



**economic analysis** *report*



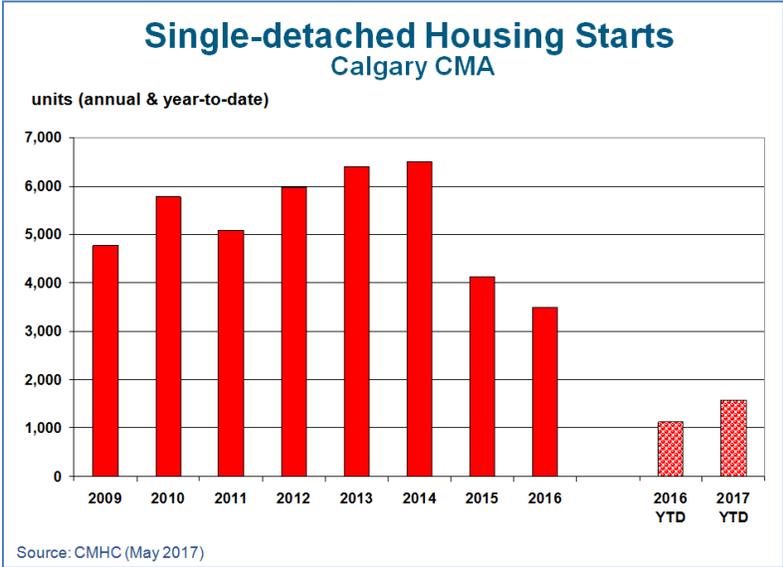
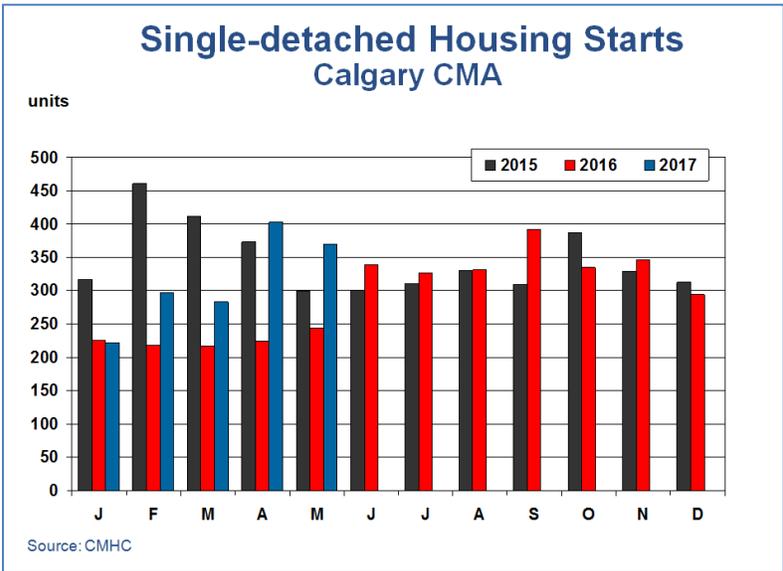
**JUNE 2017**

**CALGARY MARKET UPDATE**

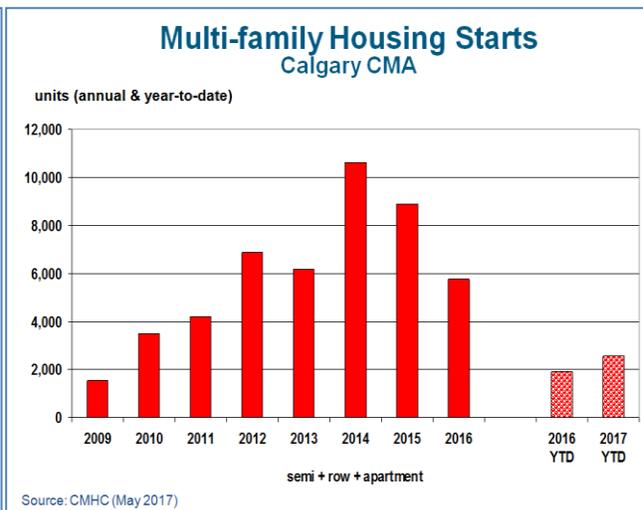
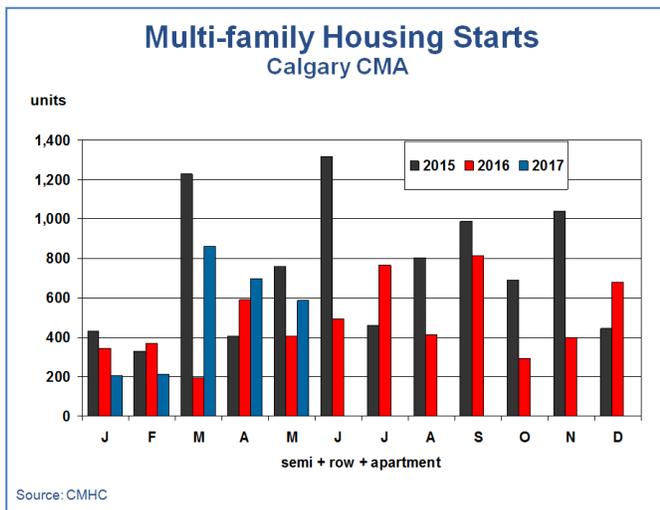
**HOUSING STARTS**

Following strong gains in March and April, total housing starts in the Calgary Census Metropolitan Area (CMA) increased in May by 47.7% from year-ago levels to 957 units. For the year-to-date, housing starts in the Calgary region have increased by 36.5% from January to May 2016 to 4,135 units.

Single-detached: Single-detached starts in the Calgary area increased in May by almost 52% year-over-year to 369 units. To the end of May this year, single-family starts in Greater Calgary have increased by 39.4% from the first five months of 2016 to 1,571 units.

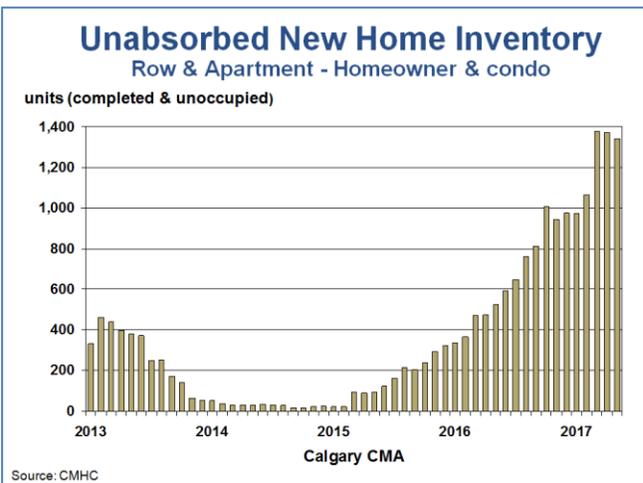
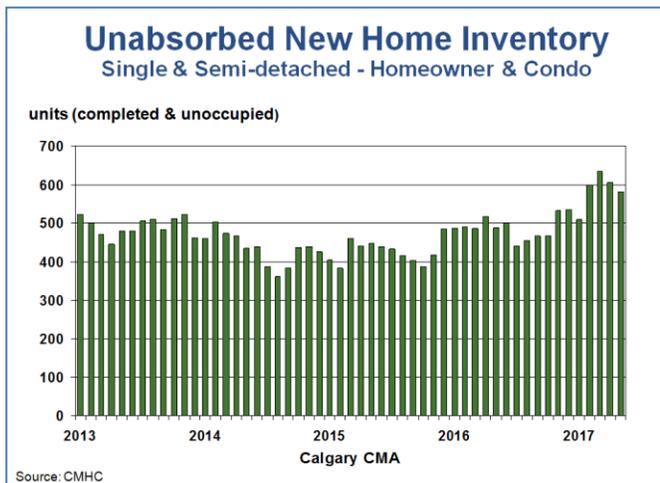


**Multi-family (semi, row & apartment):** Multi-family starts in Metro Calgary increased in May by 45.2% from a year earlier to 588 units. Similar to the previous month, all three multi-unit dwelling types were up over May 2016. So far this year, multiple unit starts have increased 34.7% from this time during 2016 to 2,564 units.



### NEW HOME INVENTORY

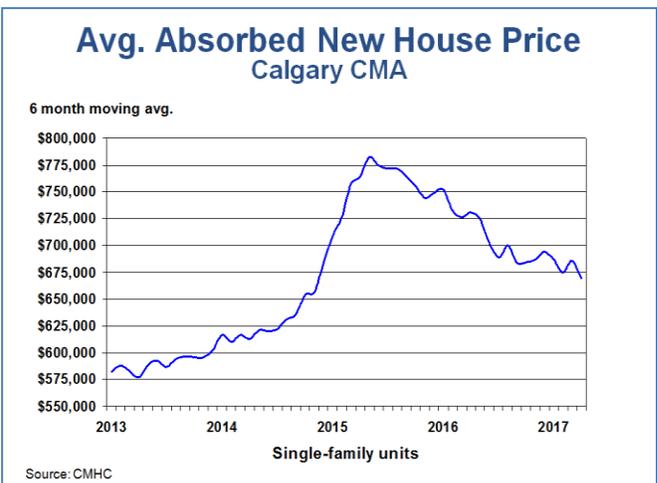
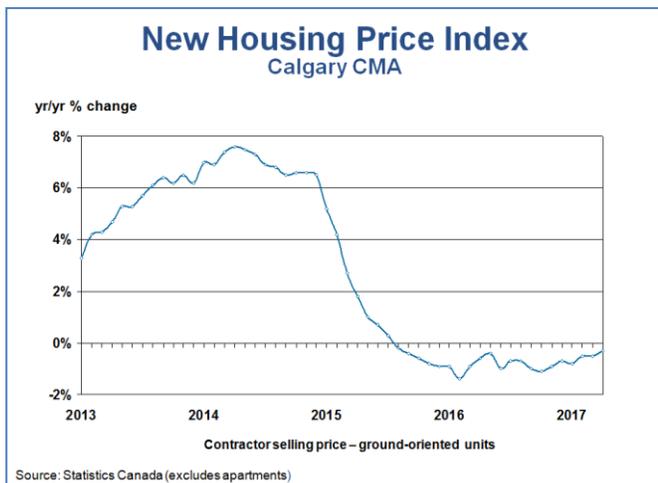
CMHC tallied 581 completed and unoccupied single and semi-detached dwellings (including show homes) within the Calgary CMA in May, down from 606 in the preceding month but up from 488 units a year ago. Unabsorbed new townhomes and apartments amounted to 1,342 units in May, down from 1,373 units in April but up from 526 units in May 2016.



### NEW HOUSE PRICES

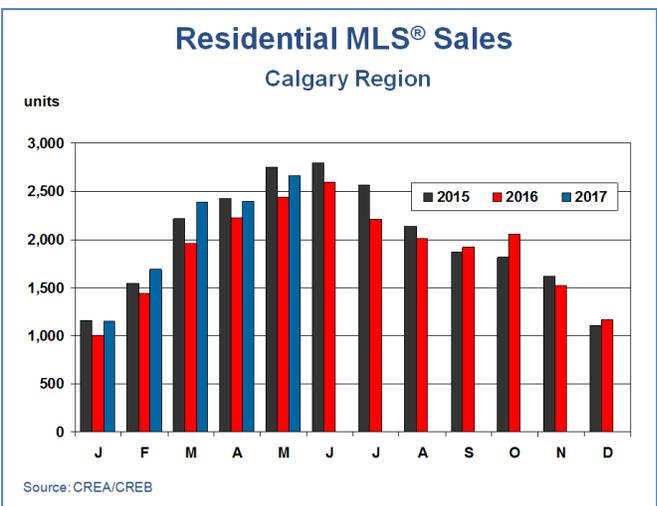
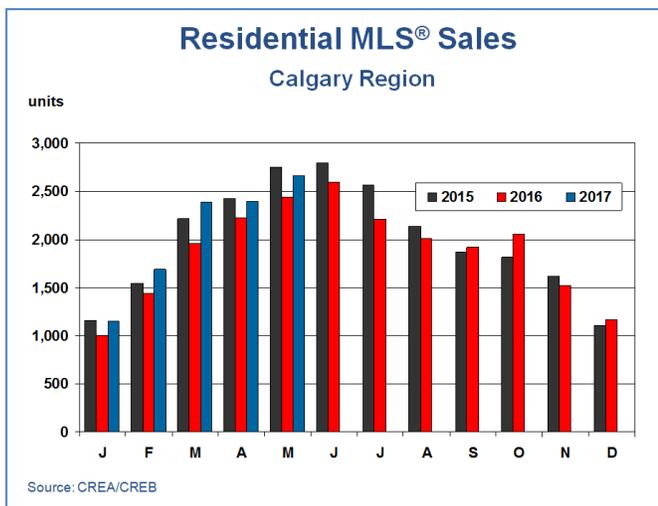
Statistics Canada's new housing price index (NHPI) for Calgary CMA decreased in April by 0.3% year-over-year. During the first four months of 2017, this index of contractor selling prices for ground-oriented units decreased on average by 0.5% compared with the average for January to April 2016.

CMHC's average absorbed new single-family house price for the Calgary region edged lower in April by 0.9% from the same month in 2016 to \$653,831. To the end of April this year, the average single-family house price declined by 7.3% from January to April 2016 to \$667,716. The proportion of homes selling for under \$750,000 was up compared with this time in 2016.



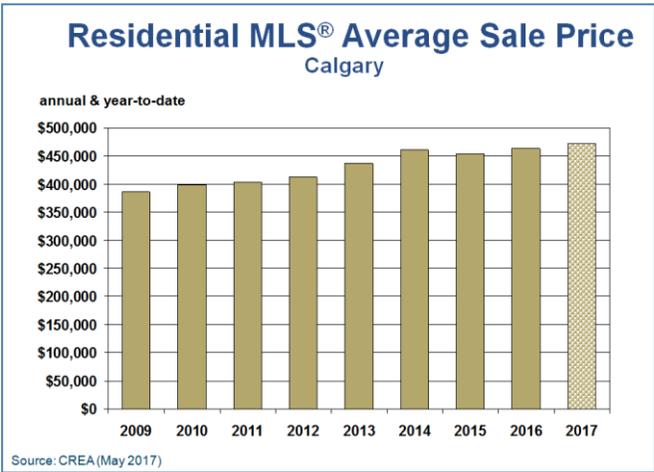
### RESIDENTIAL (MLS) SALES

Residential sales in the Calgary MLS region increased in May by 9% from a year prior to 2,657 units. This was the best month for realtors since June 2015. For the year-to-date, sales have increased by 13.5% from January to May 2016 to 10,270 units.



### RESIDENTIAL (MLS) SALE PRICES

The average residential MLS sale price in the Calgary area increased in May by 1.8% year-over-year to \$485,444. CREB noted that more balanced conditions in Calgary's detached sector are supporting overall price gains. So far this year, the average sale price has increased by 2.8% from the first five months of 2016 to \$472,915.



MARKET SUMMARY	Current Month: May			YTD: May		
	2017	2016	% ch	2017	2016	% ch
<b>Calgary CMA</b>						
Single-family starts	369	243	51.9%	1,571	1,127	39.4%
Multi-family starts	588	405	45.2%	2,564	1,903	34.7%
Total housing starts	957	648	47.7%	4,135	3,030	36.5%
<b>Calgary REB (MLS)</b>						
Residential sales	2,657	2,438	9.0%	10,270	9,052	13.5%
Residential avg. price	\$485,444	\$476,886	1.8%	\$472,915	\$460,196	2.8%
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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