

## Single-family housing starts increase in Q4 2019

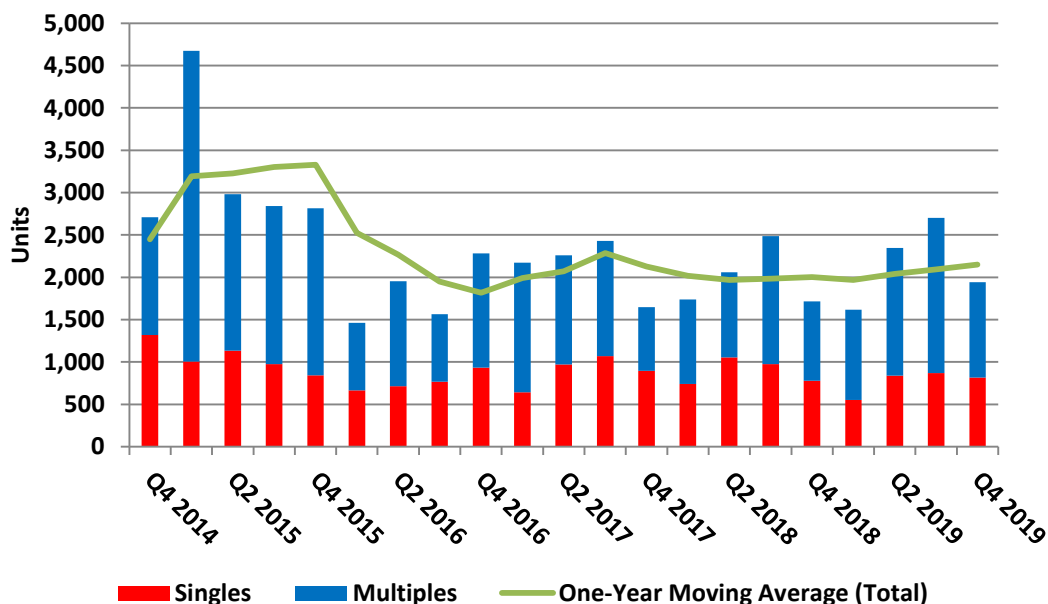
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Builders in the city of Edmonton broke ground on a total of 1,942 housing units in Q4 2019, an increase of 13.1 per cent year-over-year from 1,717 units in Q4 2018.

The one-year moving average for total housing starts in Edmonton rose in Q4 2019 from the previous quarter, driven by gains across all housing types. 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 saw an increase of 13.1 per cent in Q4 2019. Single-family housing starts were 4.7 per cent higher year-over-year in Q4 2019, a first since Q2 2018. Multi-family starts, which include semi-detached, row and apartment starts, were 20.1 per cent higher in Q4 2019, largely driven by rental apartment starts.

City of Edmonton Housing Starts



Source: Canada Mortgage Housing Corporation

The one-year moving average for total housing starts in the Edmonton Census Metropolitan Area (CMA) increased 3.6 per cent in Q4 2019 from the previous quarter. The gain was due to higher housing starts across all unit types, though the gain in the multi-family segment was more pronounced. Multi-family starts were higher year-over-year for each quarter of 2019.

The number of housing starts in the Edmonton CMA increased 17.8 per cent year-over-year in Q4 2019 to 2,504 units. Similar to housing starts activity at the city level, both single-family and multi-family housing starts were higher in Q4 2019 compared to the previous year.

**Q4 2019 Housing Starts – Edmonton City and Edmonton CMA**

	City of Edmonton			Edmonton CMA		
	Single-Detached	Multi-Family	Total	Single-Detached	Multi-Family	Total
Q4 2019	817	1,125	1,942	1,107	1,397	2,504
Q4 2018	780	937	1,717	1,014	1,112	2,126
% Change Year-over-Year	4.7%	20.1%	13.1%	9.2%	25.6%	17.8%
One-year moving average, Q4 2019	769	1,382	2,151	1,035	1,645	2,680
One-year moving average, Q3 2019	760	1,335	2,095	1,012	1,574	2,586
% Change, Quarter-over-Quarter	1.2%	3.5%	2.7%	2.3%	4.5%	3.6%

Source: Canada Mortgage Housing Corporation

## Significance

Housing starts in 2019 totaled 8,605 units, 7.5 per cent higher than annual housing starts in 2018. Single-family starts were 13.3 per cent lower year-over-year in 2019, largely due to reduced production for the first three quarters of the year. Multi-family starts, on the other hand, finished 2019 24.1 per cent above 2018. The strong gain was solely due to higher apartment production, particularly for rental units. Rental apartment starts reached 1,371 in 2019, more than doubling starts production in 2018.

The 2020 pace of construction for total new housing units in the city of Edmonton is expected to be slower than in 2019, reaching about 7,800 units. The fundamentals supporting housing demand are expected to improve, including continued population growth, a turnaround in full-time employment growth and stabilizing wage growth. These factors should help firm up housing demand throughout the year, helping to absorb existing and new home supply.

## 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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