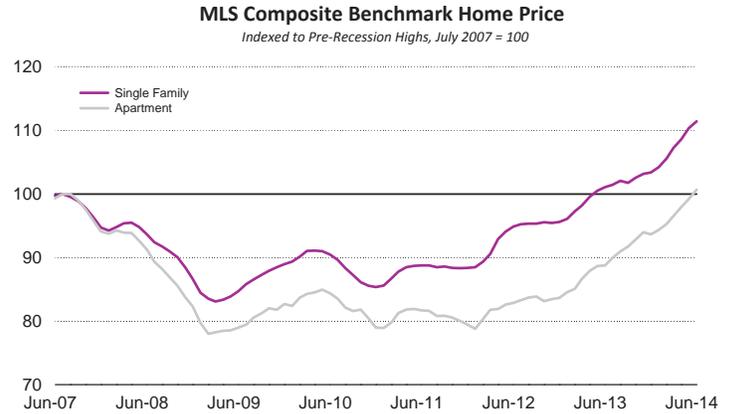


Housing Review

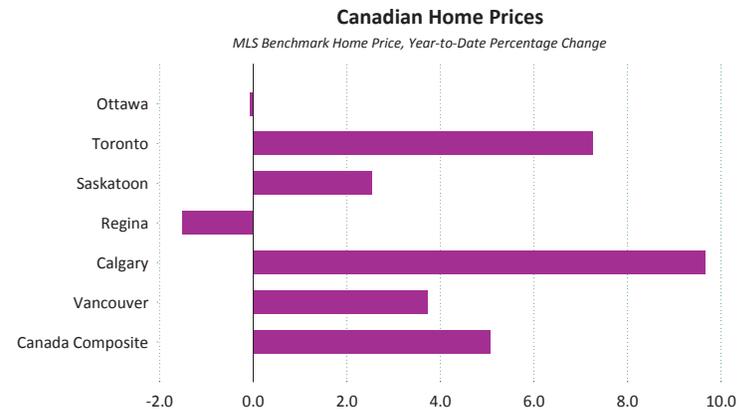
June was yet another record-setting month for Calgary's housing market.

Calgary's housing market continued to heat up as annual home price inflation hit 10.7 per cent in June. So far this year, the MLS benchmark price has risen 9.2 per cent for single family homes, and 12.0 per cent for apartment condos. The composite index rose to \$491,300 in June as the apartment segment finally returned to (and surpassed) its all-time high set in during the summer of 2007. The latest civic census data for Calgary show that the city's population expanded by nearly 40,000 residents between April 2013 and April 2014, which helps to explain the robust nature of the real estate market. Alberta's strong economy continues to lure both international and interprovincial migrants, which will support further property price gains in the coming months.

Resale activity moderated slightly in June, but advanced 18.9 per cent year-over-year. A total of 3,569 units exchanged hands in the month, which constitutes a slight decrease from the 3,832 units sold in May. Even so, this marked the busiest June on record in spite of apprehension over the prospect of another round of flooding. Meanwhile, the sales-to-listings ratio tightened to 0.70, indicating that Calgary is very much a seller's market. With both resale activity and new listings in striking distance of record highs, the real estate market is unlikely to settle down in the short term.



Sources: CREA, Corporate Economics



Sources: CREA, Corporate Economics

Calgary's Housing Market - June 2014

	Jun-14	May-14	Apr-14	Jun-13	Annual Change (%)	YTD	2013
Building Permits (Units)	942	1,403	874	1,260	-25.2	994	1,150
Single-family (Units)	456	465	413	428	6.5	413	409
Housing Starts (Units)	2,155	757	1,238	738	192.0	1,261	782
Single-family (Units)	445	442	459	422	5.5	401	391
MLS Benchmark Home Price (\$000s)	448.3	443.5	436.9	404.8	10.7	434	404
Single-family (\$000s)	491.3	486.5	478.8	445.6	10.3	475.7	443.4
Apartment (\$000s)	298.2	293.9	290.2	262.9	13.4	288.3	265.3
Resales (Units)	3,569	3,832	3,348	3,002	18.9	3,014	2,496
Sales:Listings Ratio (Dimensionless)	0.70	0.67	0.67	0.75		0.67	0.73
5-Year Mortgage Rate (%)	4.79	4.79	4.79	5.14		4.97	5.24
Average Weekly Wage Rate (\$)	1,100.68	1,093.24	1,098.73	1,101.91	-0.1	1,091.86	1,101.35

Source: Statistics Canada, CREA, CMHC, Corporate Economics, July 2014

Housing Review

Jillian Kohut, Associate Economist | Estella Scruggs, Corporate Research Analyst

July 23, 2014

Low interest rates and strong wages have helped offset waning affordability. Average weekly wages rose 0.7 per cent month-over-month in June, following a 0.5 per cent contraction in May. While overall wage growth has been relatively lacklustre in the past year, there have been considerable gains in the wake of the recession. Meanwhile, mortgage rates remained flat in the month, and are expected to stay low for at least another year.

Condo construction is surging. As prices for single-family homes continue to rise, demand for comparatively cheaper multi-family homes will trend upwards. To that end, it is unsurprising that a spike in multi-family home construction boosted housing starts to a six-year high of 2,155 units in June. This is nearly double the number of starts from the same time last year. On the flip side, building permits receded to 942 units following a hefty jump in May. Both housing starts and building permits tend to be very volatile, as multi-family construction swings from month to month. Conversely, single-family homes have been quite steady around 400 units since the beginning of 2014. Overall, the outlook for residential construction in the coming months remains very positive as builders continue to play catch-up with soaring population growth.

Next update: August 28, 2014

Who We Are

Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced at researching different economic topics and have developed reliable methods of forecasting and analysis.

Many of our publications are available on the internet at www.calgary.ca/economy.

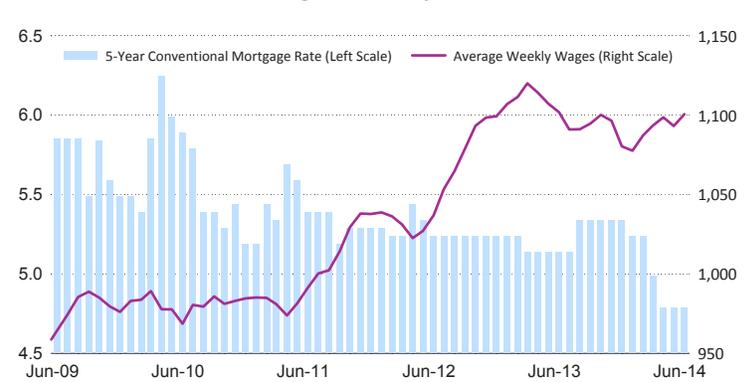
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Residential Resale



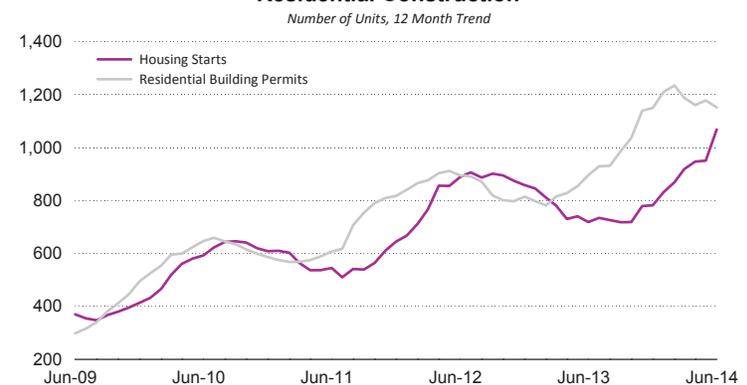
Sources: CREA, Corporate Economics

Housing Affordability Factors



Sources: Statistics Canada, CMHC, Corporate Economics

Residential Construction



Sources: Statistics Canada, CMHC, Corporate Economics

