

Edmonton’s housing starts see a modest decrease in Q2

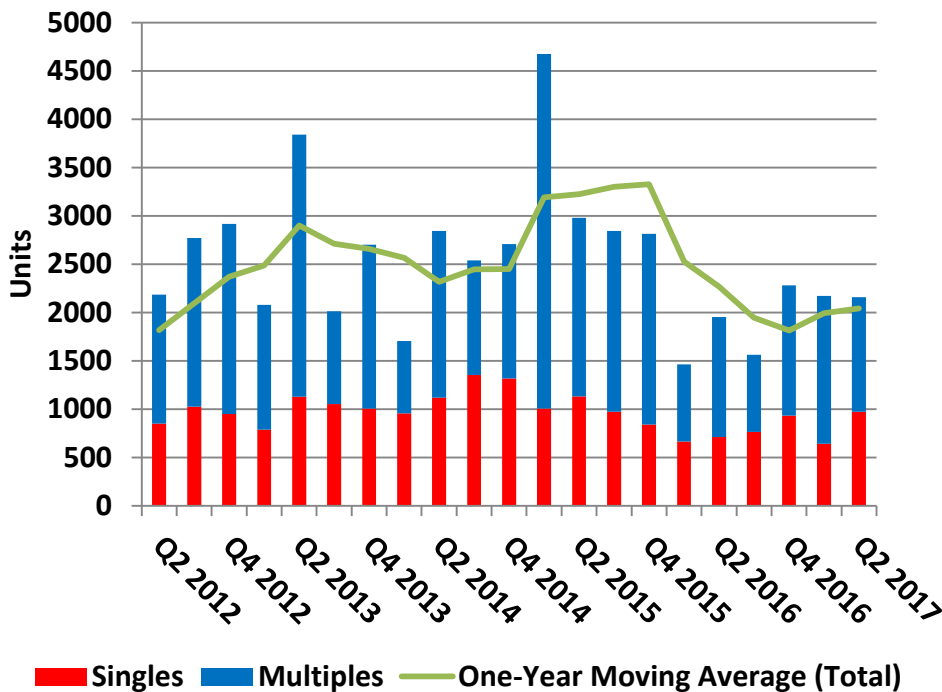
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Edmonton builders broke ground on a total of 2,158 housing units in Q2 2017, which represents a modest decrease of 0.6% when compared to the 2,172 units started in Q1 2017.

While single-family units were up markedly—with a gain of more than 51% compared to Q1 2017—the overall decline was caused mostly by multi-family housing starts, which, after a very solid gain in Q1 2017, were down by 22.5%.

On a year-over-year basis, housing starts have increased by 10.4%. New single-family homes increased by a very solid 36.5% in Q2 2017 when compared to Q2 2016 while multi-family units saw a 4.5% reduction.

City of Edmonton Housing Starts



Source: Canada Mortgage Housing Corporation

Quarter-over-quarter, the number of new housing units were up at the Edmonton Census Metropolitan Area (CMA) level with a 11.1% increase from Q1 2017 to Q2 2017. This rise was driven by a very strong gain of 62.2% for single-family starts.

On a year-over-year basis, the number of new housing starts in the Edmonton CMA increased by 6.7%. Multi-family homes were down by 12.3% while single-family home starts were up by 41.3%.

Q1 2017 Housing Starts – Edmonton City and Edmonton CMA

	City of Edmonton			Edmonton CMA		
	Single-Detached	Multi-Family	Total	Single-Detached	Multi-Family	Total
Q2 2017	973	1185	2,158	1,414	1,601	3,015
Q1 2017	643	1529	2,172	872	1842	2,714
Q2 2016	713	1241	1,954	1,001	1,825	2,826
% Change Q1 2017 to Q2 2017	51.3%	-22.5%	-0.6%	62.2%	-13.1%	11.1%
% Change Year-over-Year	36.5%	-4.5%	10.4%	41.3%	-12.3%	6.7%

Source: Canada Mortgage Housing Corporation

Significance

Total housing starts in Q2 2017 eased for the City of Edmonton with the main source of weakness seen in multi-family housing. 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 dramatically. Therefore, the figures should be interpreted in the context of other economic indicators.

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