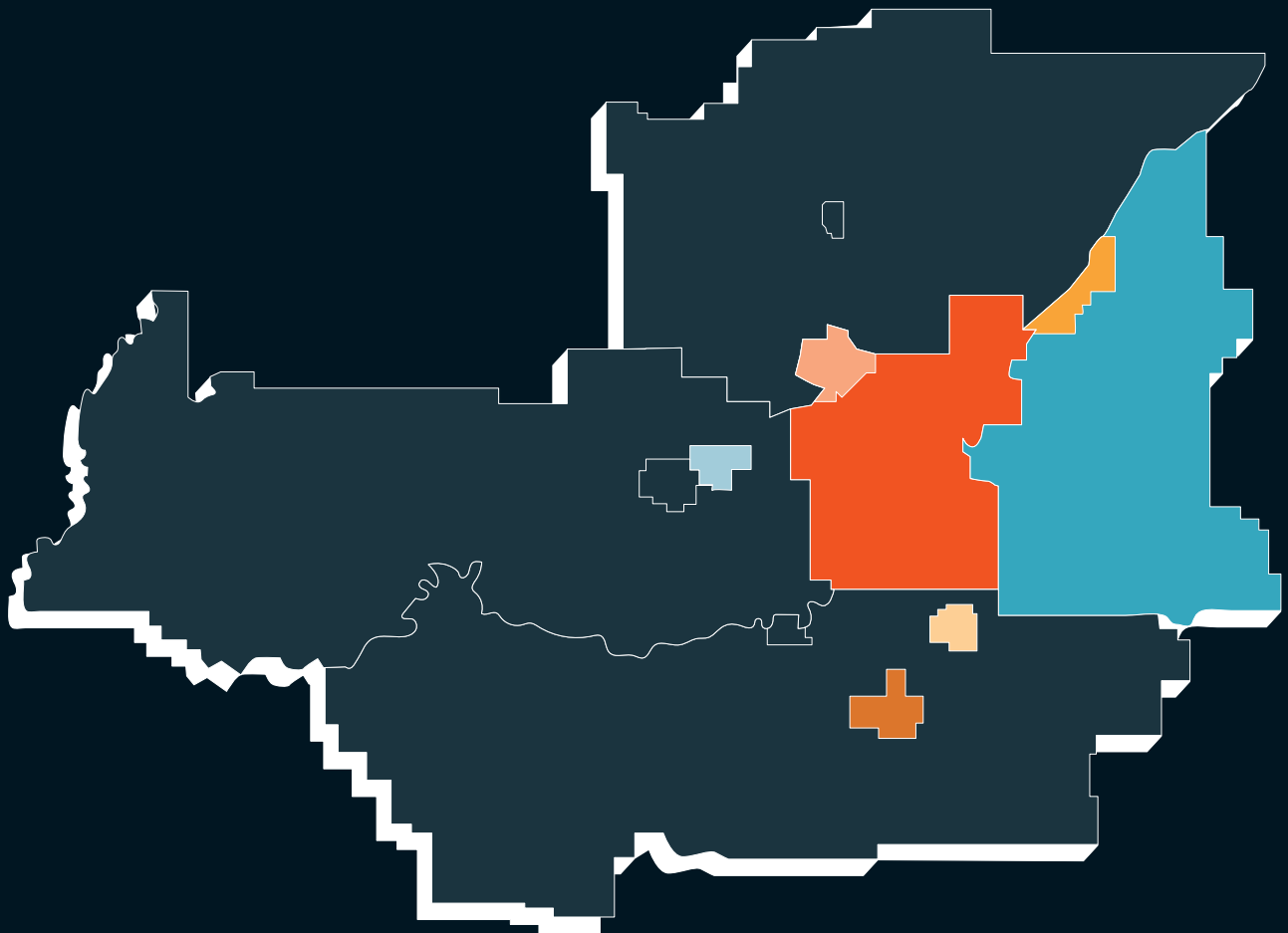


2018 State of the Market – Edmonton Metro



Urban Development Institute
EDMONTON REGION

Executive Summary

Introduction

In early 2018, The Urban Development Institute – Edmonton Region (UDI-ER) produced *State of the Market – Strathcona County*, a one page economic snapshot focusing specifically on housing starts, median housing prices, population change, economic impacts, issues and opportunities. *State of the Market – Edmonton Metro* expands this concept to other major municipalities within the region. Along with Strathcona County, this document includes economic snapshots of Beaumont, Edmonton, Fort Saskatchewan, Leduc, St. Albert and Spruce Grove.

Benefits of Growth

The positive economic impacts of land development and residential construction within the Edmonton Metropolitan Region are substantial. For example, in 2014, the economic value of the land development industry was \$9 billion. In 2017, the residential construction industry accounted for 44,558 jobs, \$3.0 billion in wages and \$6.9 billion in investment value throughout the region. Overall, the industry creates jobs both directly within the residential, commercial, and industrial development sectors, and indirectly through supplying goods and services to support these respective sectors in production efforts. In addition to overall economic investment and job creation, home ownership remains the largest single wealth-builder for most Canadian families. Therefore, there are numerous benefits of growth.

Structure of the Report

It is important to note that the intention of *State of the Market – Edmonton Metro* is not to make a direct comparison between any of the municipalities - each is unique and therefore, should be viewed through its own distinctive lens. Instead, the objective of this document is to identify both current issues and potential opportunities for growth.

Each of the aforementioned municipalities within this report include the following statistics: housing starts (2008-2017), median housing prices (both new single family homes and all types), and changes in population (by percentage). Additionally, there are statistical categories that are germane to each respective municipality.

Key Findings


In previous publications, UDI-ER has stressed the ongoing risk that increasing costs have on eroding affordability within the housing market. Rising costs also result in significantly less economic growth and diminishing competitiveness. This in turn, reduces the considerable positive economic impact that this industry could potentially have on not only a respective municipality but on the Edmonton Metropolitan Region as a whole.

We welcome the opportunity to continue the dialogue and develop innovative solutions to preserve affordability and ultimately, promote the benefits of growth.

ⁱ UDI-ER: *Economic Value of the Edmonton Region Land Development Industry*

ⁱⁱ Canada Mortgage and Housing Corporation (CMHC) and Statistics Canada via Canadian Home Builders' Association (CHBA).

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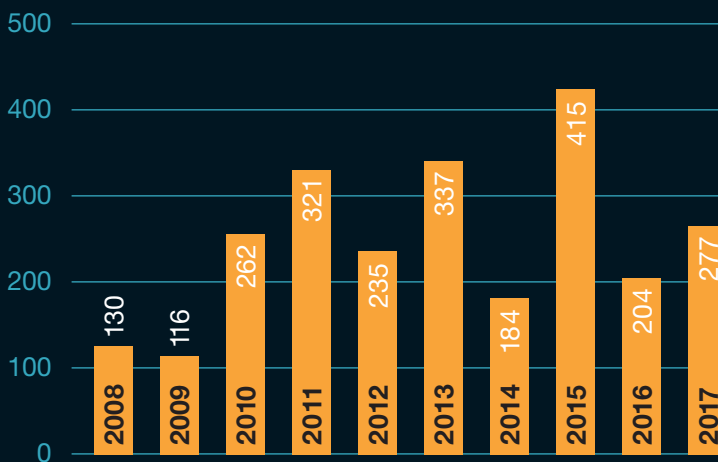


The map shows the Edmonton area with several municipalities highlighted in different colors. Lines connect these highlighted areas to the table of contents on the right. The highlighted areas include: a large orange area in the center (City of Edmonton), a blue area to the east (City of St. Albert), a small orange area to the south (City of Spruce Grove), a small orange area to the south (City of Leduc), a small orange area to the south (Town of Beaumont), a small orange area to the south (City of Fort Sask.), and a small orange area to the south (Strathcona County).

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Town of Beaumont

Town of Beaumont Number of Housing Starts Since 2008¹



Median House Price



New Single Family (2017)²

Beaumont	\$500,000
Regional Average	\$497,857



All Types (2016)³

Beaumont	\$448,713
Regional Average	\$396,110

Change in Population⁴



Beaumont	48.3%	31.0%
Regional Average	25.5%	19.2%

2006–2011 **2011–2016**

48.3% **31.0%**

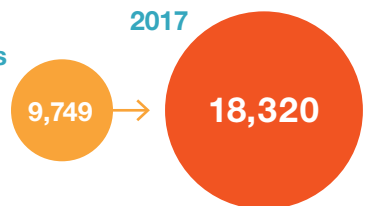
25.5% 19.2%

\$ 2017 Investment Value

Town of Beaumont	\$156 Million (2014)⁵
Edmonton Metro Region	\$6.9 Billion ⁶

Population Increase⁷

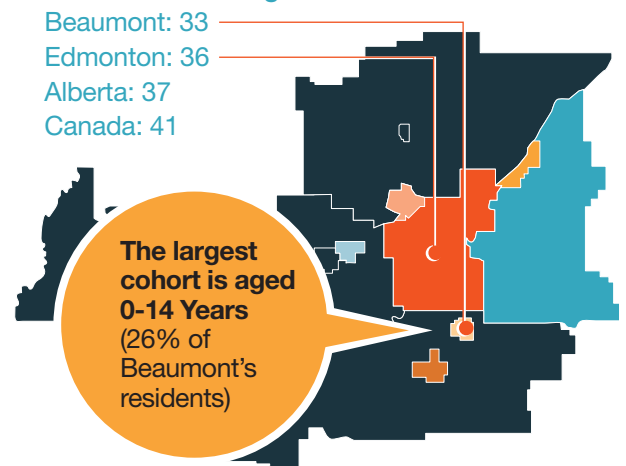
Beaumont's population has grown 94% since 2007:



Beaumont's population is relatively young⁸

Current Median Age:

Beaumont:	33
Edmonton:	36
Alberta:	37
Canada:	41



Summary:

Beaumont's population has boomed over the last decade. The town also benefits from having a relatively young population. In order for Beaumont to benefit from potential growth in the future, the town will need to continuously focus on affordability for its young and burgeoning population.

¹ CMHC Starts and Completions Survey
² CMHC Dec. 2017

³ 2016 Canada Census
⁴ 2016 Canada Census

⁵ Economic Value of the Edmonton Region Land Development Industry, 2014

⁶ CMHC and Statistics Canada via CHBA National

⁷ Beaumont's Municipal Census Report, 2017

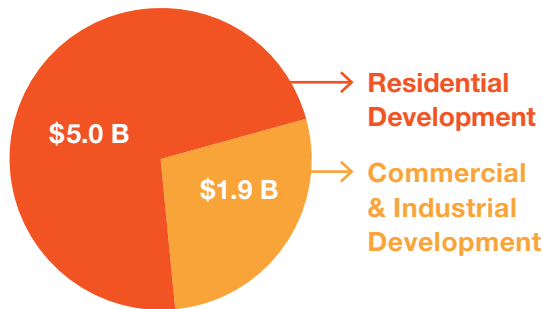
⁸ Statistics Canada, Census Profiles, 2016

💰 2017 Investment Value⁵

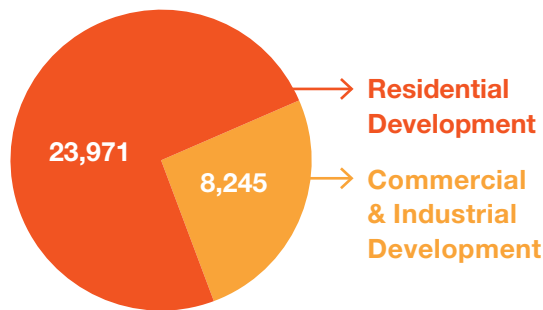
City of Edmonton	\$5 Billion
Edmonton Metro Region	\$6.9 Billion

City of Edmonton⁶

Total Market Economic Activity:
\$6.9 BILLION



Jobs due to New Development:
32,216 JOBS



Summary:

Over the past 10 years, Edmonton has experienced significant growth in population and housing demand. Looking forward, Edmonton will face challenges on a number of fronts: being cost competitive, being market nimble and maintaining housing affordability.

⁵ CMHC and Statistics Canada via CHBA National

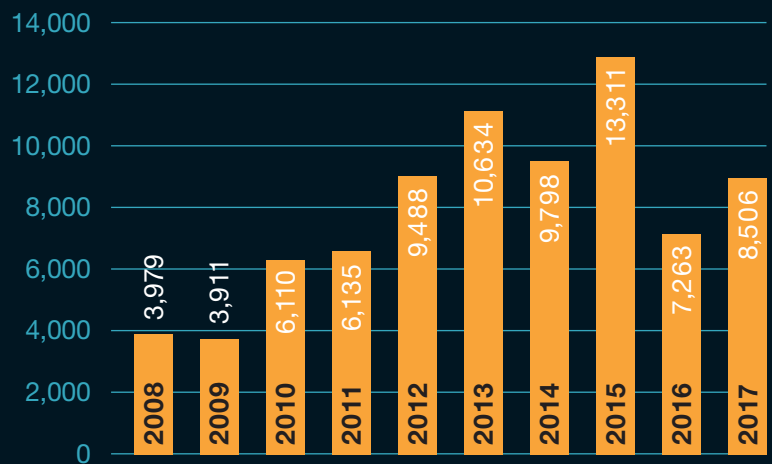
⁶ edmonton.ca/city_government/jobs/about-the-city.aspx

Backgrounder - 2014 Municipal Census Results

statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfs04k-eng.htm

City of Edmonton

City of Edmonton Number of Housing Starts Since 2008¹



Median House Price



New Single Family (2017)²

Edmonton	\$505,000
Regional Average	\$497,857



All Types (2016)³

Edmonton	\$390,262
Regional Average	\$396,110

Change in Population⁴



	2006–2011	2011–2016
Edmonton	11.2%	14.8%
Regional Average	25.5%	19.2%

¹ Canadian Mortgage and Housing Corporation (CMHC) Starts and Completions Survey

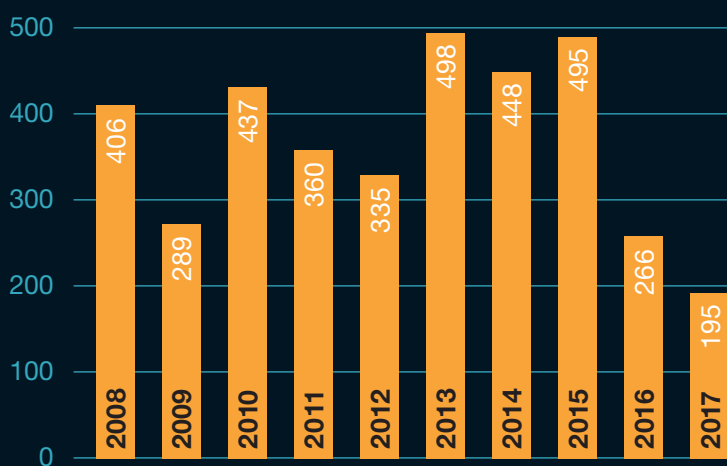
² CMHC Dec. 2017

³ 2016 Canada Census

⁴ 2016 Canada Census

City of Fort Sask.

City of Fort Sask. Number of Housing Starts Since 2008¹



Median House Price



New Single Family (2017)²

Fort Saskatchewan \$455,000
Regional Average \$497,857



All Types (2016)³

Fort Saskatchewan \$380,494
Regional Average \$396,110

Change in Population⁴



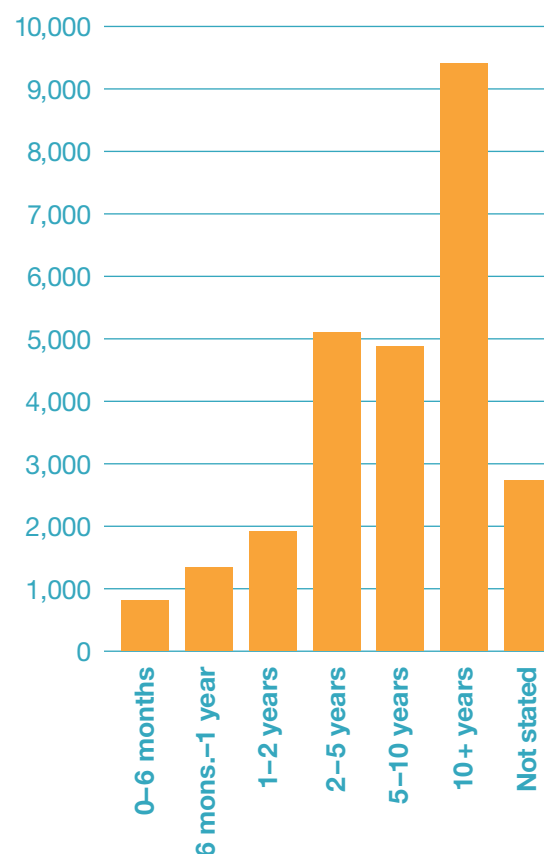
	2006–2011	2011–2016
Fort Saskatchewan	27.3%	26.8%
Regional Average	25.5%	19.2%

2017 Investment Value

City of Fort Sask.	\$227 Million (2014) ⁵
Edmonton Metro Region	\$6.9 Billion ⁶

Length of Residency⁷

Population



Summary:

The largest cohort of Fort Saskatchewan's population (35.9%) has lived in the city for 10 or more years. Allowance of different housing product types, such as zero lot line, could lead to greater growth by ensuring more affordable options are available for potential new citizens.

⁵ Economic Value of the Edmonton Region Land Development Industry, 2014

⁶ CMHC and Statistics Canada via CHBA National

⁷ Fort Saskatchewan Municipal Census 2018

¹ CMHC Starts and Completions Survey
² CMHC Dec. 2017

³ 2016 Canada Census
⁴ 2016 Canada Census

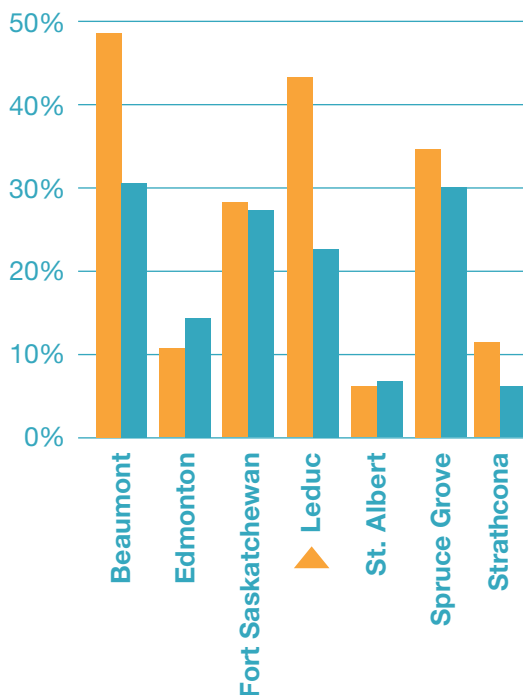
💰 2017 Investment Value⁵

City of Leduc \$208 Million

Edmonton Metro Region \$6.9 Billion

City of Leduc Population Change⁶

Population Change percentage (2006–2011)
Population Change percentage (2011–2016)



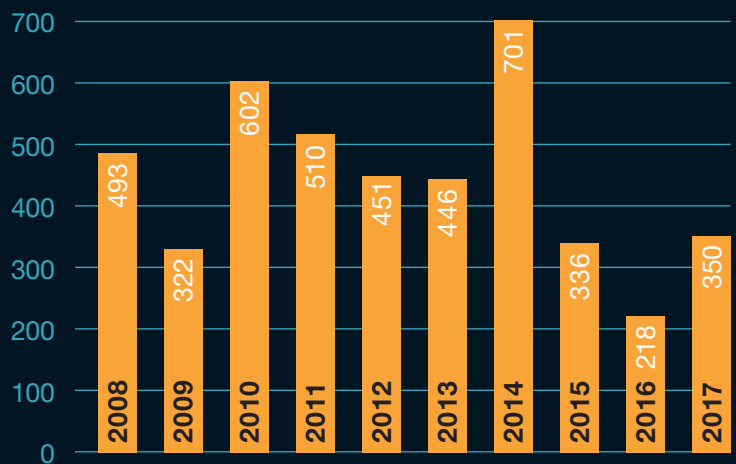
Summary:

Leduc has been one of the fastest growing municipalities in the Edmonton Metropolitan region over the past decade. The city's population has grown 91.2% since 2006. Additionally, for New Single Family Homes and All Housing Types (median price), Leduc is the most affordable of the municipalities discussed within this document. Leduc will need to ensure it maintains this advantage in affordability to fully benefit from growth moving forward.

⁵ CMHC and Statistics Canada via CHBA National
⁶ 2016 Canada Census

City of Leduc

City of Leduc Number of Housing Starts Since 2008¹



Median House Price



New Single Family (2017)²

Leduc \$425,000
Regional Average \$497,857



All Types (2016)³

Leduc \$358,837
Regional Average \$396,110

Change in Population⁴



	2006–2011	2011–2016
Leduc	43.1%	23.5%
Regional Average	25.5%	19.2%

¹ Canadian Mortgage and Housing Corporation (CMHC) Starts and Completions Survey

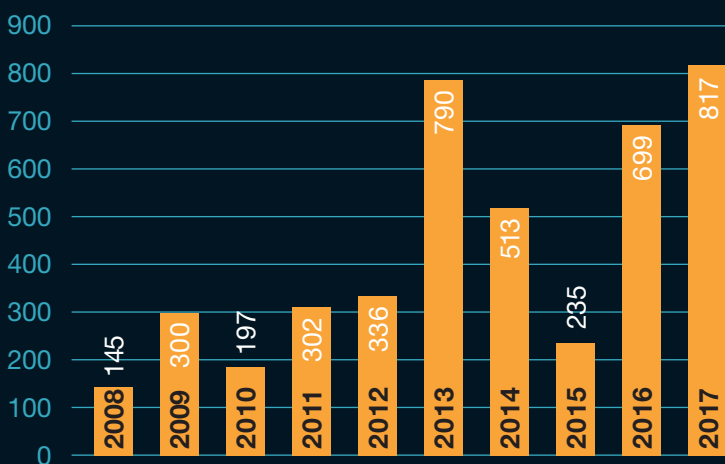
² CMHC Dec. 2017

³ 2016 Canada Census

⁴ 2016 Canada Census

City of St. Albert

City of St. Albert Number of Housing Starts Since 2008¹



Median House Price



New Single Family (2017)²

St. Albert \$587,500*
Regional Average \$497,857



All Types (2016)³

St. Albert \$421,396
Regional Average \$396,110

Change in Population⁴



St. Albert
Regional Average

	2006–2011	2011–2016
St. Albert	6.4%	6.7%
Regional Average	25.5%	19.2%

💰 2017 Investment Value

City of St. Albert	\$319 Million (2014) ⁵
Edmonton Metro Region	\$6.9 Billion ⁶

Aging Population⁷

50–54 Most Populous 5-year Age cohort

70–74 Fastest Growing 5-year Age cohort

53 Most populous 1-year Age cohort
(was 40 in 2000)

Slowing Growth Rate⁸



The general trend over the last 30 years has been towards a slowing growth rate.

New Single Family Home Prices⁹



Median price:
\$587,500*

**highest in the Edmonton Metropolitan Region*

Summary:

A combination of an aging population, slowing growth rate and decrease in affordability for New Single Family homes will pose a challenge for St. Albert to fully embrace the benefits of growth moving forward.

¹ CMHC Starts and Completions Survey
² CMHC Dec. 2017

³ 2016 Canada Census
⁴ 2016 Canada Census

⁵ Economic Value of the Edmonton Region Land
⁶ CMHC and Statistics Canada via CHBA National Development Industry
⁷ 2016 St. Albert Census
⁸ 2016 St. Albert Census
⁹ CMHC; December 2017

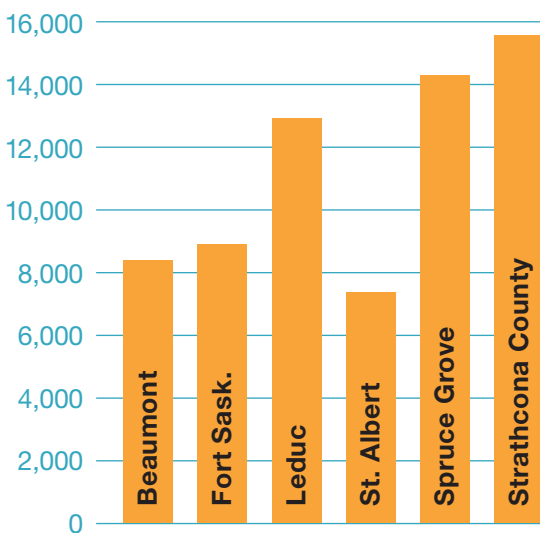
💰 2017 Investment Value⁵

City of Spruce Grove \$198 Million

Edmonton Metro Region \$6.9 Billion

Population Increase 2006–2016⁶

Number of people*



*City of Edmonton not included

Summary:

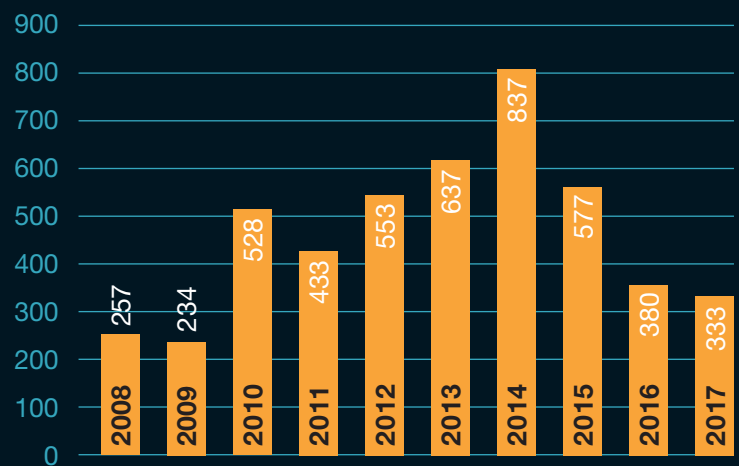
In terms of population increase by number of people, Spruce Grove had the third highest number over the last decade (only next to Strathcona County and the City of Edmonton, which both have significantly larger population numbers overall). In order for Spruce Grove to benefit from potential growth in the future, the city will need to continuously focus on affordability.

⁵ CMHC and Statistics Canada via CHBA National

⁶ 2016 Canada Census

Spruce Grove

City of Spruce Grove Number of Housing Starts Since 2008¹



Median House Price



New Single Family (2017)²

Spruce Grove \$447,500

Regional Average \$497,857



All Types (2016)³

Spruce Grove \$360,234

Regional Average \$396,110

Change in Population⁴



Spruce Grove

Regional Average

2006–2011

34.0%

25.5%

2011–2016

30.2%

19.2%

¹ CMHC Starts and Completions Survey

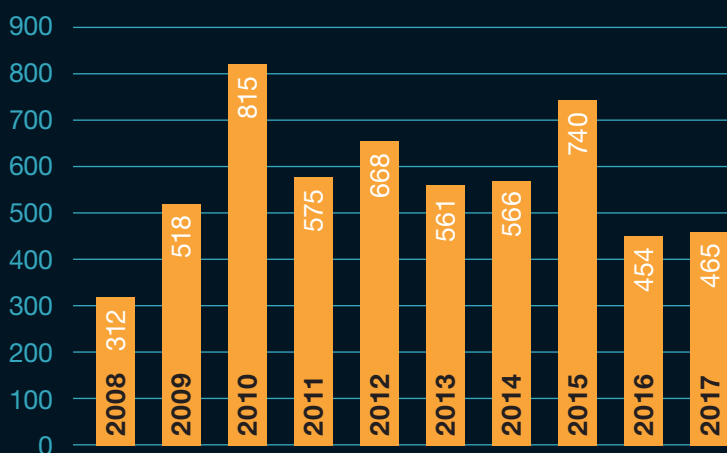
² CMHC Dec. 2017

³ 2016 Canada Census

⁴ 2016 Canada Census

Strathcona County

Strathcona County Number of Housing Starts Since 2008¹



Median House Price



New Single Family (2017)²

Strathcona County \$565,000
Regional Average \$497,857



All Types (2016)³

Strathcona County \$450,119
Regional Average \$396,110

Change in Population⁴



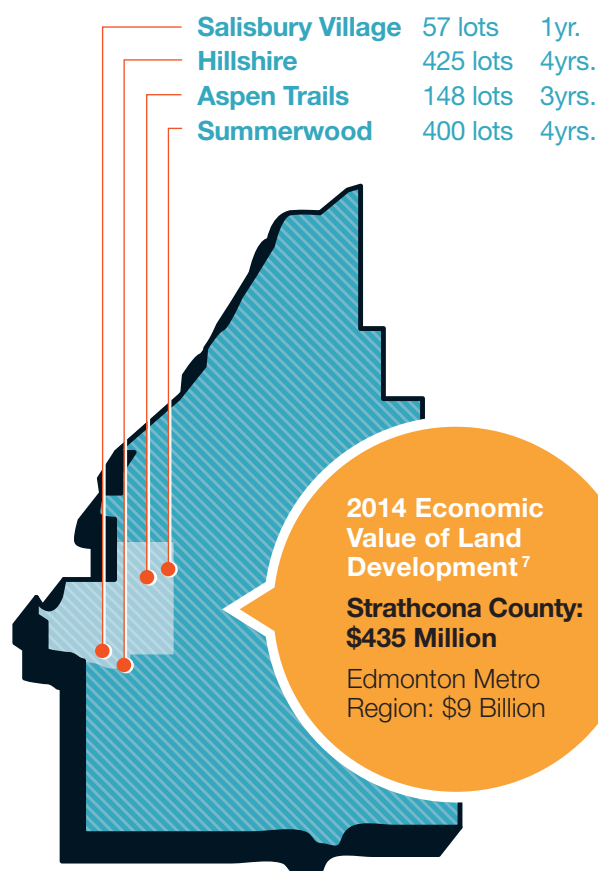
Strathcona County
Regional Average

	2006–2011	2011–2016
Strathcona County	12.1%	6.0%
Regional Average	25.5%	19.2%

2017 Investment Value⁵

Strathcona County	\$301 Million
Edmonton Metro Region	\$6.9 Billion

Total Supply Forecast for New Lots⁶



Summary:

Strathcona County has the highest median housing prices (All Types) in the Edmonton Metropolitan Region. Adequate land supply and affordable housing options will be crucial to meeting housing demands in the future.

¹ CMHC Starts and Completions Survey
² CMHC Dec. 2017

³ 2016 Canada Census
⁴ 2016 Canada Census

⁵ CMHC and Statistics Canada via CHBA National
⁶ Developer input
⁷ Economic Value of the Edmonton Region Land Development Industry

Notes:




Urban Development Institute
EDMONTON REGION


The Urban Development Institute-Edmonton Region (UDI-ER) is a non-profit association representing the land development industry in Edmonton Metro. Recognizing that the development of land is an essential function of our economy, UDI-ER's activities and objectives focus on Building Communities Together by promoting wise, efficient and productive urban growth.

We welcome the opportunity to continue the dialogue and develop innovative solutions to preserve affordability.

Let's continue the conversation.

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