



# ALBERTA HOUSING REPORT

February 2019



## HIGHLIGHTS

Total housing starts saw a decline of more than 10% in 2018. Of more significant concern are the completed and unabsorbed inventory numbers in many Alberta centres. Based on a total provincial completed and unabsorbed inventory of 5342 units, the Alberta Real Estate Association (AREA) projects a ten month supply of inventory. The steady increase in inventory levels is due to a variety of factors including the limited recovery of the provincial economy, a lack of consumer confidence and restrictive mortgage rules. A reduction in housing starts is anticipated through 2019 until inventory levels stabilize.

Inventory levels across the province's major centres over the past six months are as follows:

Centre	Aug. 2018	Sept. 2018	Oct. 2018	Nov. 2018	Dec. 2018	Jan. 2019
Calgary (CMA)	1,974	2,087	2,153	2,063	2,105	<b>1,982</b>
Edmonton (CMA)	2,325	2,233	2,362	2,441	2,599	<b>2,992</b>
Grande Prairie (CA)	61	63	69	68	64	<b>71</b>
Lethbridge (CMA)	179	195	190	196	170	<b>205</b>
Medicine Hat (CA)	40	34	38	38	36	<b>25</b>
Red Deer (CA)	81	81	79	73	66	<b>67</b>
Wood Buffalo (CA)	0	0	0	0	1	<b>0</b>

\* Data not available for Cold Lake Region.

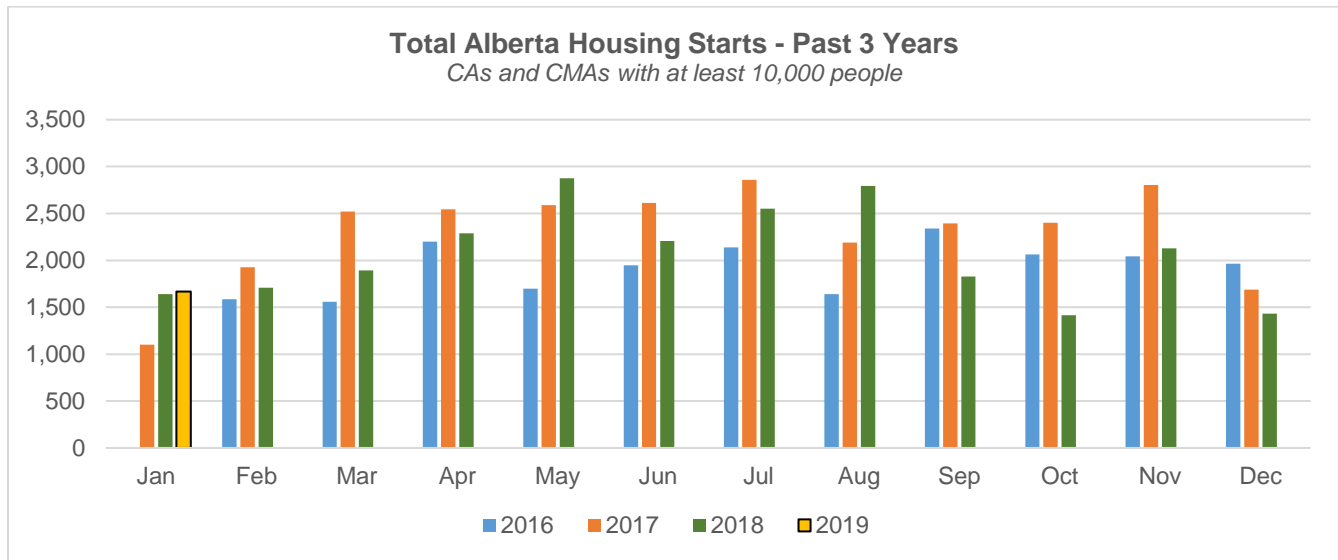
Housing starts in January 2019 were at a three year high when compared to January 2017 and 2018. This increase is mostly the result of a significant increase in apartment / multi-unit starts when compared to January levels of the previous two years.

Residential unit sales in 2018 declined by 7.1% (4,027 units). Without relaxation in mortgage rules or an increase in consumer confidence, it is difficult to see sales dramatically increasing in 2019. When compared to 2017, average housing sale prices declined every single month in 2018. In total, the average sale price decreased by 2.5% (\$9,939) in 2018. The continued rising inventory levels could lead to a further reduction in housing sale prices in 2019.

# HOUSING STARTS

## Total Housing Starts

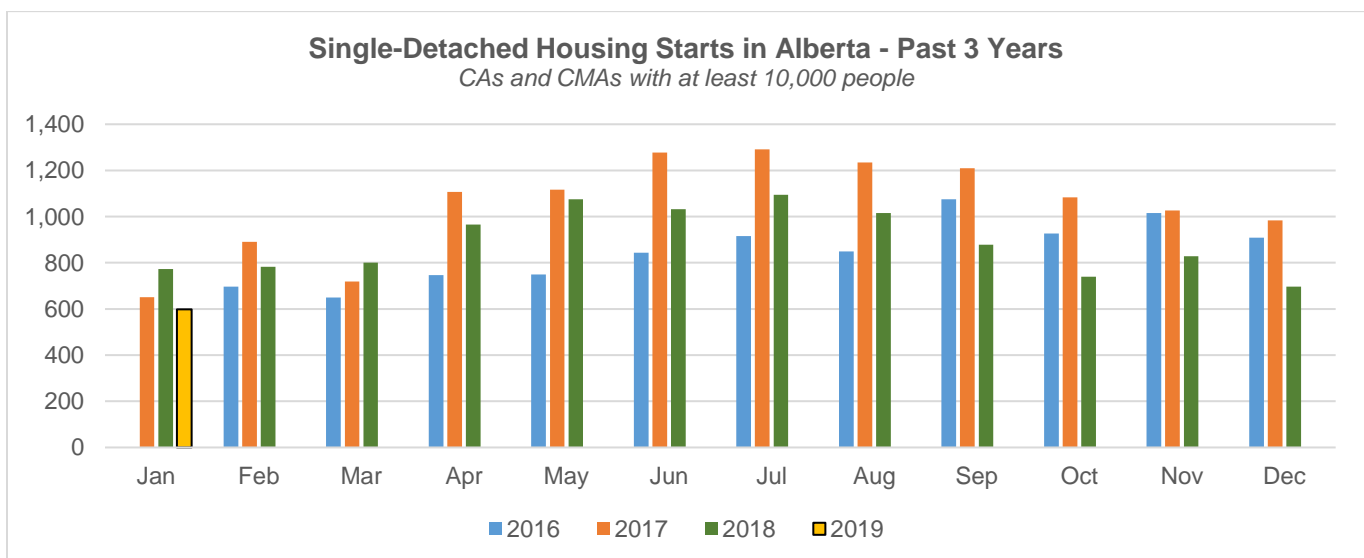
- Alberta had 1,668 total housing starts in January 2019, an increase of 1.6% from January 2018.
- Compared to December 2018, there was a 16.6% increase (237 units). Over a third of housing starts in January are a result of apartment / multi-unit dwellings.
- Total starts in 2018 were 24,755, a decrease of 10.4% from the previous year.



Source: CMHC Housing Portal

## Single-Detached

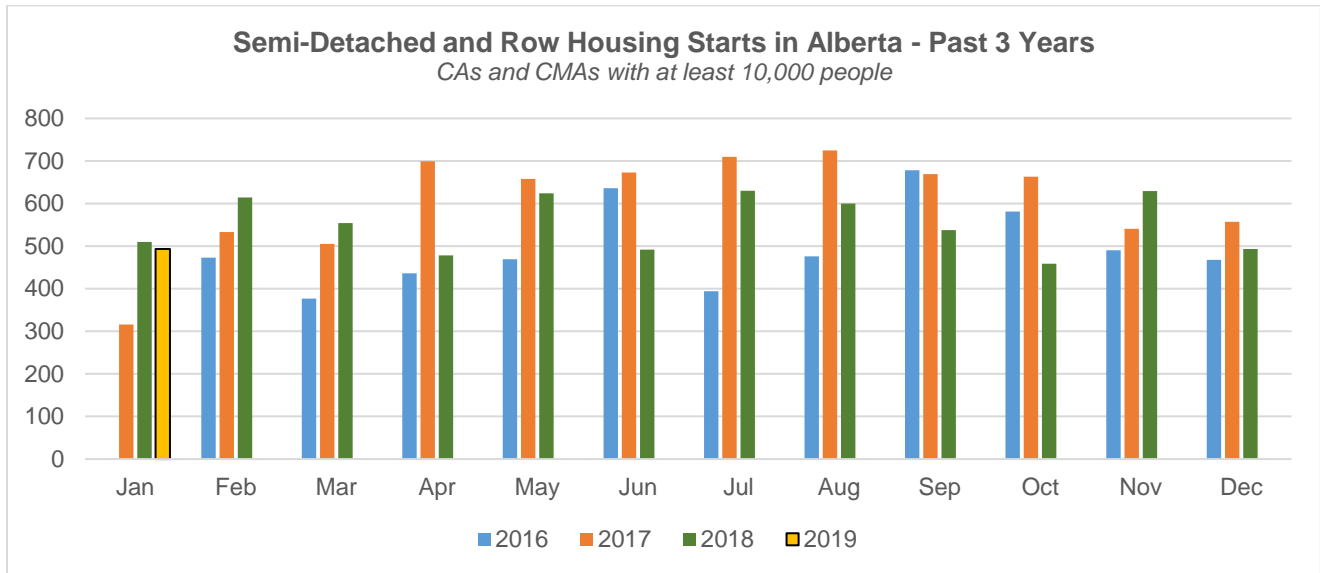
- There were 598 single-detached starts in Alberta in January 2019, a decrease of 22.6% (175 units) from January 2018.
- Compared to December 2018, starts in January 2019 were down from 697 units to 598.
- Total single-detached starts in 2018 were 10,682, a decrease of 15.2% from the previous year.



Source: CMHC Housing Portal

## Row and Semi-Detached

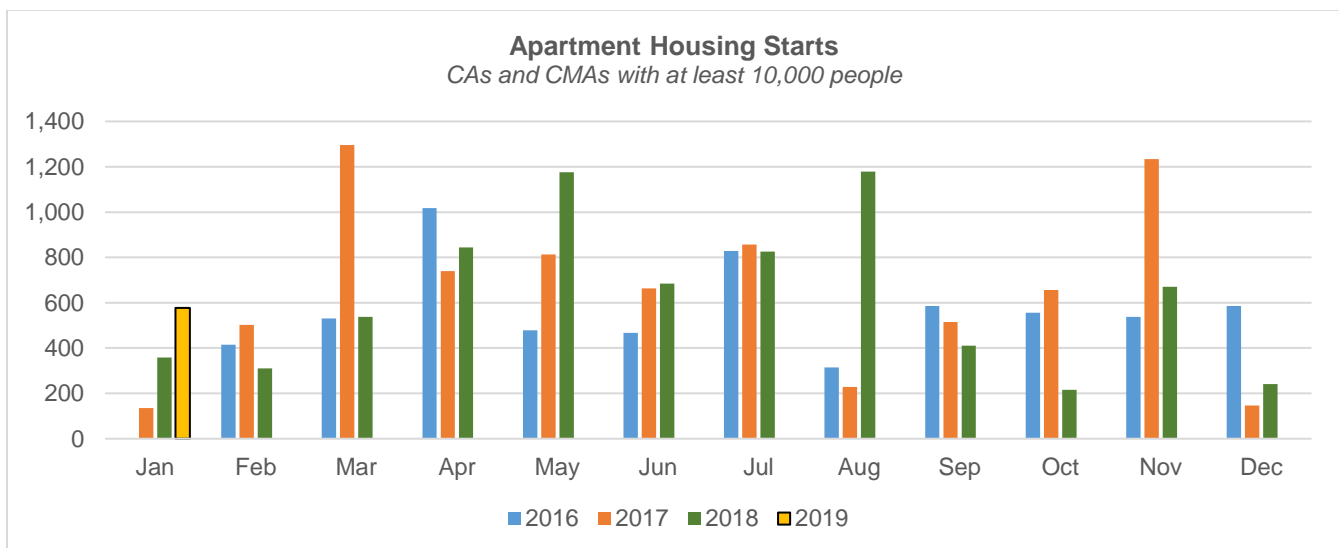
- There were 493 semi-detached and row housing starts in Alberta in January 2019, a decrease of 3.3% (17 units) from January 2018.
- Compared to December 2018, starts in January 2019 were the same.
- Total semi-detached and row starts in 2018 were 6,621, a decrease of 8.7% from the previous year.



Source: CMHC Housing Portal

## Apartments / Multi-Units

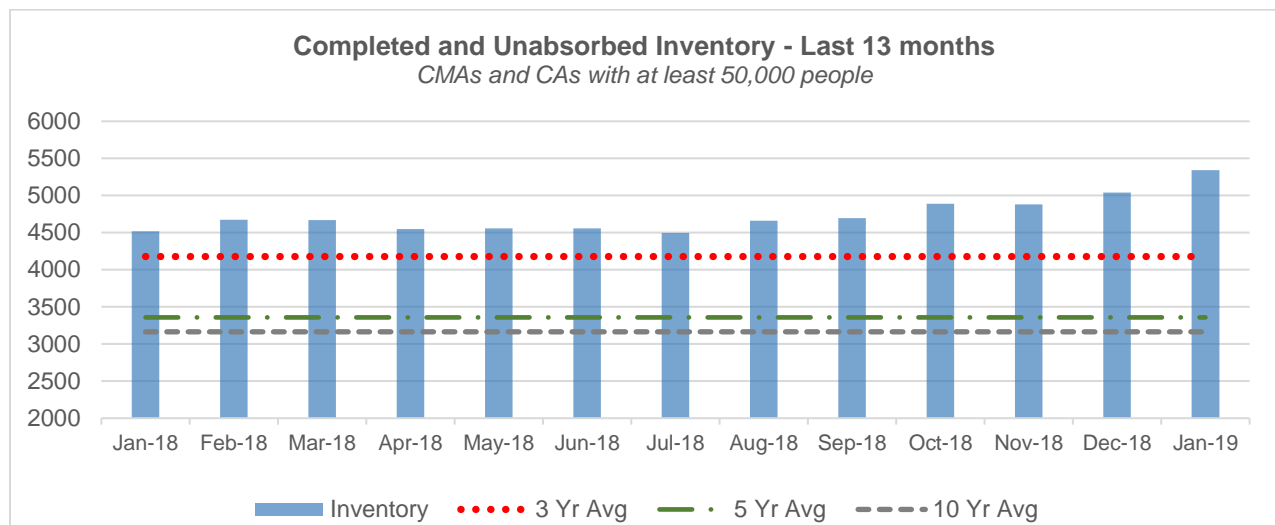
- There were 577 apartment / multi-unit housing starts in Alberta in January 2019. This is a 61.2% increase (219 units) from January 2018.
- Compared to December 2018, starts in January 2019 went up significantly, from 241 units to 577.
- Total apartment / multi-unit starts in 2018 were 7,452, a decrease of 4.3% from the previous year.



Source: CMHC Housing Portal

## HOUSING INVENTORY

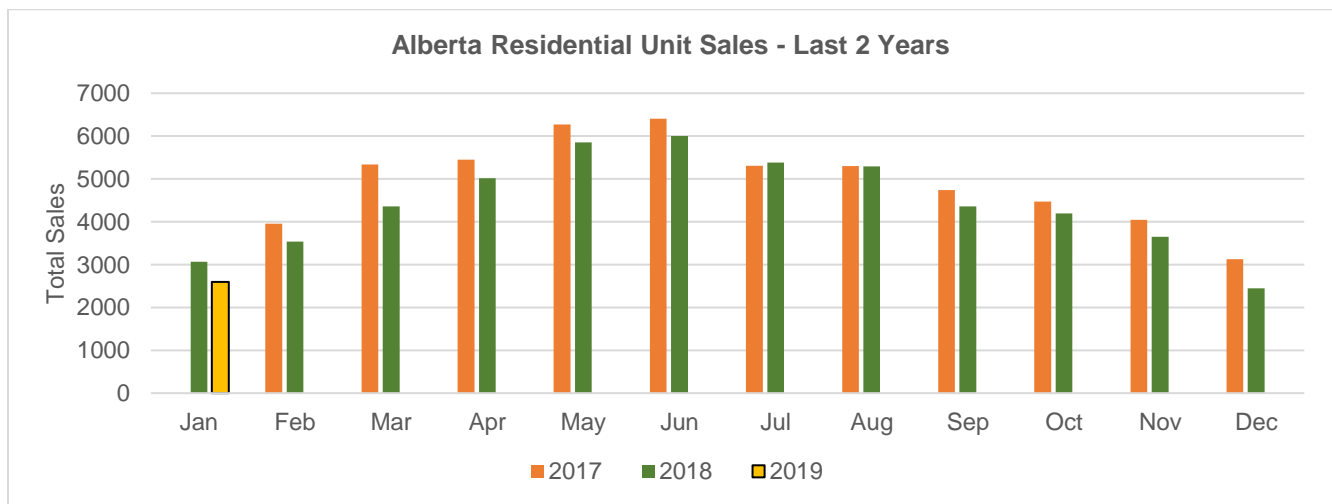
- CMHC reported 5,342 completed and unabsorbed units in January 2019 - an increase of 301 units over December 2018 and an increase of 823 units when compared to January 2018.
- The Edmonton CMA represents 56% (2,992) of this inventory while the Calgary CMA accounts for 37% (1,982 units).
- Unabsorbed housing inventory remains at historically elevated levels and will likely have implications on housing starts and sale prices through 2019.



Source: CMHC Housing Portal

## RESIDENTIAL UNIT SALES

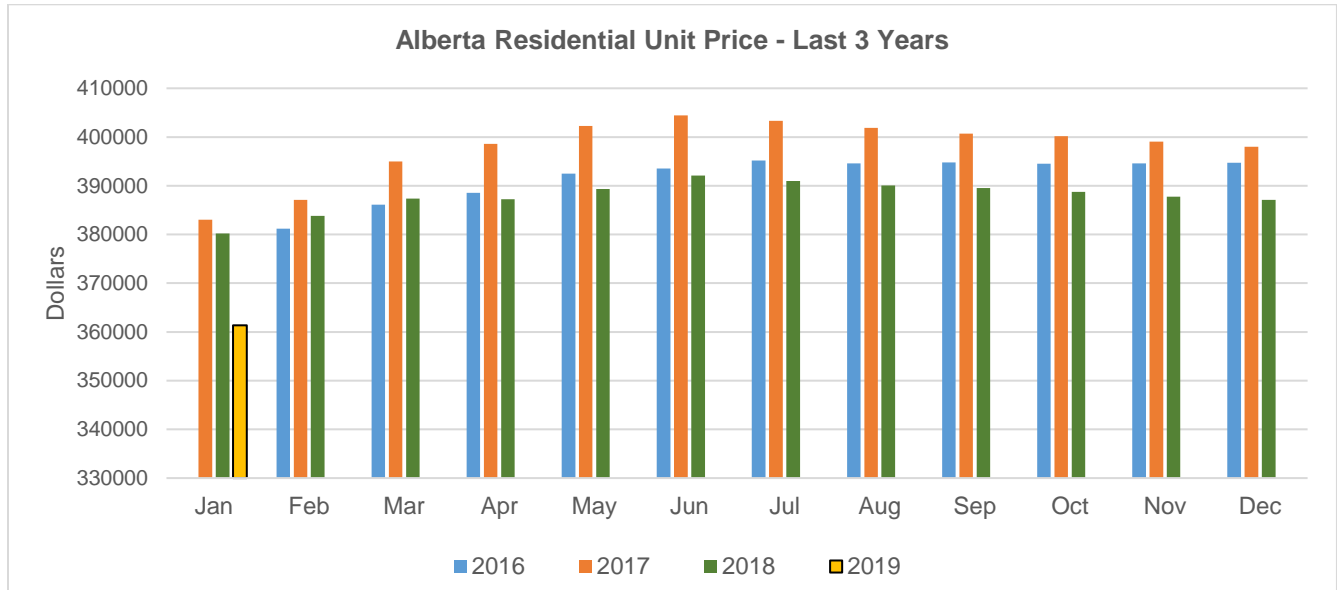
- The Alberta Real Estate Association (AREA) reported a steady decline of residential unit sales through most of 2018. In total, 2018 housing sales declined by 4,057 units (7.1%).
- January 2019 sales while higher than the previous month, were 15.3% (470 units) lower than sales in January 2018.



Source: Alberta Real Estate Association Monthly Statistics Package

## RESIDENTIAL AVERAGE SALE PRICE

- The provincial average MLS residential sale price in January 2019 was \$361,333 which was a 5% decrease from January 2018. Sales volume and average sale prices are typically at their lowest in January though the significant year-over-year decline in 2019 are worth noting.
- Compared to December 2018, the January 2019 average sale price declined 6.7%.
- The average sale for the entirety of 2018 was \$387,853 which was a 2.5% decrease from 2017.



Source: Alberta Real Estate Association Monthly Statistics Package and CMHC

## NOTES, DEFINITIONS, AND CONCEPTS

### Notes

BILD Alberta prepares these market update reports monthly for the province of Alberta. The charts are also available in Excel formats upon request. Please contact [Benjamin Sturge](#) at BILD Alberta for more information.

### Definitions (CMHC)

A housing “start” as the beginning of construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure. Construction has to be on a new foundation to be counted as a housing start. If a dwelling is built on an existing foundation, it is considered a renovation regardless of the extent of new construction.

A “single detached” dwelling is a building containing only one dwelling unit which is completely separated on all side from any other dwelling or structure.

A “semi-detached” dwelling is one of two dwellings located side-by-side in a building, adjoining no other structure and separated by a common or party wall extending from ground to roof.

A “row” dwelling is a ground-oriented dwelling attached to two or more similar units so that the resulting row structure contains three or more units.

An “apartment or other” dwelling includes all dwellings other than those described above, including structures commonly referred to as duplexes, triplexes, double duplexes and row duplexes.

The survey of unsold new home inventory from CMHC defines an unabsorbed unit as a new home that has finished construction and is available for sale. Showhomes are typically counted as part of the unabsorbed inventory.

### Sources

Information on housing starts along with completed and unabsorbed dwelling units come from [CMHC's Housing Market Information Portal](#).

Information on January 2019 residential unit sales and residential housing prices are provided by the [Alberta Real Estate Association](#) (AREA) monthly market report. Historic unit sales and price information are based on monthly reports provided by the [Canadian Real Estate Association](#) (CREA) and catalogued by BILD Alberta.