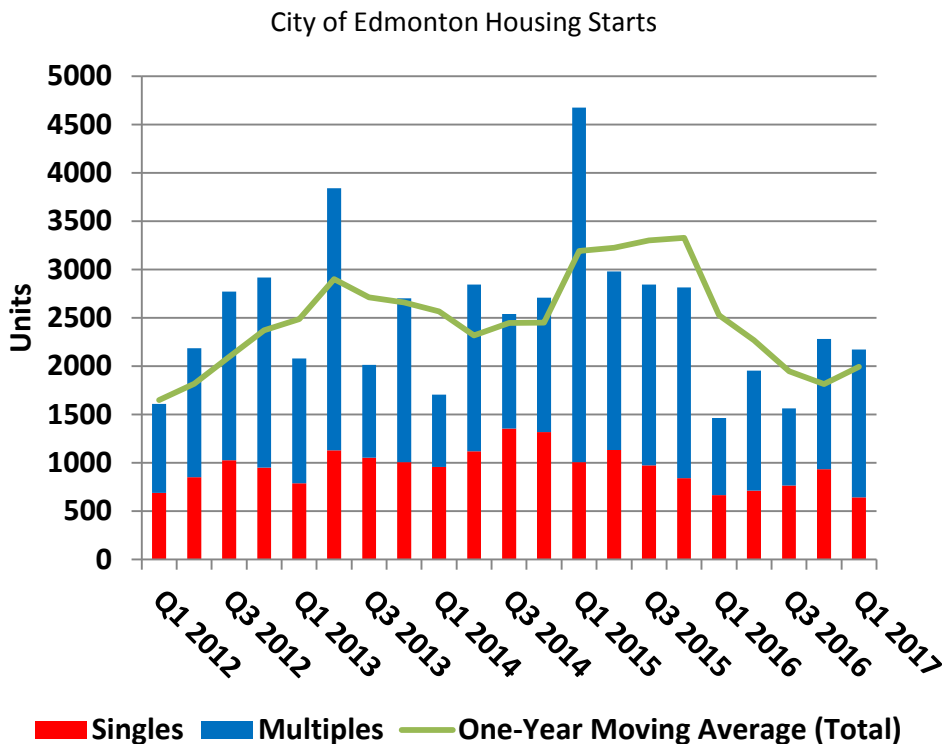


Edmonton's Housing Starts decrease in Q1 2017

April 10, 2017

Builders in the City of Edmonton broke ground on a total of 2,172 housing units in Q1 2017—a 4.9% decrease compared to the 2,283 units started in Q4 2016. There was a reduction in units concentrated in single-family units while multi-family homes continued a marked recovery. When comparing Q1 2017 to Q4 2016, the number of single-family housing starts was down by 31.2% while multi-family homes increased by 13.3%.

On a year-over-year basis, housing starts have increased in 2017. In Q1 2017, builders broke ground on 2,172 homes compared to 1,463 housing units in Q1 2016, a 48.5% rise in new units year-over-year. New multi-family homes increased by a striking 91.6% in Q1 2017 when compared to Q1 2016. This multi-family gain was driven by dramatically higher apartment unit starts. Decreases on a year-over-year basis were concentrated in single-family units with a 3.3% reduction.



Source: Canada Mortgage Housing Corporation

Quarter-over-quarter, the number of new housing units were also down at the Edmonton Census Metropolitan Area (CMA) level with a 5.6% decrease from Q4 2016 to Q1 2017. During this time frame, higher starts in the Edmonton CMA were recorded at 14.0% for multi-family units while single-family unit starts were down by 30.7%.

Year-over-year, the number of new housing starts in the Edmonton CMA increased by 28.6%. Multi-family homes were up by 49.4% while single-family home starts were essentially unchanged with a minor 0.7% reduction.

Q1 2017 Housing Starts – Edmonton City and Edmonton CMA

	City of Edmonton			Edmonton CMA		
	Single-Detached	Multi-Family	Total	Single-Detached	Multi-Family	Total
Q1 2017	643	1,529	2,172	872	1,842	2,714
Q4 2016	934	1,349	2,283	1258	1616	2,874
Q1 2016	665	798	1,463	878	1,233	2,111
% Change Q4 2016 to Q1 2016	-31.2%	13.3%	-4.9%	-30.7%	14.0%	-5.6%
% Change Year-over-Year	-3.3%	91.6%	48.5%	-0.7%	49.4%	28.6%

Source: Canada Mortgage Housing Corporation

Significance

Total housing starts in Q1 2017 eased for both the Edmonton CMA and the City of Edmonton with the main source of weakness being decreases in single-family housing starts. High inventory levels in the resale and new housing market along with a historically high vacancy rate in the rental market will constrain starts at current levels over the remainder of 2017.

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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