

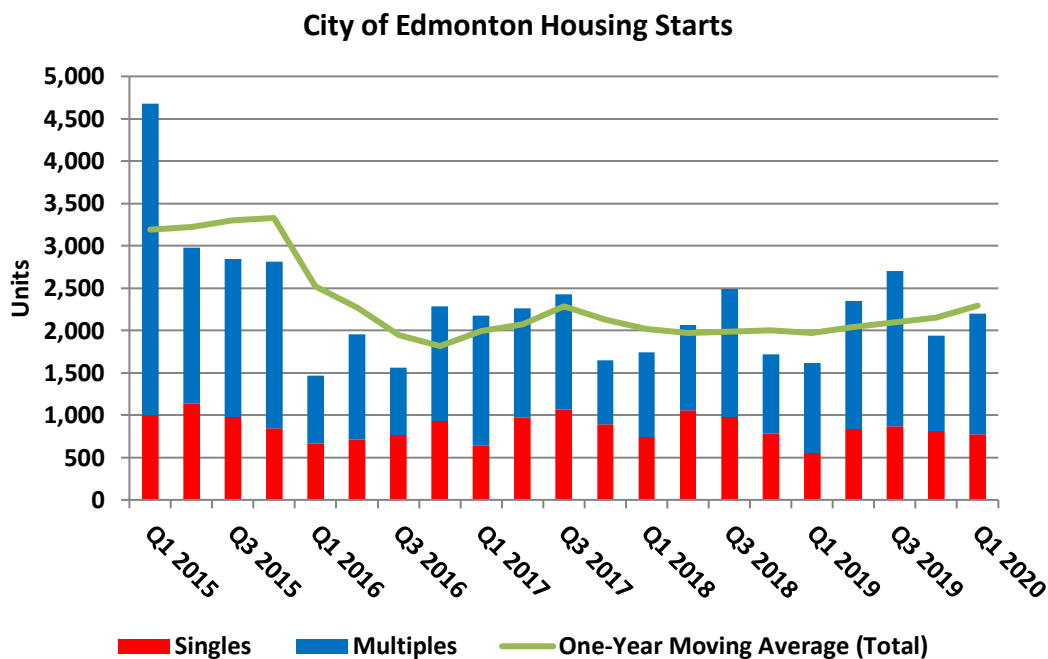
## Housing starts pickup in Q1 2020

April 24, 2020

Builders in the city of Edmonton broke ground on a total of 2,196 housing units in Q1 2020, an increase of almost 36 per cent year-over-year from 1,616 units in Q1 2019.

The one-year moving average for total housing starts in Edmonton continued to rise in Q1 2020 on a quarterly basis, as both single-detached and multi-family housing starts increased. The one-year moving average is helpful to filter out quarter-over-quarter fluctuations which may be due to seasonal factors.

Single-family housing starts rose 39 per cent year-over-year in Q1 2020 with solid year-over-year gains in each month of the quarter. Multi-family starts, which include semi-detached, row and apartment starts, were 34 per cent higher year-over-year in Q1 2020, largely driven by condominium apartment starts production.



Source: Canada Mortgage Housing Corporation

The one-year moving average for total housing starts in the Edmonton Census Metropolitan Area (CMA) gained almost six per cent in Q1 2020 from the previous quarter. The gain was due to higher housing starts across all unit types. The number of housing starts in the Edmonton CMA



increased almost 32 per cent year-over-year in Q1 2020 with higher starts production for both single-family and multi-family housing units.

**Q1 2020 Housing Starts – Edmonton City and Edmonton CMA**

	City of Edmonton			Edmonton CMA		
	Single-Detached	Multi-Family	Total	Single-Detached	Multi-Family	Total
Q1 2020	771	1,425	2,196	974	1,550	2,524
Q1 2019	553	1,063	1,616	692	1,222	1,914
% Change Year-over-Year	39.4%	34.1%	35.9%	40.8%	26.8%	31.9%
One-year moving average, Q1 2020	824	1,473	2,296	1,106	1,727	2,833
One-year moving average, Q4 2019	769	1,382	2,151	1,035	1,645	2,680
% Change, Quarter-over-Quarter	7.2%	6.6%	6.7%	6.9%	5.0%	5.7%

Source: Canada Mortgage Housing Corporation

## Significance

Housing starts in Q1 2020 posted gains across all unit types compared to the previous year. Single-detached and apartment starts were the more prominent drivers of the increase, particularly for condominium apartment units in March. Looking ahead, the outlook for new housing construction in the city of Edmonton will likely be downgraded in light of the COVID-19 pandemic. The impact of physical distancing means limited economic activity for both households (i.e. consumption), as well as for businesses. Though the full impact of the outbreak will take shape as economic data are released in the coming months, key drivers of housing demand such as full-time employment and income growth are anticipated to be negatively affected.

## Economics Made Simple: What is a housing start?

Simply put, a housing start represents the beginning of construction work on a new structure and is counted by the Canada Mortgage and Housing Corporation (CMHC) when the concrete has been poured for the whole of the footing around a new self-contained structure. A housing start is also counted if concrete is poured at an equivalent stage where a basement would not be part of the structure. The CMHC then categorizes starts by dwelling type, in accordance with those in the federal census.

## Limitations

While the number of single- and multi-family housing starts 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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