 = 100

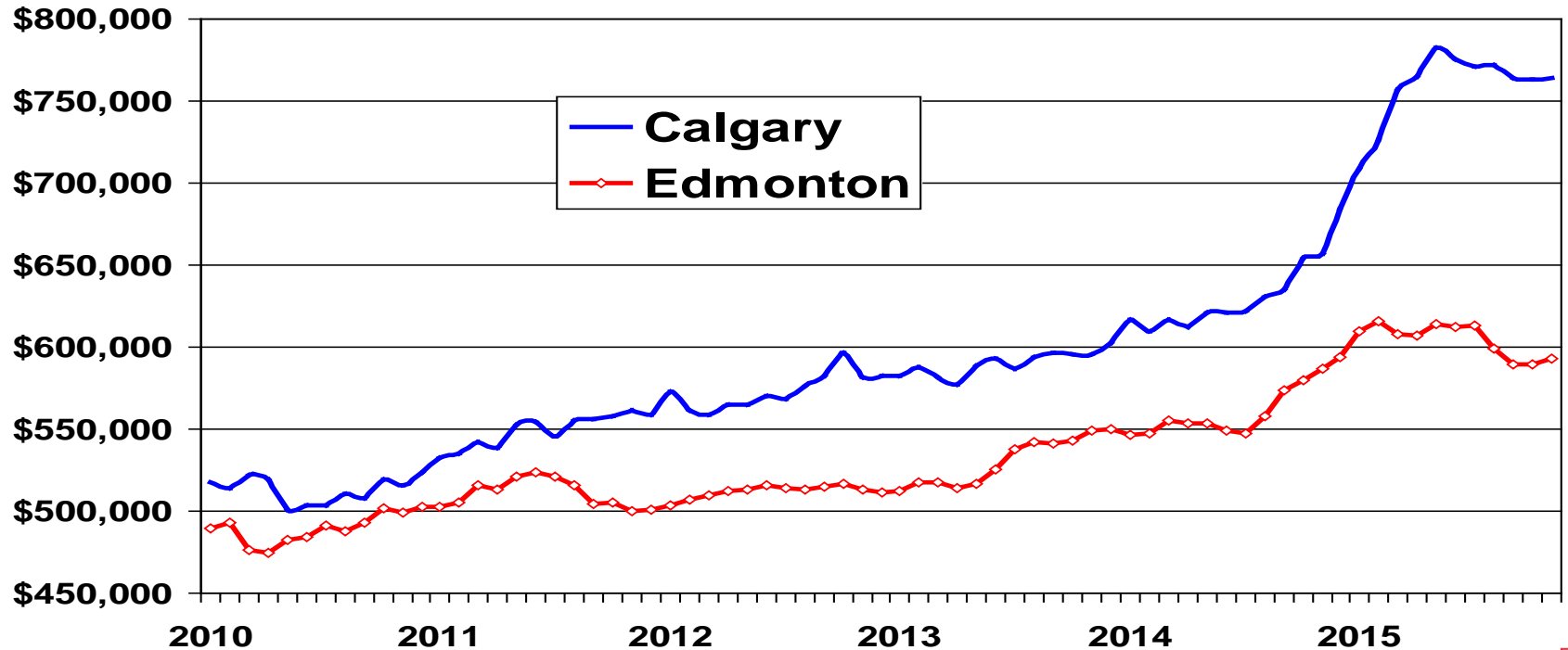


Contractor selling price – ground-oriented units

Source: Statistics Canada (excludes apartments)

# Avg. Absorbed New House Price Alberta CMAs

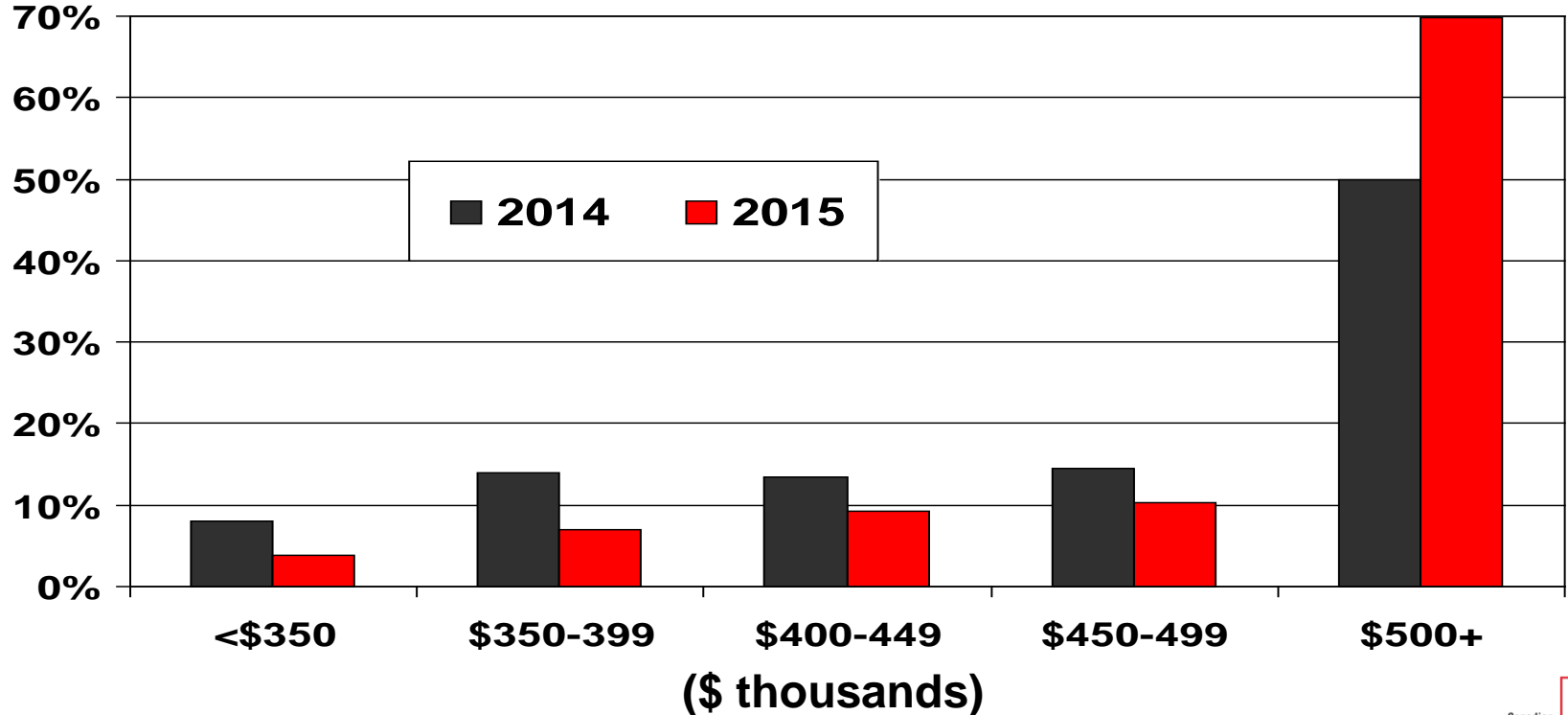
6 month moving avg.



Source: CMHC

# New Single-detached Absorptions Alberta Cities 50,000+

per cent of units absorbed

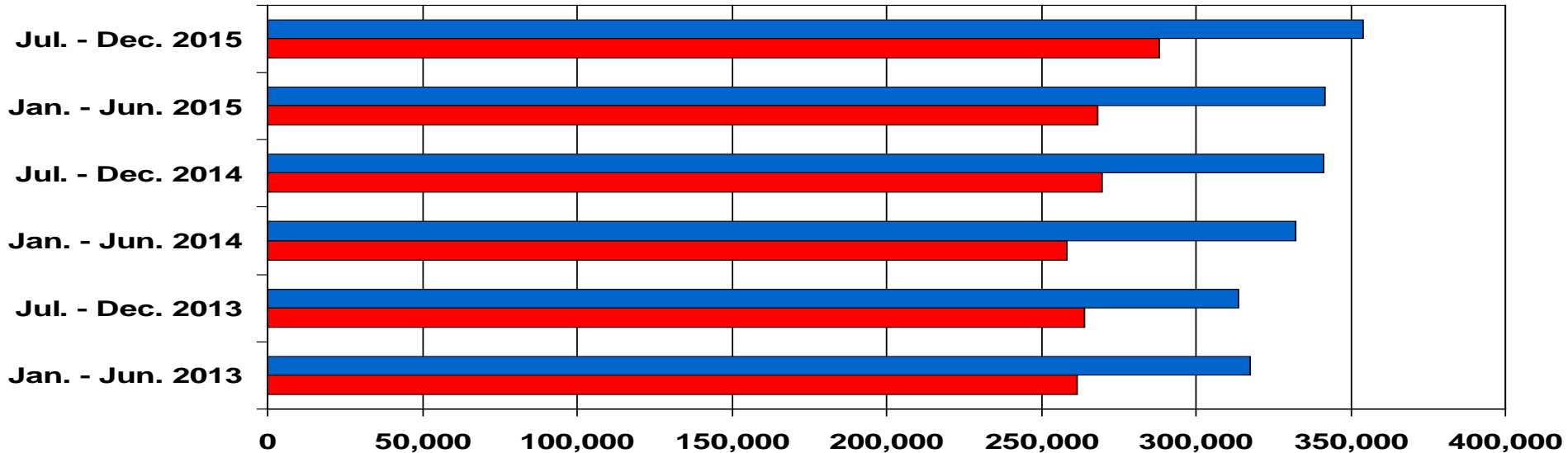


Source: CMHC (January – September)

# Average Sale Price (\$)

## New Multi-family Units – Edmonton Region

■ Wood-frame condo apt.      ■ Condo Townhome

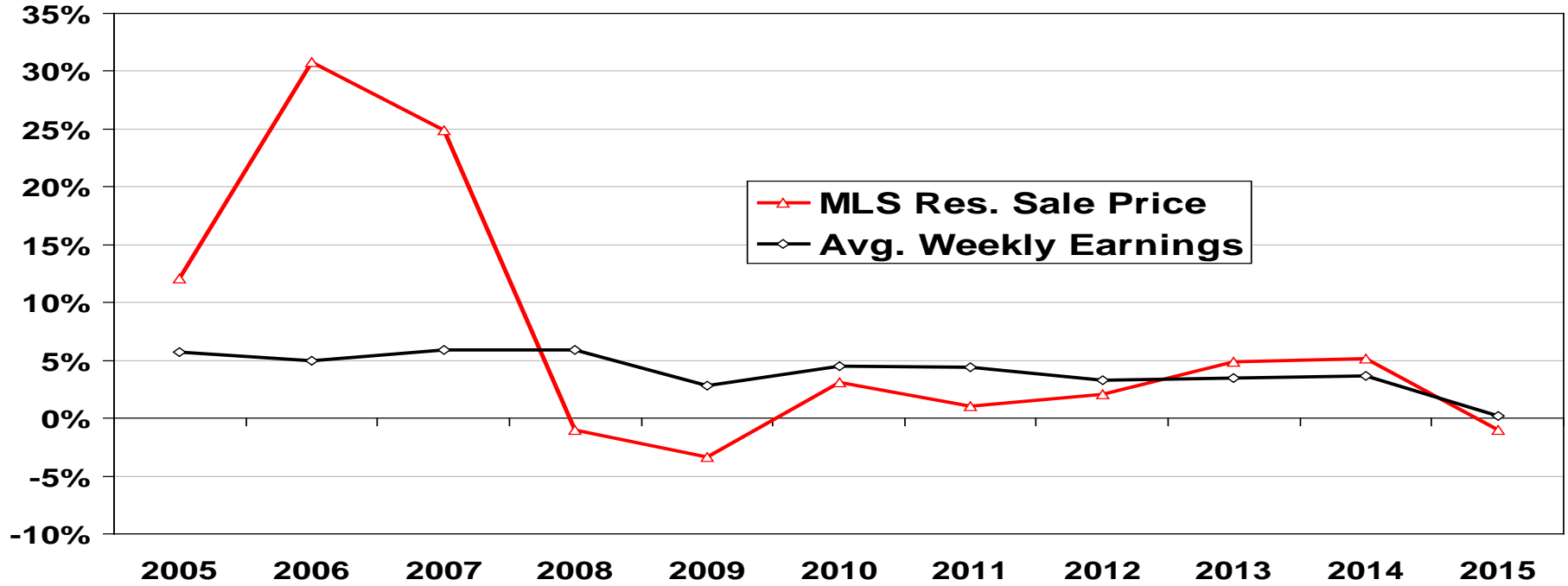


Source: Edmonton Housing Research Corp

# Trends in Housing Affordability

# Home Sale Price vs. Incomes Alberta

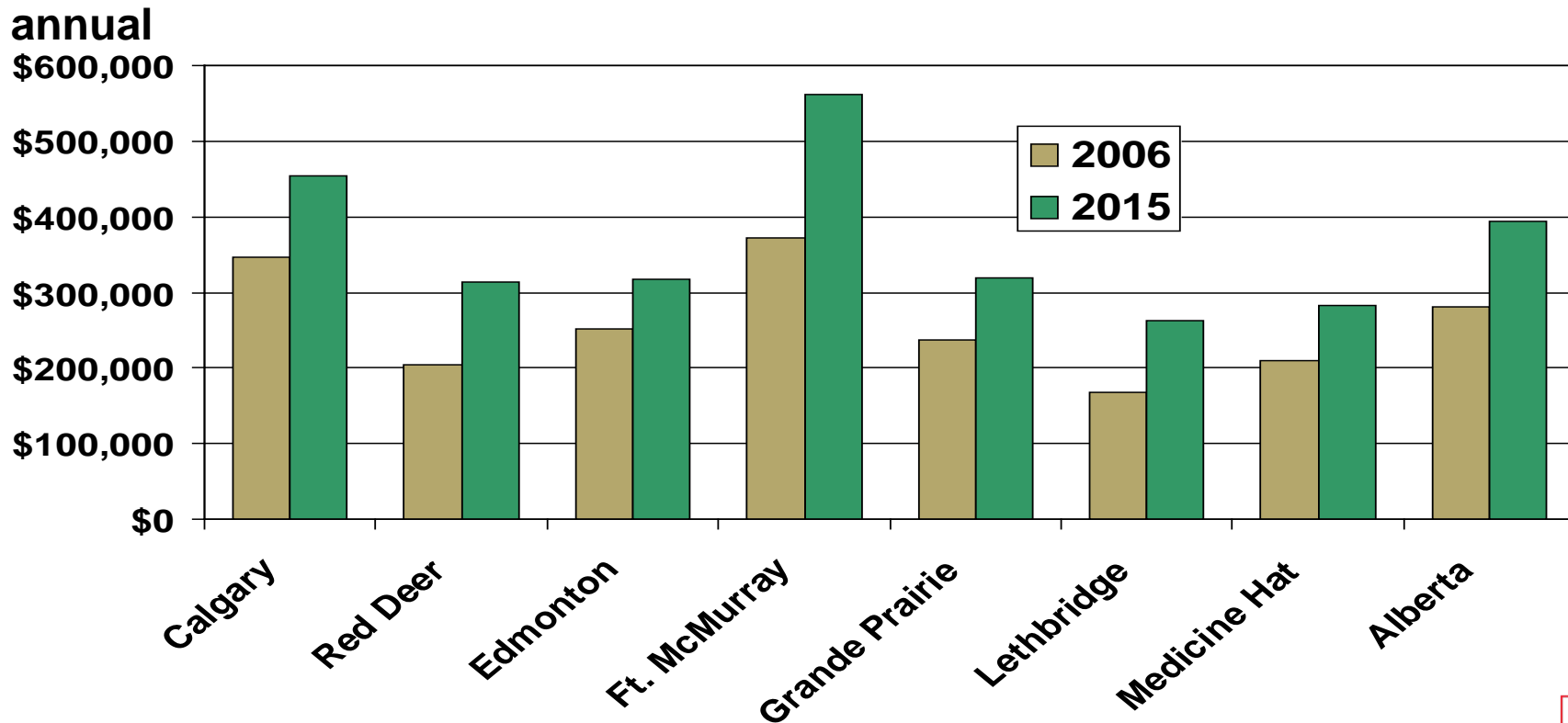
annual avg. % change



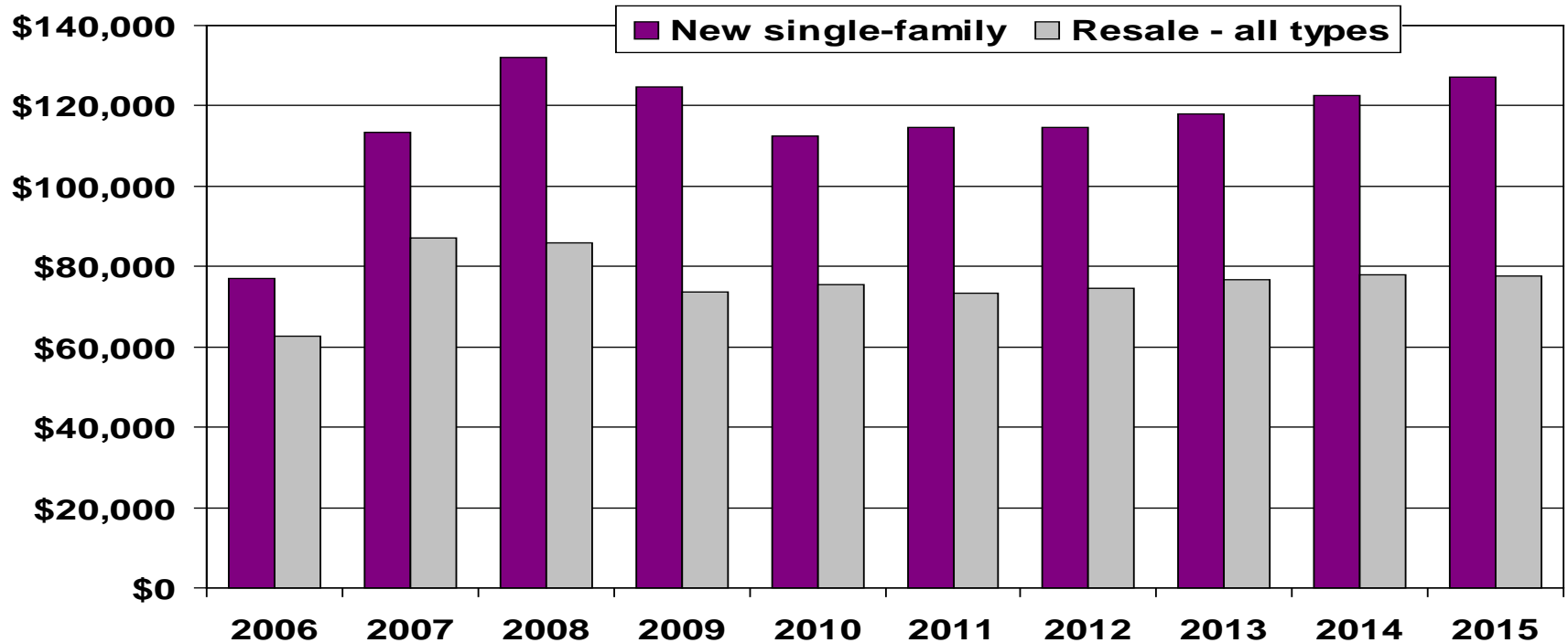
Source: CREA, Statistics Canada



# Average MLS<sup>®</sup> Residential Sale Price

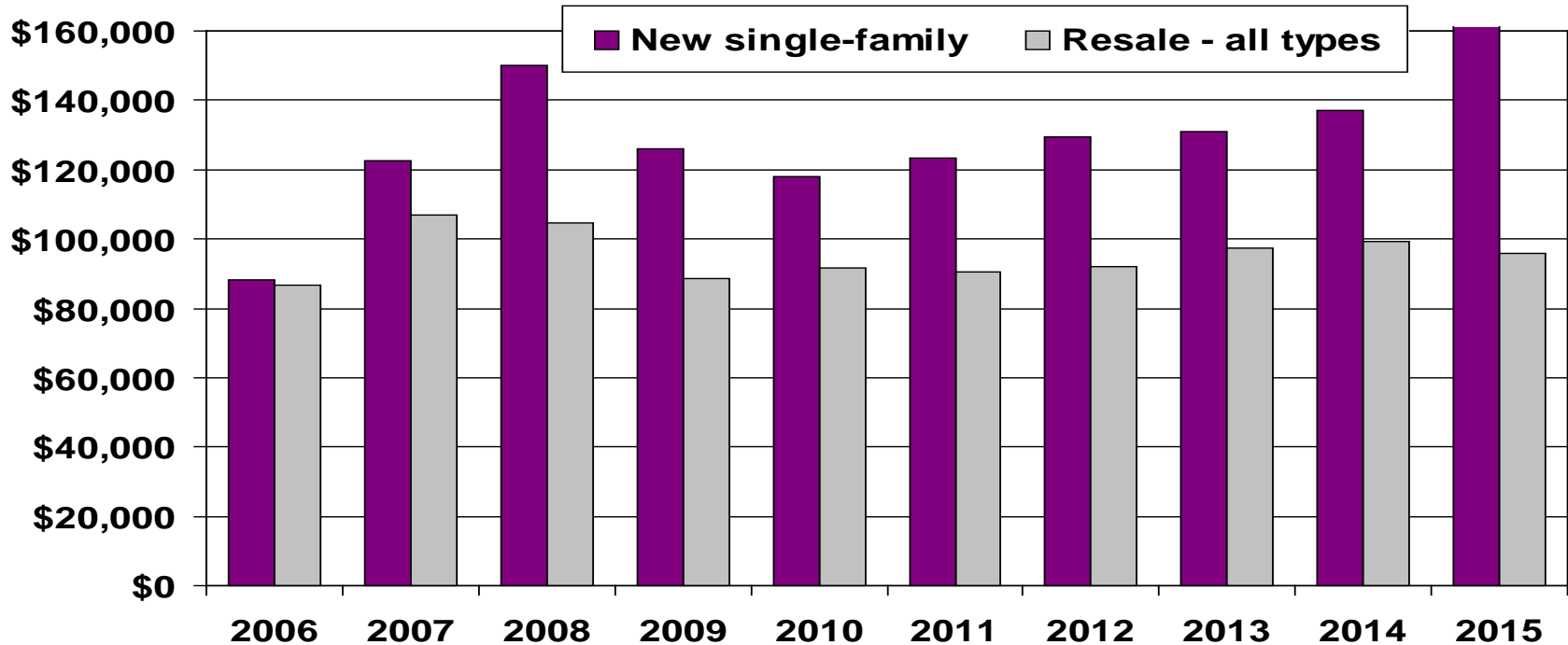


# Qualifying Income to Purchase Edmonton Region



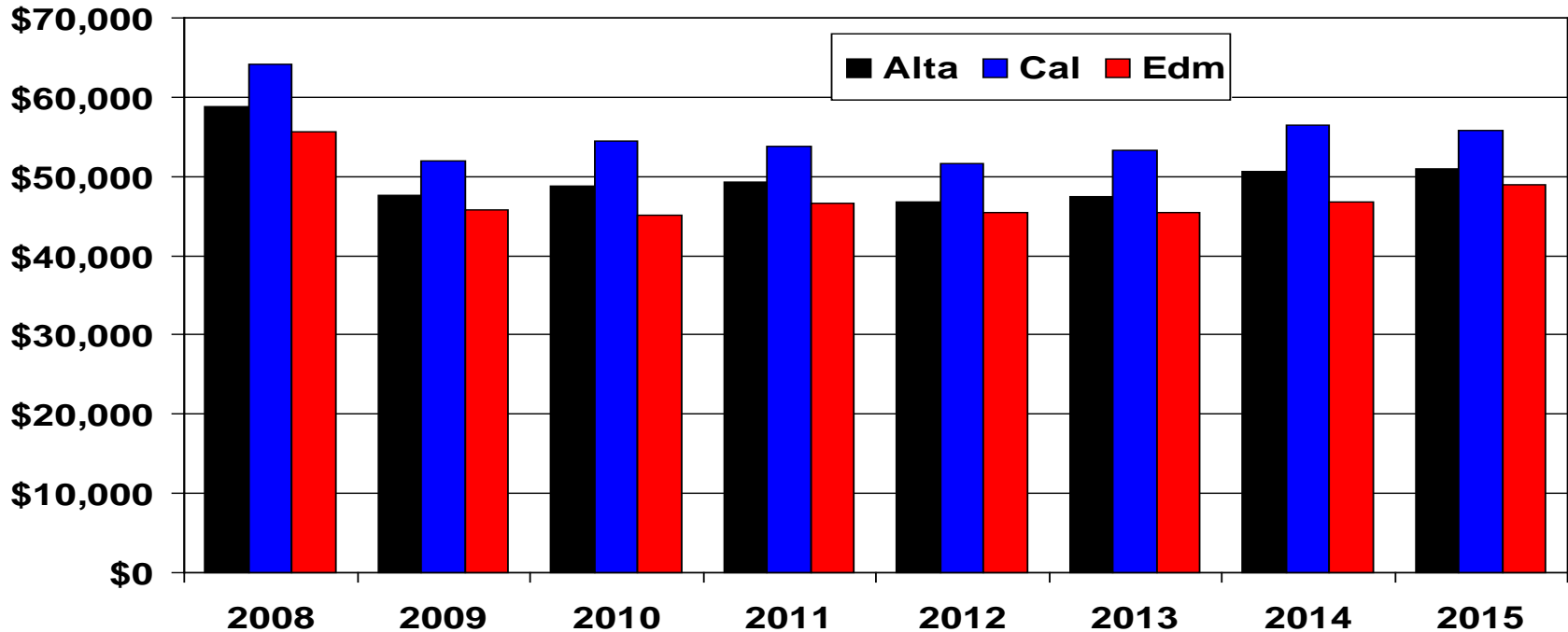
Source: CMHC, AREA, Statistics Canada  
Assumes: 35% DCR, 5% down payment, 25 year am. & average taxes

# Qualifying Income to Purchase Calgary Region



Source: CMHC, AREA, Statistics Canada  
Assumes: 35% DCR, 5% down payment, 25 year am. & average taxes

# Qualifying Income to Purchase Standard Condominium



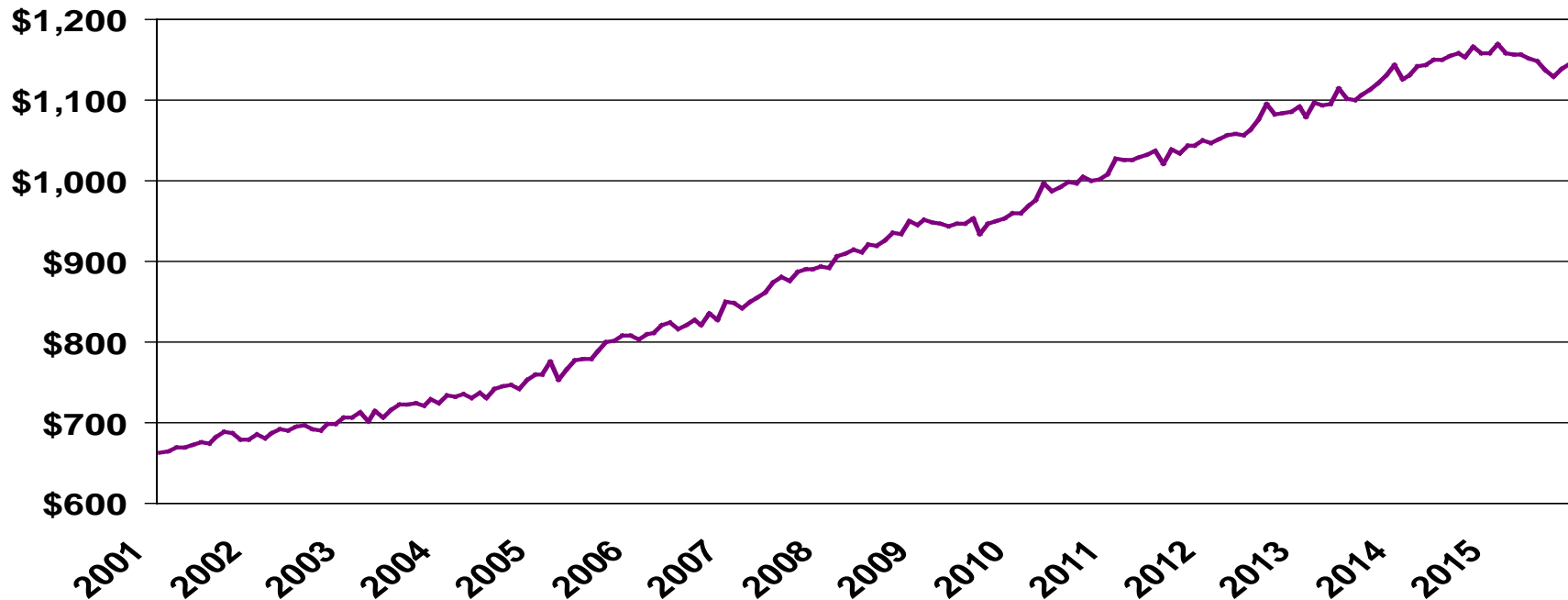
Source: RBC Housing Trends & Affordability Reports

# Looking Ahead

## What Will Drive Alberta's Housing Markets?

# Avg. Weekly Earnings

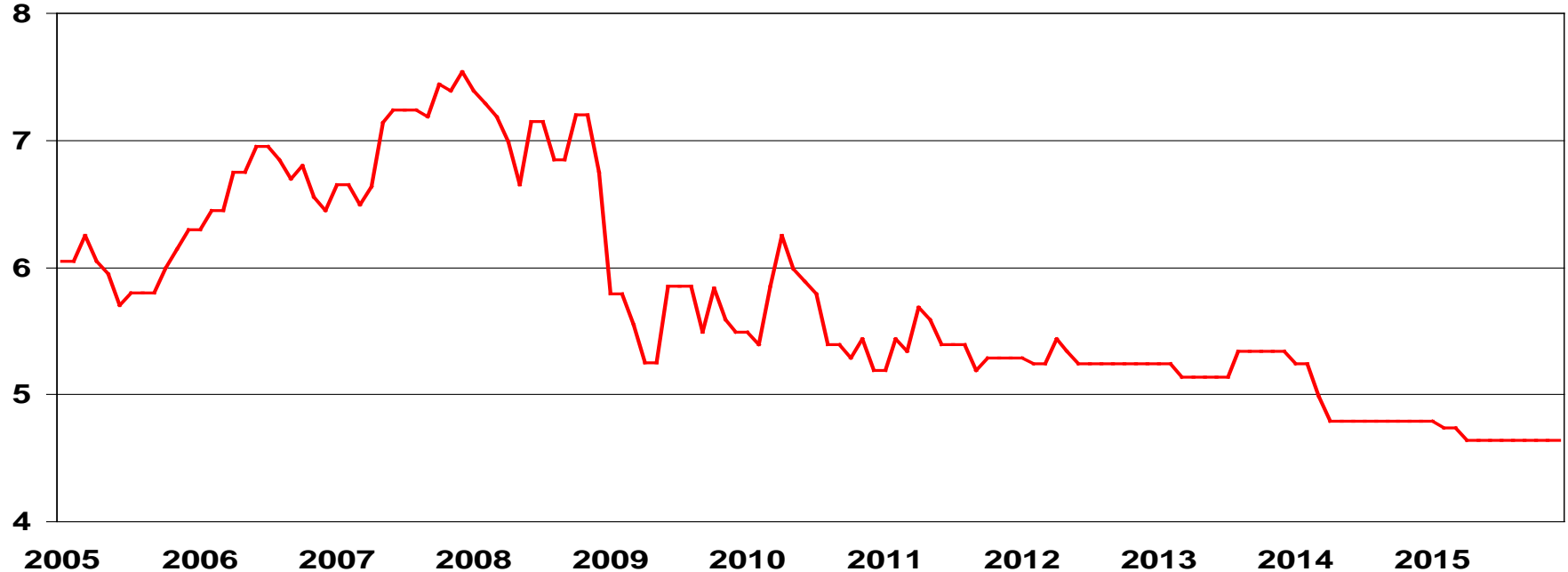
## Alberta (Seasonally adjusted)



Source: Statistics Canada

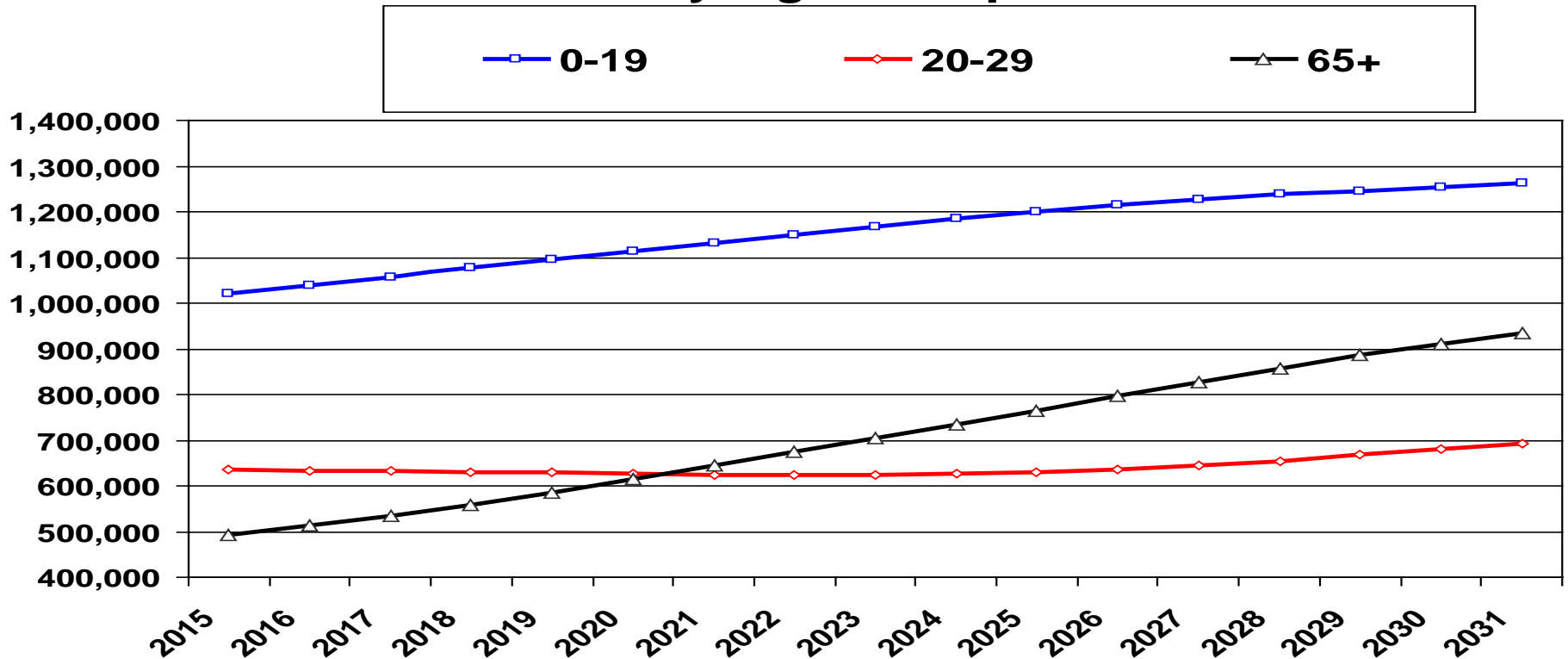
# Five-year Mortgage Rate

per cent (conventional/posted) Monthly average



Source: Statistics Canada (Bank of Canada)

# Alberta Population Projections by Age Group



Source: Alberta TB & Finance (medium growth scenario)

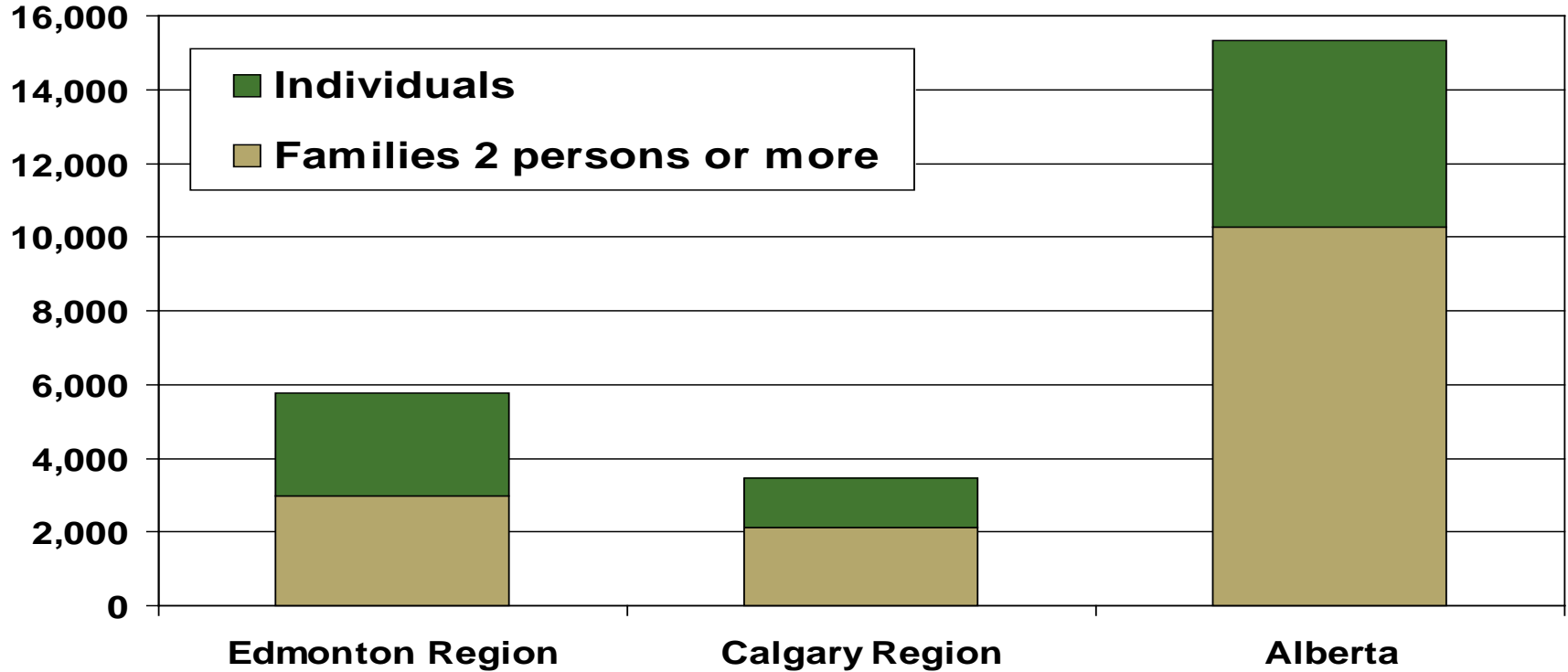


# The Bottom Line

**Higher Prices  
Have a Direct Impact  
On Who Can Afford A Home**

# Households Priced Out of the Market

## By \$10,000 price increase to \$370,000 entry-level new home



Source: Statistics Canada  
Assumes: 35% DCR, 5% down payment, & average taxes