



economic analysis *report*

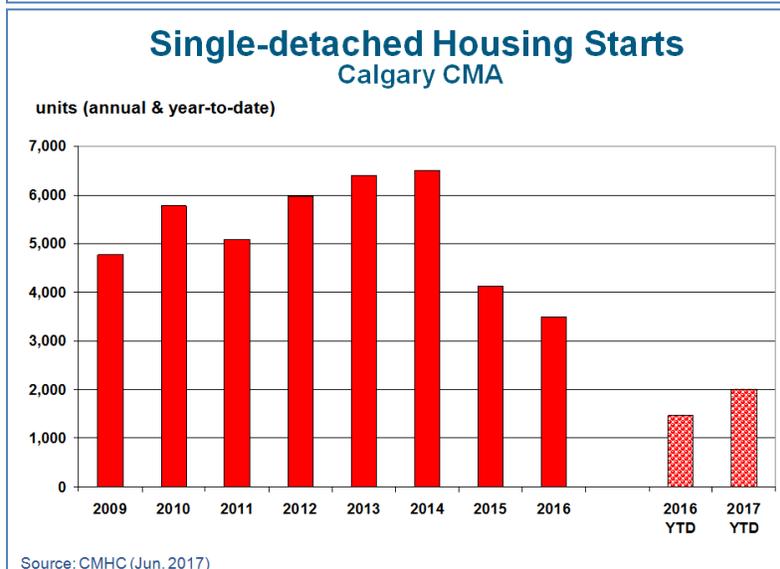
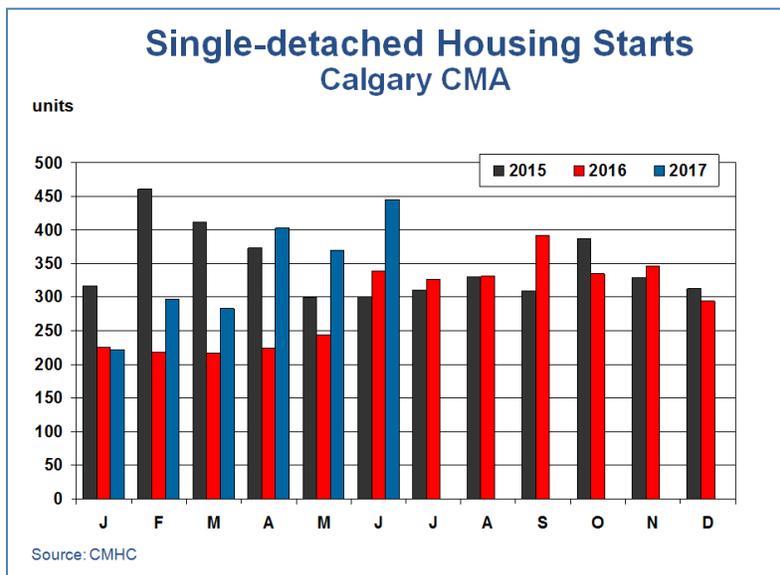
JULY-AUGUST 2017

CALGARY MARKET UPDATE

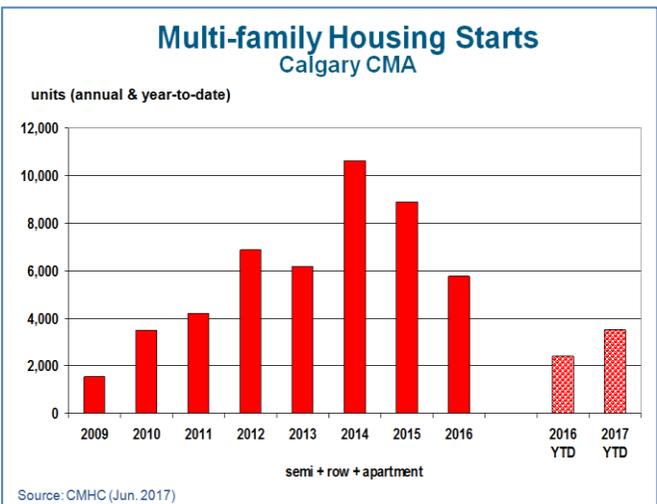
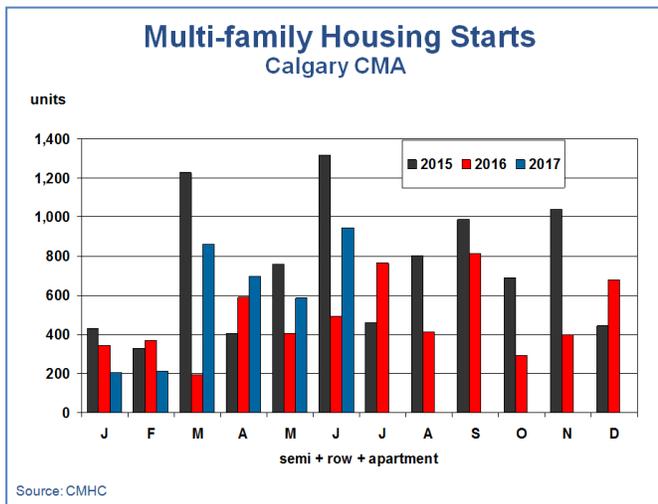
HOUSING STARTS

Total housing starts in the Calgary Census Metropolitan Area (CMA) increased in June by 67.5% year-over-year to 1,390 units. So far this year, housing starts in the Calgary region have increased by more than 43% from the first half of 2016 to 5,525 units.

Single-detached: Single-detached starts in the Calgary area increased in June by 31.3% from a year prior to 445 units. This was the best month for single-family builders since February 2015. For the year-to-date, single-family starts in Metro Calgary have increased by 37.5% from January to June 2016 to 2,016 units.

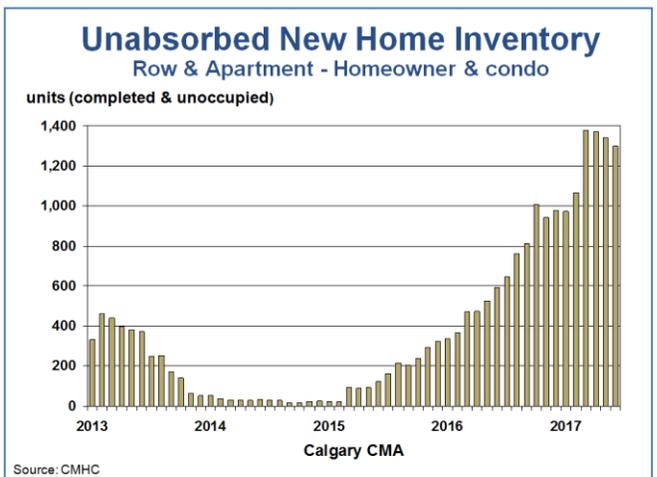
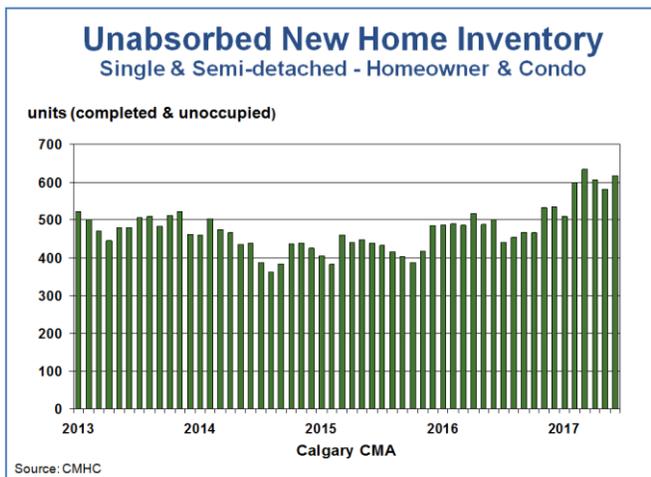


Multi-family (semi, row & apartment): Multi-family starts in Greater Calgary surged in June by 92.5% from a year ago to 945 units. All three unit types were up from June 2016, especially apartments. This was the fourth consecutive month of sizable year-over-year gains for multi-family builders. Midway through 2017, multiple unit starts have increased 46.6% from the first six months of 2016 to 3,509 units.



NEW HOME INVENTORY

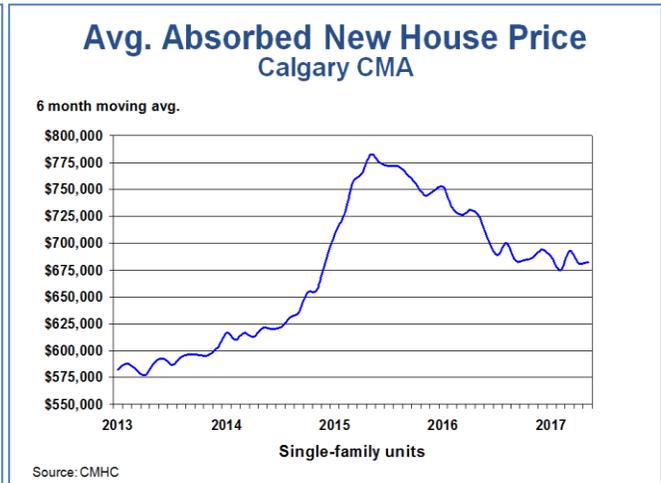
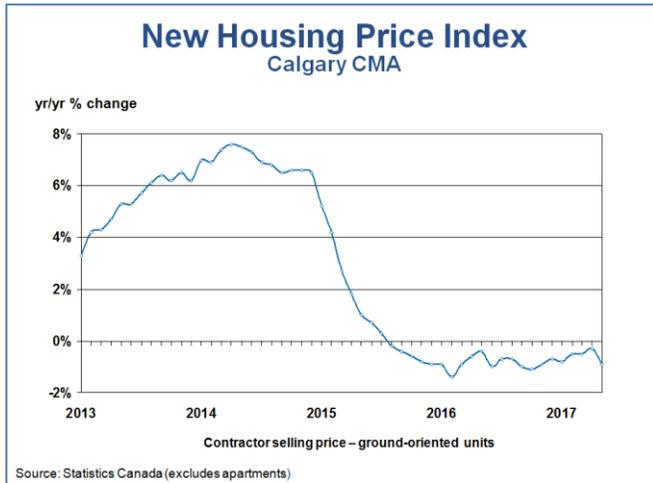
There were 617 completed and unoccupied single and semi-detached dwellings (including show homes) tallied by CMHC in the Calgary CMA in June, up from 581 in May and 501 units a year earlier. Unabsorbed new townhomes and apartments stood at 1,300 units in June, down from 1,342 units in the preceding month but up from 591 units in June 2016.



NEW HOUSE PRICES

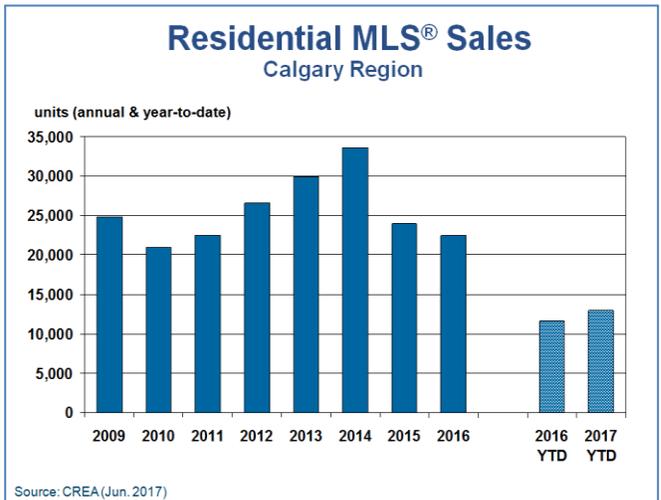
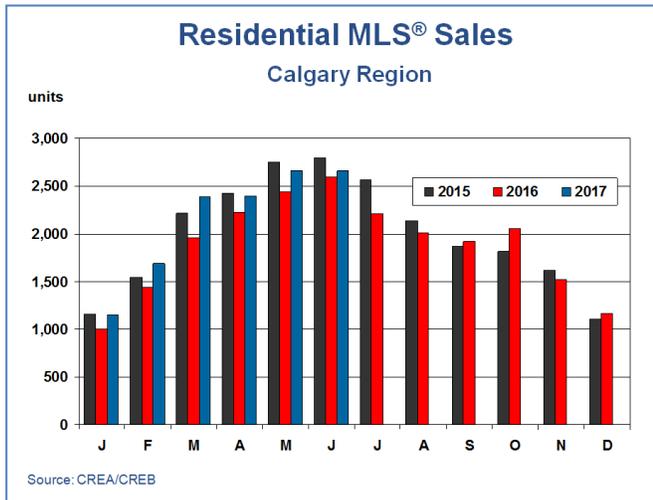
Statistics Canada's new housing price index (NHPI) for Calgary CMA decreased in May by 0.9% from a year earlier. After five months in 2017, this index of contractor selling prices for ground-oriented units was down on average by 0.6% compared with the average for January to May 2016.

The average absorbed new single-family house price for the Calgary CMA increased in May by 1% year-over-year to \$727,863. To the end of May this year, the average single-family house price reported by CMHC had decreased by 5.6% from the first five months of 2016 to \$679,683.



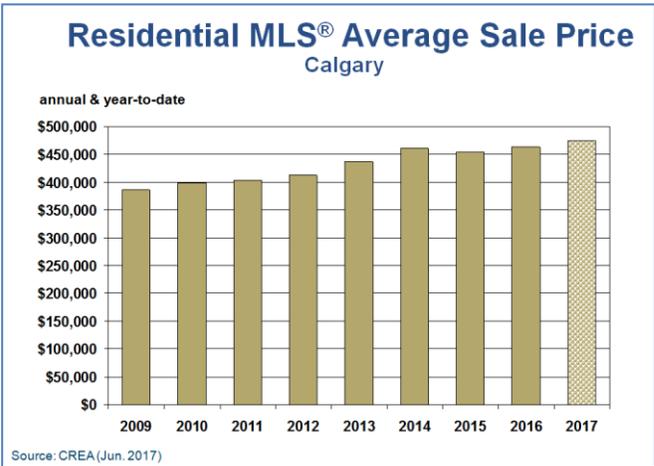
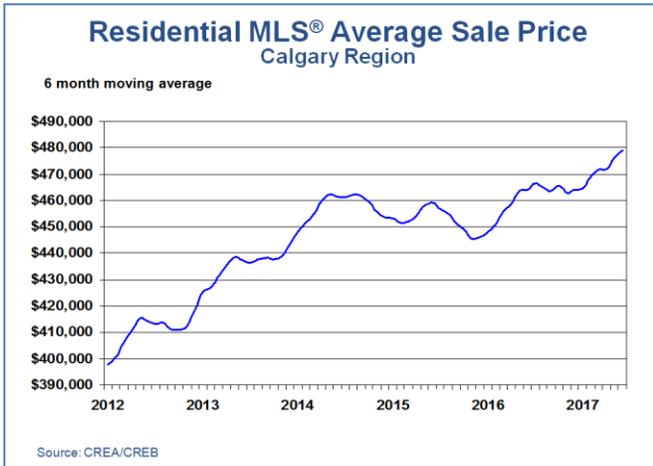
RESIDENTIAL (MLS) SALES

Residential sales in the Calgary MLS region increased in June by 2.7% year-over-year to 2,659 units. So far this year, sales by realtors have increased by over 11% from the first six months of 2016 to 12,929 units.



RESIDENTIAL (MLS) SALE PRICES

The average residential MLS sale price in the Calgary area increased in June by 3.5% from a year prior to \$483,106. CREB noted that while the detached sector is experiencing balanced conditions and moderate price growth, the apartment segment of the market continues to face high inventory challenges. For the year-to-date, the average sale price has increased by almost 3% from January to June 2016 to \$475,010.



MARKET SUMMARY	Current Month: June			YTD: June		
	2017	2016	% ch	2017	2016	% ch
Calgary CMA						
Single-family starts	445	339	31.3%	2,016	1,466	37.5%
Multi-family starts	945	491	92.5%	3,509	2,394	46.6%
Total housing starts	1,390	830	67.5%	5,525	3,860	43.1%
Calgary REB (MLS)						
Residential sales	2,659	2,589	2.7%	12,929	11,641	11.1%
Residential avg. price	\$483,106	\$466,717	3.5%	\$475,010	\$461,646	2.9%
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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