

# HOUSING MARKET OUTLOOK

## Prairie Region Highlights



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Fourth Quarter 2016

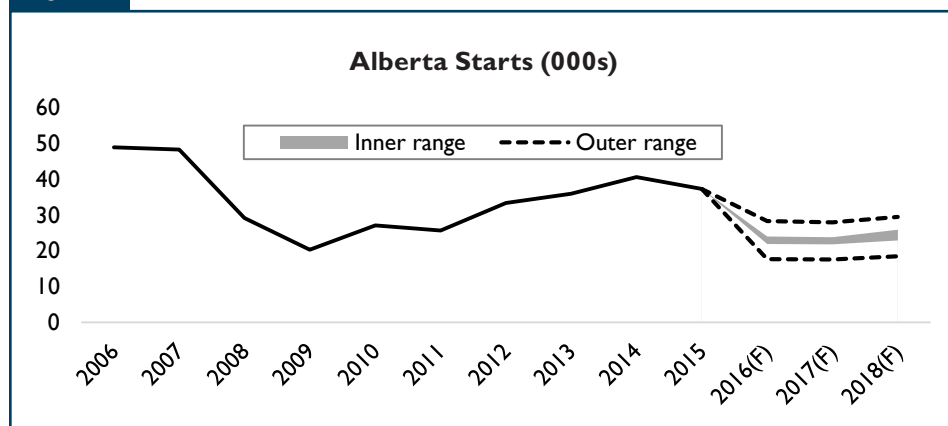
### Prairie housing starts to stabilize 2017 and then rise in 2018

#### Prairies Overview

##### Housing Starts:

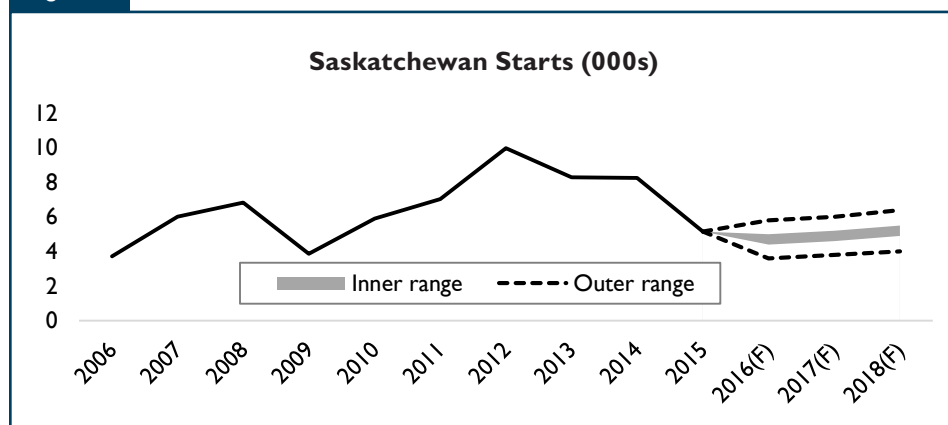
Low commodity prices continued to impact investment, employment and housing demand. As a result, builders have lowered new production focusing instead on inventory reduction, especially multi-family units. Housing starts are forecasted to stabilize in 2017 as inventory reduction continues to hold back growth. By 2018, reduced inventories, stronger economic and employment growth will help increase housing starts. In Alberta, total housing starts are forecasted to decline from 37,282 units in 2015 to between 21,900 to 24,000 units in 2016. In 2017, Alberta's housing starts are projected to stabilize and range from 21,800 to 23,800 units. By 2018, lower inventory and improved economic conditions will help increase housing starts to range between 22,900 and 25,900. There is a risk that commodity prices do not rise enough to stimulate investment and employment growth and this would adversely impact housing demand. In Saskatchewan, total housing starts are projected to decline from 5,149 units in 2015

Figure 1



Source: CMHC, (F): CMHC Forecast

Figure 2



Source: CMHC, (F): CMHC Forecast

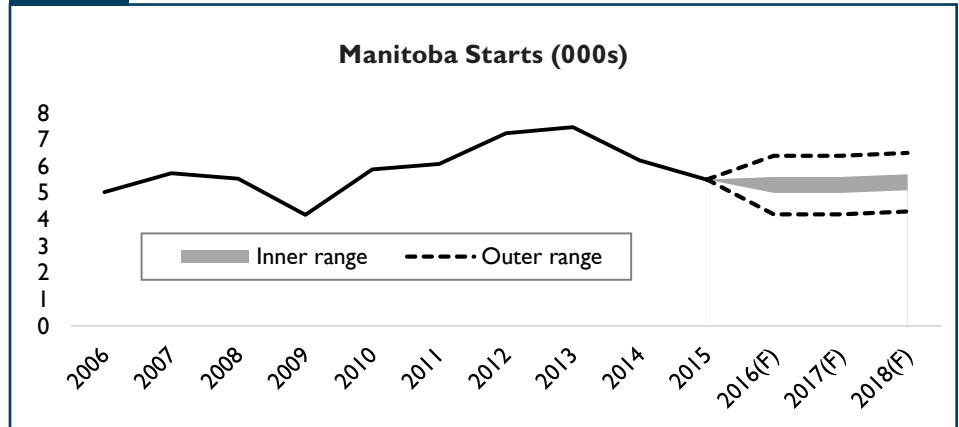
The forecasts and historical data included in this document reflect information available as of September 30, 2016.

to range from 4,400 to 5,000 units in 2016. After four consecutive years of decline, housing starts are forecasted to rise and range from 4,600 to 5,200 units in 2017 and from 4,900 to 5,500 in 2018. In Manitoba, economic and demographic growth have not been enough to outweigh an elevated supply of multi-family units. Manitoba's total starts are forecasted to decline from 5,501 in 2015 and range from 5,000 to 5,600 units in both 2016 and 2017. By 2018, a lower level of inventory and continued economic growth in Manitoba is expected to gradually lift housing starts to between 5,100 and 5,700 units.

### Resales:

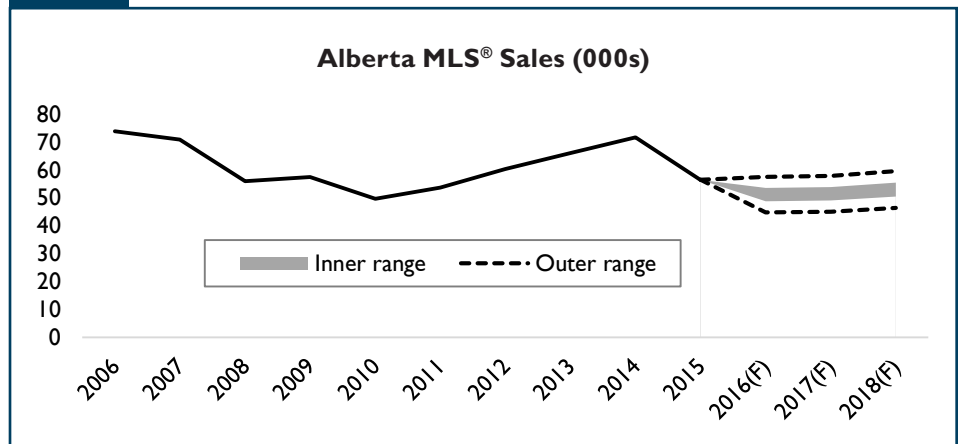
The economic downturn due to low commodity prices continued to similarly reduce the number of resale transactions in Alberta and Saskatchewan. In Alberta, MLS® sales are projected to decline from 56,477 in 2015 to between 48,800 and 53,600 in 2016. Resales are then expected to stabilize after two years of contraction and are forecasted to range from 49,100 to 53,900 in 2017. With more upside to economic growth expected in 2018, MLS® sales in Alberta will range from 50,500 to 55,500 transactions. In Saskatchewan, MLS® sales are projected to decline from 12,245 in 2015 to range from 11,500 to 11,700 in 2016. Resales are expected to stabilize in 2017 and range between 11,600 and 11,900 transactions. Improving economic conditions should gradually lift the number of MLS® sales, which are forecasted to range from 11,800 to 12,100 in 2018. MLS® sales in Manitoba are expected to rise from 14,021 in 2015 and range between 14,500 and 14,900 in 2016. A gradual increase in resales is projected to continue over the next two years with MLS® sales ranging from 14,600 to 15,000 in 2017 and between 14,800 and 15,200 in 2018.

Figure 3



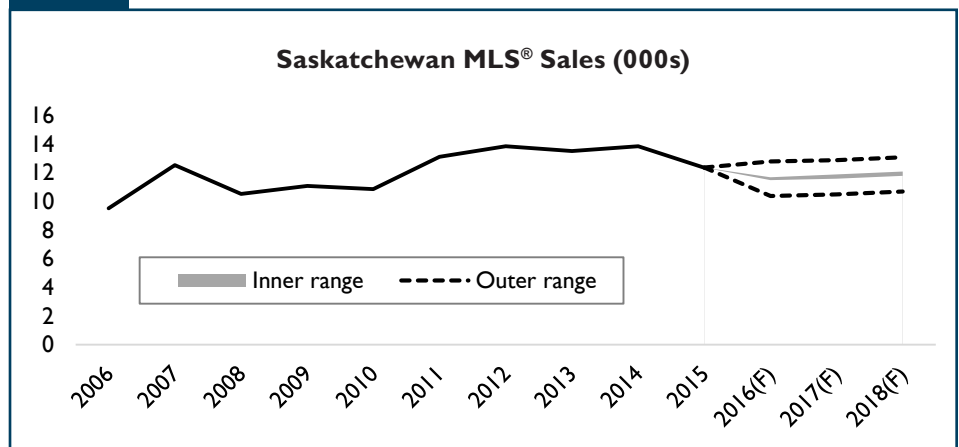
Source: CMHC, (F): CMHC Forecast

Figure 4



Source: CREA, (F): CMHC Forecast

Figure 5

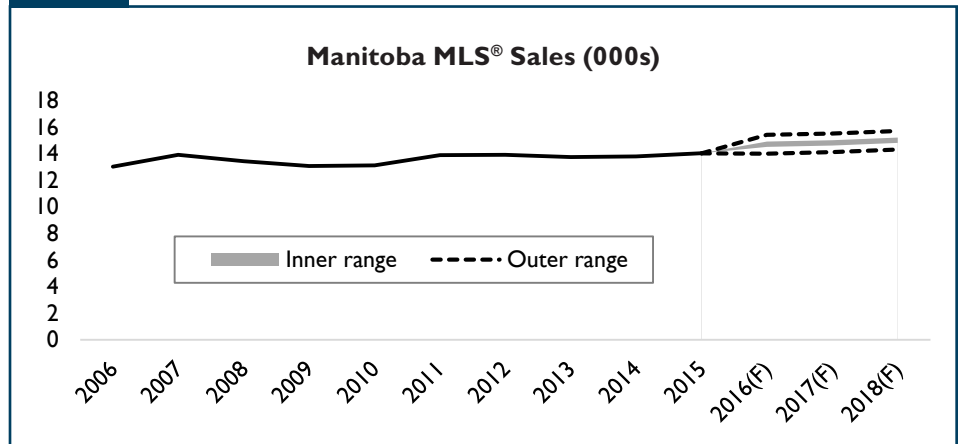


Source: CREA, (F): CMHC Forecast

## Resale Prices:

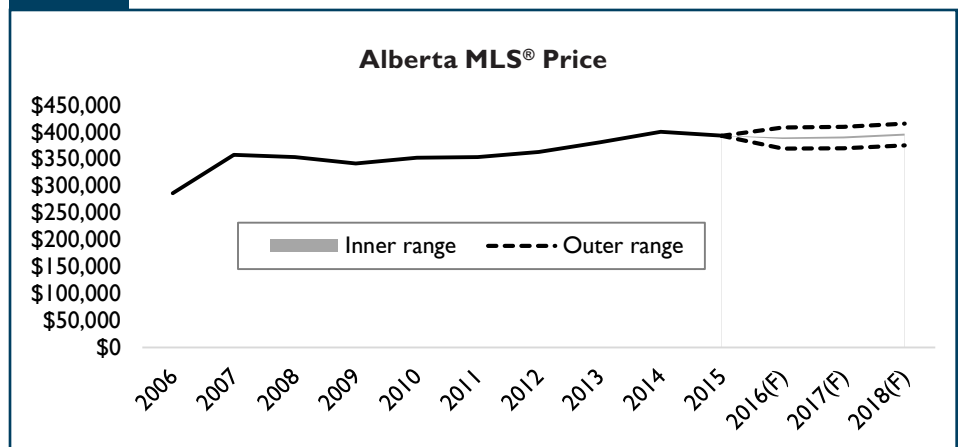
The average residential MLS® sales price in Alberta is on pace to decline for a second consecutive year from \$393,138 in 2015 to between \$387,100 and \$390,100 in 2016. In 2017, market conditions are projected to shift away from favouring the buyer, thus stabilizing prices which are projected to range from \$388,200 to \$391,800 in 2017. Continued improved market conditions in 2018 will help lift the average resale price to between \$393,500 and \$397,100. Buyer's market conditions in Saskatchewan will cause the average MLS® price to decrease from \$297,487 in 2015 to between \$289,700 and \$298,700 in 2016. Prices are expected to stabilize and then firm up due to economic and demographic growth. The average price will gradually rise to range between \$291,500 and \$300,500 in 2017 and between \$294,900 and \$304,100 in 2018. With economic growth occurring in Manitoba this year, the average resale price is projected to rise from \$270,375 in 2015 to range between \$272,900 and \$277,100 in 2016. Balanced resale market conditions will continue to generate price growth. In 2017, the average MLS® price will range from \$277,100 to \$281,500 and is projected to continue rising and range from \$281,600 to \$286,000 in 2018.

Figure 6



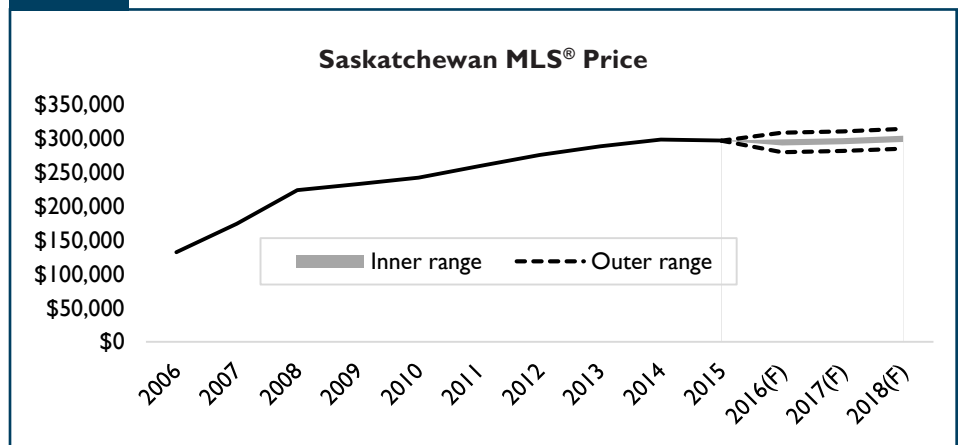
Source: CREA, (F): CMHC Forecast

Figure 7



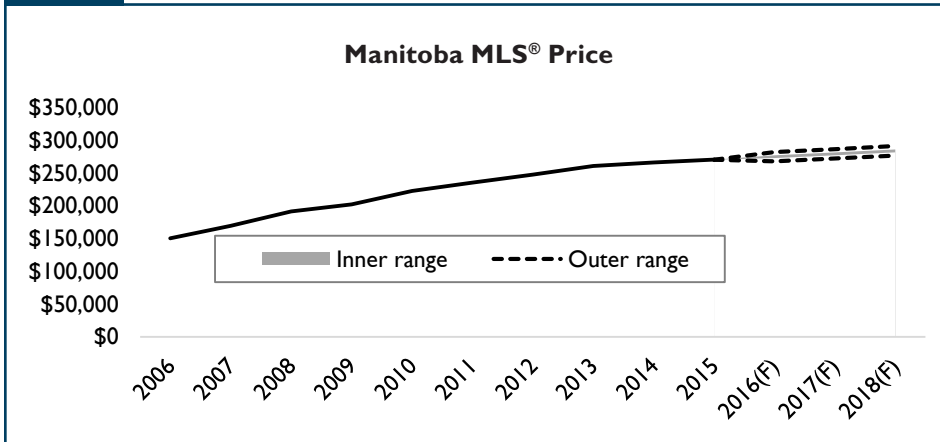
Source: CREA, (F): CMHC Forecast

Figure 8



Source: CREA, (F): CMHC Forecast

Figure 9



Source: CREA, (F): CMHC Forecast

## Prairies Housing Outlook

The oil price shock that began in the fall of 2014 continues to negatively impact Alberta's economy. Alberta's real GDP is projected to decline for a second consecutive year in 2016. Oil prices remain relatively low and continue to translate to lower investment and drilling activity in the oil and natural gas industry. The value of exports from Alberta at midyear 2016 continued to show a sharp decline, lowered to some extent by the Fort McMurray

wildfires which disrupted oil production. Moving forward, the consensus forecast is for oil prices to rise in 2017<sup>1</sup>. Higher oil prices are expected to stabilize investment and contribute to economic and employment growth. Government spending on health care, education and infrastructure is also expected to help support economic growth. Alberta's economy is projected to begin expanding in 2017 with even stronger growth projected in 2018. However, there is considerable uncertainty in forecasting oil prices. Under a scenario where oil prices do

not rise, Alberta's expected economic recovery would be delayed again for another year.

In terms of employment, the downsizing that began in the oil and gas industry has negatively impacted the overall employment outlook for Alberta. Employment in Alberta is projected to decline in 2016, although some areas such as education, health care and public administration are showing growth. Under a scenario of economic growth in 2017, employment is projected to stabilize and then show some modest growth later in the year; however, it will likely not be until 2018 that employment growth exceeds one per cent. The unemployment rate in Alberta will average approximately eight per cent in 2016 and begin to slowly decline in 2017 and move to approximately seven per cent in 2018 as Alberta's employment picture improves.

Fewer employment opportunities in Alberta have caused net interprovincial migration to turn negative. Conversely, international migration to Alberta has been elevated, supported by the resettlement of refugees. Overall, net migration will continue to contribute to Alberta's population growth which is expected to moderate to 1.6 per cent in 2017. Stronger interprovincial gains are expected to contribute to a further population increase of 1.7 per cent in 2018.

In Alberta, a lower level of demand has caused builders to reduce production. Single-detached starts are projected to decline from 14,557 in 2015 to range between 10,000 and 11,000 units in 2016, representing roughly half the level of production seen in 2014. The reduction in units under construction has mitigated the risk of escalating inventories. In 2017,

### Note to readers

In an effort to align itself with the various needs of those seeking information about the housing market, CMHC's Market Analysis Centre has undertaken a complete review of its products and services. As a part of this review, the CMHC's *Housing Market Outlook* publication will be undergoing a series of modifications. The general objective is to provide a range of possible outcomes that, in a context of

economic and financial uncertainty, will better help users in their decision-making process.

As a first step in this ongoing process, the present edition incorporates forecast ranges for housing variables as well as an expanded discussion on the risks to the forecast. A more detailed description of the forecast range methodology is provided at the end of the publication.

<sup>1</sup> CMHC does not forecast oil prices. See Consensus Forecasts at <http://www.consensuseconomics.com/> and U.S. Energy Information Administration <http://www.eia.gov/forecasts/steo>.

single-detached starts are projected to be in the range of 10,300 to 11,300 units. By 2018, stronger job creation and demand is expected to help increase single-detached starts which are projected to range from 11,300 to 12,300 units.

The number of multi-family units completed and not sold in Alberta continued to escalate in 2016 and are expected to peak in 2017 as the very high level of production of 22,725 units started in 2015 progresses to completion. A doubling of inventory in 2016 will hold back some new projects, therefore multi-family starts are projected to decline in 2016 and 2017 and range from 11,200 to 13,800 units, and 10,700 to 13,300 units, respectively. By 2018, lower inventory levels and improved housing market conditions are expected to stabilize production with multi-family starts ranging from 11,600 to 14,400 units.

On the resale market, MLS® sales in Alberta are projected to decline from 56,477 units in 2015 to range from 48,800 to 53,600 units in 2016, representing a second consecutive year of decline. The outlook for 2017 is for the economy and MLS® sales to stabilize with resales ranging from 49,100 to 53,900 units. By 2018, employment and demographic growth are expected to lift home sales with the number of MLS® sales projected to range between 50,500 and 55,500 units.

The average residential MLS® sales price in Alberta is also on pace to decline for a second consecutive year from \$393,138 in 2015 to between \$387,100 and \$390,100 in 2016. Job losses in Alberta have reduced the demand for resale homes and has put downward pressure on prices. Going forward, market conditions are projected to shift away from favouring the buyer as job growth improves, thus stabilizing prices which

are projected to range from \$388,200 to \$391,800 in 2017. Balanced market conditions are projected to help lift the average resale price in 2018 to between \$393,500 and \$397,100.

In Saskatchewan, real GDP is projected to contract for the second consecutive year in 2016. Stronger growth for key commodities like oil and gas, potash, and uranium have not materialized this year. Under the scenario of higher commodity prices, Saskatchewan's economy is expected to expand in 2017 and 2018. Higher commodity prices would translate to a higher level of investment and increased exports, both generating employment increases. However, there is considerable uncertainty with forecasting commodity prices. In a scenario of low commodity prices, an economic recovery would likely be slower, thus moderating housing demand.

The economic slowdown in Saskatchewan has diminished employment opportunities in 2016, with the level of employment projected to decline below that of 2015. This has caused the unemployment rate to rise from five per cent in 2015 to above six per cent in 2016. Employment opportunities are projected to gradually increase over the forecast period as the economy recovers and stimulates an increase in consumer spending. A higher level of employment over the forecast period will gradually reduce the unemployment rate to a projected 5.8 per cent in 2018.

Despite slower economic growth, Saskatchewan's population is projected to increase at a faster rate in 2016 than 2015 due to an increase of international migration, supported by government policies to relocate Syrian refugees to Saskatchewan. Interprovincial migration flows are projected to remain negative this year

but start to rise in 2017 and 2018 as improving economic opportunities slow the net outflow. Saskatchewan will continue to benefit from gains of international migration, but these flows are expected to moderate. The population in Saskatchewan is projected to increase by 1.4 per cent in 2016 and then by 1.3 per cent through 2018.

Single-detached starts in Saskatchewan in 2016 are projected range from 2,600 to 2,800 units, remaining above the 2,414 unit level of production seen in 2015. A lower level of inventory has stimulated production this year and will help gradually increase production in 2017 with single-detached starts to range between from 2,700 to 2,900 units. Improving economic and housing market conditions will continue to gradually increase production, which is forecasted to range between 2,800 and 3,000 units in 2018.

Multi-family starts in Saskatchewan are projected to decrease for a second consecutive year from 2,735 units in 2015 and range between 1,800 and 2,200 units in 2016. Despite the sharp reduction in multi-family starts last year and this year, inventories have continued to rise. Inventory levels are projected to peak early next year and then being to decline. This will help stabilize production as multi-family starts are projected to range between 1,800 and 2,400 units in 2017 before rising to range between 2,000 and 2,600 units in 2018.

Housing market conditions that favour the buyer have been prevalent in Saskatchewan as employment losses have slowed housing demand. MLS® sales in Saskatchewan are projected to decline from 12,245 sales last year and range between 11,500 and 11,700 units in 2016. Resales are forecasted to stabilize in 2017 and range between 11,600



and 11,900 units in 2017. Improving economic conditions should gradually lift the number of MLS® sales, which are projected to range from 11,800 to 12,100 units in 2018.

Buyer's market conditions in Saskatchewan will cause the average MLS® price to decrease from \$297,487 in 2015 to between \$289,700 and \$298,700 in 2016. After two years of price erosion, prices are expected to stabilize and then firm up due to economic and demographic growth. This should help the average price gradually rise to between \$291,500 and \$300,500 in 2017 and to between \$294,900 and \$304,100 in 2018.

Manitoba's economy is forecasted to continue expanding over the forecast period through 2018. Economic growth in 2016 has been supported by consumer spending and investment in utilities. However, the expected export growth from a weaker Canadian dollar and increased manufacturing shipments has not materialized as quickly as expected in 2016. As a result, this has caused CMHC's economic growth projections to moderate from the last forecast release. Nevertheless, Manitoba's growth is projected to increase at a similar rate to the national average.

Employment growth in Manitoba has been flat in 2016 following a year of relatively strong growth in 2015. Manitoba is experiencing employment growth in the goods producing sector but this is being offset by declines in the service sector. This year, a growing labour force and stable employment will cause the unemployment rate to rise to an average of six per cent. However, continued economic expansion is expected to generate employment growth of approximately one per cent in 2017 and 1.1 per cent in 2018. This

will cause the unemployment rate to gradually decline to 5.8 per cent in 2017 and to 5.5 per cent in 2018, remaining below the national average.

Manitoba has been experiencing an elevated level of international migration, in part due to the resettlement of refugees. This elevated level of international migration is projected to ease over the forecast period. Manitoba will continue to experience net losses from interprovincial outflows although this year the outflow will be reduced, especially to Alberta where employment opportunities have diminished. Overall, Manitoba's population growth rate is projected to accelerate in 2016 with some easing in 2017 and 2018 although this growth will remain above one per cent. Economic and population growth is expected support housing demand over the forecast period.

In Manitoba, single-detached starts are projected to rise from 2,325 units in 2015 to between 2,500 and 2,700 units in 2016. Single-detached starts are projected to gradually rise and range from 2,600 to 2,800 units in 2017 and range between 2,700 and 2,900 units in 2018. The supply of single-detached units has trended lower as builders reduced production over the past three years. With inventories reduced by a third from last year and market conditions improving, builders will gradually increase production.

Multi-family starts in Manitoba are projected to decline from 3,176 units in 2015 to range between 2,500 and 2,900 units in 2016 and between 2,400 and 2,800 units in both 2017 and 2018. Production in 2016 will represent the third consecutive year of decline. Supply levels in the multi-family market remain high due to an elevated number of units under

construction. A portion of these units will need to be sold before a substantial increase in starts is expected in this sector.

MLS® sales in Manitoba are expected to rise from 14,021 units in 2015 and range between 14,500 and 14,900 units in 2016. A gradual increase in resales is projected over the forecast period, with MLS® sales ranging from 14,600 to 15,000 units in 2017 and between 14,800 and 15,200 units in 2018. A growing population, low mortgage rates, and a steady increase in home values will continue to help generate higher resale volumes.

The average resale price in Manitoba is projected to rise from \$270,375 in 2015 to range between \$272,900 and \$277,100 in 2016. Housing market conditions in Winnipeg are projected to remain balanced through 2018 supporting provincial price growth. In 2017, the average MLS® price is forecasted to range from \$277,100 to \$281,500. The average resale price is projected to continue rising and range from \$281,600 to \$286,000 in 2018.

## Forecast risks in 2017 and 2018

There are a number of risks both to the upside and downside which contribute to uncertainty in the outlook. These risks are noted below and are represented by the lower and upper bounds of the outer forecast ranges for starts, MLS® sales and MLS® price.

A higher level of pricing for oil and gas that stimulates investment and job creation in Alberta and Saskatchewan would help increase housing starts toward the upper bound of the outer range. Higher prices for potash and uranium would also help lift Saskatchewan's economy. A faster growing U.S. economy and a lower Canadian dollar

could generate more exports and increase investment and generate more employment and increased housing demand. The reverse would also apply: lower commodity prices, slower international growth and a stronger Canadian dollar, would impact employment and reduce housing demand and housing starts. In Alberta, total housing starts under various scenarios could range from 17,600 to 28,000 in 2017 and from 18,500 to 29,500 in 2018. In Saskatchewan, starts could range from 3,800 to 6,000 in 2017 and from 4,000 to 6,400 in 2018. Manitoba's starts could range from 4,200 to 6,400 in 2017 and from 4,300 to 6,500 in 2018.

An economic shock reducing employment or a substantial increase in mortgage rates would reduce the number of MLS® sales towards the lower bound of the outer range. On the other hand, if employment and demographic growth is much stronger, we would expect demand for resale homes to increase and move towards the upper bound of the outer range. In Alberta, various scenarios could result in MLS® sales ranging from 45,100 to 57,900 in 2017 and 46,400 to 59,600 in 2018. In Saskatchewan, various pessimistic or optimistic scenarios could lead to MLS® sales ranging between 10,500 and 12,900 in 2017, and from 10,700 to 13,100 in 2018. In Manitoba, where demand tends to be more stable than in Alberta and Saskatchewan, economic, demographic, and financial shocks could cause MLS® sales in Manitoba to range from 14,100 to 15,500 in 2017 and from 14,300 to 15,700 in 2018.

In Alberta and Saskatchewan, most of the major markets are in conditions that favour the buyer and it is possible that these conditions persist over the forecast period. In Manitoba,

supply and demand conditions are more balanced. If supply levels rose substantially without a commensurate increase in demand we would expect downward pressure on housing prices, and a movement towards the lower bound of the outer range. This could come about due to a strong increase in unemployment and a rapid outflow of interprovincial migrants. Conversely, if demand became much stronger due to stronger employment gains and new household formation, without supply increasing, this would put upward pressure on housing prices and a movement towards the upper bound of the outer range. In Alberta, various scenarios generate price movement to range from \$370,100 to \$409,900 in 2017 and from \$375,100 to \$415,500 in 2018. In Saskatchewan, the average MLS® price could range from \$281,500 to \$310,500 in 2017 and from \$284,800 to \$314,200 in 2018. In Manitoba, the average resale price could range from \$272,100 to \$286,500 in 2017 and from \$276,500 to \$291,100 in 2018.

### **The impact of mortgage regulation changes**

On October 3, the Government of Canada announced measures designed to support the health and stability of Canadian housing markets and housing finance system. The measures include new eligibility rules for high ratio insured mortgages (where the loan to value ratio is greater than 80%) and new eligibility criteria for low ratio insured loans (loan-to-value less than 80%) that previously only applied to high ratio mortgages. Under the new measures, all high ratio mortgages will now be “stress tested” to ensure borrowers can afford their loan if interest rates rise. Borrowers will now have to meet higher debt servicing limits calculated using the greater of the contract

rate and the Bank of Canada's 5 year posted rate. The latter is currently more than 2% higher than typical contract rates. This “stress test” approach has been applied since 2010 to variable rate mortgages and fixed rate mortgages of a term of less than 5 years. Applying this stress test to loans with terms of five years and longer extends this test to all high-ratio insured mortgages.

As the policy just took effect, it is difficult to precisely evaluate the impacts on housing markets. In general, an increase in mortgage rates affects house prices, sales, and starts negatively. However, the stress test approach affects the size of the insured mortgage for which the home borrower qualifies and it is not an increase in the mortgage rate itself. As a result, borrowers could adjust their purchase behaviour in several ways. For example, they could purchase homes that are less expensive, add more down payment, delay their purchase in order to save additional funds for down payment, or add a co-signor. According to our analysis, from 5 to 10 per cent of all prospective home buyers could be affected during the first year of implementation, but the precise impact will vary depending on specific homebuyer circumstances and behaviours. Considering regional variations in drivers of housing activities, it is also likely that the impact of the announced changes could be different across the country. Taking into account all possible scenarios, the impacts on house prices, sales, and starts are within the lower band of our outer forecasting range that is designed to capture unexpected economic and financial developments, as well as unforeseen regulatory changes at the local, provincial, and national levels.

## **Mortgage rates are expected to rise modestly over the forecast horizon**

Mortgage rates are expected to increase very modestly over the period 2016-2018. This is consistent with the expected pick-up over the horizon for inflation and real GDP growth by several forecasting institutions.

According to our base case scenario, the posted 5-year mortgage rate is expected to be within a 4.5 to 4.9 per cent range in 2016 and within a 4.4 to 5.2 range in 2017. For 2018, the posted 5-year mortgage rate should lie within a 4.5 to 5.7 per cent range.



## Methodology for forecast ranges

The present edition of *Housing Market Outlook* incorporates forecast ranges for housing variables. Despite this change, all analyses and forecasts of market conditions continue to be conducted using the full range of quantitative and qualitative tools currently available. Two sets of ranges are presented in the publication:

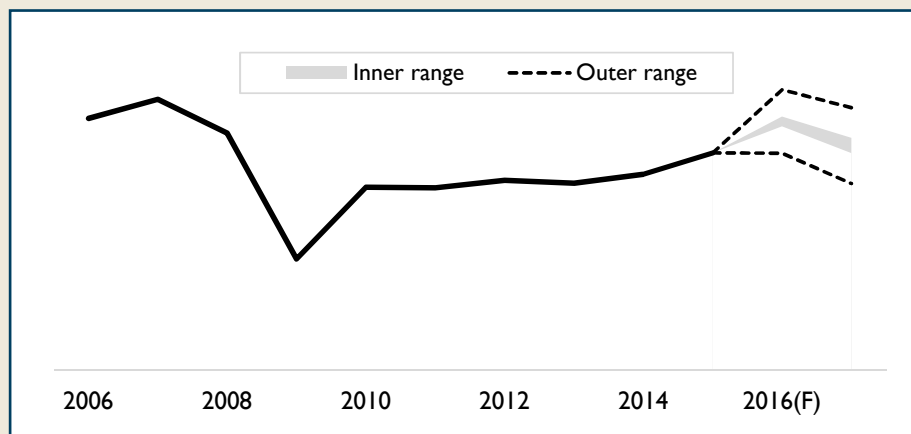
- An inner range, which provides more precise guidance to readers on the outlook while recognizing the small random components of the relationship between the housing market and its drivers. This inner range is based on the coefficient of variation\* of historical data and on past forecast accuracy. This range provides precision and direction for forecasts of housing variables, given a

specific set of assumptions for the market conditions and underlying economic fundamentals.

- An outer range, which reflects potential risks to the forecast due to, for example, the impact of economic shocks. The outer range is based on a broader coefficient of variation of

historical data and on past forecast accuracy. This range includes some low-probability events that could have a significant impact on the forecast.

Downward (or upward) adjustments to the ranges may be applied based on local market intelligence if there are more sources of risks (upside or downside) for that specific market.



\* The coefficient of variation in this case is the standard deviation divided by the mean of that series. A higher coefficient of variation would produce wider ranges due to the higher volatility of the data, while a lower coefficient of variation would produce tighter ranges.

Forecast Summary Alberta Fall 2016									
	2013	2014	2015	2016(F)		2017(F)		2018(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
<b>New Home Market</b>									
<b>Starts:</b>									
Single-Detached	18,431	19,563	14,557	10,000	11,000	10,300	11,300	11,300	12,300
Multiples	17,580	21,027	22,725	11,200	13,800	10,700	13,300	11,600	14,400
Starts - Total	36,011	40,590	37,282	21,900	24,000	21,800	23,800	22,900	25,900
<b>Resale Market</b>									
MLS® Sales	66,080	71,773	56,477	48,800	53,600	49,100	53,900	50,500	55,500
MLS® Average Price(\$)	380,969	400,590	393,138	387,100	390,100	388,200	391,800	393,500	397,100
<b>Economic Overview</b>									
Mortgage Rate(5 year)(%)	5.24	4.88	4.67	4.50	4.90	4.40	5.20	4.50	5.70

	2013	2014	2015	2016(F)	2017(F)	2018(F)
<b>Rental Market</b>						
October Vacancy Rate (%)	1.3	1.6	4.6	7.4	7.2	6.1
Two-bedroom Average Rent (October)(\$)	1,171	1,261	1,285	1,241	1,234	1,241
<b>Economic Overview</b>						
Population	4,040,578	4,147,040	4,216,875	4,259,733	4,337,700	4,409,550
Annual Employment Level	2,226,200	2,274,600	2,301,100	2,260,500	2,270,000	2,298,400
Net Migration	90,067	64,534	38,708	37,000	36,000	39,600
Average Weekly Earnings (\$)	1,061	1,082	1,104	1,110	1,125	1,150

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

Rental Market: Corresponds to universe of privately initiated rental apartment structures of three units and over. Historical and forecast values are an aggregate roll-up of the Census Metropolitan Area (CMA) historical data and forecasts from each province.

The forecasts (F) included in this document are based on information available as of 30th September 2016. (L)=Low end of Range.(H)=High end of range.

It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.

Source: CMHC (Starts and Completions Survey and Market Absorption Survey). Statistics Canada. CREA(MLS®). CMHC Forecast (2016-2018).

Forecast Summary Saskatchewan Fall 2016									
	2013	2014	2015	2016(F)		2017(F)		2018(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
<b>New Home Market</b>									
<b>Starts:</b>									
Single-Detached	4,184	3,807	2,414	2,600	2,800	2,700	2,900	2,800	3,000
Multiples	4,106	4,450	2,735	1,800	2,200	1,800	2,400	2,000	2,600
Starts - Total	8,290	8,257	5,149	4,400	5,000	4,600	5,200	4,900	5,500
<b>Resale Market</b>									
MLS® Sales	13,478	13,705	12,245	11,500	11,700	11,600	11,900	11,800	12,100
MLS® Average Price(\$)	288,211	298,431	297,487	289,700	298,700	291,500	300,500	294,900	304,100
<b>Economic Overview</b>									
Mortgage Rate(5 year)(%)	5.24	4.88	4.67	4.50	4.90	4.40	5.20	4.50	5.70

	2013	2014	2015	2016(F)	2017(F)	2018(F)
<b>Rental Market</b>						
October Vacancy Rate (%)	2.3	3.2	6.0	6.4	5.4	5.2
Two-bedroom Average Rent (October)(\$)	1,030	1,085	1,092	1,095	1,107	1,115
<b>Economic Overview</b>						
Population	1,111,005	1,126,567	1,138,879	1,149,281	1,163,877	1,178,658
Annual Employment Level	565,300	570,900	573,700	569,700	573,300	579,100
Net Migration	12,202	9,095	7,612	10,900	9,300	9,500
Average Weekly Earnings (\$)	923	949	971	993	1,010	1,030

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

Rental Market: Corresponds to universe of privately initiated rental apartment structures of three units and over. Historical and forecast values are an aggregate roll-up of the Census Metropolitan Area (CMA) historical data and forecasts from each province.

The forecasts (F) included in this document are based on information available as of 30th September 2016. (L)=Low end of Range.(H)=High end of range.

It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.

Source: CMHC (Starts and Completions Survey and Market Absorption Survey). Statistics Canada. CREA(MLS®). CMHC Forecast (2016-2018).

Forecast Summary Manitoba Fall 2016									
	2013	2014	2015	2016(F)		2017(F)		2018(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
<b>New Home Market</b>									
<b>Starts:</b>									
Single-Detached	3,820	3,149	2,325	2,500	2,700	2,600	2,800	2,700	2,900
Multiples	3,645	3,071	3,176	2,500	2,900	2,400	2,800	2,400	2,800
Starts - Total	7,465	6,220	5,501	5,000	5,600	5,000	5,600	5,100	5,700
<b>Resale Market</b>									
MLS® Sales	13,735	13,782	14,021	14,500	14,900	14,600	15,000	14,800	15,200
MLS® Average Price(\$)	260,849	266,329	270,375	272,900	277,100	277,100	281,500	281,600	286,000
<b>Economic Overview</b>									
Mortgage Rate(5 year)(%)	5.24	4.88	4.67	4.50	4.90	4.40	5.20	4.50	5.70

	2013	2014	2015	2016(F)	2017(F)	2018(F)
<b>Rental Market</b>						
October Vacancy Rate (%)	2.5	2.5	2.9	3.0	3.2	3.2
Two-bedroom Average Rent (October)(\$)	969	1,016	1,045	1,075	1,100	1,125
<b>Economic Overview</b>						
Population	1,269,160	1,284,599	1,298,591	1,314,900	1,329,700	1,345,150
Annual Employment Level	625,800	626,500	636,200	636,000	642,500	649,800
Net Migration	8,161	9,746	10,404	13,800	10,000	9,800
Average Weekly Earnings (\$)	791	814	842	858	878	900

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

Rental Market: Corresponds to universe of privately initiated rental apartment structures of three units and over. Historical and forecast values are an aggregate roll-up of the Census Metropolitan Area (CMA) historical data and forecasts from each province.

The forecasts (F) included in this document are based on information available as of 30th September 2016. (L)=Low end of Range.(H)=High end of range.

It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.

Source: CMHC (Starts and Completions Survey and Market Absorption Survey). Statistics Canada. CREA(MLS®). CMHC Forecast (2016-2018).

## Prairie Region Economic and Housing Indicators

		Labour Market			Housing Market				
		Emp. Growth (%)	Unemp. Rate (%)	Average Weekly Earnings (\$)	Total Starts	Single-Detached Starts	Multiple Starts	MLS® Sales	MLS® Average Price (\$)
<b>Calgary</b>	Q2 2016	-3.8	8.8	1,154	2,293	806	1,487	7,246	468,116
	Q2 2015	3.6	6.3	1,125	3,451	972	2,479	7,969	462,666
	Change	-7.4	2.5	2.6%	-33.6	-17.1	-40.0	-9.1	1.2
<b>Edmonton</b>	Q2 2016	2.2	7.3	1,136	2,826	1,001	1,825	5,704	375,119
	Q2 2015	1.0	6.2	1,113	3,836	1,598	2,238	6,063	375,619
	Change	1.2	1.1	2.1%	-26.3	-37.4	-18.5	-5.9	-0.1
<b>Regina</b>	Q2 2016	1.4	5.7	1,047	352	196	156	1,105	325,231
	Q2 2015	1.4	4.0	1,035	551	151	400	1,098	321,068
	Change	0.1	1.7	1.1%	-36.1	29.8	-61.0	0.6	1.3
<b>Saskatoon</b>	Q2 2016	-1.4	6.4	997	546	278	268	1,529	336,425
	Q2 2015	-0.4	5.5	963	585	323	262	1,723	344,527
	Change	-1.1	0.9	3.5%	-6.7	-13.9	2.3	-11.3	-2.4
<b>Winnipeg</b>	Q2 2016	-0.2	6.1	862	1,063	503	560	4,412	291,474
	Q2 2015	4.2	5.9	838	1,038	439	599	4,063	286,818
	Change	-4.5	0.2	2.9%	2.4	14.6	-6.5	8.6	1.6
<b>Alberta</b>	Q2 2016	-2.2	8.0	1,112	6,410	2,752	3,658	16,929	397,732
	Q2 2015	1.6	5.9	1,104	9,302	3,917	5,385	18,634	402,181
	Change	-3.8	2.1	0.8%	-31.1	-29.7	-32.1	-9.1	-1.1
<b>Saskatchewan</b>	Q2 2016	-1.2	6.1	992	1,251	737	514	3,743	298,031
	Q2 2015	1.2	4.8	971	1,573	779	794	4,069	303,261
	Change	-2.4	1.3	2.2%	-20.5	-5.4	-35.3	-8.0	-1.7
<b>Manitoba</b>	Q2 2016	0.0	5.9	854	1,430	744	686	4,995	282,408
	Q2 2015	2.1	5.4	832	1,348	640	708	4,630	278,692
	Change	-2.2	0.5	2.6%	6.1	16.3	-3.1	7.9	1.3
<b>Prairie Region</b>	Q2 2016	n/a	n/a	n/a	9,091	4,233	4,858	25,667	360,750
	Q2 2015	n/a	n/a	n/a	12,223	5,336	6,887	27,333	366,537
	Change	-	-	-	-25.6	-20.7	-29.5	-6.1	-1.6
<b>Canada</b>	Q2 2016	0.7	6.9	939	53,286	19,826	33,460	178,747	506,805
	Q2 2015	0.9	6.9	919	52,248	19,284	32,964	164,909	450,675
	Change	-0.2	0.0	2.2%	2.0	2.8	1.5	8.4	12.5

Changes to the Employment Growth and Unemployment Rate represent the absolute difference between current rates and the rates for the same period in the previous year. Average Weekly Earnings is the 3 month moving average of the last month in the quarter.

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

n/a: Not Available

Source: CMHC (Starts and Completions Survey). Statistics Canada. CREA(MLS®).



Prairie Region Housing Forecast - New Construction								
	Housing Starts	2015	2016(F)		2017(F)		2018(F)	
			(L)	(H)	(L)	(H)	(L)	(H)
<b>Calgary</b>	Single-Detached	4,138	3,200	3,400	3,400	3,600	3,900	4,100
	Multiples	8,895	5,300	5,700	5,100	5,500	5,600	6,000
	Starts - Total	13,033	8,300	9,300	8,300	9,300	9,200	10,400
<b>Edmonton</b>	Single-Detached	5,683	3,600	4,400	3,800	4,600	4,300	5,300
	Multiples	11,367	4,100	5,900	3,700	5,300	4,000	6,000
	Starts - Total	17,050	8,500	9,500	8,200	9,200	9,200	10,400
<b>Grande Prairie</b>	Single-Detached	107	80	90	80	90	115	125
	Multiples	250	32	35	27	33	35	45
	Starts - Total	357	110	125	110	125	140	160
<b>Lethbridge</b>	Single-Detached	567	440	460	464	486	498	522
	Multiples	266	160	200	160	200	178	222
	Starts - Total	833	603	657	627	683	680	740
<b>Medicine Hat</b>	Single-Detached	146	95	105	100	110	124	136
	Multiples	44	39	51	30	40	52	68
	Starts - Total	190	123	167	119	161	161	219
<b>Red Deer</b>	Single-Detached	253	143	157	143	157	152	168
	Multiples	439	196	244	143	177	147	183
	Starts - Total	692	337	403	283	337	296	354
<b>Wood Buffalo</b>	Single-Detached	74	7	60	475	525	525	575
	Multiples	119	6	20	75	125	75	125
	Starts - Total	193	13	80	550	650	600	700
<b>Regina</b>	Single-Detached	513	605	695	615	705	650	750
	Multiples	1,084	780	720	810	840	830	870
	Starts - Total	1,597	1,290	1,610	1,320	1,640	1,380	1,720
<b>Saskatoon</b>	Single-Detached	1,000	950	1,050	960	1,060	980	1,080
	Multiples	1,293	700	1,050	700	1,050	760	1,140
	Starts - Total	2,293	1,710	2,040	1,720	2,050	1,810	2,160
<b>Winnipeg</b>	Single-Detached	1,649	1,740	1,860	1,780	1,920	1,830	1,970
	Multiples	2,751	1,960	2,440	1,870	2,330	1,870	2,350
	Starts - Total	4,400	3,800	4,250	3,700	4,200	3,750	4,250

The forecasts (F) included in this document are based on information available as of 30th September 2016. (L)=Low end of Range.(H)=High end of range.

It is possible that the low end (L) and the high end (H) of forecast ranges for residential housing starts for singles and multiples jointly may not add up to the total. This is caused by rounding as well as the volatility of the data.

Source: CMHC (Starts and Completions Survey and Market Absorption Survey). CMHC Forecast (2016-2018).

Prairie Region Housing Forecast - Resale Market								
		2015	2016(F)		2017(F)		2018(F)	
			(L)	(H)	(L)	(H)	(L)	(H)
<b>Calgary</b>	MLS® Sales	23,994	20,800	23,200	21,000	23,400	21,400	24,000
	MLS® Average Price(\$)	453,814	454,400	459,600	458,400	463,600	466,300	471,700
<b>Edmonton</b>	MLS® Sales	18,227	16,300	17,100	16,500	17,300	16,800	17,800
	MLS® Average Price(\$)	369,536	362,900	367,100	362,900	367,100	369,800	374,200
<b>Grande Prairie</b>	MLS® Sales	2,394	1,725	1,860	1,900	2,050	2,035	2,195
	MLS® Average Price(\$)	318,798	299,000	306,000	302,000	308,000	307,000	313,000
<b>Lethbridge</b>	MLS® Sales	2,543	2,416	2,684	2,487	2,763	2,606	2,894
	MLS® Average Price(\$)	263,408	262,938	271,062	267,862	276,138	273,278	281,722
<b>Medicine Hat</b>	MLS® Sales	1,360	1,275	1,405	1,290	1,420	1,356	1,494
	MLS® Average Price(\$)	282,454	265,189	268,811	269,161	272,839	274,127	277,873
<b>Red Deer</b>	MLS® Sales	4,439	3,337	39,636	3,291	3,909	3,360	3,990
	MLS® Average Price(\$)	314,563	297,518	308,482	297,518	308,482	301,446	312,554
<b>Wood Buffalo</b>	MLS® Sales	974	950	1,010	880	920	1,020	1,080
	MLS® Average Price(\$)	560,794	502,000	508,000	506,000	514,000	516,000	524,000
<b>Regina</b>	MLS® Sales	3,297	3,220	3,380	3,225	3,395	3,270	3,450
	MLS® Average Price(\$)	313,015	309,415	317,585	313,070	321,330	317,310	325,690
<b>Saskatoon</b>	MLS® Sales	5,215	4,880	4,920	4,940	4,990	5,030	5,070
	MLS® Average Price(\$)	342,727	335,580	339,420	339,060	342,940	343,630	347,560
<b>Winnipeg</b>	MLS® Sales	12,267	12,700	13,100	12,900	13,300	13,200	13,600
	MLS® Average Price(\$)	278,270	276,400	290,600	281,800	296,400	287,600	302,400

Multiple Listing Service® (MLS®) is a registered trademark of the Canadian Real Estate Association (CREA).

The forecasts (F) included in this document are based on information available as of 30th September 2016.

(L)=Low end of Range.(H)=High end of range.

Source: CREA(MLS®). CMHC Forecast (2016-2018).

Prairie Region Housing Forecast - Rental Market					
		2015	2016(F)	2017(F)	2018(F)
<b>Calgary</b>	October Vacancy Rate (%)	5.3	8.0	7.5	6.5
	Two-bedroom Average Rent (October)(\$)	1,332	1,270	1,260	1,260
<b>Edmonton</b>	October Vacancy Rate (%)	4.2	7.0	7.0	5.9
	Two-bedroom Average Rent (October)(\$)	1,259	1,225	1,220	1,230
<b>Regina</b>	October Vacancy Rate (%)	5.4	5.9	5.3	5.0
	Two-bedroom Average Rent (October)(\$)	1,097	1,100	1,115	1,120
<b>Saskatoon</b>	October Vacancy Rate (%)	6.5	6.8	5.5	5.3
	Two-bedroom Average Rent (October)(\$)	1,087	1,090	1,100	1,110
<b>Winnipeg</b>	October Vacancy Rate (%)	2.9	3.0	3.2	3.2
	Two-bedroom Average Rent (October)(\$)	1,045	1,075	1,100	1,125

Rental Market: Privately initiated rental apartment structures of three units and over.

The forecasts (F) included in this document are based on information available as of 30th September 2016.

Source: CMHC (Rental Market Survey). CMHC Forecast (2016-2018).

## CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for almost 70 years.

CMHC helps Canadians meet their housing needs. As Canada's authority on housing, we contribute to the stability of the housing market and financial system, provide support for Canadians in housing need, and offer objective housing research and information to Canadian governments, consumers and the housing industry. Prudent risk management, strong corporate governance and transparency are cornerstones of our operations.

For more information, visit our website at [www.cmhc.ca](http://www.cmhc.ca) or follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.

Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is available for free on CMHC's website. You can view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to [www.cmhc.ca/en/hoficlincl/homain](http://www.cmhc.ca/en/hoficlincl/homain)

For more information on MAC and the wealth of housing market information available to you, visit us today at [www.cmhc.ca/housingmarketinformation](http://www.cmhc.ca/housingmarketinformation)

To subscribe to printed editions of MAC publications, call 1-800-668-2642.

©2016 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of any CMHC Market Analysis publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or entire CMHC Market Analysis publications, please complete the [CMHC Copyright request form](#) and email it to CMHC's Canadian Housing Information Centre at [chic@cmhc.ca](mailto:chic@cmhc.ca). For permission, please provide CHIC with the following information: Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.

# Housing market intelligence you can count on

## FREE REPORTS AVAILABLE ON-LINE

*Local, regional and national analysis and data pertaining to current market conditions and future-oriented trends.*

- Canadian Housing Statistics
- Condominium Owners Report
- Housing Information Monthly
- Housing Market Assessment
- Housing Market Insight
- Housing Now Tables
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Regional and Northern
- Housing Market Outlook, Canada and Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Preliminary Housing Starts Data
- Rental Market Reports, Canada and Provincial Highlights
- Rental Market Reports, Major Centres
- Residential Construction Digest, Prairie Centres
- Seniors' Housing Reports

## FREE DATA TABLES AVAILABLE ON-LINE

- Housing Construction Activity by Municipality
- Comprehensive Rental Market Survey Tables
- Comprehensive New Home Construction Tables

CMHC's Market Analysis Centre provides a wealth of local, regional, and national data, information, and analysis through its suite of reports, data tables, and interactive tools.

- **Forecasts and Analysis** – Future-oriented information about local, regional and national housing trends.
- **Statistics and Data** – Information on current housing market activities – starts, rents, vacancy rates and much more.

## HOUSING MARKET INFORMATION PORTAL!

*The housing data you want, the way you want it.*

- Information in one central location
- Quick and easy access
- Neighbourhood level data

[cmhc.ca/hmiportal](http://cmhc.ca/hmiportal)

**Get the market intelligence you need today!**

**Click [www.cmhc.ca/housingmarketinformation](http://www.cmhc.ca/housingmarketinformation) to view, download or subscribe.**

## Housing Observer Online

Featuring quick reads and videos on...

- Analysis and data
- Timely insights
- Updates to housing conditions and trends & much more!

All links can be shared in social media friendly formats!

**Subscribe today to stay in the know!**  
**[www.cmhc.ca/observer](http://www.cmhc.ca/observer)**

