



UDI-ER Brief – CMHC Housing Market Outlook – Fall 2018

The following are the salient points from the Fall 2018 Canada Mortgage and Housing Corporation Housing Market Outlook reports, released Tuesday, November 6, 2018.

I. Canada

- Housing Starts:
 - Expected to gradually decline from the 10-year high recorded in 2017 and fall more in line with a moderating economic outlook and demographic conditions.
 - Population will continue to grow, albeit at a slower pace largely due to a decline in net international migration.
- Housing Sales:
 - Expected to rise slightly but will be tempered by lower employment, lower GDP growth and increasing interest rates.
- Price Growth:
 - Anticipated to remain modest, due to a combination of higher borrowing costs and slower income growth.

II. Alberta

- 2018 has remained a buyer's market with continual downward pressure on housing prices.
- Looking forward, housing demand will likely be positively impacted by an increase in employment and income. However, this will be tempered by rising interest rates.
- Housing starts and housing sales are projected to be relatively stable over the next two years but growth will be moderate.

III. Edmontonⁱ

- Elevated inventories are keeping housing starts flat:
 - Largely driven by single-detached units.
 - As of September 2018 – 899 unsold single-detached units (making up 40% of total inventory).
 - Heightened inventory is expected to keep housing starts flat in 2019 (with a modest rebound by 2020 as inventory levels decline).
- Elevated active listings:
 - As of September 2018, there were approximately 9,000 active listings (a 7.4% increase from 2017).
- Average MLS housing prices have declined 1.5% from 2017.
- Vacancy rates continue to gradually decline.

ⁱ All statistics refer to the Edmonton CMA