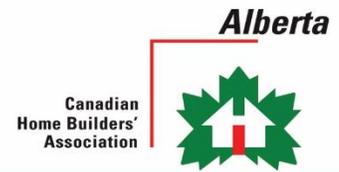




economic analysis *report*



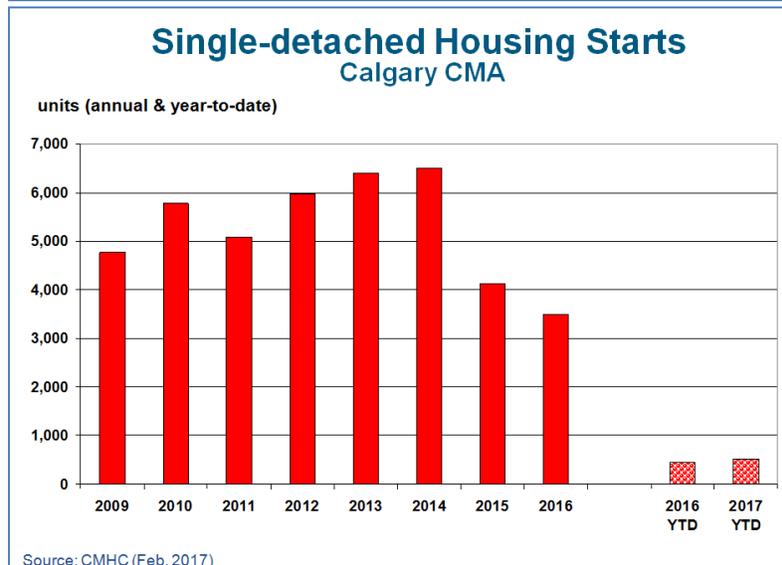
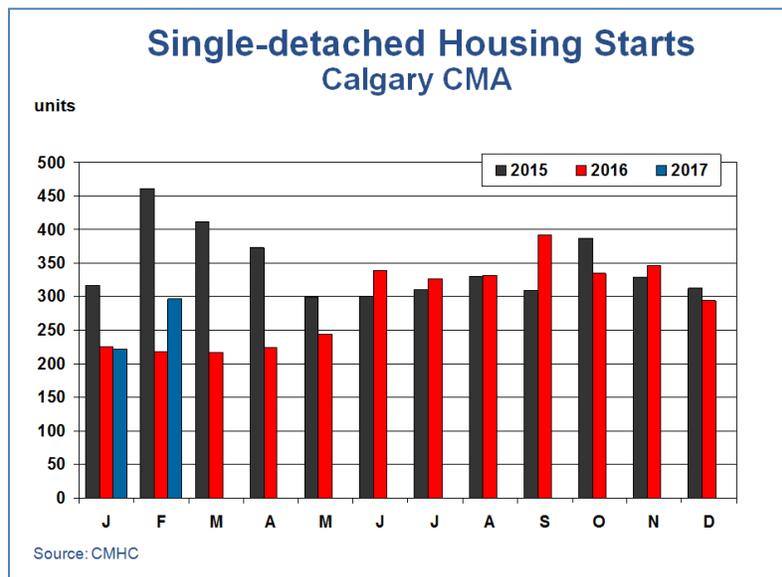
MARCH 2017

CALGARY MARKET UPDATE

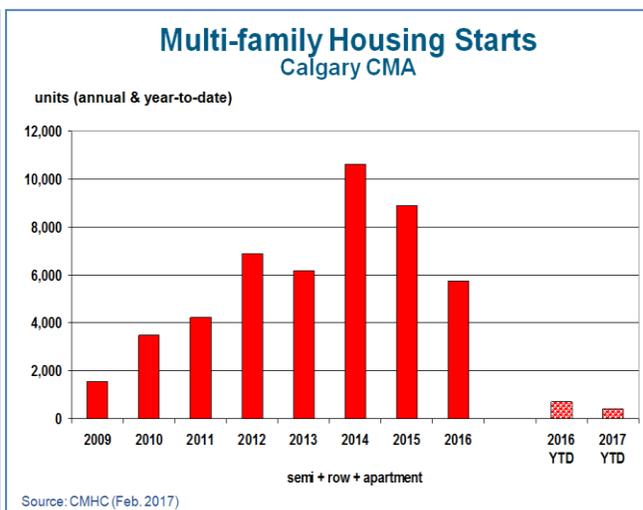
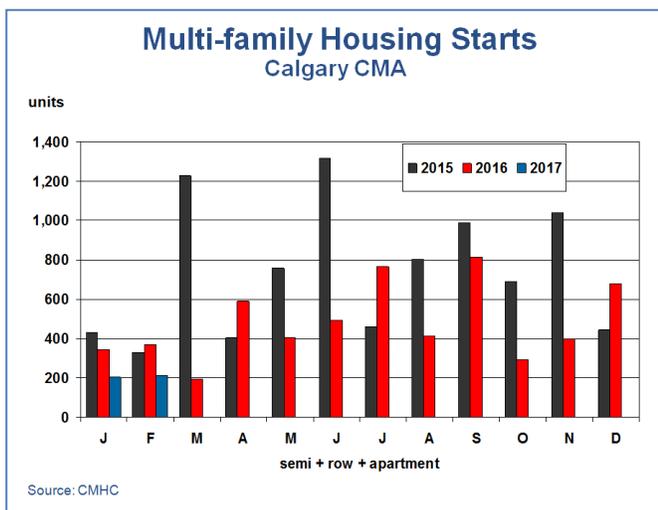
HOUSING STARTS

Total housing starts in the Calgary Census Metropolitan Area (CMA) decreased in February by 13.8% from a year earlier to 508 units. An increase in the outer municipalities was offset by a decline within the City of Calgary. For the year-to-date, housing starts in the Calgary region have declined by 19.2% from the first two months of 2016 to 934 units.

Single-detached: Single-detached starts in the Calgary area increased in February by 35.8% year-over-year to 296 units. So far this year, single-family starts in the greater Calgary area increased by 16.7% from the volumes reported in January and February of last year to 517 units.

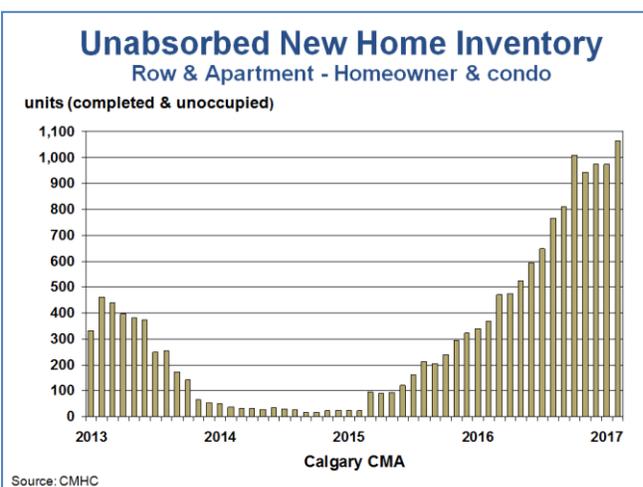
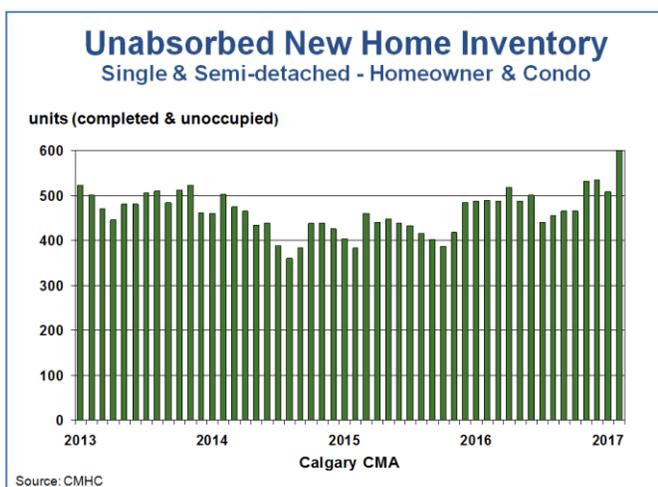


Multi-family (semi, row & apartment): Multi-family starts in greater Calgary decreased in February by 43% from the second month of 2016 to 212 units. Similar to the previous month, lower townhouse and apartment activity offset gains in semi-detached starts in February. After two months this year, multiple unit starts have declined by 41.5% from the same time last year to 417 units.



NEW HOME INVENTORY

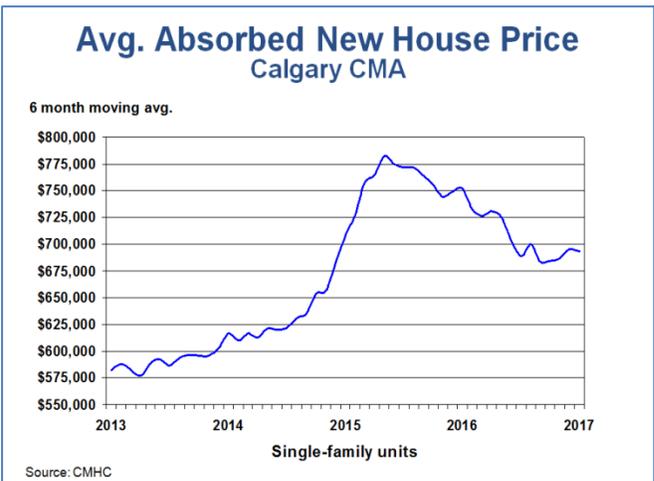
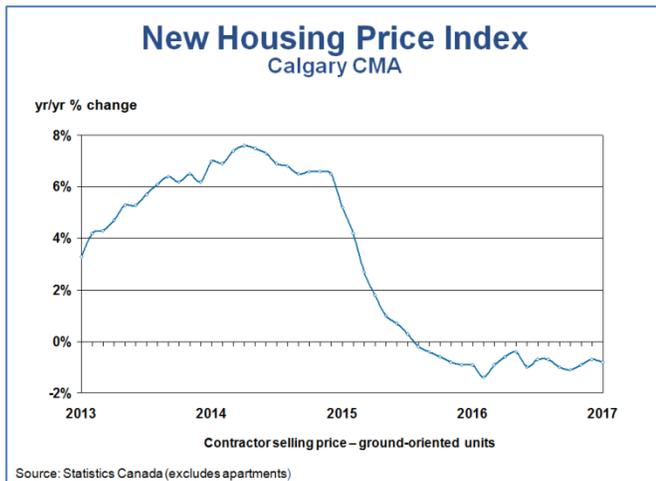
There were 600 completed and unoccupied single and semi-detached dwellings (including show homes) reported by CMHC throughout the Calgary region in February, up sharply from 509 in the previous month and 489 units in February 2016. Builders have increased both the number of show homes and spec units for sale in preparation for the important spring selling season. Unabsorbed new townhomes and apartments stood at 1,065 units in February, up from 984 units in the preceding month and 442 units a year prior.



NEW HOUSE PRICES

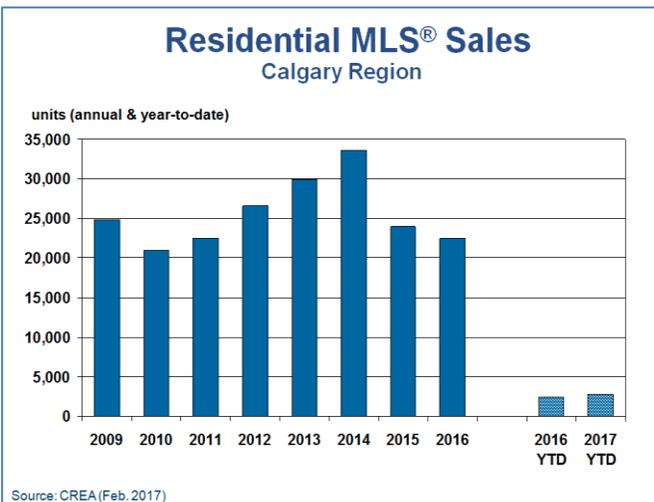
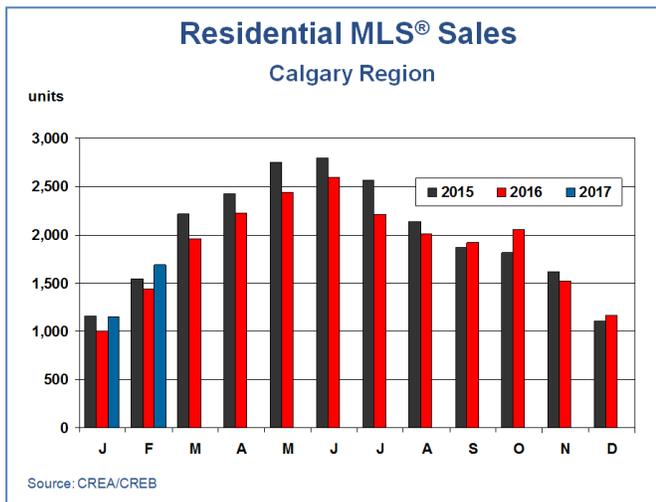
Statistics Canada's new housing price index (NHPI) for Calgary CMA decreased in January by 0.8% from the first month of 2016. This index of contractor selling prices was down on average by 0.9% during all of 2016. (Index was revised in January 2017 resulting in a very minor change to historic Calgary numbers.)

CMHC's average absorbed new single-family house price for the Calgary CMA decreased in January by 2.7% from a year prior to \$675,876. The average absorbed single-family house price was down in 2016 by 8% from the previous year to \$701,016.



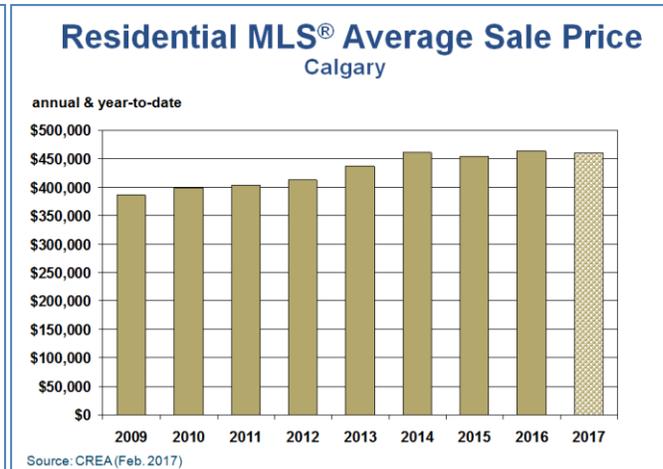
RESIDENTIAL (MLS) SALES

Residential sales in the Calgary MLS area increased in February 17.5% year-over-year to 1,689 units. So far in 2017, sales on the MLS have improved by 16.3% from the first two months of 2016 to 2,836 units.



RESIDENTIAL (MLS) SALE PRICES

The average MLS sale price in the Calgary region increased in February by 2.6% from a year-ago levels to \$464,834. For the year-to-date, the average sale price for homes sold by realtors has increased by 2.6% the same time last year to \$459,337. CREB noted that inventory levels have eased so far this year and the market is transitioning to a more stable level.



MARKET SUMMARY	Current Month: February			YTD: February		
Calgary CMA	2017	2016	% ch	2017	2016	% ch
Single-family starts	296	218	35.8%	517	443	16.7%
Multi-family starts	212	371	-42.9%	417	713	-41.5%
Total housing starts	508	589	-13.8%	934	1,156	-19.2%
Calgary REB (MLS)						
Residential sales	1,689	1,437	17.5%	2,836	2,439	16.3%
Residential avg. price	\$464,834	\$453,175	2.6%	\$459,337	\$447,578	2.6%
Source: CMHC/CREA						

Notes to Readers

These monthly market updates are available for the province of Alberta and its seven major cities. The charts are also available in PowerPoint and Excel formats upon request.

CMHC's count of unsold new home inventory defines an unabsorbed unit as a new home that has finished construction and is available for sale. Show homes are typically counted as part of the unabsorbed inventory.

Statistics Canada's NHPI covers contractor selling prices for single/semi-detached and townhouse units combined whereas the CMHC's average absorbed new house price is for single-family units only. The CMHC value includes GST and the agreed selling price may have occurred prior to construction.

CREA cautions that average price information can be useful in establishing trends over time, but does not indicate actual prices in centres comprised of widely divergent neighborhoods or account for price differential between geographic areas. The monthly average price statistic can also be affected by changes in the mix of sales activity by dwelling type.

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