

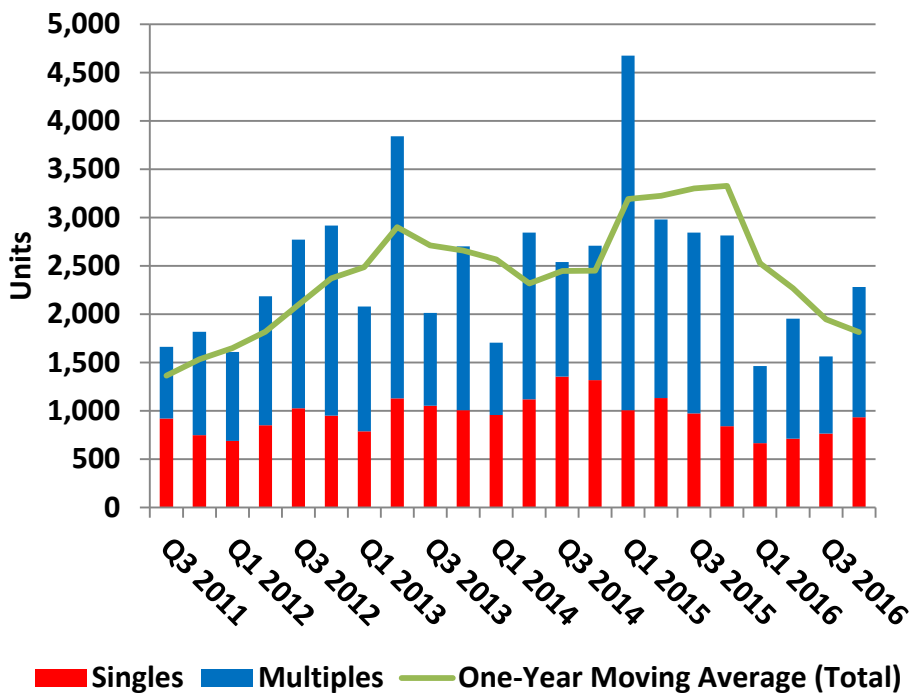
## Edmonton's housing starts rise in Q4 2016

January 10, 2017

The total number of new housing units in the City of Edmonton increased in the fourth quarter (Q4) of 2016 in comparison to the third quarter (Q3) of 2016. Builders in the City of Edmonton broke ground on a total of 1,954 housing units in Q4 2016—a 25% increase compared to the 1,563 units started in Q3 2016. Gains were made in both single and multi-family homes with a sharp recovery in apartment unit starts. When comparing Q4 2016 to Q3 2016, the number of single-family homes increased by 22.8% while multi-family homes increased by 69.5%.

Housing starts in 2016 decreased when compared with 2015. In Q4 2016, builders broke ground on only 1,954 homes compared to 2,283 housing units in Q4 2015, a 14.4% drop in new units year-over-year. Losses were concentrated in multi-family units with a very marked pull back in apartment unit starts. New single-family homes increased by 10.8% while new multi-family homes decreased by 31.6%.

City of Edmonton Housing Starts



Source: Canada Mortgage Housing Corporation

Quarter-over-quarter, the number of new housing units were also up in the Edmonton Census Metropolitan Area (CMA) level with a 29.2% increase from Q3 2016 to Q4 2016. During the Q3 2016 to Q4 2016 time frame, increases in Edmonton CMA were recorded for multi-family units which rose 57.3% while single-family unit starts were up by approximately 5%.

Year-over-year the number of new housing built in the Edmonton CMA decreased by 19.1%. Multi-family homes were down by 31.6% while single-family home starts were up by almost 6%.

**Q4 2016 Housing Starts – Edmonton City and Edmonton CMA**

|                             | City of Edmonton |              |         | Edmonton CMA    |              |         |
|-----------------------------|------------------|--------------|---------|-----------------|--------------|---------|
|                             | Single-Detached  | Multi-Family | Total   | Single-Detached | Multi-Family | Total   |
| Q4 2016                     | 934              | 1349         | 1,954   | 1,258           | 1,616        | 2,874   |
| Q3 2016                     | 767              | 796          | 1,563   | 1,198           | 1,027        | 2,225   |
| Q4 2015                     | 843              | 1,971        | 2,283   | 1,188           | 2,363        | 3,551   |
| % Change Q2 2016 to Q3 2016 | 21.77%           | 69.47%       | 25.02%  | 5.01%           | 57.35%       | 29.17%  |
| % Change Year-over-Year     | 10.79%           | -31.56%      | -14.41% | 5.89%           | -31.61%      | -19.07% |

Source: Canada Mortgage Housing Corporation

## Significance

Total housing starts in Q4 2016 increased for both the Edmonton CMA and the City of Edmonton mainly with increases in multi-family housing. High inventory levels in the resale and new housing market and rising vacancy levels in the rental market will constrain starts at current levels over the first half 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.

## Contact

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