

EDMONTON REAL ESTATE FORUM

Session A2: 10:20am

WELCOME TO EDMONTON: THE IMPACT OF POPULATION GROWTH ON THE HOUSING MARKET



- **Moderator:** Brad Gingerich, Senior Vice President, CBRE Limited
- **Panel:**
- Bill Blais, Vice President Land Development, Maclab Enterprises
- Christina Butchart, Senior Market Analyst, CMHC
- Rohit Gupta, President, Rohit Communities
- Michael Smith, Senior Vice President, Multi Family, WAM Development Group

2014 Edmonton Real Estate Forum

May 8, 2014

Edmonton Economic and Housing Market Outlook

Christina Butchart, Senior Market Analyst



Housing market intelligence you can count on

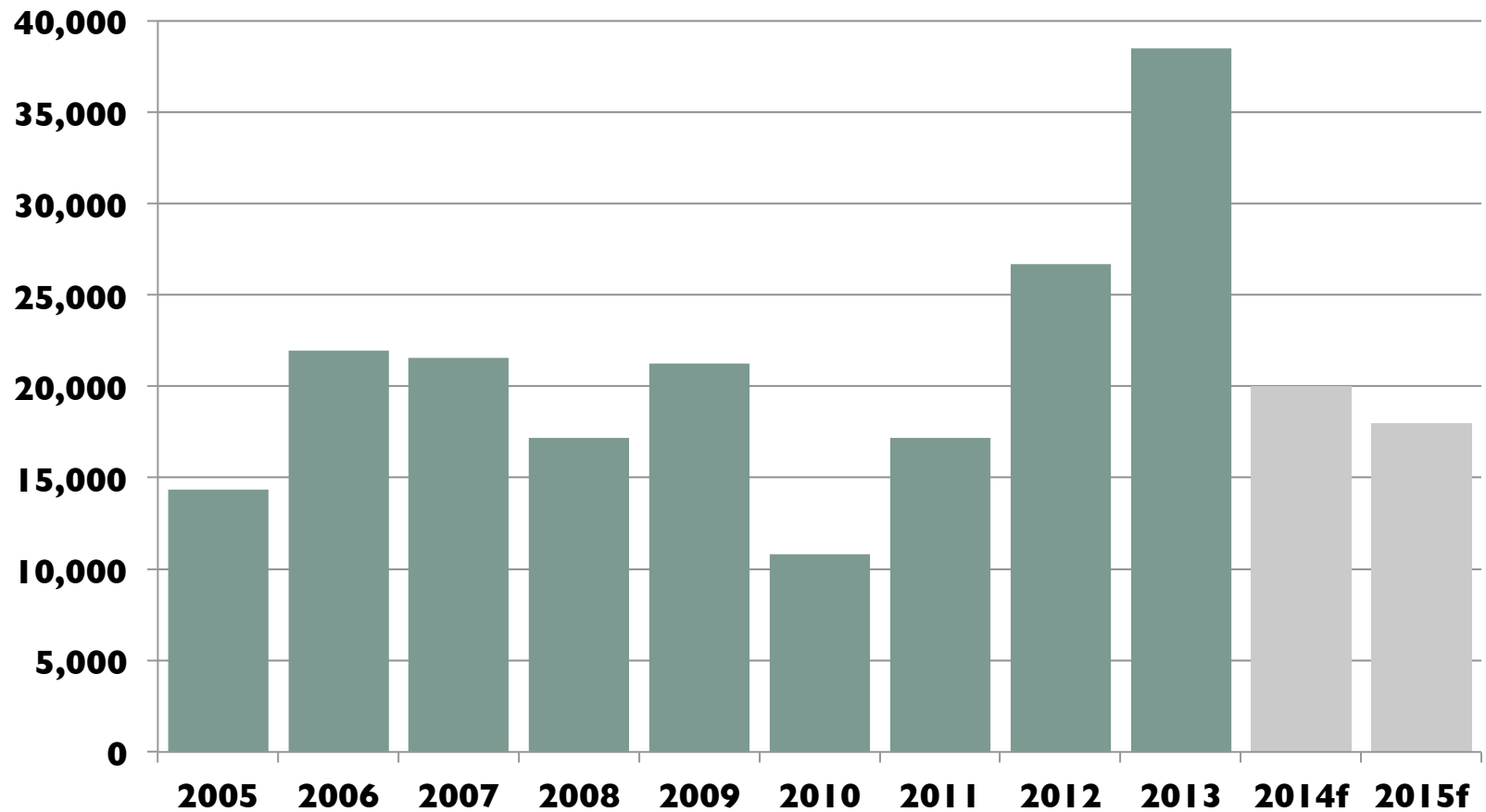
- **Economic Outlook**
 - New Single-family Market**
 - New Multi-family Market**
 - Rental Market**



Edmonton CMA Net Migration

Net migration boosts housing demand

- net migration

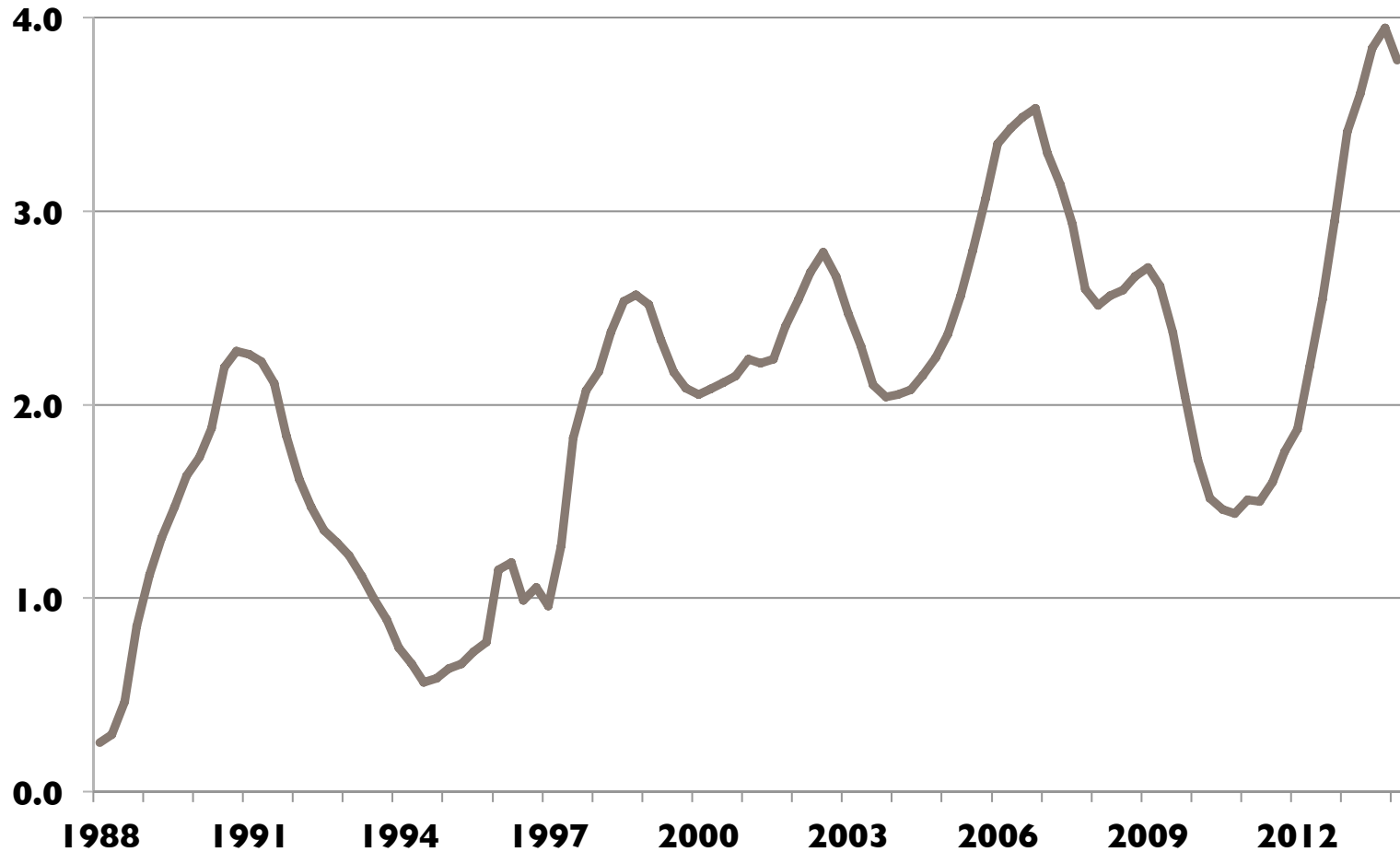


Source: Statistics Canada, July to June, CMHC Forecast (f)

Edmonton CMA Population Growth

Net migration fuelling higher population growth

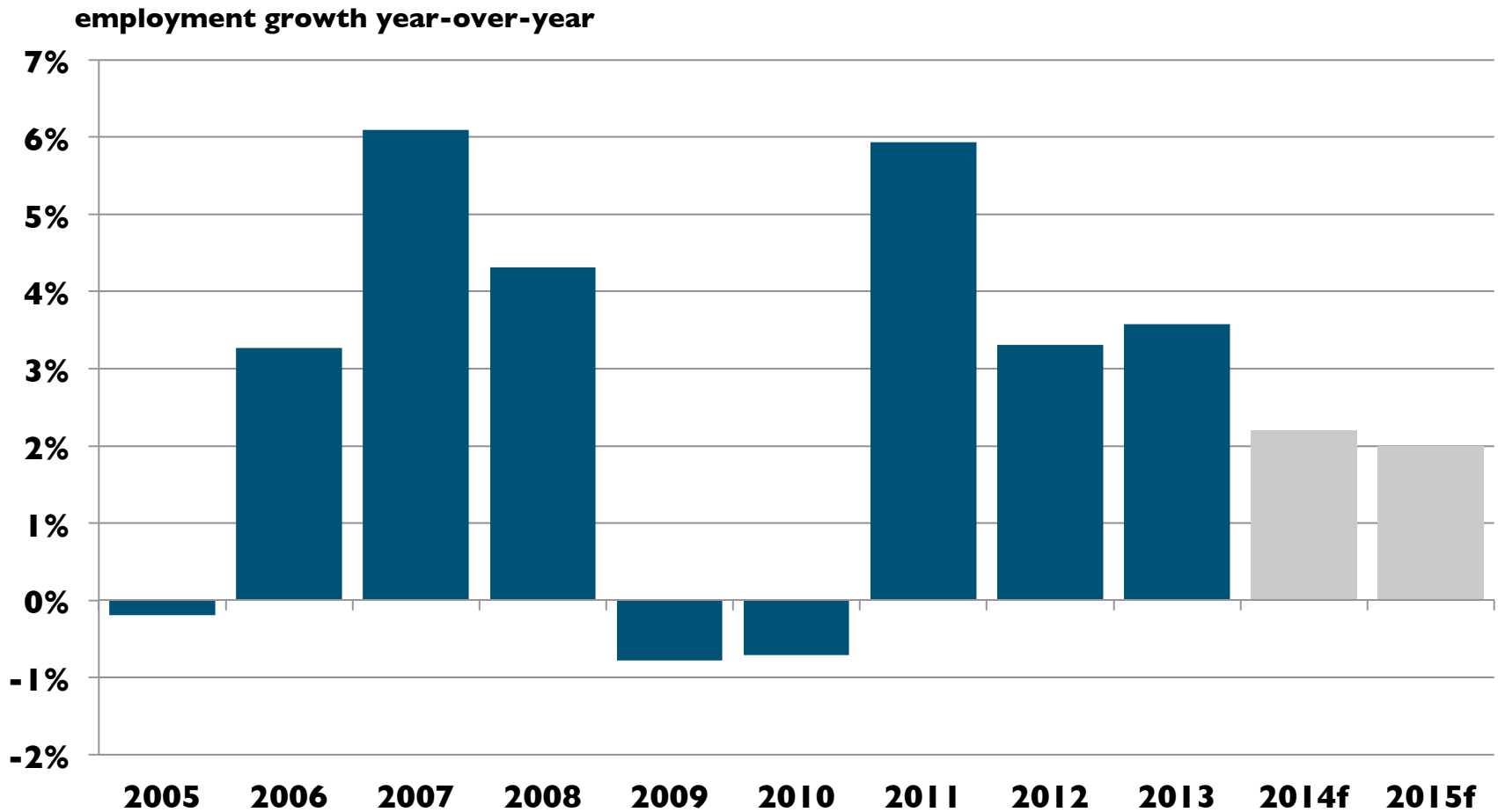
year-over-year per cent growth



Source: Statistics Canada

Edmonton CMA Employment Growth

Employment to increase in 2014 and 2015



Source: Statistics Canada, CMHC Forecast (f)

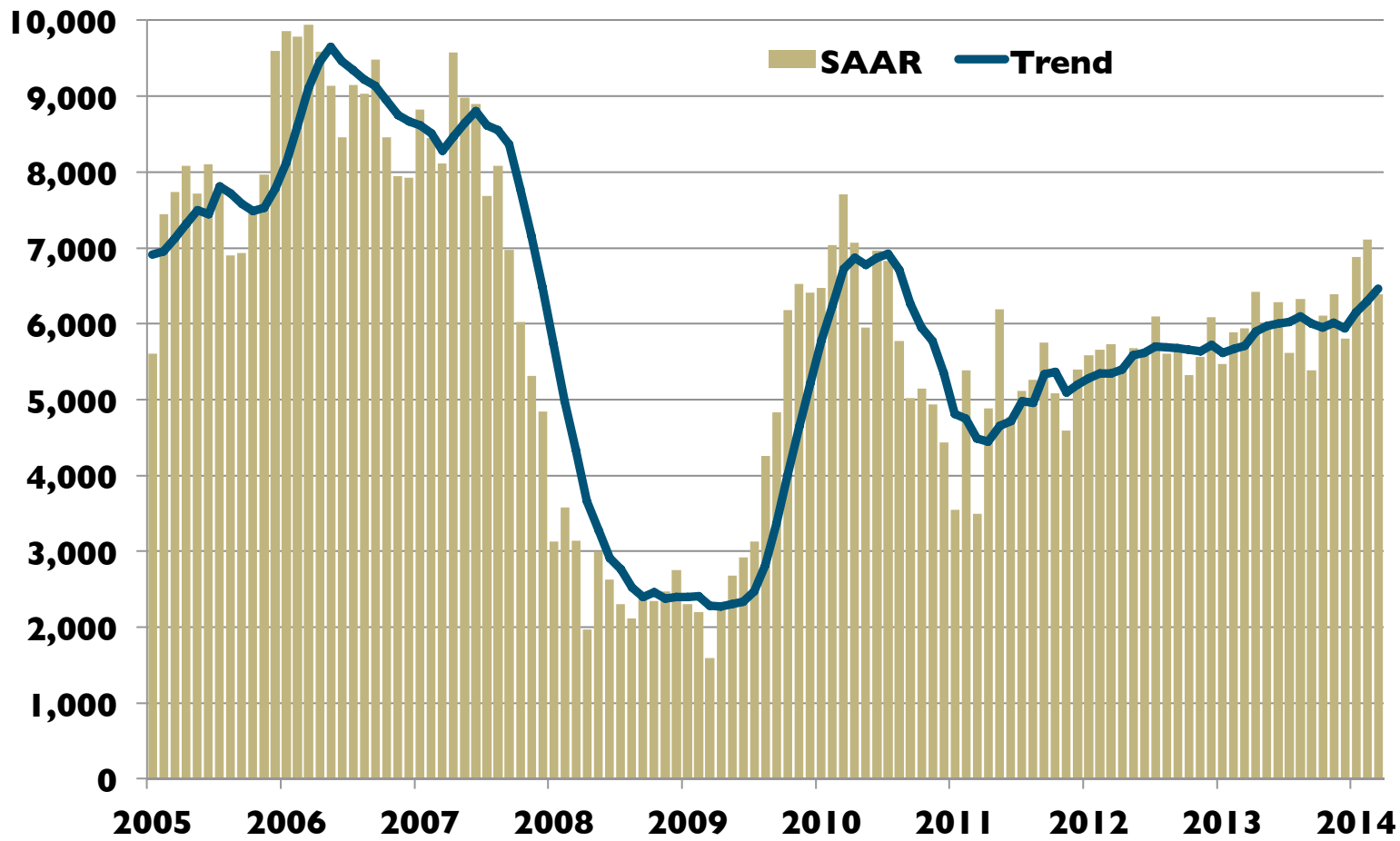
Edmonton's New Single-Detached Market



Housing market intelligence you can count on

Edmonton CMA Single-detached Starts *New construction* *trending upward in Edmonton*

units

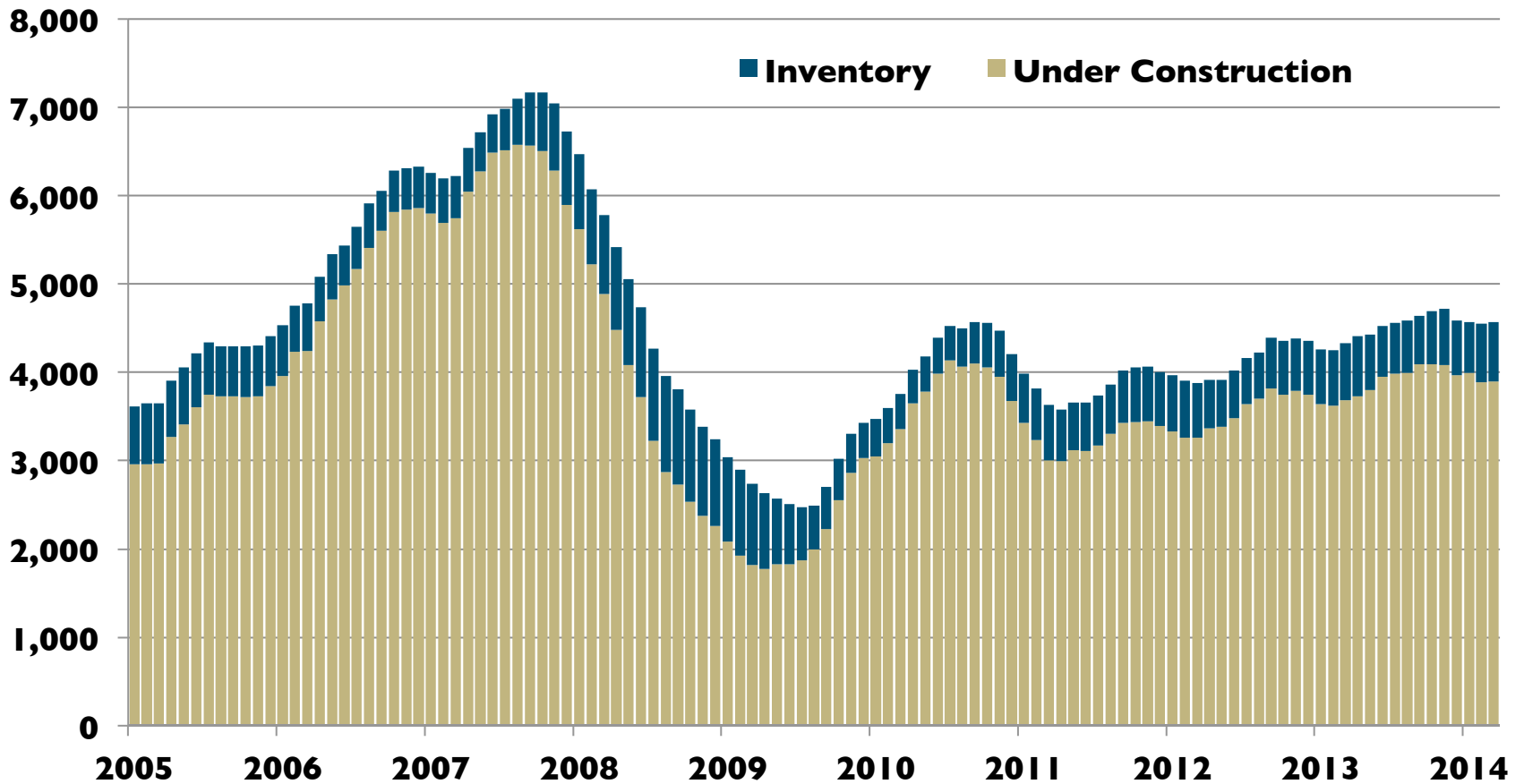


Source: CMHC, SAAR (Seasonally Adjusted Annualized Rate)

Edmonton CMA Single-detached Supply

Supply gradually trending higher

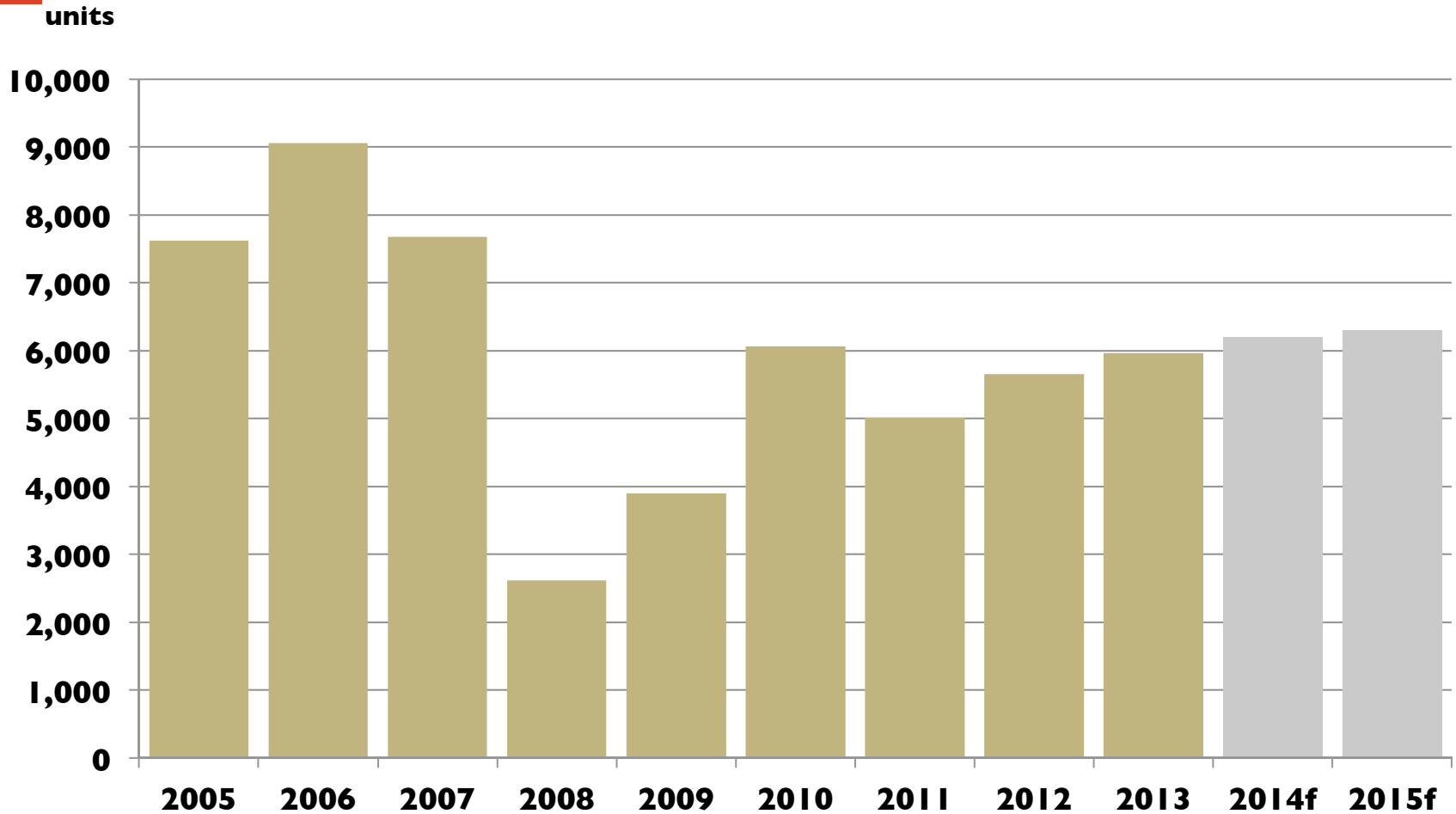
complete and unabsorbed plus units under construction



Source: CMHC

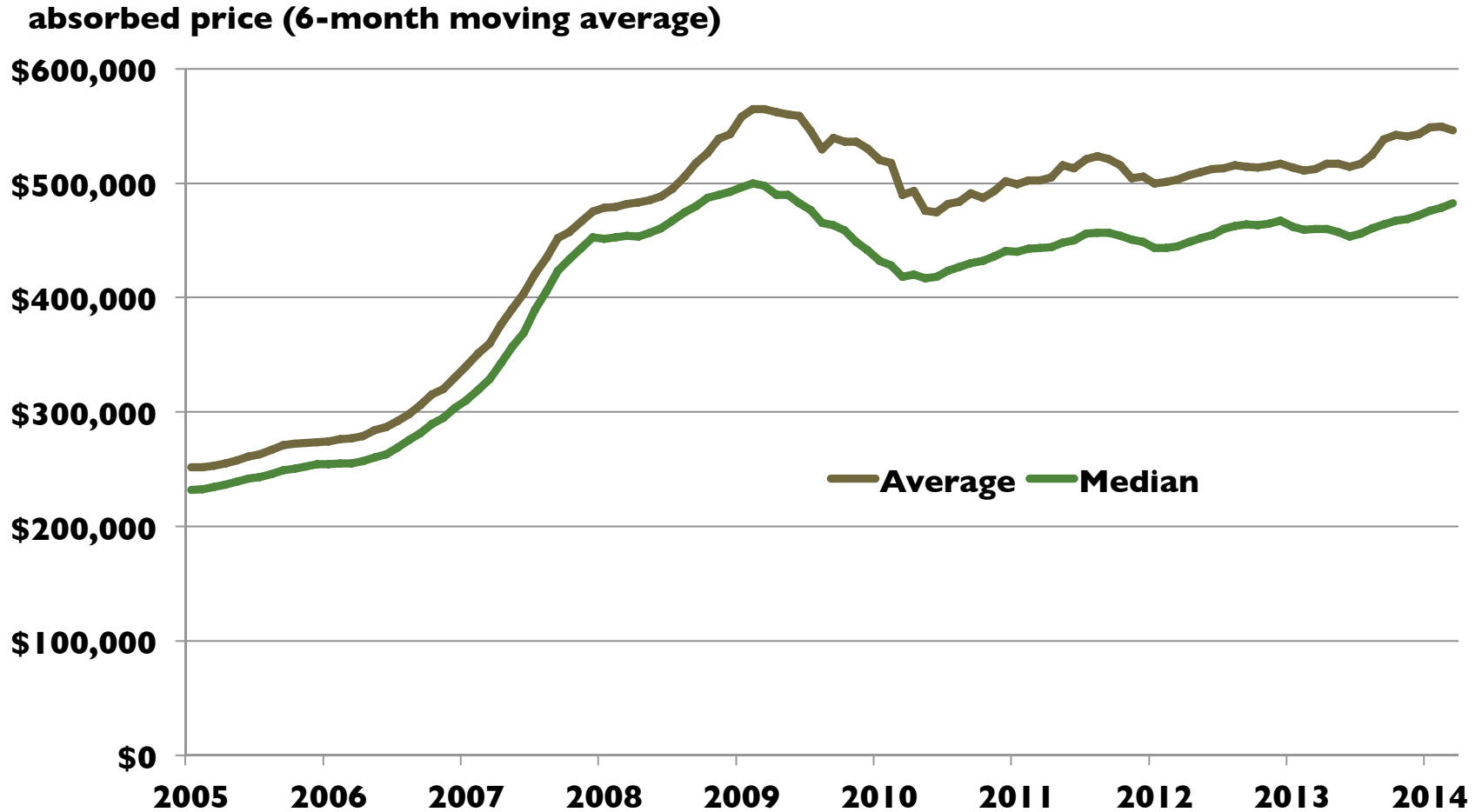
Edmonton CMA Single-detached Starts

Continued growth in single-detached construction in 2014



Edmonton CMA Single-detached Price

Absorbed prices starting to move higher



Edmonton's New Multi-family Market

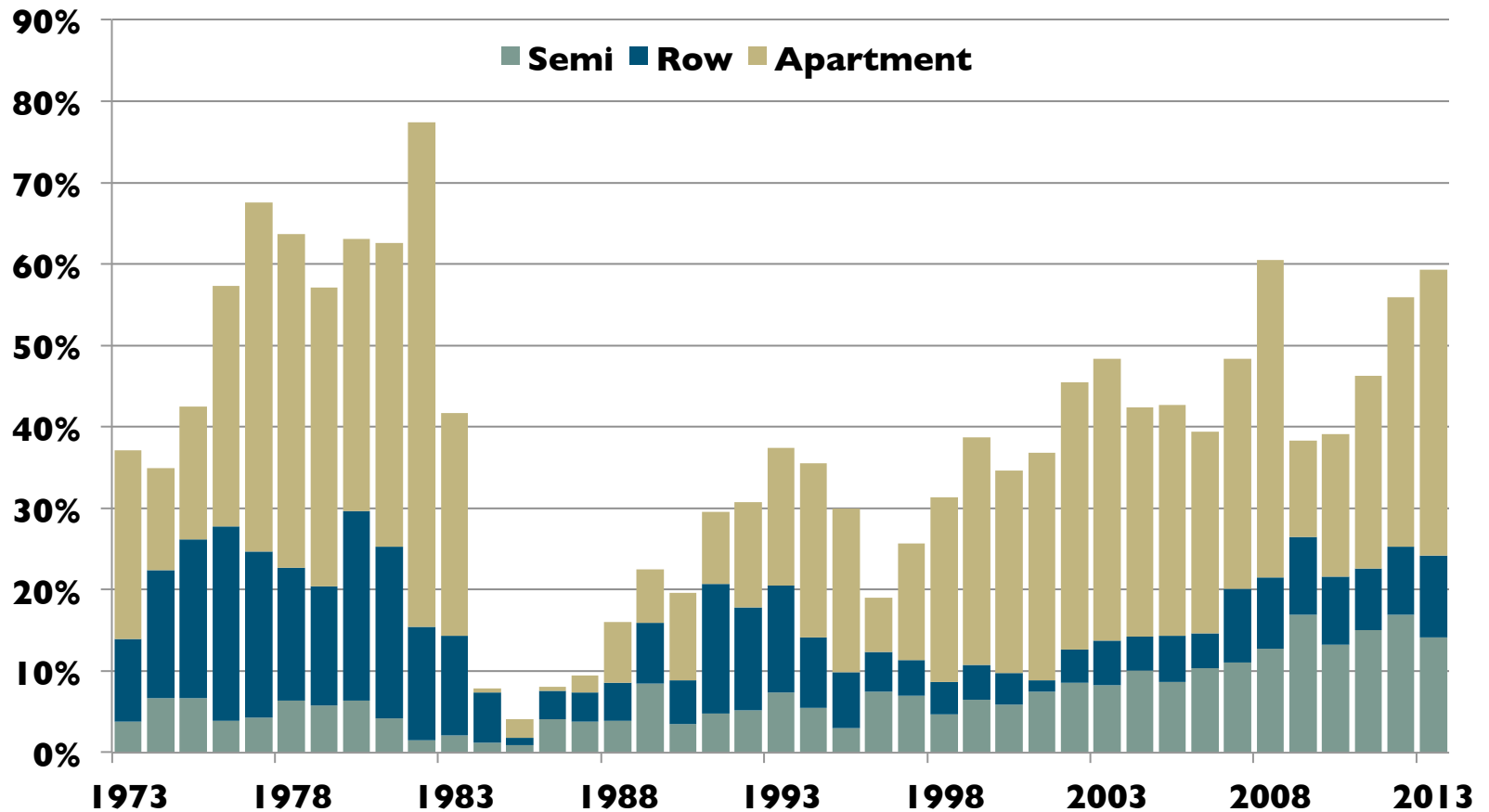


Housing market intelligence you can count on

Edmonton CMA Multi-family Market Share

Multi-family starts accounting for a larger share of the market

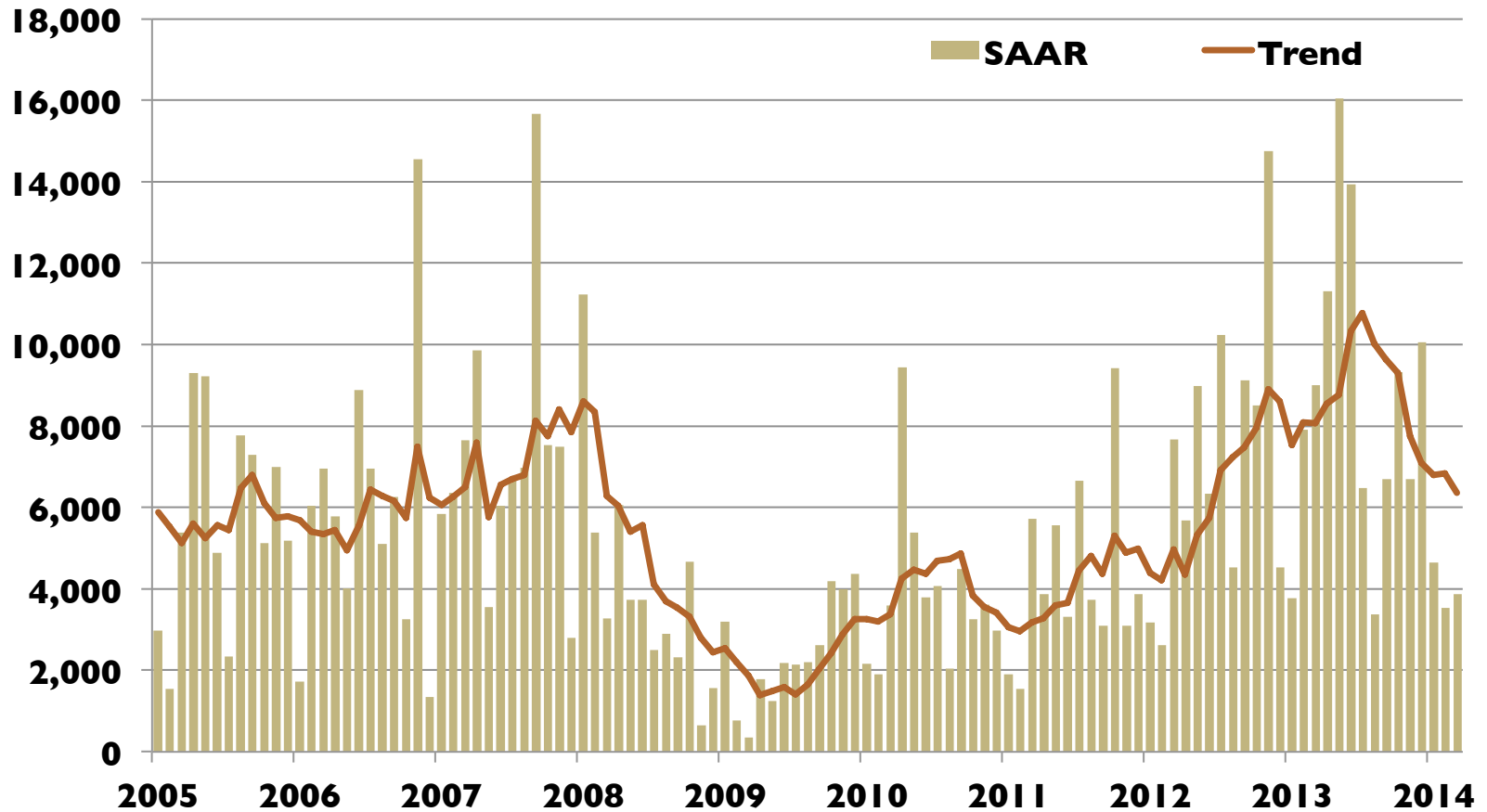
- Multi-family starts as a percentage of total starts



Edmonton CMA Multi-family Starts

Multi-family construction trending lower

units



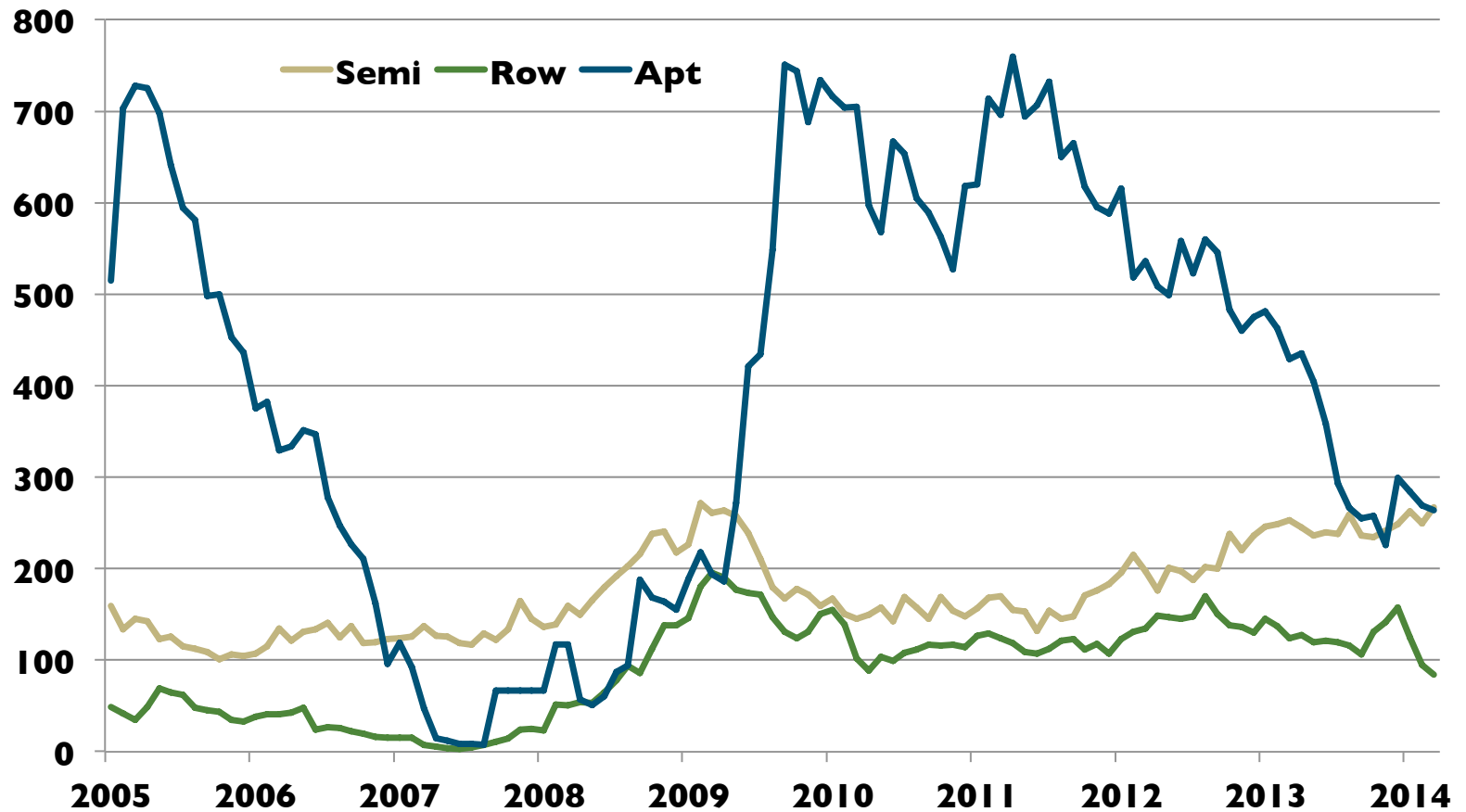
Source: CMHC, SAAR (Seasonally Adjusted Annualized Rate)

CANADA MORTGAGE AND HOUSING CORPORATION

Edmonton CMA Multi-family Inventory

Lower apartment inventories spurred construction in 2013

- units

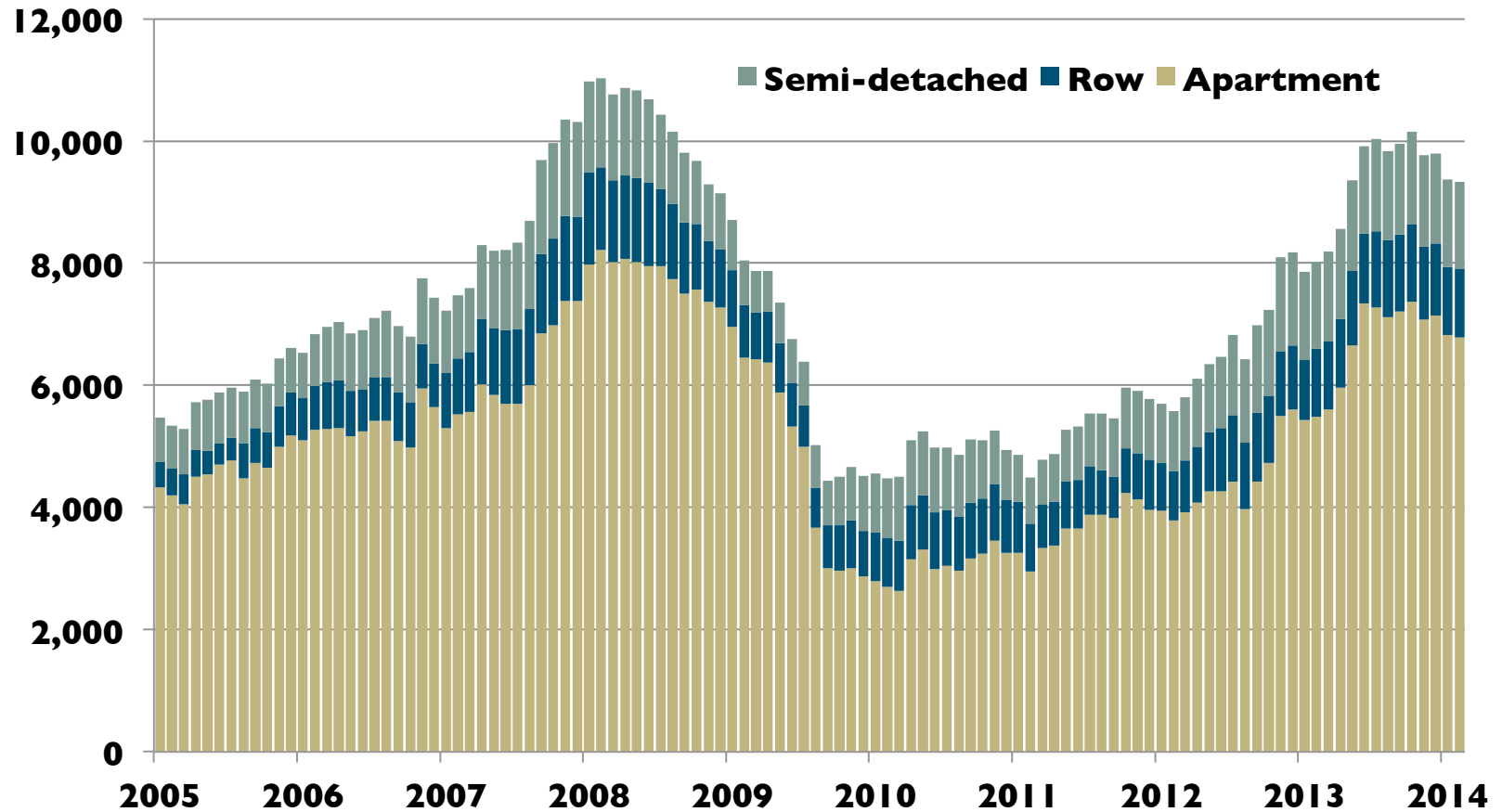


- Source: CMHC

Edmonton Multi-family Under Construction

Increase in units underway to put upward pressure on inventories

- units

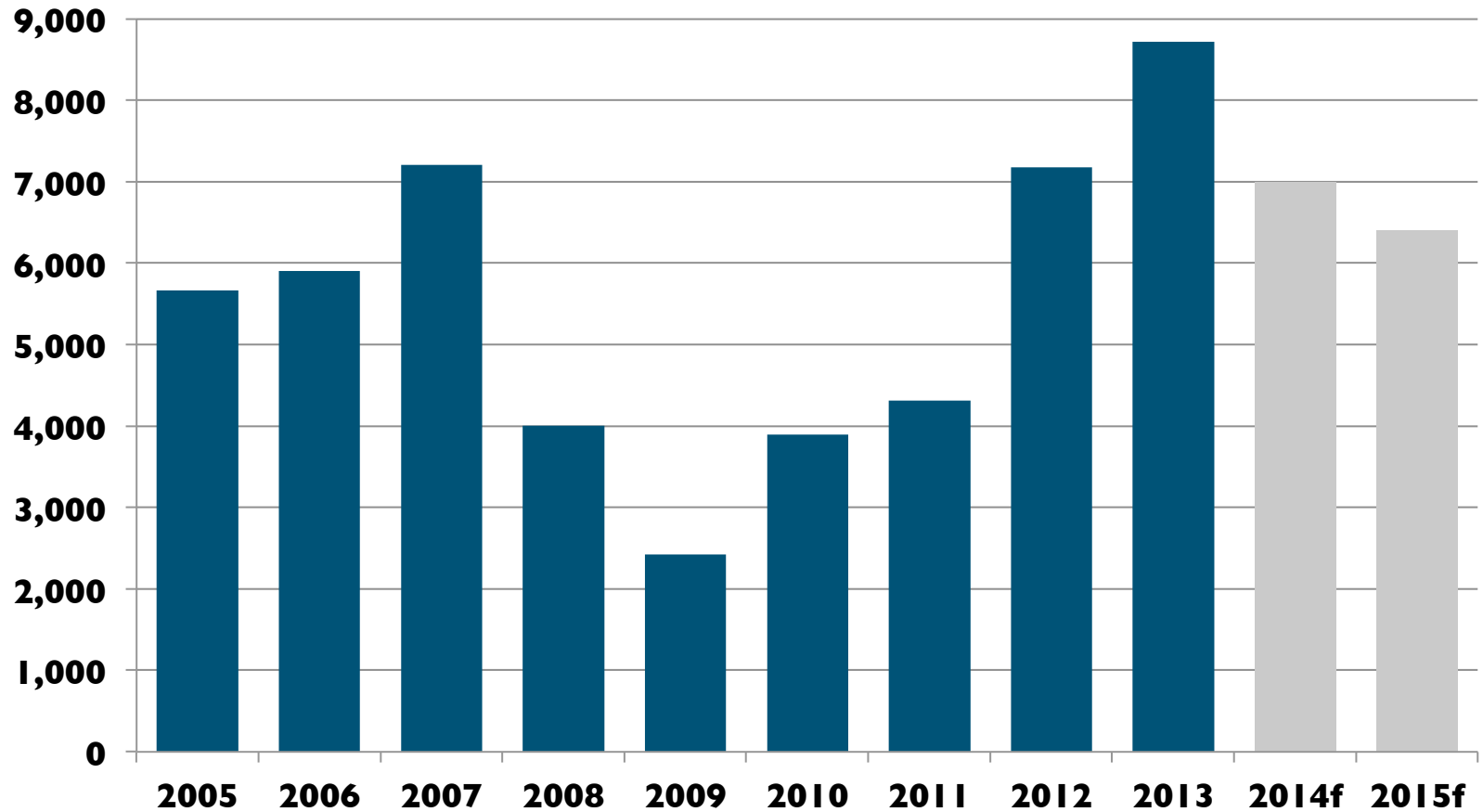


• Source: CMHC

Edmonton CMA Multi-family Starts

After strong performance in 2013, expected to moderate in 2014

- units



- Source: CMHC, CMHC Forecast (f)

Edmonton's Rental Market

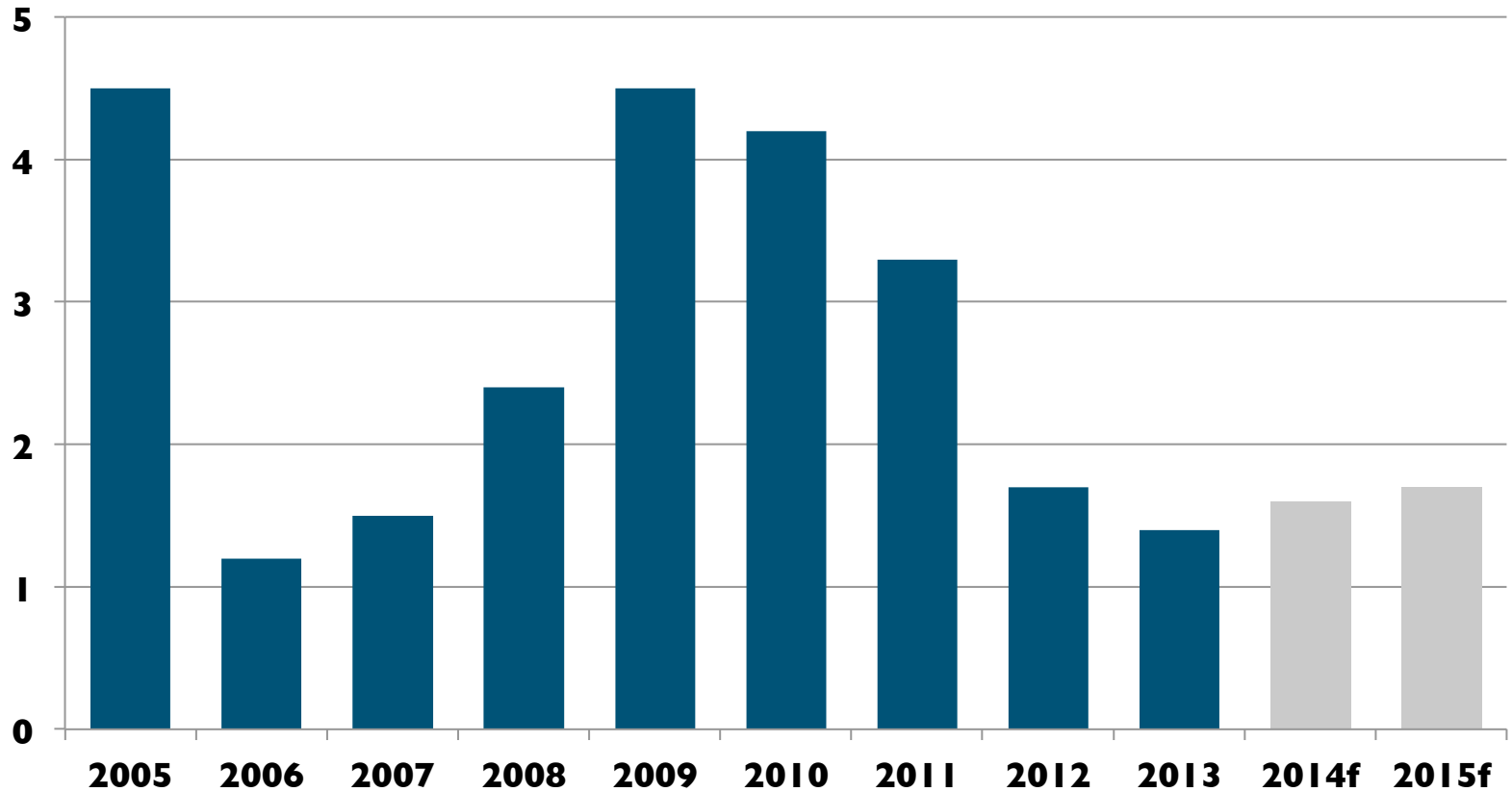


Housing market intelligence you can count on

Edmonton CMA Apartment Vacancy Rate

Vacancy rate continued to decline in 2013

per cent

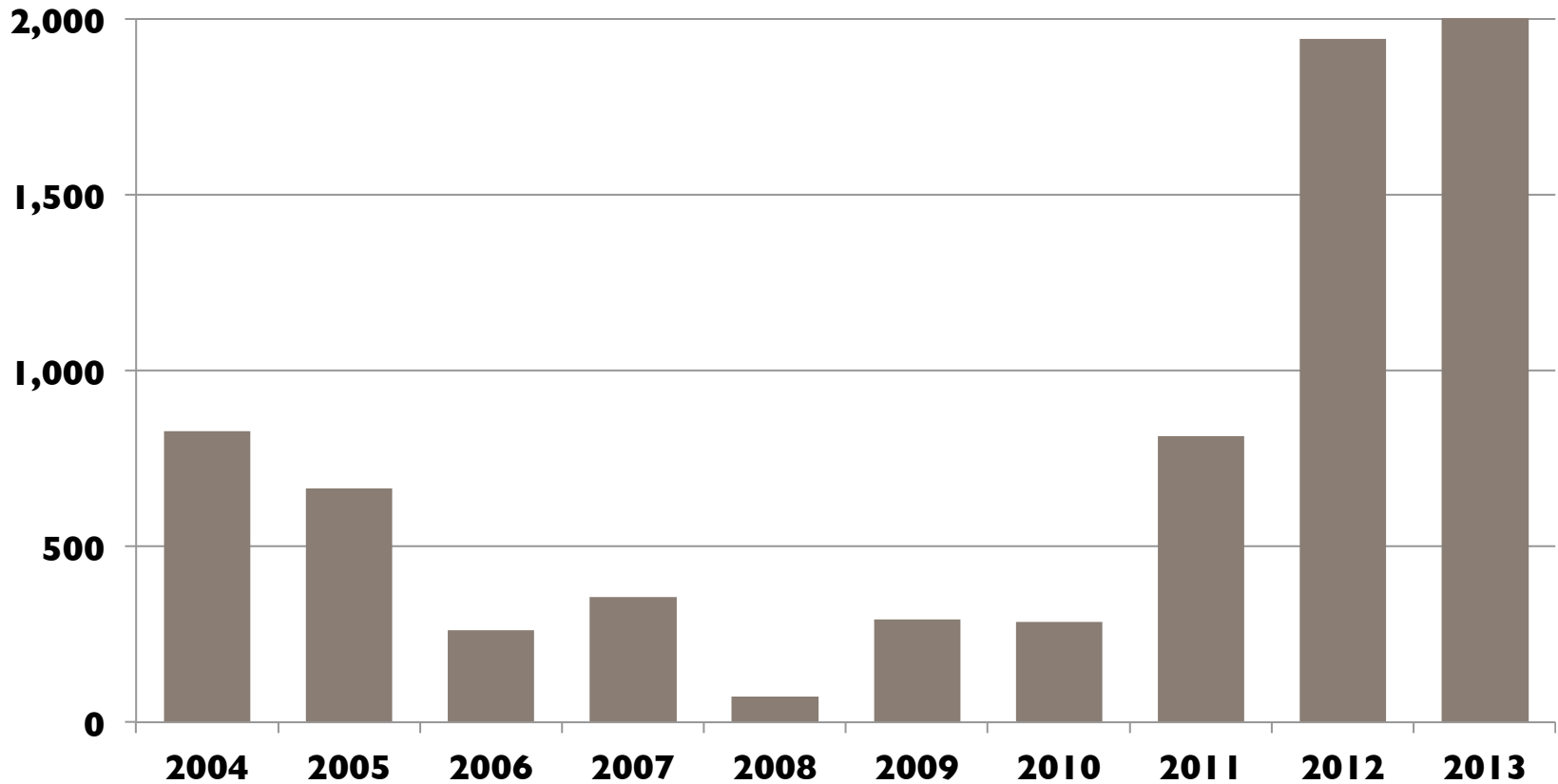


Source: CMHC, October Surveys, CMHC Forecast (f)

Edmonton CMA Rental Apartment Starts

Low vacancy rate has led to rental apartment construction

units

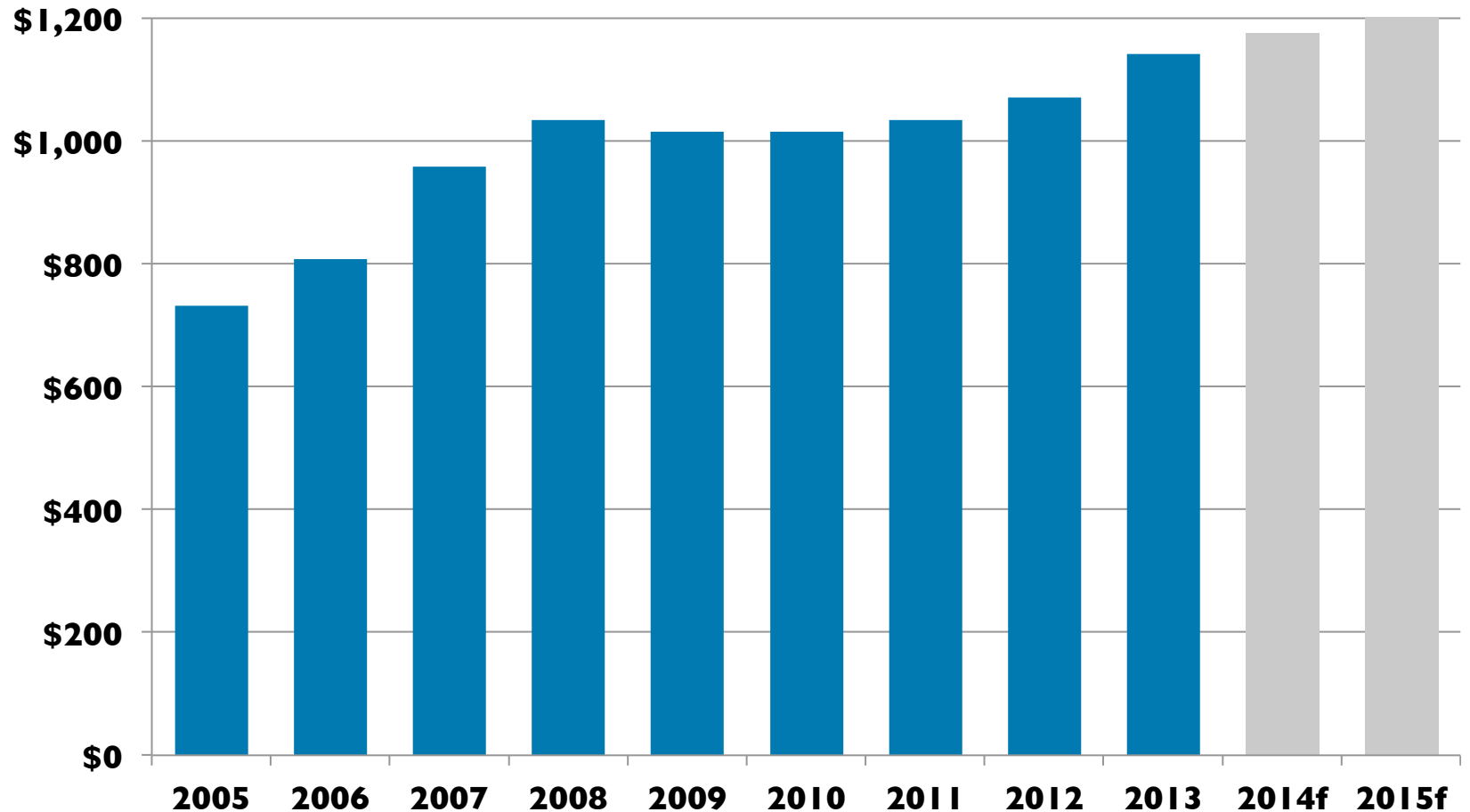


Source: CMHC

Edmonton CMA Average Apartment Rent

Rents will continue to rise

average two-bedroom rent



Source: CMHC, October Surveys, CMHC Forecast (f)

Edmonton CMA Forecast Summary

	2012	2013	2014f	2015f
Economy				
Employment Growth (%)	3.3	3.6	2.2	2.0
Net Migration	24,928	38,511	20,000	18,000
Resale Market*				
Total Sales	17,641	19,552	19,800	20,100
Average Price	\$334,319	\$344,977	\$353,000	\$360,000
New Home Market				
Single-detached Starts	5,658	5,970	6,200	6,300
Multi-family Starts	7,179	8,719	7,000	6,400
Rental Market (October Survey)				
Apartment Vacancy Rate	1.7%	1.4%	1.6%	1.7%
Average Two-bedroom Rent	\$1,071	\$1,141	\$1,175	\$1,200

* Total Residential

Source: CMHC, Statistics Canada, CREA, CMHC Forecast (f)
 The forecasts included in this table reflect information available as of January 22, 2014
 CANADA MORTGAGE AND HOUSING CORPORATION

Contact Information

Christina Butchart
Senior Market Analyst, CMHC

cbutchar@cmhc.ca

(780) 423-8729



Thank You!



Housing market intelligence you can count on