

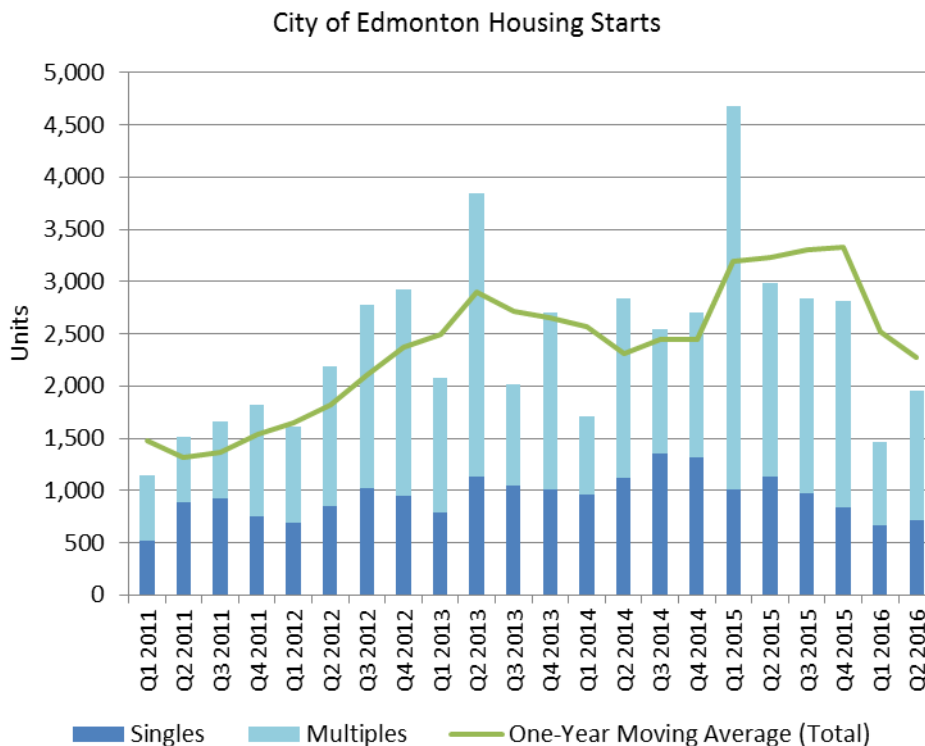
Edmonton's housing starts increase in Q2 2016

July 12, 2016

The total number of new housing in **Edmonton** increased in the second quarter (Q2) of 2016 in comparison to the first quarter (Q1) of 2016. This marked the end of four consecutive quarters of housing start decreases in Edmonton.

Builders in **Edmonton** broke ground on a total of 1,954 housing units in Q2, a 34% increase compared to 1,463 units started in Q1. Gains were experienced in both single- and multi-family homes, with multi-family homes contributing to the majority of the gain. In Q2, compared with Q1, the number of single-family homes increased by 7% while multi-family homes increased by 56%.

Year over year, housing starts declined by 34% in Q2, with builders breaking ground on 1,954 homes compared to 2,980 housing units in Q2 2015. New single-family homes dropped by 37% while new multi-family homes dropped by 33%.



Source: Canada Mortgage Housing Corporation

Quarter over quarter, the number of new housing units increased by 34% at the **Edmonton Census Metropolitan Area (CMA)** level. Both multi- and single-family units increased by 48% and 14% respectively.

Year over year, the number of new houses built in the **Edmonton CMA** decreased by 26%. Multi-family homes were down by 18% while single-family homes down by 37%.

Q2 2016 Housing Starts – Edmonton City and Edmonton CMA

| | City of Edmonton | | | Edmonton CMA | | |
|------------------------------------|------------------|--------------|---------|-----------------|--------------|---------|
| | Single-Detached | Multi-Family | Total | Single-Detached | Multi-Family | Total |
| Q2 2016 | 713 | 1,241 | 1,954 | 1,001 | 1,825 | 2,826 |
| Q1 2016 | 665 | 798 | 1,463 | 878 | 1,233 | 2,111 |
| Q2 2015 | 1,134 | 1,846 | 2,980 | 1,598 | 2,238 | 3,836 |
| % Change Q1 2016 to Q2 2016 | 7.22% | 55.51% | 33.56% | 14.01% | 48.01% | 33.87% |
| % Change Q2 2015 to Q2 2016 | -37.13% | -32.77% | -34.43% | -37.36% | -18.45% | -26.33% |

Source: Canada Mortgage Housing Corporation

Significance

Total housing starts in Q2 2016 trended upwards for both the Edmonton CMA and the City of Edmonton with increases in both new single- and multi-family housing, with a significant increase in multi-family. Despite the uptick in new housing in the first quarter, new housing year over year was down due to the economic slowdown, high inventory levels in both the resale and new housing market, and rising vacancy levels in the rental market.

For the second half of 2016, we can expect a continued softening of single- and multi-family homes as the market adjusts to the current economic conditions of the region: low oil prices and lower net migration into the Edmonton metropolitan area due to fewer job opportunities, rising inventory levels and rising vacancy rates.

Limitations

While the number of single- and multi-family housing starts does offer an indication of the construction building sector's performance, housing starts are not distributed evenly across quarters and figures can often fluctuate. Therefore, the figures should be interpreted in the context of other economic indicators.

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