

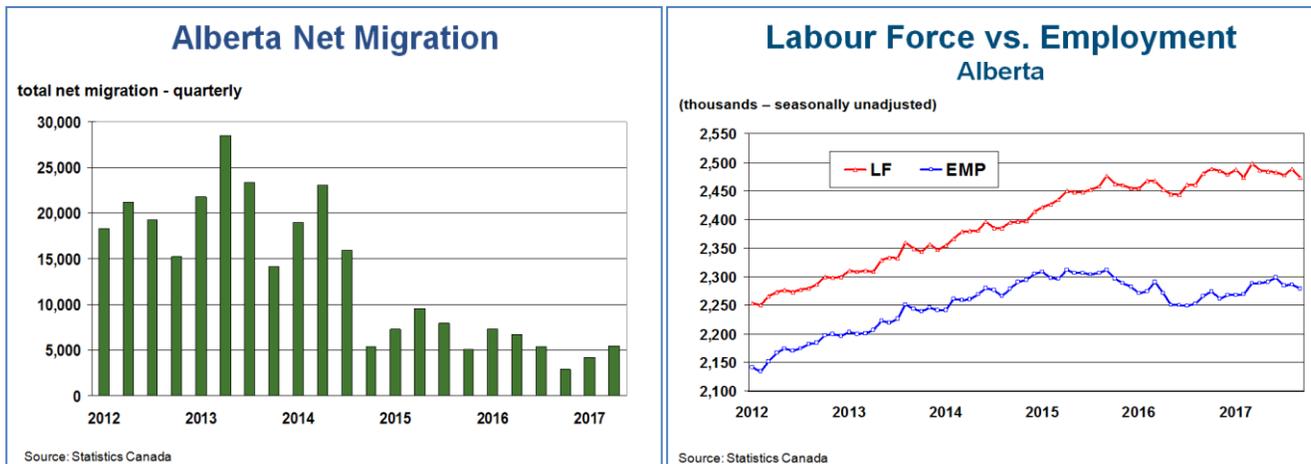


ALBERTA ECONOMIC & MARKET UPDATE

ECONOMIC INDICATORS

Continued net losses of interprovincial migrants slowed population growth in Alberta during the second quarter. The province failed to exceed the national average growth rate with the lowest year-over-year second quarter increase since 1988.

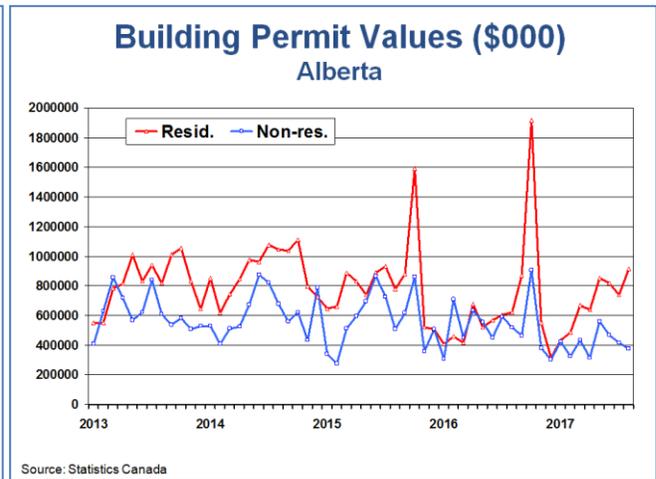
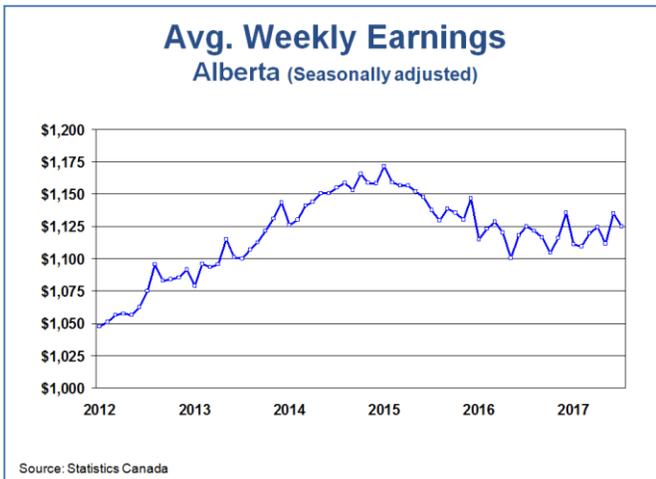
Alberta witnessed a net gain of 5,486 persons from all sources of migration during the second quarter, down 18.3% from the net number of newcomers entering the province during April to June 2016. This was the lowest second quarter net migration since 1995. Outflows to other provinces and a continued reduction in the number of non-permanent residents were offset by positive net migration from outside of Canada. During the first half of 2017, the province saw a decline in total net migration of over 30% from the first six months of 2016.



After modest gains in August, Alberta's labour market faced some headwinds in September. Employment (seasonally adjusted) in September decreased month-over-month by 7,800 persons from August. The number of people working in September was nonetheless up year-over-year by 0.6% representing a net gain of 13,300 jobs from a year ago. On average there were 19,800 more people working during the first nine months of this year compared with January to September 2016.

Alberta's jobless rate averaged 7.9% during the third quarter, up marginally from the average level of 7.8% in the previous three months but down from the 8.6% average unemployment rate in July through September 2016. While the number of EI recipients across the province has been trending downward, the relatively slow improvement in the jobless rate is containing wage growth. To the end of July this year, Statistics Canada's average weekly earnings (AWE – seasonally adjusted) in Alberta were largely unchanged from the first seven months of 2016 and construction union wage rates in both Calgary and Edmonton have remained constant over the past year.

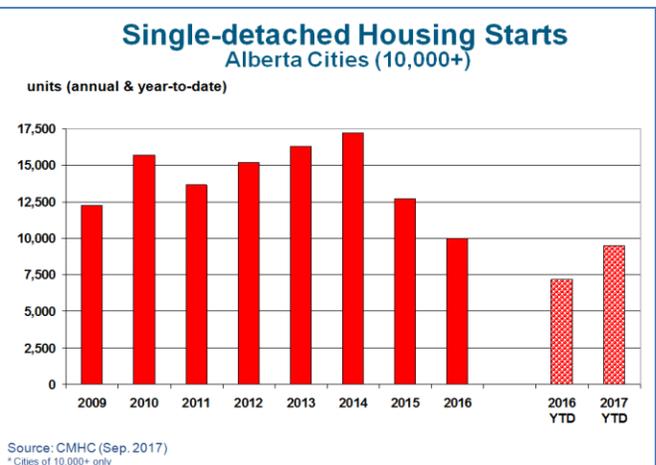
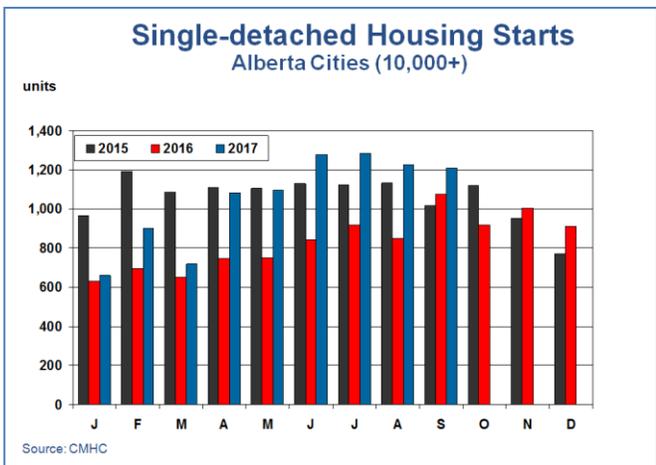
After eight months in 2017, construction intentions across Alberta, as measured by building permit values, were up by 4% from January to August 2016 to \$8.87 billion. A 30% gain in the value of residential permits to the end of August helped to offset a 21% decline in non-residential intentions.



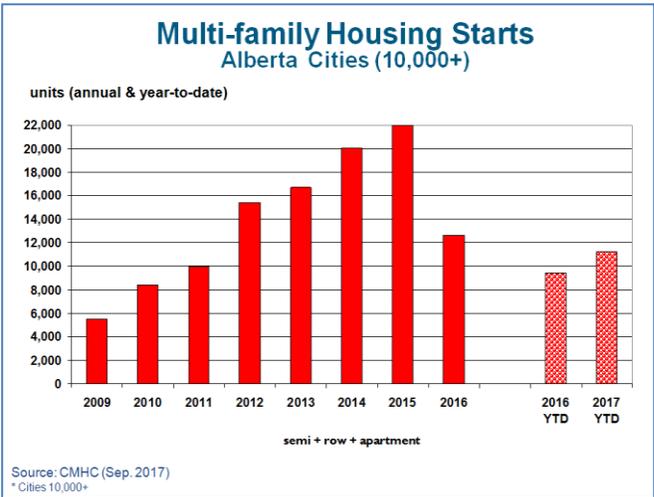
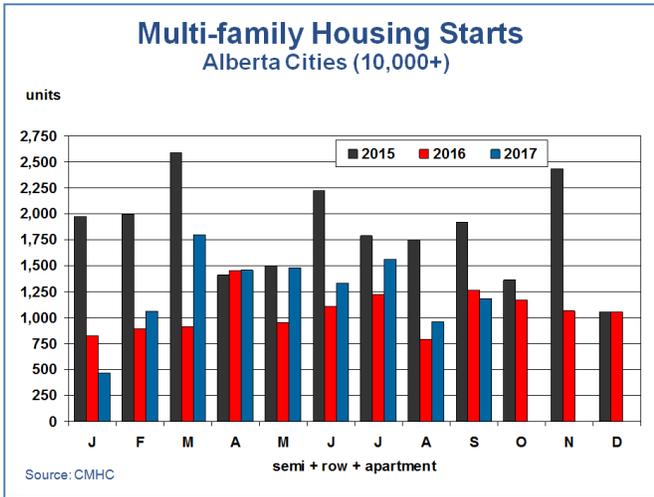
HOUSING STARTS

Total housing starts in Alberta's cities of 10,000+ increased in September by 2.3% from a year ago to 2,393 units. On a seasonally adjusted basis, starts in urban areas increased in September to an annualized rate of 27,683 units (SAAR) from a revised rate of 24,454 units in August. So far this year, total starts have increased by 25.2% from the levels reported after three quarters in 2016 to 20,733 units.

Single-detached: Single-detached starts in urban centres increased in September by 12.5% year-over-year to 1,209 units. Stronger numbers in Calgary Region, Medicine Hat, Red Deer and Wood Buffalo offset reductions in Greater Edmonton, Lethbridge and Grande Prairie. For the year-to-date, single-family starts have increased by 32.7% from January to September 2016 to 9,495 units.

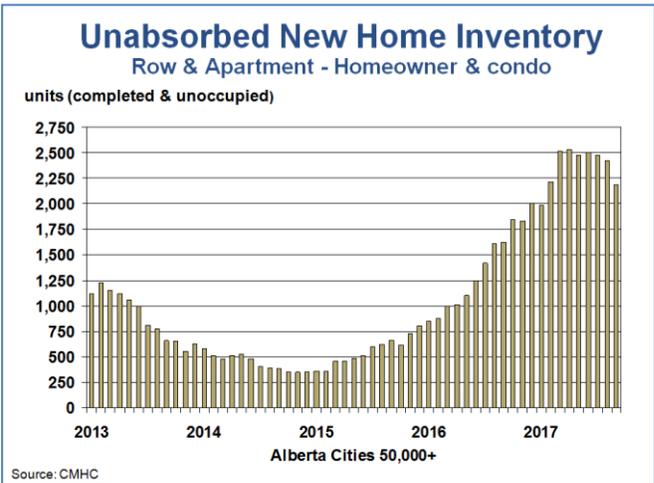
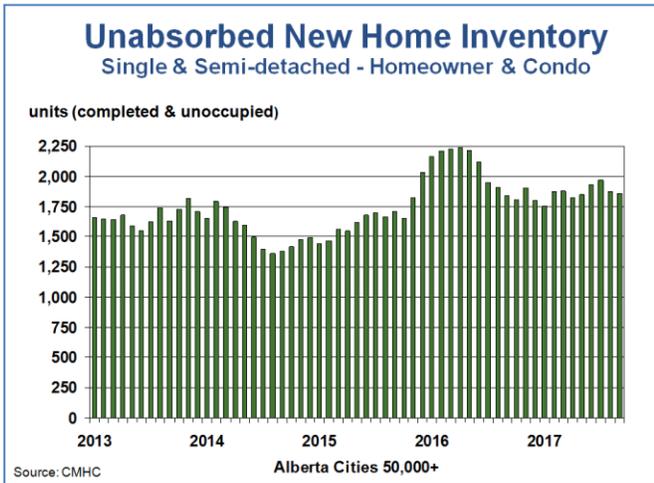


Multi-family (semi, row & apartment): Multiple unit starts in Alberta's cities decreased in September by 6.3% from a year prior to 1,184 units. After nine months this year, multi-family starts have increased by 19.5% from the same time in 2016 to 11,238 units.



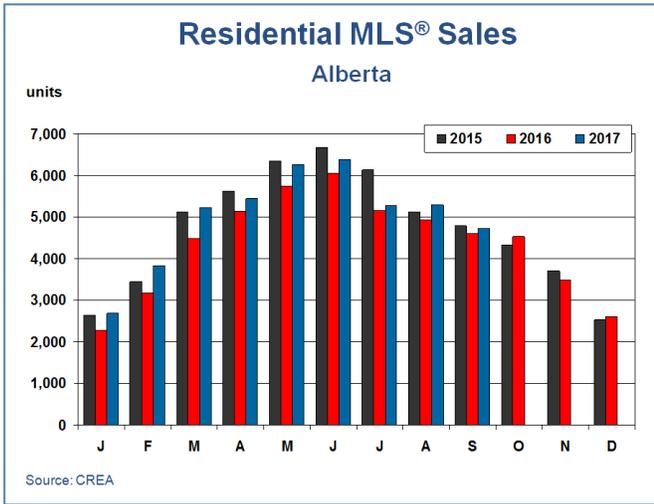
NEW HOME INVENTORY

There were 1,856 completed and unoccupied single and semi-detached dwellings (including show homes) reported by CMHC in Alberta's urban areas in September, down from 1,875 units in the preceding month but up from 1,840 units in September 2016. Unabsorbed new townhomes and apartments amounted to 2,183 units in September, down from 2,421 units in August but up from 1,624 units a year earlier. Total inventory, while down from August, was up in September by 16.6% year-over-year to 4,039 units.



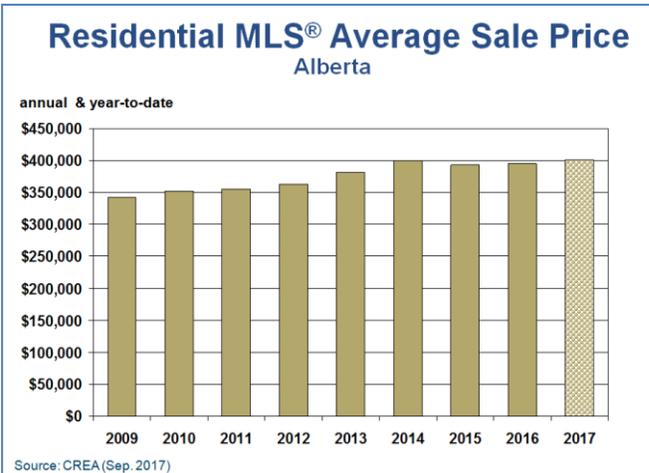
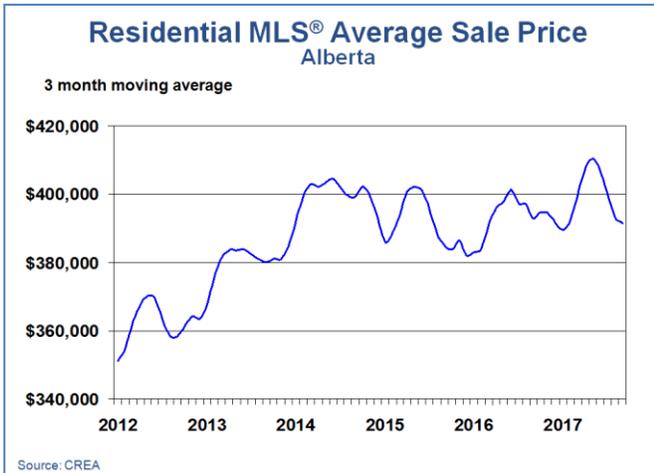
RESIDENTIAL (MLS) SALES

Residential sales reported by the Alberta Real Estate Association (AREA) increased in September by 2.5% year-over-year to 4,727 units. Nationally, MLS sales were down 11% from year-ago levels. So far this year, MLS sales in Alberta were up by 8.8% from the first nine months of 2016 to 45,184 units.



RESIDENTIAL SALE PRICES

The provincial average MLS residential sale price declined in September by 1.6% from a year earlier to \$390,485. The national average price increased by 2.8% year-over-year in September to \$487,095. For the year-to-date, the average sale price for homes sold by realtors in Alberta has increased by 1.4% from January to September 2016 to \$400,428.



MARKET SUMMARY	Current Month: September			YTD: September		
Alberta Cities 10,000+	2017	2016	% ch	2017	2016	% ch
Single-family starts	1,209	1,075	12.5%	9,495	7,157	32.7%
Multi-family starts	1,184	1,264	-6.3%	11,238	9,404	19.5%
Total housing starts	2,393	2,339	2.3%	20,733	16,561	25.2%
AREA REBs (MLS)						
Residential sales	4,727	4,611	2.5%	45,184	41,546	8.8%
Residential avg. price	\$390,485	\$396,646	-1.6%	\$400,428	\$394,730	1.4%
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 defines a housing “start” as the beginning of construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure. Construction has to be on a new foundation to be counted as a housing start. If a dwelling is built on an existing foundation, it is considered a renovation regardless of the extent of new construction.

The survey of unsold new home inventory from CMHC 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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