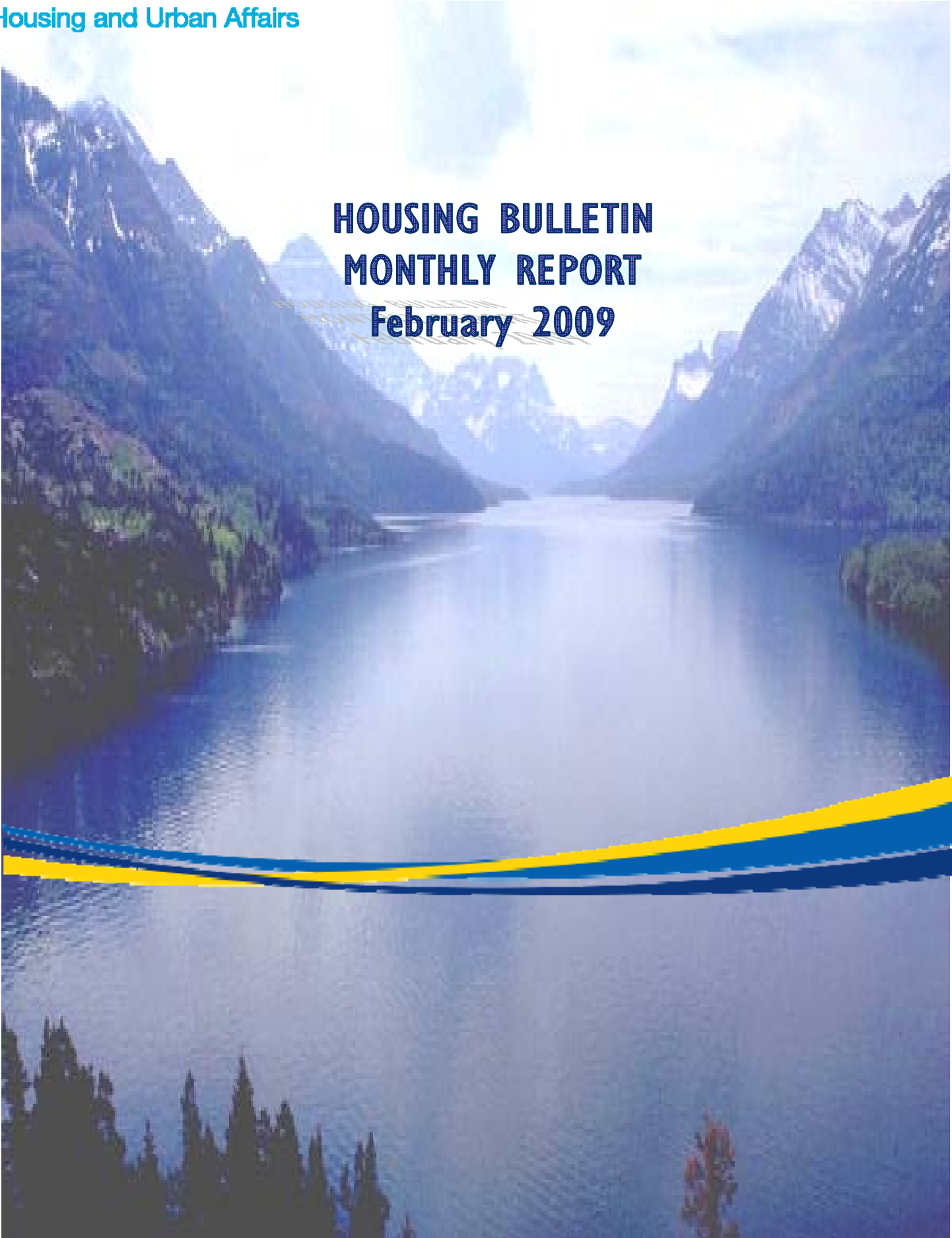


**Government of Alberta** ■

Housing and Urban Affairs



**HOUSING BULLETIN  
MONTHLY REPORT  
February 2009**

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## Housing Starts Decreased in February

### CANADA

- According to the Canada Mortgage and Housing Corporation (CMHC), the seasonally adjusted annual rate <sup>[1]</sup> of housing starts declined to 134,600 units in February 2009 from 153,500 units in January 2009.
- The seasonally adjusted annual rate of urban starts decreased 14.9 percent to 107,800 units in February 2009. Urban multiple starts decreased 17.5 percent to 63,300 units, while urban single starts fell 11 percent to 44,500 units in February 2009.

### ALBERTA

- Total housing starts in Alberta's seven largest centres totalled 575 units in February 2009, down from 1,867 a year ago. Grande Prairie was the only city reporting a year-over-year increase.
- CMHC expects single starts to remain slow throughout much of 2009.

## Buyers Drawn into Real Estate Market in February

- According to the 16<sup>th</sup> Annual Royal Bank of Canada Homeownership Survey:
  - Buying intentions for those under-35 years of age were very strong.
  - 83 percent of Canadians believed that home ownership is a good investment and plan on buying.
  - Home buying intentions in Alberta were the highest across Canada, with 35 percent of respondents planning on buying a home over the next two years.
- According to the Real Estate Association of Alberta, a total of 5,426 residential units were sold province-wide from January to the end of February 2009.
- In Calgary, a total of 1,168 residential units were sold through the Multiple Service Listing (MLS) in February 2009, compared to 775 units sold in January 2009<sup>[2]</sup>.
- In Edmonton, 1,075 units sold, resulting in a sales-to-listing ratio of 40 percent. Total residential sales through MLS for the month of February 2009 was \$332 million <sup>[3]</sup>.

[1] All starts figures, other than actual starts, are seasonally adjusted annual rates (SAAR), i.e., monthly figures adjusted to remove normal seasonal variation and multiplies by 12 to reflect annual levels.

[2] Source: The Calgary Real Estate Board.

[3] Source: The Realtors Association of Edmonton

Front cover - mountain range in Banff National Park.

## HOUSING MARKET TRENDS

### HOUSING STARTS

#### **Single-detached starts down by 41 percent.**

Province wide, single-detached starts were down to a total of 450 units in February 2009, 318 less units from February 2008.

In February 2009, 149 single-detached homes were started in Edmonton, compared to 243 units started in February 2008, a decline of 38.7 percent.

Meanwhile in Calgary, there were 184 single-detached homes started in February 2009, compared to 288 units started in February 2008, down 36 percent.

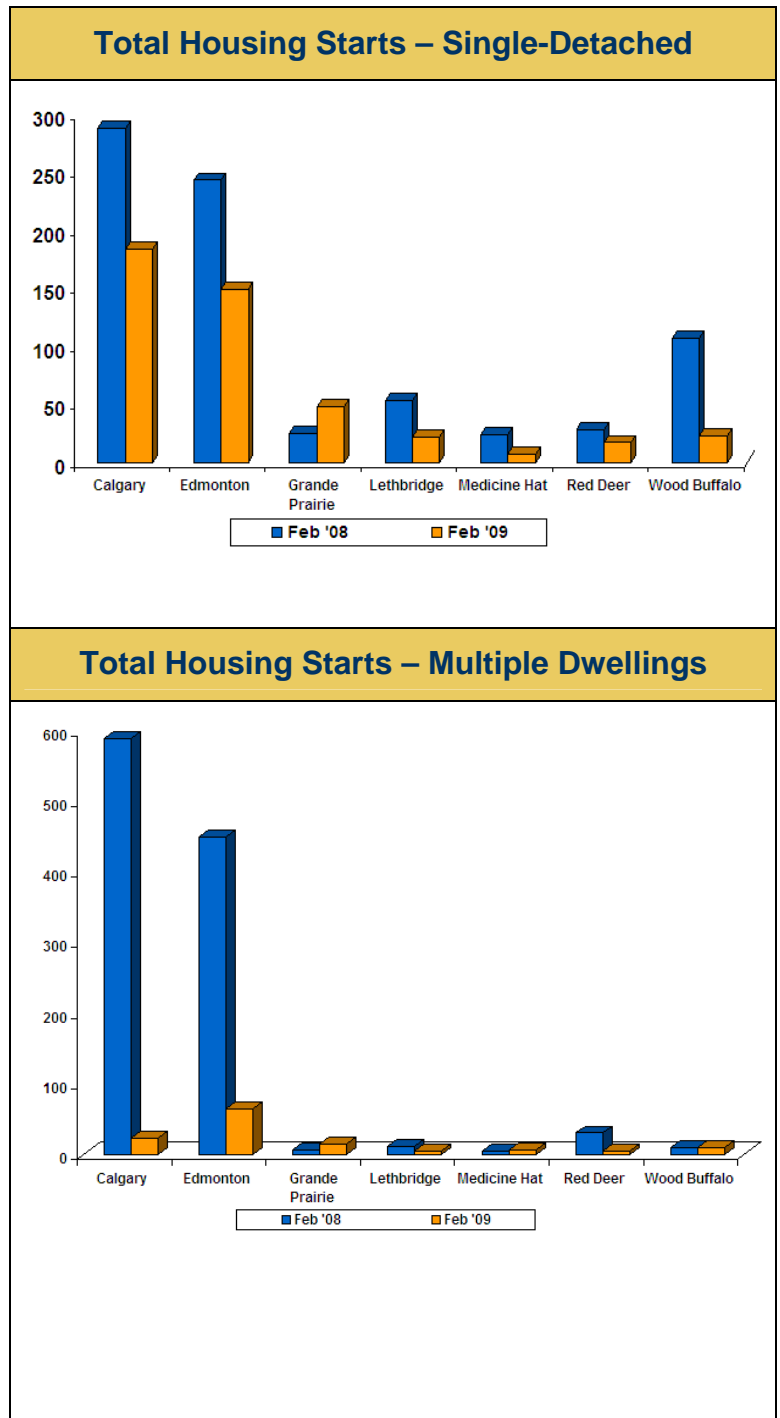
#### **Multiple Family starts down by 88 percent**

Multiple-family starts in Alberta declined from 1,099 in February 2008 to 124 units in February 2009.

Across Edmonton, multi-family starts (semi-detached, row and apartments), totalled 64 units in February 2009, compared to 449 units started in the same month of 2008, down 85.7 percent.

In Calgary, multi-family starts amounted to 22 units in February 2009, compared to 589 units started in February 2008, a decline of 96 percent.

According to CMHC, a lower level of demand and rising inventory levels has prompted developers to rapidly adjust new construction activity. Total multi-family starts are forecasted to be lower in 2009 compared to 2008.



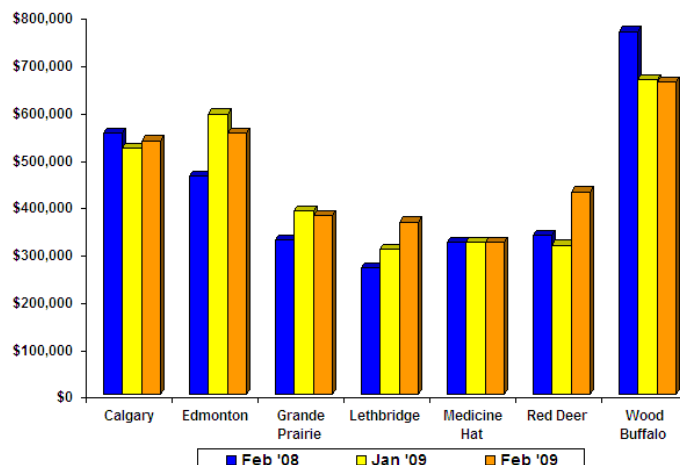
Source: Canada Mortgage and Housing Corporation

## HOUSING PRICES ACROSS ALBERTA

### Average Absorbed\* Unit Resale Price for Single-Detached Dwellings

According to CMHC, the average resale prices for single-detached dwellings across the province remained relatively stable in Alberta's urban centres.

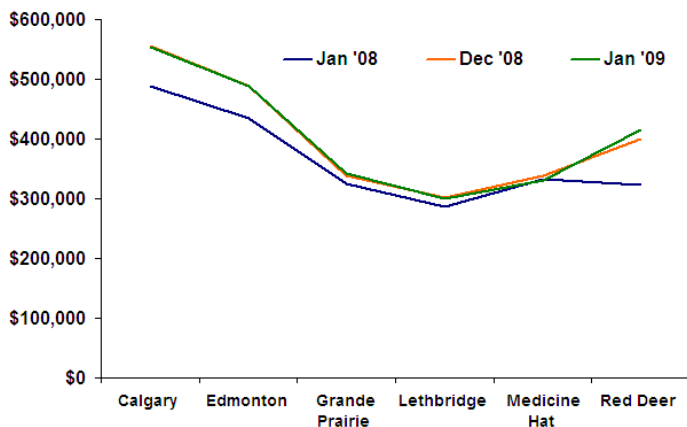
Average Absorbed Unit Resale Price – Single-Detached Dwellings



### Average Sale Price for Newly Completed Single-Detached Dwellings

The provincial average sale price for newly completed homes decreased by 0.8 percent in January 2009, compared to the January 2008.

Average Sale Price – Newly Completed Single-Detached and Semi-Detached Dwellings



\*A dwelling is defined as 'absorbed' when a binding, non-conditional agreement is made to buy or rent the dwelling.

Source: Housing Information Monthly – Canada Mortgage and Housing Corporation (CMHC)  
Preliminary Housing Start Data – Canada Mortgage and Housing Corporation (CMHC)

**CALGARY HOUSING MARKET MAKING HEADWAY IN FEBRUARY** – According to the Calgary Real Estate Board, 825 single family homes were sold in February 2009, a 50 percent increase over January 2009, where only 550 homes were sold. The number of condominiums sold during February 2009 was 343, an increase of 52 percent from 225 units changing hands in January 2009.

Average Resale Price – Single-Detached Dwellings							Average Resale Price – Condominium						
February '09	January '09	% Change Jan '09 - Feb '09	February '08	% Change Feb '08 - Feb '09	Average Days on the Market Feb '09	Month End Inventory Feb '09	February '09	January '09	% Change Jan '09 - Feb '09	February '08	% Change Feb '08 - Feb '09	Average Days on the Market Feb '09	Month End Inventory Feb '09
\$415,568	\$413,049	0.6	\$471,696	-11.90	51	4,352	\$268,971	\$270,940	-0.7	\$311,812	-13.7	51	2,065

**EDMONTON HOUSING MARKET** – The Realtors Association of Edmonton reported an increase in MLS sales of 47 percent between January and February 2009, with 1,075 residential units being sold.

Average Resale Price – Single Family Dwellings (SFD)					Average Resale Price – Condominium						
February '09	January '09	% Change Jan '09 - Feb '09	February '08	% Change Feb '08 - Feb '09	February '09	January '09	% Change Jan '09 - Feb '09	February '08	% Change Feb '08 - Feb '09	Average Days on the Market Feb '09 (both SFD and Condo)	Month End Inventory Feb '09 (Includes SFD, Condo, Duplex, and Mobile homes)
\$347,309	\$352,689	1.5	\$381,965	-9.0	\$226,857	\$238,536	-4.9	\$264,204	-14.1	61	7,097

**ACCORDING TO THE ALBERTA REAL ESTATE BOARD, 3,185 residential units were sold in February 2009 in Alberta, compared to 4,443 residential units in February 2008 (down 28.3 percent).**

Location	Average Residential Resale Price*				
	February '09	January '09	% Change Jan '09 - Feb '09	February '08	% Change Feb '08 - Feb '09
Calgary	\$370,200	\$362,100	2.2	\$415,100	-10.8
Edmonton	\$309,000	\$317,000	-2.5	\$338,300	-8.6
Grande Prairie**	\$279,600	\$273,700	2.2	\$278,800	0.2
Lethbridge	\$238,700	\$223,600	6.8	\$238,000	0.2
Medicine Hat	\$255,000	\$222,000	14.9	\$231,900	9.9
Red Deer	\$270,100	\$238,800	13.1	\$283,600	-4.7
Wood Buffalo**	\$659,300	\$675,900	-2.5	\$654,600	0.7

**Value of property sales**

The value of total property sales for the year ending December 2008 was \$22.2 billion (down 23 percent from the same period last year).

Residential properties represented 87 percent (\$19.3 billion) of total property sales for the year ending December 2008.



\*Residential includes single family dwellings, condo and mobile homes.

# PRIVATE APARTMENT AVERAGE VACANCY AND RENTAL RATES

## ALBERTA 10,000+ (Rental Market Report – Alberta Highlights, Fall 2008)

### Apartment vacancies increased across Alberta

#### Highlights:

- Apartment vacancy rates in Alberta’s urban centres with a population of at least 10,000 people were 2.5 percent in October 2008, up from 1.6 percent in October 2007.
- Across the province, apartment vacancy rates ranged from 0.5 percent in the Wood Buffalo region to 9.1 percent in the Brooks area.
- In October 2008, both Calgary and Edmonton saw an increase in their vacancy rates to 2.1 percent.

### Moderate increase in apartment rental rate

#### Highlights:

- Total average rent in Alberta was \$975 in October 2008, up from \$913 reported in October 2007.
- In Calgary, the average two-bedroom rent increased from \$1,089 in October 2007 to \$1,148 in October 2008.
- The average two-bedroom rent also increased in the Edmonton region, from \$958 in October 2007 to \$1,034 in October 2008.
- To view the full report, please click [here](#)



Source: Rental Market Report – Alberta Highlights – Spring 2008 and Fall 2008, Canada Mortgage and Housing Corporation (CMHC)