

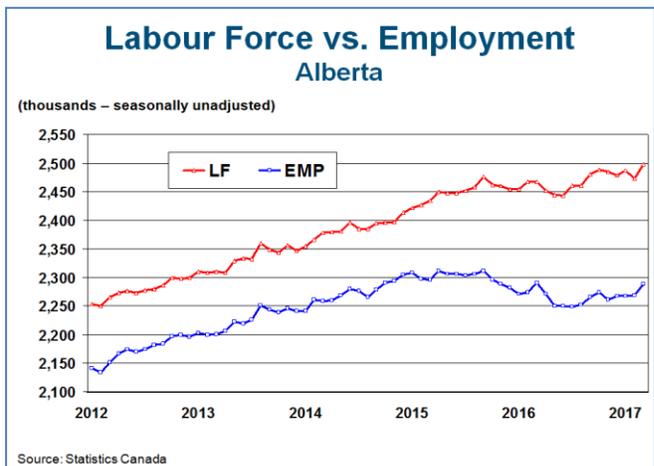
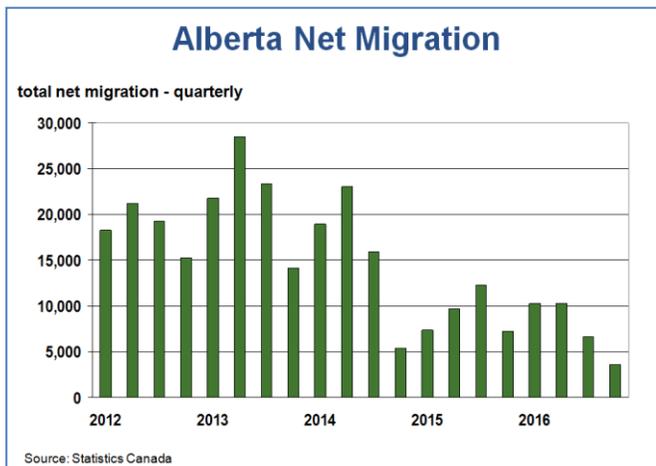


ALBERTA ECONOMIC & MARKET UPDATE

ECONOMIC INDICATORS

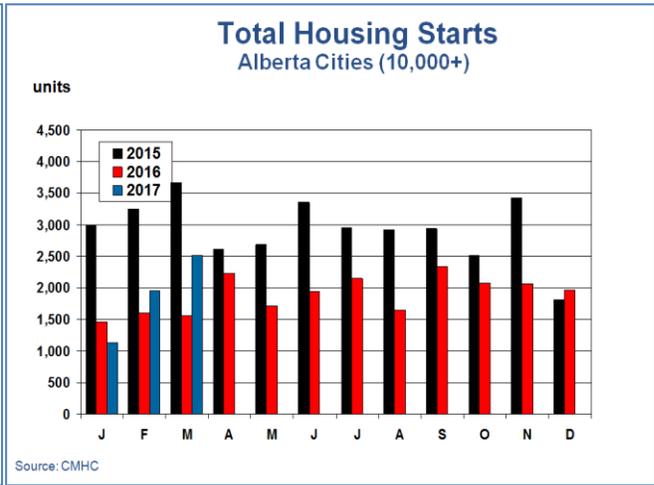
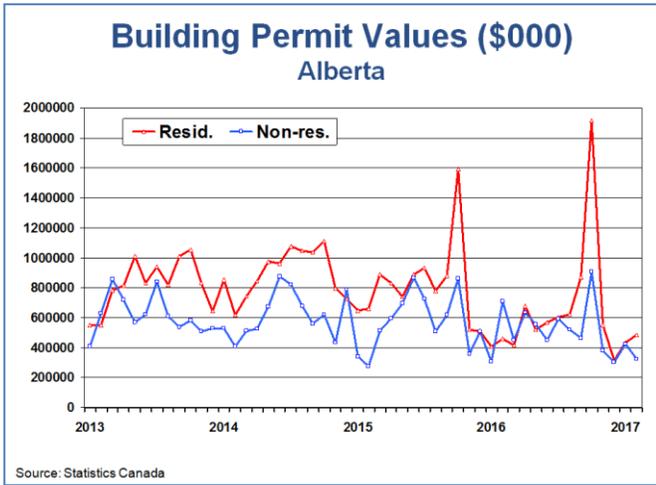
Despite the continued weakness in the provincial economy, Alberta's population continued to grow during the last three months of 2016. The province's growth rate in the fourth quarter was the slowest since 2010 but nonetheless still above the national average. Alberta's overall population growth rate declined in 2016 to 1.5% from 1.7% in 2015 and 2.4% in 2014.

Total net migration into Alberta from all sources was down year-over-year in the fourth quarter of 2016 by 3,684 persons, representing a decrease of 51%. Net migration from outside of Canada was also down from a year earlier but was still strong enough to offset continued losses to other provinces. Alberta saw a total of 3,555 newcomers in the fourth quarter of 2016, but this number was pulled down by a net loss of 2,573 inter-provincial migrants. This was the fifth consecutive quarter of net interprovincial outflow.



Alberta's labour market experienced some modest gains during the first quarter of 2017. The number of people working (seasonally adjusted) in Alberta was up month-over-month in March by 20,400 jobs from February. Compared with a year earlier, employment in March was down by only 0.1% year-over-year or 1,600 jobs. However, the unemployment rate remains stubbornly high with labour force growth keeping pace with job creation. The jobless rate (S/A) averaged 8.5% during the first 3 months of this year compared with 7.5% during the first quarter of 2016. The higher unemployment levels are impacting wage levels across the province. Statistics Canada's average weekly earnings (AWE – seasonally adjusted) in Alberta decreased month-over-month in January by 2% to \$1113. Compared with a year earlier, however, AWE levels in January were down only 0.2%.

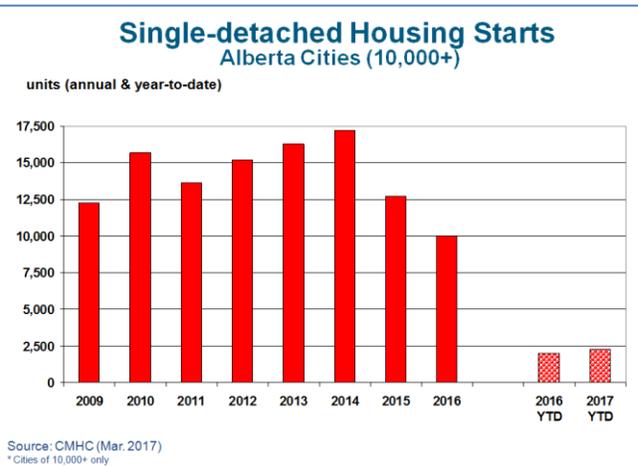
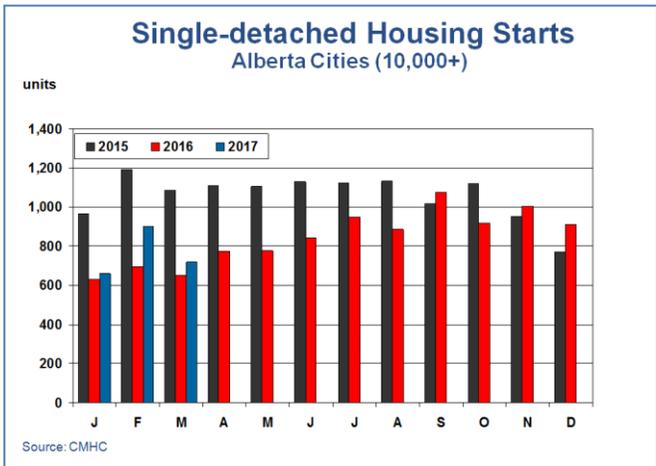
Construction intentions as measured by building permit values were off to a slow start in Alberta after two months this year due to weakness in the non-residential sector. Total permit values declined in February by 31% from a year prior to \$809.5 million. While residential building permit values in February were up 6% year-over-year to \$484 million, non-residential permit values fell by 54% from year-ago levels to \$325.5 million. For the year-to-date, residential intentions have nonetheless increased 6% in value to \$916 million.



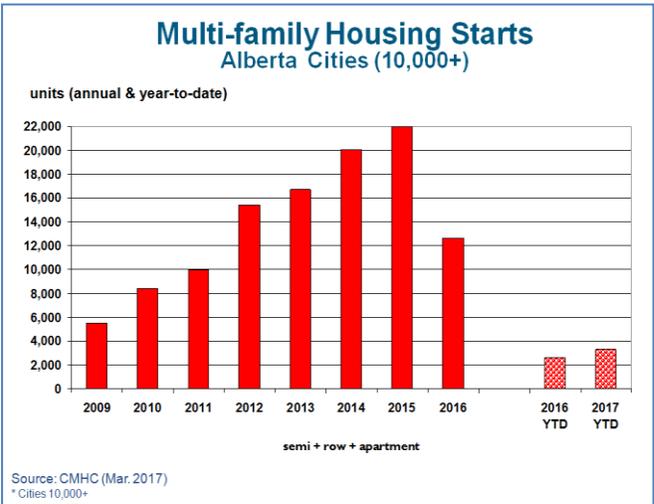
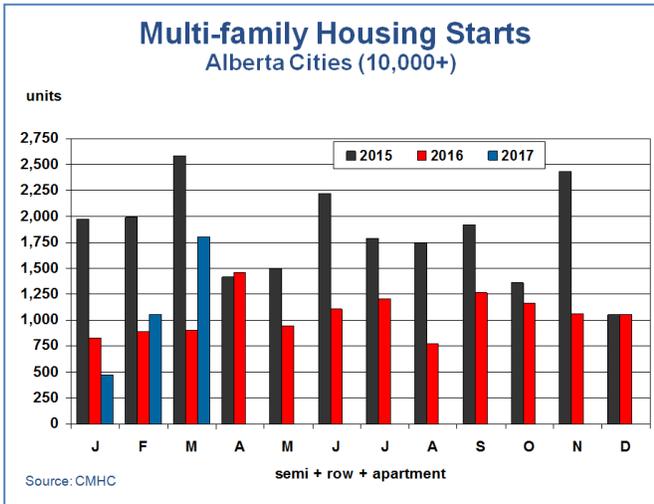
HOUSING STARTS

Total housing starts in Alberta's cities increased in March by 61.8% year-over-year to 2,520 units. Seasonally adjusted starts in urban areas surged in March to an annualized rate of 33,211 units (SAAR) from a revised rate of 24,542 units in February. To the end of March this year, total starts in cities were up by 20.7% from the first quarter of 2016 to 5,548 units.

Single-detached: Single-detached starts in urban centres increased in March by 10.6% from a year earlier to 719 units. Strong improvements were reported in Calgary, Lethbridge and Wood Buffalo. This was the fifth month in succession of year-over-year gains. So far this year, single-family starts have increased 14.4% from the first three months of last year to 2,261 units.

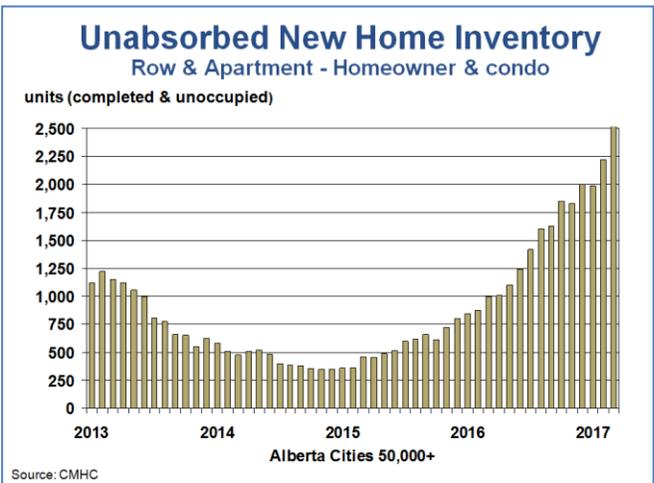
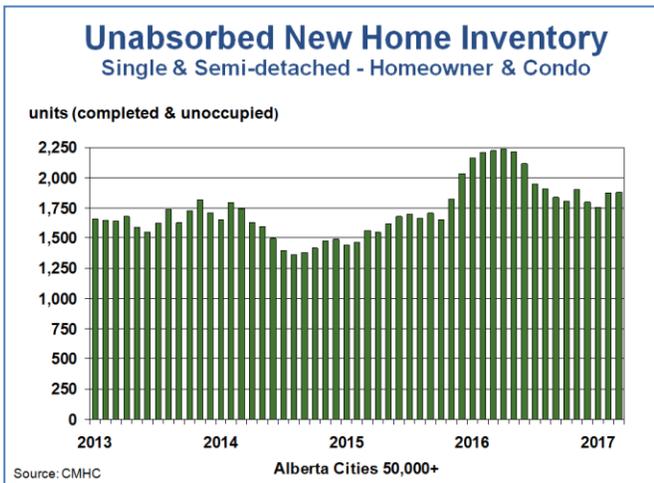


Multi-family (semi, row & apartment): Bolstered by a strong upturn in apartment activity in Calgary and Edmonton, multiple unit starts in Alberta's urban areas increased in March by almost double year-ago levels to 1,801 units. For the year-to-date, multi-family starts in cities have increased by 25.5% from January to March 2016 to 3,287 units. In view of the comparatively high levels of unsold new apartment inventory reported by CMHC in Alberta's biggest cities, this pace of activity should moderate to some extent in the months ahead.



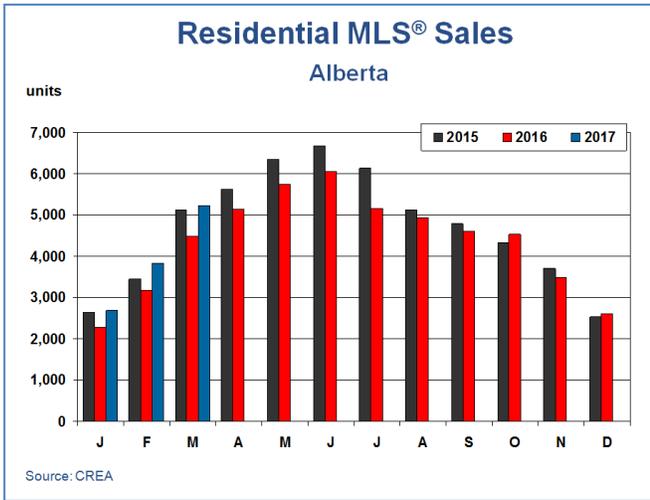
NEW HOME INVENTORY

CMHC reported 1,880 completed and unoccupied single and semi-detached dwellings (including show homes) in Alberta's major cities in March, up slightly from 1,873 units in the preceding month but down from 2,224 units in March of last year. Unabsorbed new townhomes and apartments stood at 2,517 units in March, up from 2,217 units in the previous month and 996 units a year prior. Unsold new condominium apartments in both Calgary and Edmonton regions are currently near historically high levels. Total inventory in all Alberta cities over 50,000 population was up in March by 36.6% year-over-year to 4,397 units.



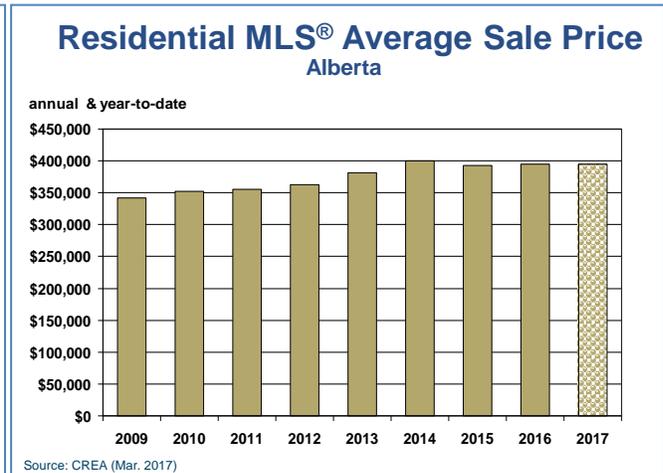
RESIDENTIAL (MLS) SALES

Residential sales reported by the Alberta Real Estate Association (AREA) increased in March by 16.8% from a year earlier to 5,232 units. CREA noted that March sales stood broadly in line with the five and 10-year averages for the month. Nationally, home sales in March were up 6.6% from a year ago. For the year-to-date, home sales by realtors have increased in Alberta by 18.3% from the levels reported in the first quarter of 2016 to 11,741 units.



RESIDENTIAL SALE PRICES

The provincial average MLS residential sale price increased in March by 3.2% year-over-year to \$404,804. The national average price, by comparison, was up in March by 8.2% to \$548,517. So far this year, the average price for homes sold on the MLS in Alberta was up by 2.3% from January to March 2016 to \$394,990.



MARKET SUMMARY	Current Month: March			YTD: March		
Alberta Cities 10,000+	2017	2016	% ch	2017	2016	% ch
Single-family starts	719	650	10.6%	2,261	1,977	14.4%
Multi-family starts	1,801	907	98.6%	3,287	2,619	25.5%
Total housing starts	2,520	1,557	61.8%	5,548	4,596	20.7%
AREA REBs (MLS)						
Residential sales	5,232	4,481	16.8%	11,741	9,928	18.3%
Residential avg. price	\$404,804	\$392,145	3.2%	\$394,990	\$386,126	2.3%
Source: CMHC/CREA						

Note to Readers

These market update reports are available monthly for the province of Alberta and its seven major cities. An expanded Alberta report is produced in January, April, July and October which examines economic trends in the previous quarter. 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.

***For more information please contact:
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