2019 Year in Review

HIGHLIGHTS

Housing Starts: Housing starts are below their 10-year average in all markets except Calgary, which recorded an increase of 1.1%. The drop has been the most dramatic in Wood Buffalo, which has seen a 76.9% decrease in housing starts compared to its 10-year average. In 2019, the province's total housing starts were 9.1% below the 10-year average.

Housing Inventory: Unabsorbed housing inventory is high for the province as well as Calgary, Edmonton and Wood Buffalo. The communities of Grande Prairie, Medicine Hat and Red Deer, had housing inventories that were below the 10-year average, while Lethbridge's inventory was marginally (0.5%) above its 10-year average.

Housing Sales: Compared to its 10-year average, home sales in Alberta declined 17.6%, with the largest decline occurring in Calgary (-14.7%). All locales except for Lethbridge saw a decrease in 2019 compared to its 10-year average.

Housing Sales Price: The average sales prices of a home in Alberta declined 0.3% compared to its 10-year average in 2019. Overall, it was a mixed year, with Grande Prairie, Lethbridge and Medicine hat seeing prices that were higher than the 10-year average, while Edmonton, Calgary, and Red Deer seeing marginal changes. Wood Buffalo has seen a substantial decline in its housing price, falling 29.8% compared to its 10-year average.

Key Indicators: 2019 vs 10-Year Average (%)					
Centre	**Unabsorbed Housing Inventory**	**Total Housing Starts**	**Single Detached Housing Starts**	**MLS System Housing Sales**	**Average Sale Price**
Alberta	+60.7%	-9.1%	-29.4%	-17.6%	-0.3%
Calgary (CMA)	+71.7%	+1.1%	-28.0%	-14.7%	+0.8%
Edmonton (CMA)	+73.1%	-14.7%	-22.7%	-8.1%	-0.3%
Grande Prairie (CA)	-12.8%	-46.6%	-54.1%	-0.9%	+5.3%
Lethbridge (CMA)	+0.5%	-8.9%	-29.8%	+6.6%	+5.4%
Medicine Hat (CA)	-43.9%	-60.5%	-69.6%	-6.3%	+3.0%
Red Deer (CA)	-12.8%	-53.7%	-62.1%	-13.3%	-0.7%
Wood Buffalo (CA)	+33.9%	-76.9%	-68.9%	-18.4%	-29.8%

Edmonton

Edmonton Housing Starts

Total housing starts in 2019 were 10,184 units, a 1.5% rise over 2018. Single, row, and semi-detached were the hardest hit in Edmonton, seeing declines of -14.0% and -13.9% respectively, compared to 2018. Multi-unit starts had a great year, rising 85.7% over last year and well-above 3-, 5-, and 10- year averages.

	2019	2018 (%)*	3-Year Avg. (%)*	5-Year Avg. (%)*	10-Year Avg. (%)*
Total	10,184	10,038 (1.5%)	10,552 (-3.5%)	11,748 (-13.3%)	11,943 (-14.7%)
Single	4,140	4,814 (-14.0%)	4,660 (-11.2%)	4,800 (-13.8%)	5,353 (-22.7%)
Row/Semi-Detached	2,698	3,134 (-13.9%)	3,035 (-11.1%)	3,365 (-19.8%)	3,177 (-15.1%)
Multi-Unit/Apartment	3,882	2,090 (85.7%)	3,035 (27.9%)	3,690 (5.2%)	3,465 (12.0%)
*Percentage change vs 2019 unless otherwise noted.					

Edmonton Housing Inventory

Housing inventories in Edmonton were substantially elevated this year, rising 29.4% compared to last year. The single, row, semi, and multi-unit markets all saw increases in inventory this year, and all markets have levels of inventory that are above their 3-, 5-, and 10-year averages.

	2019	2018 (%)*	3-Year Avg. (%)*	5-Year Avg. (%)*	10-Year Avg. (%)*
Total	2,981	2,303 (29.4%)	2,465 (20.9%)	2,091 (42.5%)	1,722 (73.1%)
Single	1,237	913 (35.4%)	930 (32.9%)	831 (48.7%)	694 (78.1%)
Row/Semi-Detached	858	739 (16.0%)	727 (17.9%)	641 (33.8%)	478 (79.4%)
Multi-Unit/Apartment	886	650 (36.3%)	806 (9.8%)	618 (43.2%)	549 (61.3%)
*Percentage change vs 2019 unless otherwise noted.					

Edmonton Housing Sales

Total sales increased 15.9% compared to 2018, to 18,492 units. This is above the 3- and 5- year averages, but below the 10-year. Sales of newly built homes dropped 1.7% in 2019, compared to 2018. From the data, one can infer that the bulk of Edmonton's home sales this year came from the resale market, and not newly built homes.

	2019	2018 (%)*	3-Year Avg. (%)*	5-Year Avg. (%)*	10-Year Avg. (%)*
Newly Built Homes	7,965	8,103 (-1.7%)	8,189 (-2.7%)	9,691 (-17.8%)	9,680 (-17.7%)
Single-Detached	4,318	4,581 (-5.7%)	4,459 (-3.2%)	5,040 (-14.3%)	5,294 (-18.4%)
Row/Semi-Detached	2,751	2,630 (4.6%)	2,804 (-1.9%)	3,150 (-12.7%)	2,895 (-5.0%)
Multi-Unit/Apartment	896	892 (0.4%)	925 (-3.2%)	1,501 (-40.3%)	1,490 (-39.9%)
MLS System (incl. newly built & resales)	18,492	15,958 (15.9%)	16,980 (8.9%)	16,874 (9.6%)	20,112 (-8.1%)
*Percentage change vs 2019 unless otherwise noted.					

Edmonton Home Sales Price

Prices of newly built single and semi-detached homes as well as homes sold by realtors all decreased in 2019 compared to 2018. Furthermore, prices are below their 3- and 5-year averages but on par with the 10-year average. Despite a large increase in sales in Edmonton in 2019, this has yet to translate into substantial price growth as Edmonton still suffers from high levels of inventory.

	2019	2018 (%)*	3-Year Avg. (%)*	5-Year Avg. (%)*	10-Year Avg. (%)*
Newly Built Single-Detached Homes	$554,732	$567,566 (-2.3%)	$560,781 (-1.1%)	$572,383 (-3.1%)	$547,065 (1.4%)
Newly Built Semi-Detached Homes	$381,165	$383,760 (-0.7%)	$381,680 (-0.1%)	$384,984 (-1.0%)	$362,498 (5.1%)
MLS System (incl. newly built & resales)	$362,758	$369,079 (-1.7%)	$368,121 (-1.5%)	$368,967 (-1.7%)	$354,674 (2.3%)
*Percentage change vs 2019 unless otherwise noted.					

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 must 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 3 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. An **absorbed unit** is simply a unit that has been sold.

The **homes sales and sales price data** come from two sources, the CMHC and the CREA. CMHC tracks newly built and sold units whereas the CREA tracks all homes sold by realtors through their MLS (Multiple Listing Service) system. Since some members of BILD use realtors, while others do not, this means that some of the sales tracked by CREA will include newly built homes being sold for the first time. In practice, most homes sold by realtors in Alberta tend to be resales – homes being sold for the 2nd, 3rd or higher time. Hence, the CREA data is more representative of the whole housing sales market, whereas the CMHC data is representative of newly built homes being sold for the first time.

Sources

Information on housing starts, housing inventory, newly built home sales and prices, come from CMHC's Housing Market Information Portal.

Information on MLS 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.