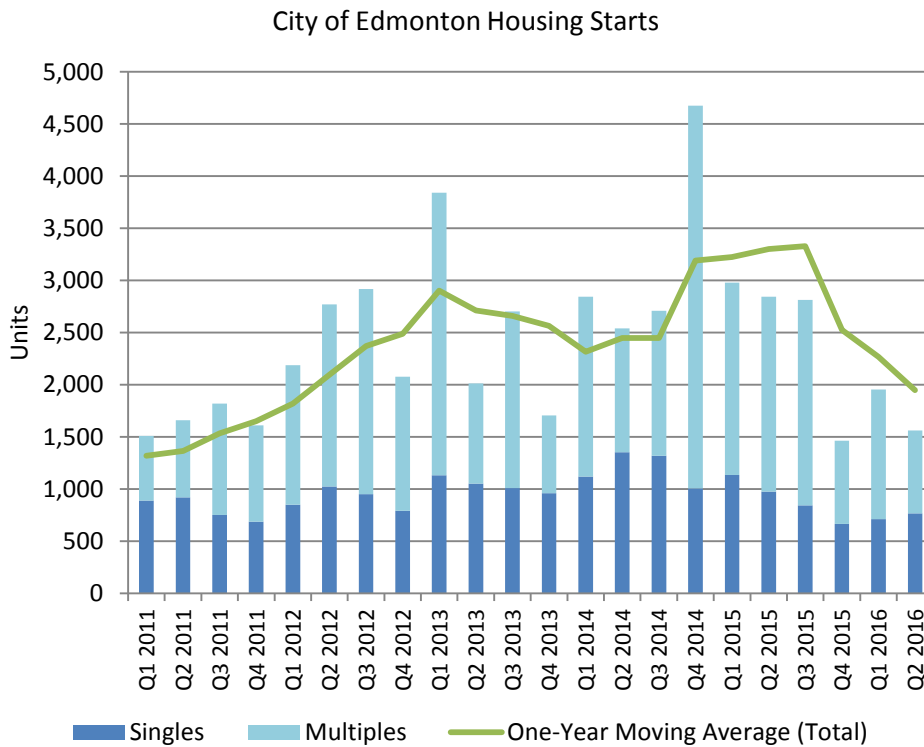


Edmonton's housing starts fall in Q3 2016

October 12, 2016

The total number of new housing units in the City of Edmonton decreased in the third quarter (Q3) of 2016 in comparison to the second quarter (Q2) of 2016. Builders in the City of **Edmonton** broke ground on a total of 1,563 housing units in Q3 2016—a 20% decrease compared to the 1,954 units started in Q2 2016. Losses were concentrated in multi-family homes with sharp reductions in apartment unit starts. When comparing Q3 2016 to Q2 2016, the number of single-family homes increased by 7.6% while multi-family homes decreased by 36%.

Housing starts have trended downwards over the last year. In Q3 2016, builders broke ground on only 1,563 homes compared to 2,843 housing units in Q3 2015, a 45% drop in new houses year-over-year. Both single- and multi-family homes decreased from 2015 to 2016. New single-family homes decreased by 21% while new multi-family homes decreased by 57%.



Source: Canada Mortgage Housing Corporation

Quarter-over-quarter, the number of new housing units dropped at the Edmonton Census Metropolitan Area (CMA) level with a 21% decrease from Q2 2016 to Q3 2016. As well during the Q2 2016 to Q3 2016 time frame, lower starts in Edmonton were recorded for multi-family units which fell 44%. In contrast, single family unit starts were up almost 20%.

Year-over-year the number of new housing built in the Edmonton CMA decreased by 46%. Multi-family homes were down by 62% while single-family homes down by 19%.

Q3 2016 Housing Starts – Edmonton City and Edmonton CMA

	City of Edmonton			Edmonton CMA		
	Single-Detached	Multi-Family	Total	Single-Detached	Multi-Family	Total
Q3 2016	767	796	1,563	1,198	1,027	2,225
Q2 2016	713	1,241	1,954	1,001	1,825	2,826
Q3 2015	975	1,868	2,843	1,476	2,683	4,159
% Change Q2 2016 to Q3 2016	7.57%	-35.86%	-20.01%	19.68%	-43.73%	-21.27%
% Change Year-over-Year	-21.33%	-57.39%	-45.02%	-18.83%	-61.72%	-46.50%

Source: Canada Mortgage Housing Corporation

Significance

Total housing starts in Q3 2016 trended downwards for both the Edmonton CMA and the City of Edmonton with decreases in multi-family housing starts being the source of weakness. High inventory levels in the resale and new housing market and rising vacancy levels in the rental market will act to constrain starts at current levels over the coming months.

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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