

# Economic Indicators

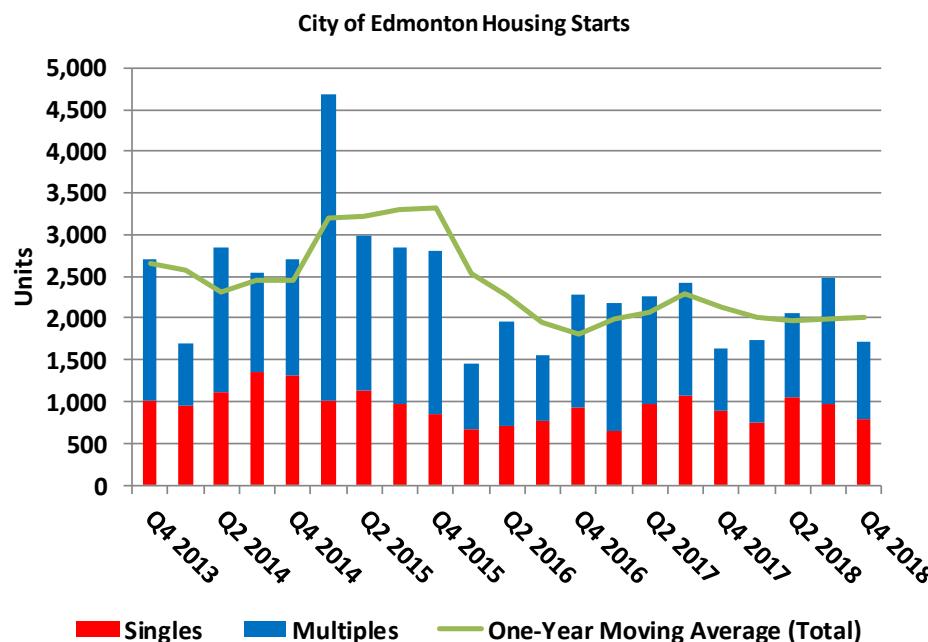
## Multi-family segment drives higher housing starts in Q4 2018

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Builders in the city of Edmonton broke ground on a total of 1,717 housing units in Q4 2018, representing an increase of 4.3% year-over-year from 1,646 units in Q4 2017.

The one-year moving average for total housing starts in Edmonton inched higher in Q4 2018 from the previous quarter, solely driven by the multi-family segment which includes semi-detached, row and apartment starts. The one-year moving average is helpful to filter out quarter-over-quarter fluctuations which may be due to seasonal factors.

On a year-over-year basis, total housing starts were 4.3% higher in Q4 2018. The gain was primarily attributed to the multi-family segment as single-family starts were almost 13% lower year-over-year in Q4 2018. Multi-family housing starts rose almost 25% year-over-year in Q4 2018, primarily due to higher apartment starts. There were 360 starts for apartments in Q4 2018, more than triple the 85 starts recorded in Q4 2017. This increase more than offset reductions in starts for row and semi-detached homes.



Source: Canada Mortgage Housing Corporation

The one-year moving average for total housing starts in the Edmonton Census Metropolitan Area (CMA) was 3.1% lower in Q4 2018 from the previous quarter. The reduction was attributed to decreased starts for both single-detached and multi-family housing.

On a year-over-year basis, the number of housing starts in the Edmonton CMA was 13.3% lower at 2,126 units. Both single-detached and multi-family housing starts were lower in Q4 2018 compared to the previous year, though the decline in single-detached starts was more pronounced.

**Q4 2018 Housing Starts – Edmonton City and Edmonton CMA**

	City of Edmonton			Edmonton CMA		
	Single-Detached	Multi-Family	Total	Single-Detached	Multi-Family	Total
Q4 2018	780	937	1,717	1,014	1,112	2,126
Q4 2017	895	751	1,646	1,225	1,228	2,453
% Change Year-over-Year	-12.8%	24.8%	4.3%	-17.2%	-9.4%	-13.3%
One-year moving average, Q4 2018	887	1,114	1,717	1,204	1,306	2,510
One-year moving average, Q3 2018	916	1,067	1,983	1,256	1,335	2,591
% Change, Quarter-over-Quarter	-3.2%	4.4%	-13.4%	-4.1%	-2.2%	-3.1%

*Source: Canada Mortgage Housing Corporation*

## Significance

Total housing starts within the city of Edmonton saw an improvement in Q4 2018 due to higher multi-family starts. However, activity in the multi-family segment tends to be quite volatile, particularly for apartments. Looking ahead, a well-supplied housing market (both new and existing) is expected to slow the pace of new home construction over the coming months as builders look to manage their inventory.

## 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 fluctuate dramatically. Therefore, the figures should be interpreted in the context of other economic indicators.

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