ALBERTA HOUSING REPORT

BILD ALBERTA

September 2019

HIGHLIGHTS

Housing inventories remain elevated, particularly Edmonton and Wood Buffalo. Housing inventories remain elevated, particularly Edmonton and Wood Buffalo. Total housing starts varies depending on the market, from 86.7% in Red Deer to -79.5% in Wood Buffalo. The positive growth rates seen in Grande Prairie, Lethbridge and Red Deer are being driven by semi-detached/row as well as multi-unit/apartment starts as opposed to single detached home starts, which have seen large decreases.

Year-to-date housing sales are either holding steady or declining in all markets except for Edmonton, which has seen an increase. There are some positive trends for Edmonton and Calgary. In our April 2019 report, year-to-date sales were down 9.6% in Calgary and 2.1% in Edmonton. Now, Edmonton is at +9.4% and Calgary has recovered to 0.1% growth. The opposite has occurred in Wood Buffalo. Wood Buffalo's year-to-date sales numbers have only gotten worse since the beginning of the year, moving from +7.0% in our April 2019 report to -4.6% currently.

Year-to-date prices are either down or holding steady in all jurisdictions except Lethbridge. While one would expect prices to be rising in the face of increasing sales (demand) in places in places like Edmonton, economic fundamentals are mixed, and builders are still producing homes at a similar level to last year.

The following table provides a brief snapshot of key indicators for Alberta's major centres. More detailed information for the individual centres has been compiled in local reports.

Key Indicators: Year-to-Date Comparisons (% change)

Centre*	Unabsorbed Housing Inventory**	Total Housing Starts	Single-Detached Housing Starts	Unit Sales	Average Sale Price
Alberta	+16.7%	-11.6%	-21.8%	-3.7%	-2.8%
Calgary (CMA)	+6.2%	-20.3%	-21.2%	+0.1%	-4.7%
Edmonton (CMA)	+26.4%	-0.2%	-23.3%	+9.4%	-1.7%
Grande Prairie (CA)	+3.3%	+46.2%	-9.5%	-11.4%	+0.1%
Lethbridge (CMA)	-5.6%	+23.7%	-11.6%	-0.9%	+5.1%
Medicine Hat (CA)	+2.5%	-74%	-50.0%	-3.8%	-1.3%
Red Deer (CA)	-19.8%	+86.7%	-12.8%	-9.9%	-0.8%
Wood Buffalo (CA)	+6400%	-79.6%	-59.6%	-4.6%	-5.4 %

* Data not available for Lakelands Region. **Unabsorbed housing inventory is presented measuring year-over-year decline instead of year-to-date.

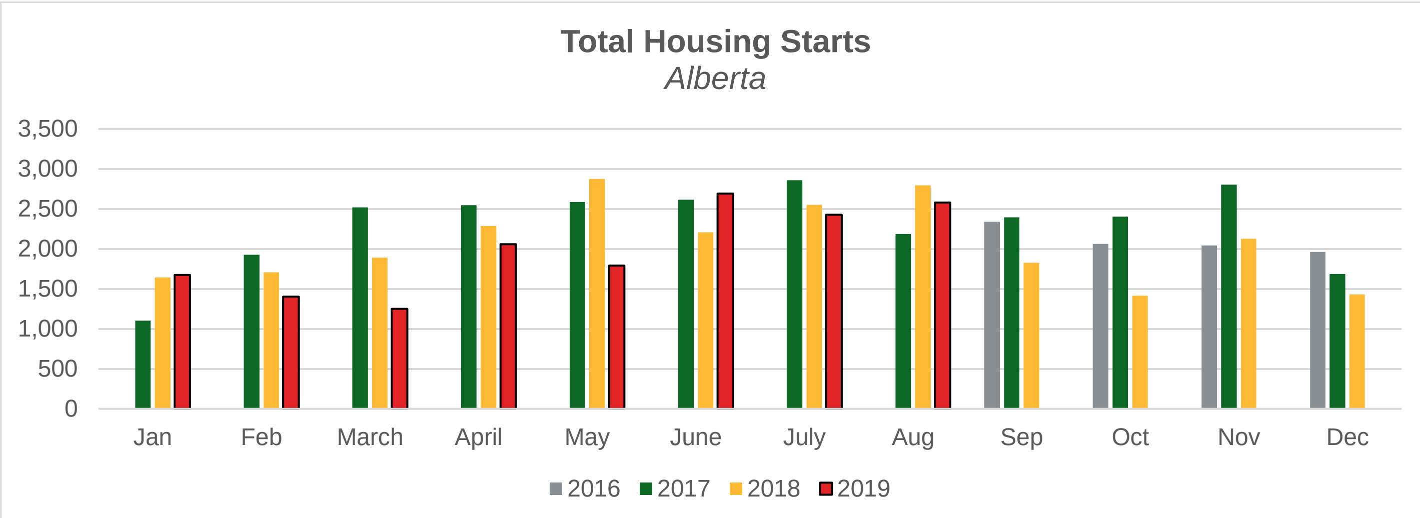
Legend:

Improved | Worsened | Minimal Change (+/- 2%)

HOUSING STARTS

Total Housing Starts

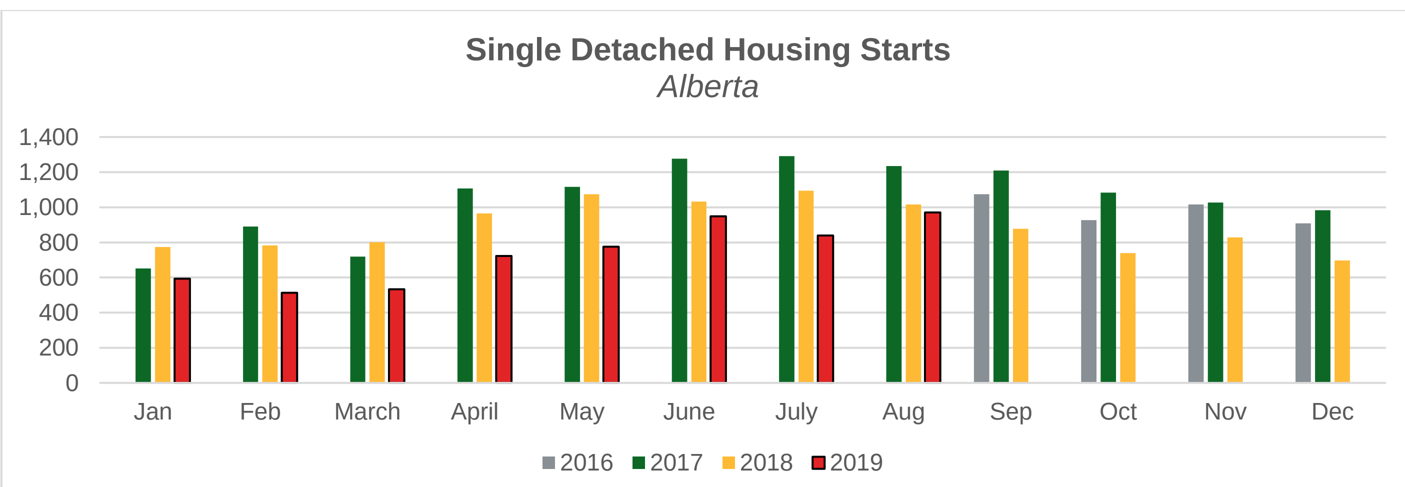
- Alberta had 2,579 total housing starts in August 2019, a decrease of 7.7% (215 units) from August 2018.
- Compared to July 2019, starts in August 2019 saw a 6.4% (154 units) increase. 38.9% of housing starts in August 2019 were multi-unit and 37.7% were single-detached.
- Year-to-date housing starts are 15,869 units. This is a 11.6% (2,085 units) decrease from the previous year.



Source: CMHC Housing Market Information Portal

Single-Detached

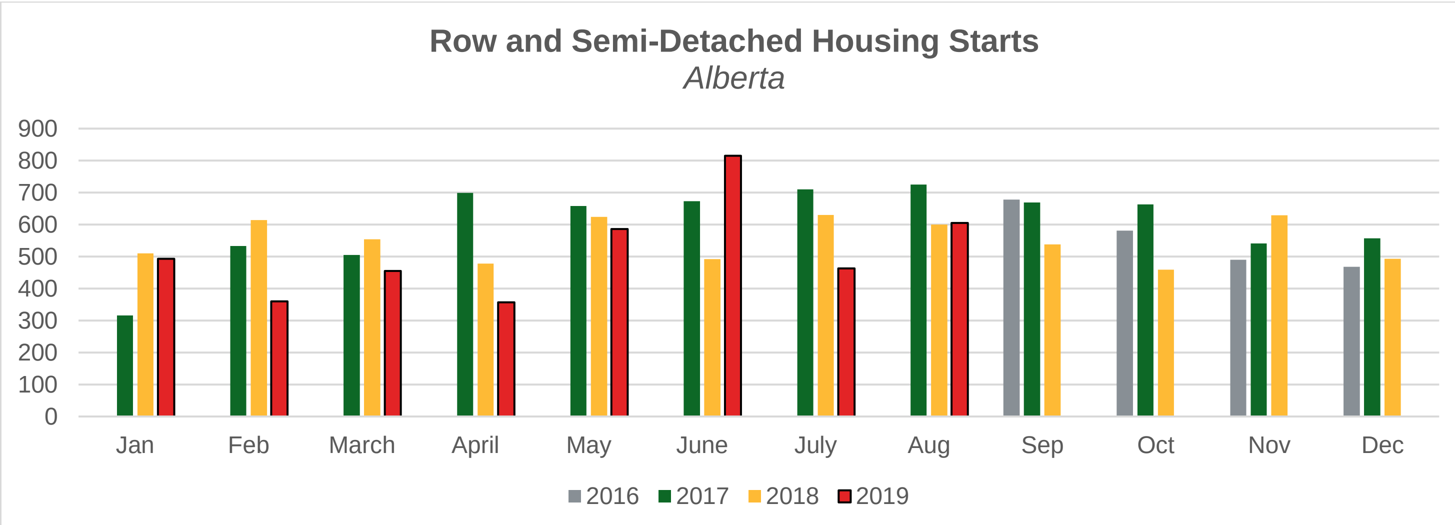
- There were 971 single-detached starts in Alberta in August 2019, an increase of 15.7% (132 units) from July 2019.
- Compared to August 2018, starts in August 2019 declined by 4.4% (45 units).
- Year-to-date single detached housing starts are 5,898 units. This is a 21.8% (1,641 units) decrease from the previous year.



Source: CMHC Housing Market Information Portal

Row and Semi-Detached

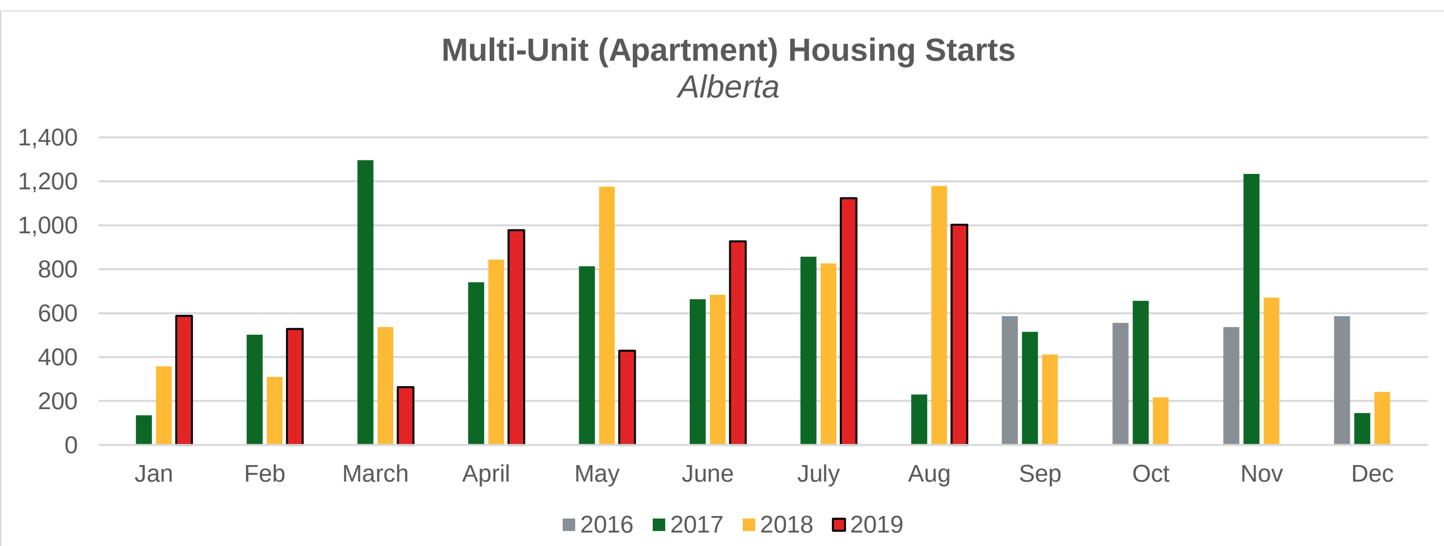
- There were 605 semi-detached and row housing starts in Alberta in August 2019, an increase of 30.7% (142 units) from July 2019.
- Compared to August 2018, starts in August 2019 were 0.8% (5 units) higher.
- Year-to-date row and semi-detached housing starts are 4,134 units. This is an 8.2% (368 units) decrease from the previous year.



Source: CMHC Housing Market Information Portal

Apartments / Multi-Units

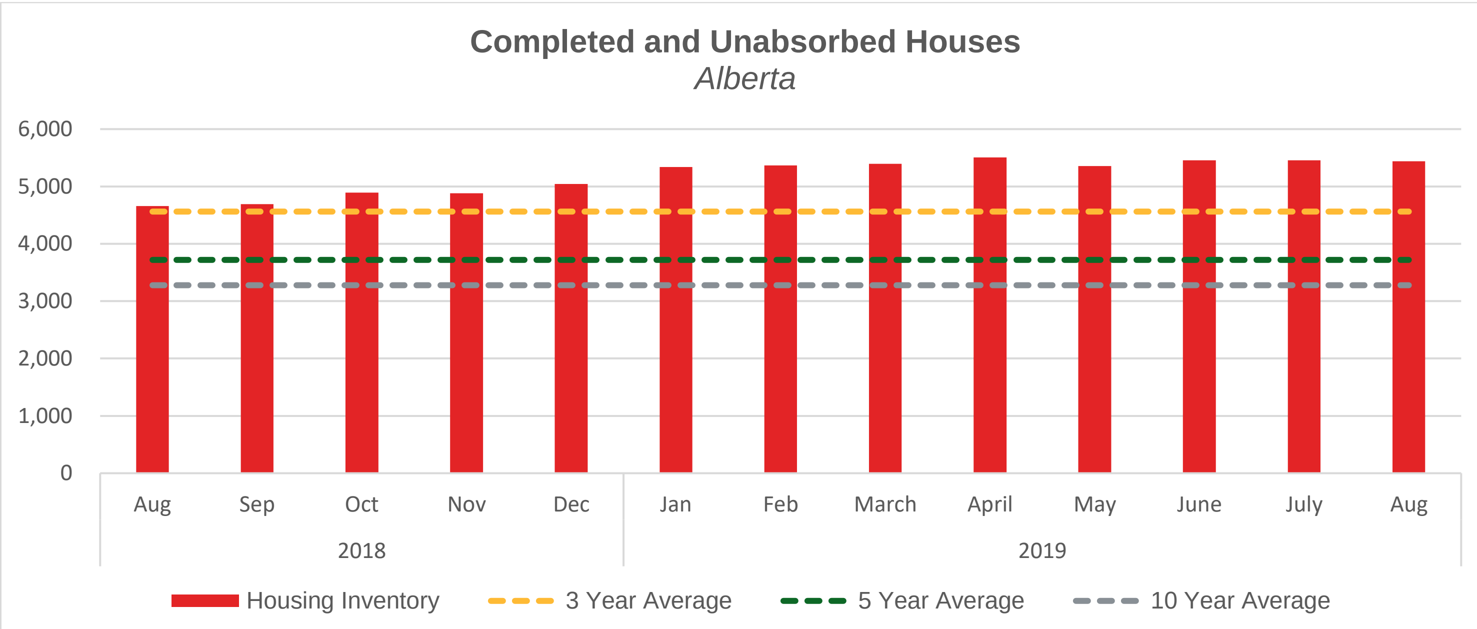
- There were 1,003 apartment / multi-unit housing starts in Alberta in August 2019. This is a 10.7% (120 units) decrease from July 2019.
- Compared to August 2018, starts in August 2019 decreased 14.9% (175 units).
- Year-to-date apartment (multi-unit) housing starts are 5,837 units. This is a 1.3% (76 units) decrease from the previous year.



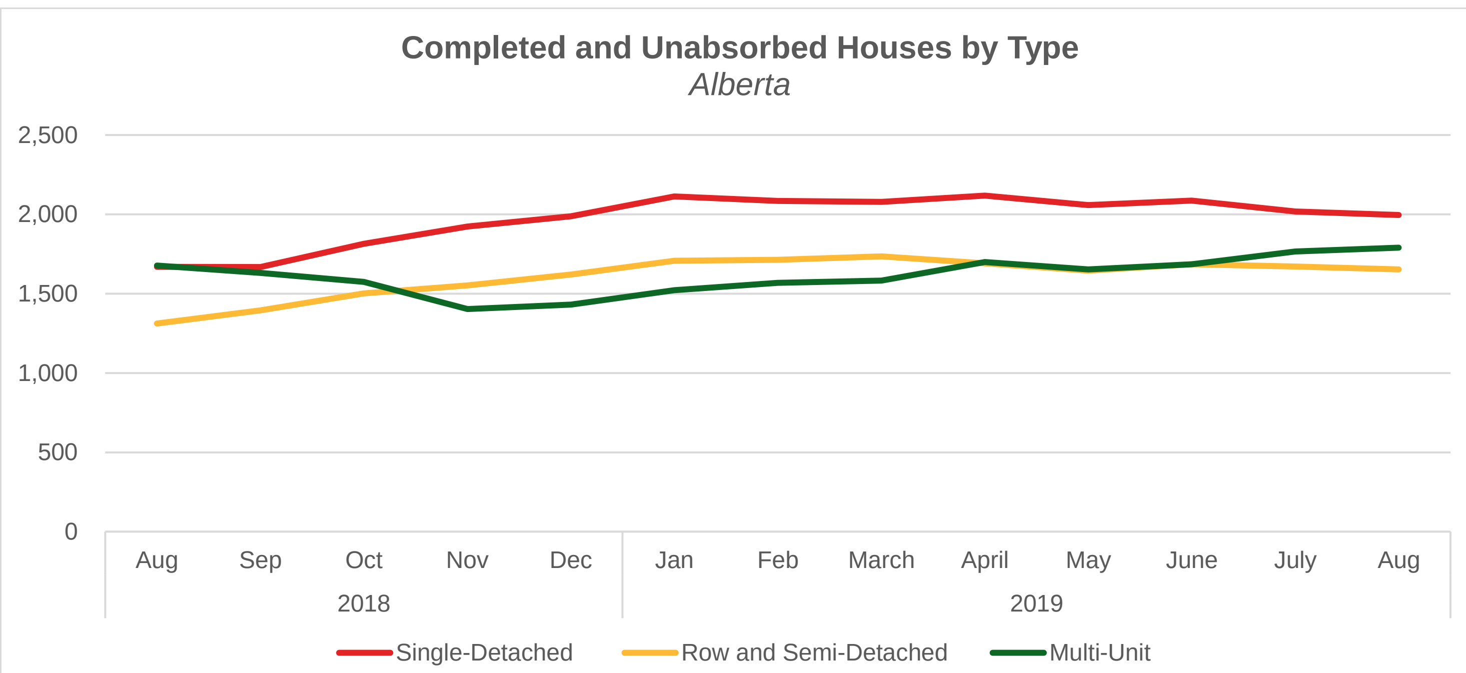
Source: CMHC Housing Market Information Portal

HOUSING INVENTORY

- CMHC reported 5,438 completed and unabsorbed units in August 2019. This is an increase of 16.7% (778 units) over August 2018 and a decrease of 0.3% (3 units) when compared to July 2019.
- The Edmonton CMA represents 54.0% (2,939) of this inventory while the Calgary CMA accounts for 38.6% (2,097 units).
- Year-to-date average housing inventory is 5,415 units. This is a 18.1% (830 unit) increase from the previous year.



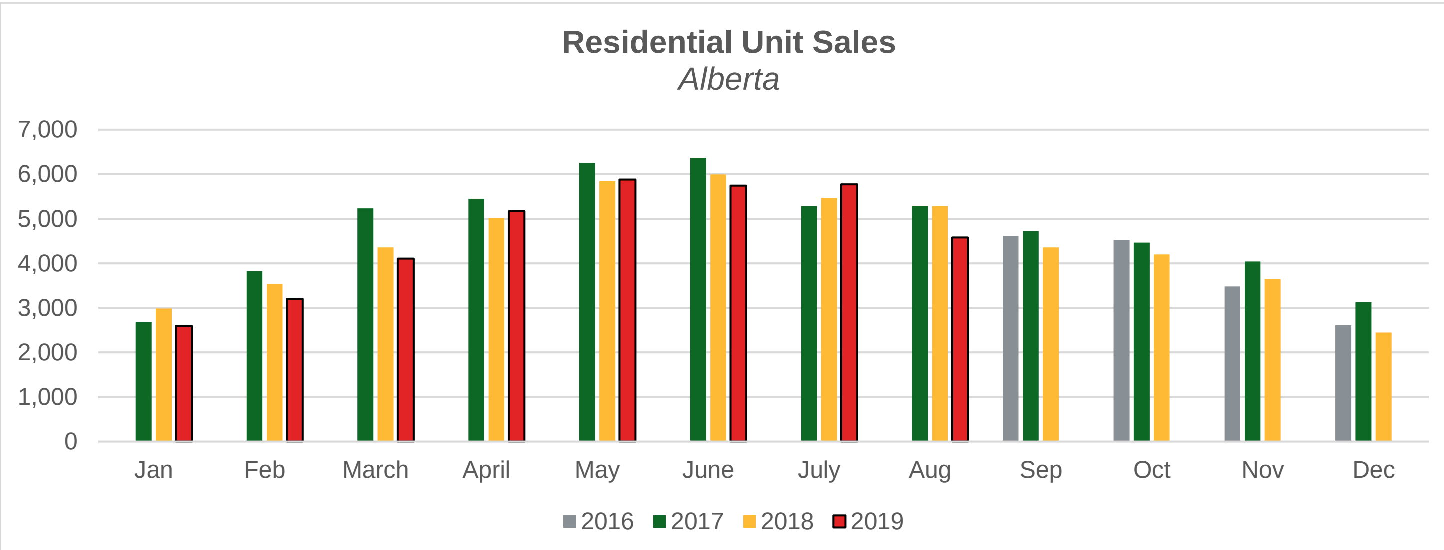
Source: CMHC Housing Market Information Portal



Source: CMHC Housing Market Information Portal

RESIDENTIAL UNIT SALES

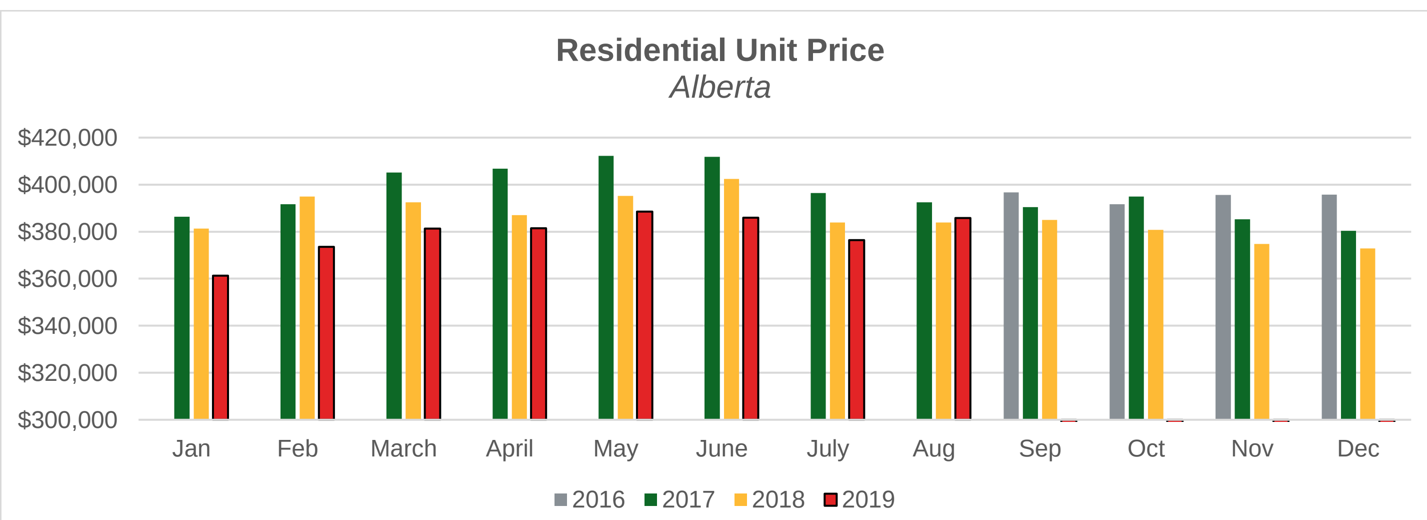
- Residential unit sales in August 2019 totaled 4,582 units. Compared to August 2018, this is a 13.3% (303 units) decrease.
- Compared to July 2019, sales in August 2019 were 20.6% (1,192 units) higher.
- Year-to-date residential unit sales are 37,508. This is a 3.7% (1,433 units) decrease from the previous year.



Source: Alberta Real Estate Association

RESIDENTIAL UNIT SALE PRICE

- The provincial average MLS residential sale price in August 2019 was $385,848 which was a 2.5% ($9,485) increase from July 2019.
- Compared to August 2018, the August 2019 average sale price increased 0.5% ($1,949).
- Year-to-date average residential sale price is $379,300. This is a 2.8% ($10,837) decline from the previous year.



Source: Alberta Real Estate Association

DEFINITIONS, CONCEPTS AND SOURCES

Definitions

A housing “start” is defined 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 sides 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 August 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.