

# HOUSING MARKET OUTLOOK

## Prairie Region Highlights



CANADA MORTGAGE AND HOUSING CORPORATION

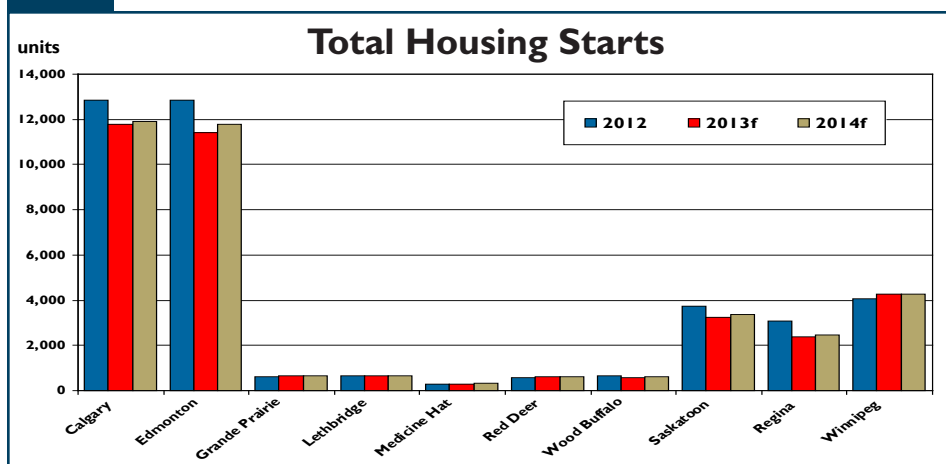
Date Released: First Quarter 2013

### Prairie housing starts to moderate in 2013 and edge higher in 2014

#### Overview:<sup>1</sup>

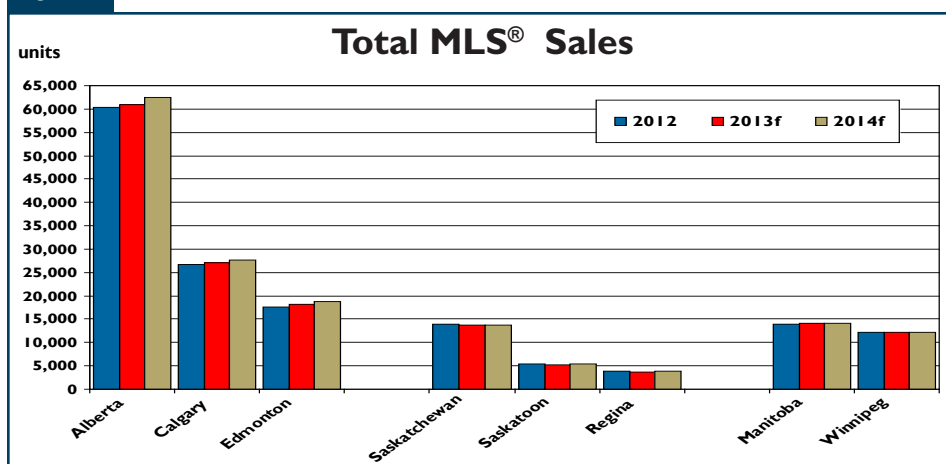
**Housing Starts:** Residential construction in the Prairie Region increased by 30 per cent in 2012 as housing starts rose from 38,818 in 2011 to 50,606 in 2012. In 2013, economies of the Prairie Region are expected to expand but growth is projected to moderate, as are housing starts to 47,200 units. Net migration will pullback as the economic gap between Prairie Provinces and other jurisdictions narrows. Supply and demand conditions will also ease housing starts in 2013. By 2014, improved global economic conditions will increase exports and investment. Improved employment opportunities and a rising level of migrants will edge housing starts higher to 47,800 units in 2014. In Alberta, housing starts will reach 31,800 units in 2013 and edge higher to 32,200 in 2014. Saskatchewan will see 8,300 starts in 2013 and 8,500 units in 2014. Manitoba housing starts are projected at 7,100 units in both 2013 and 2014.

Figure 1



Source: CMHC, CMHC forecast (f)

Figure 2



Source: CREA, CMHC forecast (f)

<sup>1</sup>The outlook is subject to uncertainty. Although point forecasts are presented in this publication, CMHC also presents forecast ranges and risks where appropriate. The forecasts and historical data included in this document reflect information available as of January 22, 2013.

**Resales:** MLS® sales in the Prairie Region rose by nine per cent from 80,831 in 2011 to 88,327 in 2012. Strong employment gains as well as high levels of migration helped increase sales. Sales growth is projected to moderate in 2013 as higher monthly carrying costs impact demand. In 2013, MLS® sales will rise to 88,800 transactions and then to 90,400 in 2014. In Alberta, resale transactions will rise to 61,000 units in 2013 and to 62,400 in 2014. A record level of migration to Saskatchewan in 2012 helped lift MLS® sales to a record 13,950 units in 2012. In 2013 and 2014, MLS® sales in Saskatchewan will remain elevated at close to last year's record level. Manitoba's resale transactions will remain around 14,000 over the forecast period, supported by steady economic and employment growth.

**Resale Prices:** The average resale price in the Prairie region was \$330,623 in 2012, representing an increase of 4.1 per cent from 2011. In Manitoba, sellers' market conditions in Winnipeg helped lift the provincial average price to \$246,318 in 2012, up 5.0 per cent from 2011. Manitoba's average MLS® price will continue rise to \$255,900 in 2013 and \$263,600 in 2014. In Saskatchewan, a record level of migration in 2012 helped increase housing demand and lift the average price by 5.7 per cent to \$274,268. The average resale price in Saskatchewan will reach \$280,600 in 2013 and rise to \$286,500 in 2014. In Alberta, elevated in-migration helped transition housing markets from buyers to balanced market conditions. The average resale price in Alberta rose 2.8 per cent in 2012 to \$363,208. Balance market conditions are projected to persist in Alberta over the next two years increasing the average MLS® price to \$371,200 in 2013 and to \$380,700 in 2014.

## Prairies Housing Outlook

Economic activity in Alberta will generate employment growth of under two per cent in 2013 and 2014 and keep the unemployment rate below five per cent. While net migration is projected to peak in 2012, it will remain elevated over the forecast period supporting housing demand.

In Alberta, the number of single-detached starts rose by 15 per cent to 17,493 units in 2012. Double-digit growth tends to build inventory, but in 2012 demand was on pace with supply and kept the newly completed and unabsorbed housing stock close to the prior year's level. Single-detached starts are projected to remain near 17,500 units in 2013 and 2014.

Alberta's multi-family starts rose by 51 per cent to 15,903 units in 2012, the strongest performance in five years. The rapid pace of growth has added to supply that will compete with new presales over the forecast period and temper the pace of new projects. In 2013, multi-family starts are projected to moderate to 14,300 units before rising to 14,600 units in 2014.

Strong employment growth in full-time jobs, rising wages, and large inflows of migrants to Alberta helped transition existing home markets out of buyers' conditions. In 2012, MLS® sales rose by 12 per cent to 60,369 sales. A slower pace of sales growth is projected in 2013 as resale transactions rise to 61,000 units. In 2014, sales will rise by over two per cent to 62,400.

Housing market balance improved in Alberta in 2012 as sales increased and new listings declined. Following a marginal price increase in 2011, the

average resale price in 2012 rose by 2.8 per cent to \$363,208. Local housing market conditions vary within Alberta but are forecasted to remain in balanced market conditions in 2013 and 2014. The average resale price in Alberta is projected to rise to \$371,200 in 2013, and then to \$380,700 in 2014.

Saskatchewan's growing economy and economic opportunities has been a draw for migrants. Net migration to Saskatchewan is projected to peak in 2012 at 17,700, the highest level on record going back to 1970. In 2013 and 2014, net migration to Saskatchewan will remain elevated at 12,800 and 13,100, respectively. Improving economic opportunities outside Saskatchewan will impact net migration to Saskatchewan but net migration will remain elevated supporting housing demand.

In Saskatchewan, single-detached starts increased by 25 per cent in 2012 to 5,171 units, representing the highest level of production since 1979. In 2013 and 2014, new home construction will remain elevated at 4,600 and 4,700 units, respectively. Gains in new construction over the recent past have lifted supply going into 2013. These new units will need to be completed and sold, holding back growth in 2013.

In 2012, Saskatchewan's multi-family starts increased by 67 per cent to 4,797 units, representing the highest level of production since 1979. At the end of 2012, supply levels were rising significantly as both units under construction and inventories were trending higher. Going forward, some moderation in multi-family construction can be expected as elevated supply levels compete with presales and slow the pace of initiating new projects. Nonetheless, multi-

family starts will remain elevated by historical standards at 3,700 units in 2013 and 3,800 units in 2014.

In 2012, resales in Saskatchewan reached a record of 13,950 MLS® transactions. A record level of migration, strong employment, and income growth contributed to stronger housing demand. With net migration expected to ease in 2013 and consumers facing higher monthly carrying costs than in 2012, sales are expected to ease but remain near record levels at 13,700 units in 2013 and 13,800 units in 2014.

The average MLS® price in Saskatchewan rose by 5.7 per cent in 2012 to \$274,268. Moving forward, price growth is expected to moderate due to a rise in new listings relative to sales. The average resale price in Saskatchewan is forecast to reach \$280,600 in 2013 and \$286,500 in 2014.

Employment growth in Manitoba will remain near one per cent, keeping the unemployment rate well below the national average and drawing international migrants. In Manitoba, net migration is moderating but will support housing demand by adding between 8,500 to 9,000 people each year to Manitoba's population.

In Manitoba, single-detached starts totalled 4,169 units in 2012, representing a 25-year high. Manitoba will continue to post moderate employment and population gains which will encourage home buying activity. In addition, continued equity gains in existing homes will spur move-up buying and keep single-detached construction elevated. Provincial single-detached housing starts will remain stable at 4,100 units in 2013 and 4,200 units in 2014.

Manitoba's multi-family starts increased by 36 per cent to 3,073 units in 2012, also representing a 25-year high. High rental demand driven by immigration and household formation has kept vacancy rates low across the province and stimulated new construction. In addition, demand for condominiums is being fuelled both by first time buyers and empty-nesters. Inventories, however, will rise in 2013 causing builders to delay initiating some new projects. This will keep multi-family starts near 3,000 units in both 2013 and 2014.

Resale transactions in Manitoba will remain elevated near 14,000 units over the forecast period as demand continues to come from first-time home buyers as well as move-up and

down-sizing homeowners looking to take advantage of recent price gains. However, sales growth will be tempered by increasing prices and carrying costs. As a result, MLS® sales are forecasted to remain close to 14,000 units in 2013 and 2014.

Manitoba's average resale price increased by five per cent in 2012 to \$246,318, due to the prevalence of sellers' market conditions in Winnipeg. Moving forward, the supply of listings will rise as existing homeowners take advantage of recent gains in equity and decide to sell. This will help ease the upward pressure on prices over the forecast period. The average residential MLS® price in Manitoba is forecast to rise by 3.9 per cent in 2013 to \$255,900 and to \$263,600 in 2014.

| Mortgage rates |                     |       |
|----------------|---------------------|-------|
| 1 Year         | Q4 2012             | 3.07  |
|                | Change from Q4 2011 | -0.43 |
|                | 2013 (F)            | 3.45  |
|                | 2014 (F)            | 4.47  |
| 5 Year         | Q4 2012             | 5.24  |
|                | Change from Q4 2011 | -0.05 |
|                | 2013 (F)            | 5.32  |
|                | 2014 (F)            | 5.78  |

Source: Bank of Canada, CMHC Forecast

NOTE: Mortgage rate forecast is based on Q4 2012 data

| Prairie Region Economic and Housing Indicators |                     |                    |                    |                              |          |                |                        |                 |            |                         |
|--|---------------------|--------------------|--------------------|------------------------------|----------|----------------|------------------------|-----------------|------------|-------------------------|
|  |                     | Labour Market      |                    |                              |          | Housing Market |                        |                 |            |                         |
|  |                     | Emp. Growth SA (%) | Unemp. Rate SA (%) | Average Weekly Earnings (\$) |          | Total Starts   | Single-Detached Starts | Multiple Starts | MLS® Sales | MLS® Average Price (\$) |
| Calgary  | Q4 2012             | 3.7                | 4.6                | 1,099                        | Q4 2012  | 2,836          | 1,479                  | 1,357           | 5,278      | 417,333                 |
|  | Q4 2011             | 4.4                | 5.5                | 1,038                        | Q4 2011  | 3,057          | 1,317                  | 1,740           | 4,570      | 397,133                 |
|  | Change <sup>1</sup> | -0.7               | -0.9               | 5.9%                         | % Change | -7.2           | 12.3                   | -22.0           | 15.5       | 5.1                     |
| Edmonton                                       | Q4 2012             | 3.6                | 4.3                | 1,023                        | Q4 2012  | 3,710          | 1,395                  | 2,315           | 3,283      | 329,493                 |
|  | Q4 2011             | 5.4                | 4.9                | 960                          | Q4 2011  | 2,622          | 1,256                  | 1,366           | 3,323      | 318,806                 |
|  | Change <sup>1</sup> | -1.8               | -0.6               | 6.6%                         | % Change | 41.5           | 11.1                   | 69.5            | -1.2       | 3.4                     |
| Regina   | Q4 2012             | 1.9                | 4.3                | 957                          | Q4 2012  | 873            | 256                    | 617             | 719        | 306,297                 |
|  | Q4 2011             | 3.5                | 4.0                | 951                          | Q4 2011  | 554            | 268                    | 286             | 878        | 276,949                 |
|  | Change <sup>1</sup> | -1.6               | 0.3                | 0.6%                         | % Change | 57.6           | -4.5                   | 115.7           | -18.1      | 10.6                    |
| Saskatoon                                      | Q4 2012             | 5.8                | 5.5                | 935                          | Q4 2012  | 1,163          | 500                    | 663             | 1,031      | 327,571                 |
|  | Q4 2011             | 2.0                | 5.4                | 850                          | Q4 2011  | 763            | 369                    | 394             | 1,060      | 308,366                 |
|  | Change <sup>1</sup> | 3.8                | 0.1                | 10.1%                        | % Change | 52.4           | 35.5                   | 68.3            | -2.7       | 6.2                     |
| Winnipeg                                       | Q4 2012             | 0.8                | 5.6                | 798                          | Q4 2012  | 802            | 504                    | 298             | 2,398      | 260,470                 |
|  | Q4 2011             | 0.8                | 5.7                | 787                          | Q4 2011  | 1,059          | 524                    | 535             | 2,490      | 248,197                 |
|  | Change <sup>1</sup> | 0.0                | -0.1               | 1.4%                         | % Change | -24.3          | -3.8                   | -44.3           | -3.7       | 4.9                     |
| Alberta  | December 12         | 1.5                | 4.5                | 1,053                        | Q4 2012  | 8,524          | 4,349                  | 4,175           | 11,704     | \$364,238               |
|  | December 11         | 4.9                | 4.9                | 990                          | Q4 2011  | 7,623          | 3,920                  | 3,703           | 10,917     | 349,717                 |
|  | Change <sup>1</sup> | -3.4               | -0.4               | 6.4%                         | % Change | 11.8           | 10.9                   | 12.7            | 7.2        | 4.2                     |
| Saskatchewan                                   | December 12         | 3.1                | 4.6                | 929                          | Q4 2012  | 2,657          | 1,110                  | 1,547           | 2,630      | \$277,473               |
|  | December 11         | 0.6                | 5.2                | 873                          | Q4 2011  | 1,801          | 964                    | 837             | 2,801      | 260,376                 |
|  | Change <sup>1</sup> | 2.5                | -0.6               | 6.4%                         | % Change | 47.5           | 15.1                   | 84.8            | -6.1       | 6.6                     |
| Manitoba                                       | December 12         | 1.9                | 5.2                | 786                          | Q4 2012  | 1,557          | 989                    | 568             | 2,749      | \$250,462               |
|  | December 11         | 1.0                | 5.4                | 773                          | Q4 2011  | 1,765          | 998                    | 767             | 2,843      | 239,523                 |
|  | Change <sup>1</sup> | 0.9                | -0.2               | 1.7%                         | % Change | -11.8          | -0.9                   | -25.9           | -3.3       | 4.6                     |
| Prairie Region                                 | December 12         | 1.8                | 4.7                | 982                          | Q4 2012  | 12,738         | 6,448                  | 6,290           | 17,083     | \$332,571               |
|  | December 11         | 3.4                | 5.1                | 930                          | Q4 2011  | 11,189         | 5,882                  | 5,307           | 16,561     | 315,689                 |
|  | Change <sup>1</sup> | -1.6               | -0.4               | 5.6%                         | Change   | 13.8           | 9.6                    | 18.5            | 3.2        | 5.3                     |
| Canada   | December 12         | 1.8                | 7.1                | 875                          | Q4 2012  | 52,562         | 20,833                 | 31,729          | 87,040     | \$357,796               |
|  | December 11         | 1.1                | 7.5                | 849                          | Q4 2011  | 52,157         | 21,647                 | 30,510          | 95,794     | 357,071                 |
|  | Change <sup>1</sup> | 0.7                | -0.4               | 3.0%                         | % Change | 0.8            | -3.8                   | 4.0             | -9.1       | 0.2                     |

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<sup>1</sup>Changes to the Unemployment Rate and Employment Growth represent the **absolute** difference between current rates and the rates for the same period in the previous year.

Source: Statistics Canada (CANSIM), CMHC (Starts and Completions Survey), CREA

"SA" means Seasonally Adjusted

| Manitoba Housing Market Outlook<br>(units and percentage change) |         |         |         |         |         |         |         |               |               |               |               |
|--|---------|---------|---------|---------|---------|---------|---------|---------------|---------------|---------------|---------------|
|  | 2008    | 2009    | 2010    | 2011    | 2012    | 2013(F) | 2014(F) | 2013Q1<br>(F) | 2013Q2<br>(F) | 2013Q3<br>(F) | 2013Q4<br>(F) |
| <b>Housing Starts:</b>   |         |         |         |         |         |         |         |               |               |               |               |
| Single   | 3,690   | 3,042   | 3,976   | 3,831   | 4,169   | 4,100   | 4,200   | 4,200         | 4,000         | 4,100         | 4,100         |
| %  | -4.3    | -17.6   | 30.7    | -3.6    | 8.8     | -1.7    | 2.4     | 0.2           | -4.8          | 2.5           | 0.0           |
| Multiple   | 1,847   | 1,132   | 1,912   | 2,252   | 3,073   | 3,000   | 2,900   | 3,100         | 2,800         | 2,900         | 3,000         |
| %  | -1.8    | -38.7   | 68.9    | 17.8    | 36.5    | -2.4    | -3.3    | 36.4          | -9.7          | 3.6           | 3.4           |
| Total  | 5,537   | 4,174   | 5,888   | 6,083   | 7,242   | 7,100   | 7,100   | 7,300         | 6,800         | 7,000         | 7,100         |
| %  | -3.5    | -24.6   | 41.1    | 3.3     | 19.1    | -2.0    | 0.0     | 12.9          | -6.8          | 2.9           | 1.4           |
| <b>Existing Home Markets:</b>                                    |         |         |         |         |         |         |         |               |               |               |               |
| MLS® Sales   | 13,525  | 13,086  | 13,164  | 13,944  | 14,008  | 14,100  | 14,200  | 14,000        | 14,100        | 14,100        | 14,200        |
| %  | -2.9    | -3.2    | 0.6     | 5.9     | 0.5     | 0.7     | 0.7     | 0.7           | 0.7           | 0.0           | 0.7           |
| MLS® Average Price   | 190,296 | 201,343 | 222,132 | 234,604 | 246,318 | 255,900 | 263,600 | 253,000       | 255,000       | 257,000       | 258,500       |
| %  | 12.5    | 5.8     | 10.3    | 5.6     | 5.0     | 3.9     | 3.0     | -2.0          | 0.8           | 0.8           | 0.6           |

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Source: CMHC (Starts and Completions Survey), CREA

All data in this table, except the MLS® average price, is seasonally adjusted at annual rates. The MLS® average price data is actual.

| Saskatchewan Housing Market Outlook<br>(units and percentage change) |         |         |         |         |         |         |         |               |               |               |               |
|--|---------|---------|---------|---------|---------|---------|---------|---------------|---------------|---------------|---------------|
|  | 2008    | 2009    | 2010    | 2011    | 2012    | 2013(F) | 2014(F) | 2013Q1<br>(F) | 2013Q2<br>(F) | 2013Q3<br>(F) | 2013Q4<br>(F) |
| <b>Housing Starts:</b>   |         |         |         |         |         |         |         |               |               |               |               |
| Single   | 4,518   | 2,829   | 3,830   | 4,152   | 5,171   | 4,600   | 4,700   | 4,500         | 4,800         | 4,400         | 4,700         |
| %  | 12.5    | -37.4   | 35.4    | 8.4     | 24.5    | -11.0   | 2.2     | -8.6          | 6.7           | -8.3          | 6.8           |
| Multiple   | 2,310   | 1,037   | 2,077   | 2,879   | 4,797   | 3,700   | 3,800   | 3,700         | 3,600         | 3,700         | 3,800         |
| %  | 16.1    | -55.1   | 100.3   | 38.6    | 66.6    | -22.9   | 2.7     | -40.2         | -2.7          | 2.8           | 2.7           |
| Total  | 6,828   | 3,866   | 5,907   | 7,031   | 9,968   | 8,300   | 8,500   | 8,200         | 8,400         | 8,100         | 8,500         |
| %  | 13.7    | -43.4   | 52.8    | 19.0    | 41.8    | -16.7   | 2.4     | -26.2         | 2.4           | -3.6          | 4.9           |
| <b>Existing Home Markets:</b>  |         |         |         |         |         |         |         |               |               |               |               |
| MLS® Sales   | 10,538  | 11,095  | 10,872  | 13,131  | 13,950  | 13,700  | 13,800  | 13,600        | 13,600        | 13,800        | 13,800        |
| %  | -16.0   | 5.3     | -2.0    | 20.8    | 6.2     | -1.8    | 0.7     | 2.8           | 0.0           | 1.5           | 0.0           |
| MLS® Average Price   | 223,931 | 232,882 | 242,258 | 259,461 | 274,268 | 280,600 | 286,500 | 279,000       | 281,000       | 280,000       | 282,500       |
| %  | 28.6    | 4.0     | 4.0     | 7.1     | 5.7     | 2.3     | 2.1     | -1.9          | 0.7           | -0.4          | 0.9           |

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Source: CMHC (Starts and Completions Survey), CREA

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| Alberta Housing Market Outlook<br>(units and percentage change) |         |         |         |         |         |         |         |               |               |               |               |
|---|---------|---------|---------|---------|---------|---------|---------|---------------|---------------|---------------|---------------|
|   | 2008    | 2009    | 2010    | 2011    | 2012    | 2013(F) | 2014(F) | 2013Q1<br>(F) | 2013Q2<br>(F) | 2013Q3<br>(F) | 2013Q4<br>(F) |
| <b>Housing Starts:</b>  |         |         |         |         |         |         |         |               |               |               |               |
| Single  | 14,716  | 14,344  | 17,851  | 15,193  | 17,493  | 17,500  | 17,600  | 17,300        | 17,600        | 17,600        | 17,500        |
| %   | -47.6   | -2.5    | 24.4    | -14.9   | 15.1    | 0.0     | 0.6     | -1.6          | 1.7           | 0.0           | -0.6          |
| Multiple  | 14,448  | 5,954   | 9,237   | 10,511  | 15,903  | 14,300  | 14,600  | 14,400        | 14,300        | 14,400        | 14,200        |
| %   | -28.6   | -58.8   | 55.1    | 13.8    | 51.3    | -10.1   | 2.1     | -14.4         | -0.7          | 0.7           | -1.4          |
| Total   | 29,164  | 20,298  | 27,088  | 25,704  | 33,396  | 31,800  | 32,200  | 31,700        | 31,900        | 32,000        | 31,700        |
| %   | -39.7   | -30.4   | 33.5    | -5.1    | 29.9    | -4.8    | 1.3     | -7.8          | 0.6           | 0.3           | -0.9          |
| <b>Existing Home Markets:</b>                                   |         |         |         |         |         |         |         |               |               |               |               |
| MLS® Sales  | 56,045  | 57,543  | 49,723  | 53,756  | 60,369  | 61,000  | 62,400  | 60,300        | 60,900        | 61,300        | 61,500        |
| %   | -21.0   | 2.7     | -13.6   | 8.1     | 12.3    | 1.0     | 2.3     | 1.9           | 1.0           | 0.7           | 0.3           |
| MLS® Average Price  | 353,748 | 341,818 | 352,301 | 353,394 | 363,208 | 371,200 | 380,700 | 369,000       | 370,600       | 371,800       | 373,400       |
| %   | -1.0    | -3.4    | 3.1     | 0.3     | 2.8     | 2.2     | 2.6     | -0.2          | 0.4           | 0.3           | 0.4           |

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Source: CMHC (Starts and Completions Survey), CREA

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## Prairie Region - Housing Forecast Ranges

|                         | 2013           |               |              | 2014           |               |              |
|-------------------------|----------------|---------------|--------------|----------------|---------------|--------------|
|                         | Point Forecast | High Forecast | Low Forecast | Point Forecast | High Forecast | Low Forecast |
| <b>Alberta</b>          |                |               |              |                |               |              |
| Housing Starts          | 31,800         | 33,800        | 29,800       | 32,200         | 35,900        | 28,500       |
| Multiple                | 14,300         | 15,100        | 13,500       | 14,600         | 16,200        | 13,000       |
| Single                  | 17,500         | 18,700        | 16,300       | 17,600         | 19,700        | 15,500       |
| MLS® Sales              | 61,000         | 65,400        | 56,600       | 62,400         | 66,400        | 58,400       |
| MLS® Average Price (\$) | 371,200        | 382,300       | 360,100      | 380,700        | 392,100       | 369,300      |
| <b>Saskatchewan</b>     |                |               |              |                |               |              |
| Housing Starts          | 8,300          | 8,800         | 7,800        | 8,500          | 9,500         | 7,500        |
| Multiple                | 3,700          | 3,900         | 3,500        | 3,800          | 4,200         | 3,400        |
| Single                  | 4,600          | 4,900         | 4,300        | 4,700          | 5,300         | 4,100        |
| MLS® Sales              | 13,700         | 14,700        | 12,700       | 13,800         | 14,700        | 12,900       |
| MLS® Average Price (\$) | 280,600        | 289,000       | 272,200      | 286,500        | 295,100       | 277,900      |
| <b>Manitoba</b>         |                |               |              |                |               |              |
| Housing Starts          | 7,100          | 7,600         | 6,600        | 7,100          | 7,900         | 6,300        |
| Multiple                | 3,000          | 3,200         | 2,800        | 2,900          | 3,200         | 2,600        |
| Single                  | 4,100          | 4,400         | 3,800        | 4,200          | 4,700         | 3,700        |
| MLS® Sales              | 14,100         | 15,100        | 13,100       | 14,200         | 15,100        | 13,300       |
| MLS® Average Price (\$) | 255,900        | 263,600       | 248,200      | 263,600        | 271,500       | 255,700      |
| <b>Canada</b>           |                |               |              |                |               |              |
| Housing Starts          | 190,400        | 202,000       | 178,600      | 194,100        | 217,000       | 171,200      |
| Multiple                | 110,000        | 116,200       | 103,800      | 112,300        | 125,100       | 99,500       |
| Single                  | 80,300         | 85,800        | 74,800       | 81,800         | 91,900        | 71,700       |
| MLS® Sales              | 451,100        | 484,000       | 418,200      | 472,300        | 505,000       | 439,600      |
| MLS® Average Price (\$) | 367,500        | 378,500       | 356,500      | 377,300        | 390,800       | 363,800      |

Sources : CMHC

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The forecasts included in this document are based on information available as of January 22, 2013.



| Prairie Region Housing Forecast - New Construction |                 |        |          |                      |          |                      |               |               |                      |
|--|-----------------|--------|----------|----------------------|----------|----------------------|---------------|---------------|----------------------|
|  | Housing Starts  | 2012   | 2013(F)* | % chg<br>(2012/2013) | 2014(F)* | % chg<br>(2013/2014) | YTD<br>2012** | YTD<br>2011** | % chg<br>(2011/2012) |
| Calgary  | Single-Detached | 5,961  | 6,000    | 0.7                  | 6,000    | 0.0                  | 5,961         | 5,084         | 17.3                 |
|  | Multiple        | 6,880  | 5,800    | -15.7                | 5,900    | 1.7                  | 6,880         | 4,208         | 63.5                 |
|  | Total           | 12,841 | 11,800   | -8.1                 | 11,900   | 0.8                  | 12,841        | 9,292         | 38.2                 |
| Edmonton   | Single-Detached | 5,658  | 5,700    | 0.7                  | 5,900    | 3.5                  | 5,658         | 5,017         | 12.8                 |
|  | Multiple        | 7,179  | 5,700    | -20.6                | 5,900    | 3.5                  | 7,179         | 4,315         | 66.4                 |
|  | Total           | 12,837 | 11,400   | -11.2                | 11,800   | 3.5                  | 12,837        | 9,332         | 37.6                 |
| Grande Prairie                                     | Single-Detached | 491    | 515      | 4.9                  | 530      | 2.9                  | 491           | 557           | -11.8                |
|  | Multiple        | 120    | 125      | 4.2                  | 130      | 4.0                  | 120           | 139           | -13.7                |
|  | Total           | 611    | 640      | 4.7                  | 660      | 3.1                  | 611           | 696           | -12.2                |
| Lethbridge   | Single-Detached | 552    | 525      | -4.9                 | 540      | 2.9                  | 552           | 491           | 12.4                 |
|  | Multiple        | 108    | 120      | 11.1                 | 125      | 4.2                  | 108           | 275           | -60.7                |
|  | Total           | 660    | 645      | -2.3                 | 665      | 3.1                  | 660           | 766           | -13.8                |
| Medicine Hat                                       | Single-Detached | 226    | 230      | 1.8                  | 240      | 4.3                  | 226           | 130           | 73.8                 |
|  | Multiple        | 58     | 75       | 29.3                 | 90       | 20.0                 | 58            | 20            | 190.0                |
|  | Total           | 284    | 305      | 7.4                  | 330      | 8.2                  | 284           | 150           | 89.3                 |
| Red Deer   | Single-Detached | 326    | 330      | 1.2                  | 340      | 3.0                  | 326           | 295           | 10.5                 |
|  | Multiple        | 242    | 275      | 13.6                 | 290      | 5.5                  | 242           | 260           | -6.9                 |
|  | Total           | 568    | 605      | 6.5                  | 630      | 4.1                  | 568           | 555           | 2.3                  |
| Wood Buffalo                                       | Single-Detached | 347    | 325      | -6.3                 | 350      | 7.7                  | 347           | 530           | -34.5                |
|  | Multiple        | 290    | 265      | -8.6                 | 275      | 3.8                  | 290           | 250           | 16.0                 |
|  | Total           | 637    | 590      | -7.4                 | 625      | 5.9                  | 637           | 780           | -18.3                |
| Regina   | Single-Detached | 1,289  | 1,150    | -10.8                | 1,175    | 2.2                  | 1,289         | 958           | 34.6                 |
|  | Multiple        | 1,804  | 1,250    | -30.7                | 1,275    | 2.0                  | 1,804         | 736           | 145.1                |
|  | Total           | 3,093  | 2,400    | -22.4                | 2,450    | 2.1                  | 3,093         | 1,694         | 82.6                 |
| Saskatoon  | Single-Detached | 2,025  | 1,800    | -11.1                | 1,850    | 2.8                  | 2,025         | 1,608         | 25.9                 |
|  | Multiple        | 1,728  | 1,450    | -16.1                | 1,500    | 3.4                  | 1,728         | 1,386         | 24.7                 |
|  | Total           | 3,753  | 3,250    | -13.4                | 3,350    | 3.1                  | 3,753         | 2,994         | 25.4                 |
| Winnipeg   | Single-Detached | 2,129  | 2,200    | 3.3                  | 2,250    | 2.3                  | 2,129         | 2,002         | 6.3                  |
|  | Multiple        | 1,936  | 2,050    | 5.9                  | 2,000    | -2.4                 | 1,936         | 1,329         | 45.7                 |
|  | Total           | 4,065  | 4,250    | 4.6                  | 4,250    | 0.0                  | 4,065         | 3,331         | 22.0                 |

Source: CMHC (Starts and Completions Survey)

(F) = CMHC Forecast

\* Although point forecasts are provided in this table, please refer to the "Housing Forecast Range" table to get the relevant ranges.

\*\* YTD = January - December



| Prairie Region Housing Forecast - Resale Market |                 |         |          |                      |          |                      |               |               |                      |
|---|-----------------|---------|----------|----------------------|----------|----------------------|---------------|---------------|----------------------|
|   |                 | 2012    | 2013(F)* | % chg<br>(2012/2013) | 2014(F)* | % chg<br>(2013/2014) | YTD<br>2012** | YTD<br>2011** | % chg<br>(2011/2012) |
| <b>Calgary</b>                                  | MLS® Sales      | 26,634  | 27,000   | 1.4                  | 27,700   | 2.6                  | 26,634        | 22,466        | 18.6                 |
|   | MLS® Avg. Price | 412,315 | 423,000  | 2.6                  | 434,000  | 2.6                  | 412,315       | 402,851       | 2.3                  |
| <b>Edmonton</b>                                 | MLS® Sales      | 17,641  | 18,200   | 3.2                  | 18,800   | 3.3                  | 17,641        | 16,963        | 4.0                  |
|   | MLS® Avg. Price | 334,319 | 342,000  | 2.3                  | 351,000  | 2.6                  | 334,318       | 325,595       | 2.7                  |
| <b>Grande Prairie</b>                           | MLS® Sales      | 2,710   | 2,900    | 7.0                  | 3,000    | 3.4                  | 2,710         | 2,158         | 25.6                 |
|   | MLS® Avg. Price | 266,831 | 275,000  | 3.1                  | 282,000  | 2.5                  | 266,221       | 255,791       | 4.1                  |
| <b>Lethbridge</b>                               | MLS® Sales      | 2,125   | 2,150    | 1.2                  | 2,200    | 2.3                  | 2,125         | 2,021         | 5.1                  |
|   | MLS® Avg. Price | 249,215 | 252,000  | 1.1                  | 255,000  | 1.2                  | 249,215       | 248,359       | 0.3                  |
| <b>Medicine Hat</b>                             | MLS® Sales      | 1,404   | 1,430    | 1.9                  | 1,460    | 2.1                  | 1,404         | 1,217         | 15.4                 |
|   | MLS® Avg. Price | 258,802 | 267,000  | 3.2                  | 274,000  | 2.6                  | 258,803       | 248,277       | 4.2                  |
| <b>Red Deer</b>                                 | MLS® Sales      | 4,304   | 4,500    | 4.6                  | 4,700    | 4.4                  | 4,304         | 3,689         | 16.7                 |
|   | MLS® Avg. Price | 279,180 | 286,500  | 2.6                  | 294,500  | 2.8                  | 279,180       | 261,258       | 6.9                  |
| <b>Wood Buffalo</b>                             | MLS® Sales      | 1,815   | 1,850    | 1.9                  | 1,900    | 2.7                  | 1,781         | 2,094         | -14.9                |
|   | MLS® Avg. Price | 632,797 | 655,000  | 3.5                  | 668,000  | 2.0                  | 632,797       | 596,418       | 6.1                  |
| <b>Regina</b>                                   | MLS® Sales      | 3,952   | 3,700    | -6.4                 | 3,800    | 2.7                  | 3,952         | 3,899         | 1.4                  |
|   | MLS® Avg. Price | 301,145 | 309,000  | 2.6                  | 316,000  | 2.3                  | 301,145       | 277,473       | 8.5                  |
| <b>Saskatoon</b>                                | MLS® Sales      | 5,462   | 5,300    | -3.0                 | 5,400    | 1.9                  | 5,462         | 5,183         | 5.4                  |
|   | MLS® Avg. Price | 315,834 | 322,000  | 2.0                  | 330,000  | 2.5                  | 315,834       | 301,232       | 4.8                  |
| <b>Winnipeg</b>                                 | MLS® Sales      | 12,094  | 12,100   | 0.0                  | 12,200   | 0.8                  | 12,094        | 12,297        | -1.7                 |
|   | MLS® Avg. Price | 255,059 | 266,000  | 4.3                  | 277,000  | 4.1                  | 255,058       | 241,409       | 5.7                  |

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Source: CREA

(F) = CMHC Forecast

\* Although point forecasts are provided in this table, please refer to the "Housing Forecast Range" table to get the relevant ranges.

\* YTD = January - December

| Prairie Region Housing Forecast - Rental Market |              |             |                                 |             |
|---|--------------|-------------|---------------------------------|-------------|
|   | Vacancy Rate |             | Average Rent<br>2-Bedroom Units |             |
|   | Oct 2012     | Oct 2013(F) | Oct 2012                        | Oct 2013(F) |
| <b>Calgary</b>                                  | 1.3          | 1.4         | 1,150                           | 1,200       |
| <b>Edmonton</b>                                 | 1.7          | 1.9         | 1,071                           | 1,110       |
| <b>Regina</b>                                   | 1.0          | 1.2         | 979                             | 1,020       |
| <b>Saskatoon</b>                                | 2.6          | 2.7         | 1,002                           | 1,025       |
| <b>Winnipeg</b>                                 | 1.7          | 1.9         | 911                             | 940         |
| <b>Canada<sup>1</sup></b>                       | 2.8          | 2.5         | n/a                             | n/a         |

Source: CMHC Fall Rental Market Survey

(F) = CMHC Forecast

<sup>1</sup> All centres 100,000+

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