

# HOUSING MARKET OUTLOOK

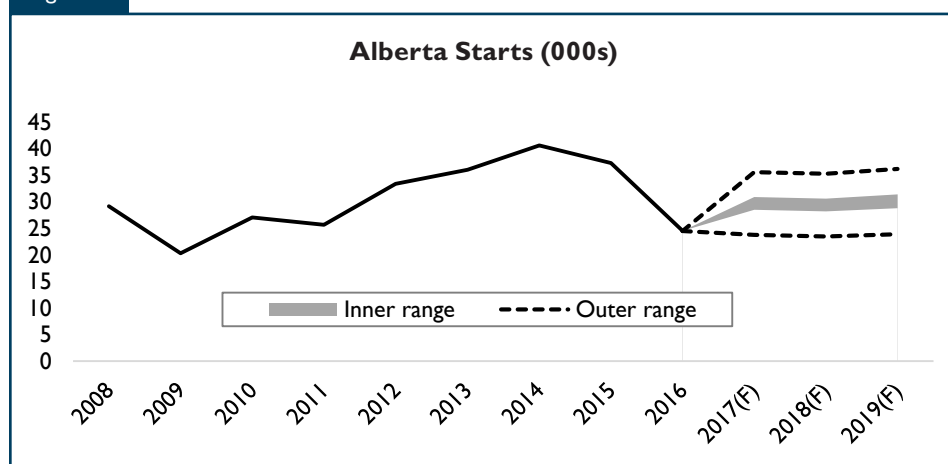
## Prairie Region Highlights<sup>1</sup>



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Fall 2017

Figure 1



Source: CMHC, CMHC Forecast (F)

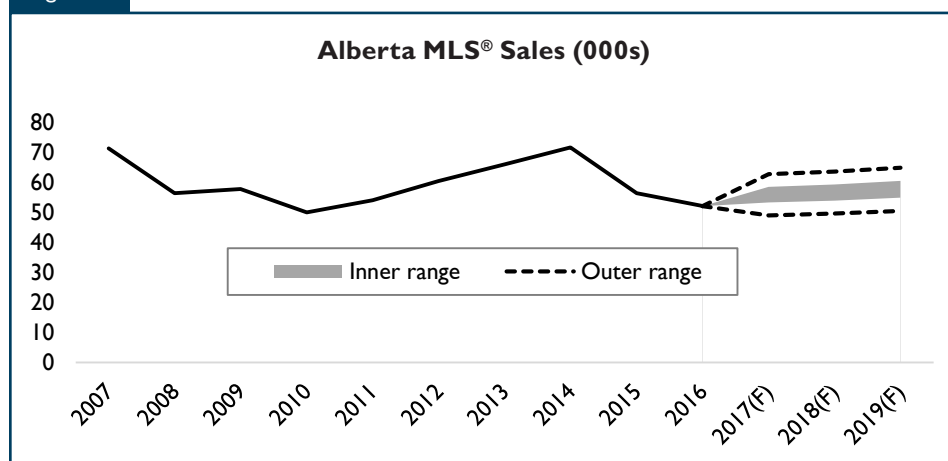
**Prairie single-detached housing starts to rise through 2019 while multi-family condominium construction dips in 2018 before increasing in 2019**

### Alberta

Alberta's economy continues to recover from two consecutive years of recession caused by the oil price shock in 2014. Some sectors of Alberta's economy are reporting strong growth this year compared to their respective low levels last year; however, some revenues have not returned to the levels prior to the economic downturn.

Alberta's expanding economy is increasing employment levels that are expected to exceed pre-recession levels in 2018. Over the forecast period, labour market conditions will continue to gradually reduce the elevated unemployment rate. This will improve interprovincial migration flows which are projected to become net positive next year. Population growth is projected to accelerate from the low single digits to about 1.5% by 2019.

Figure 2



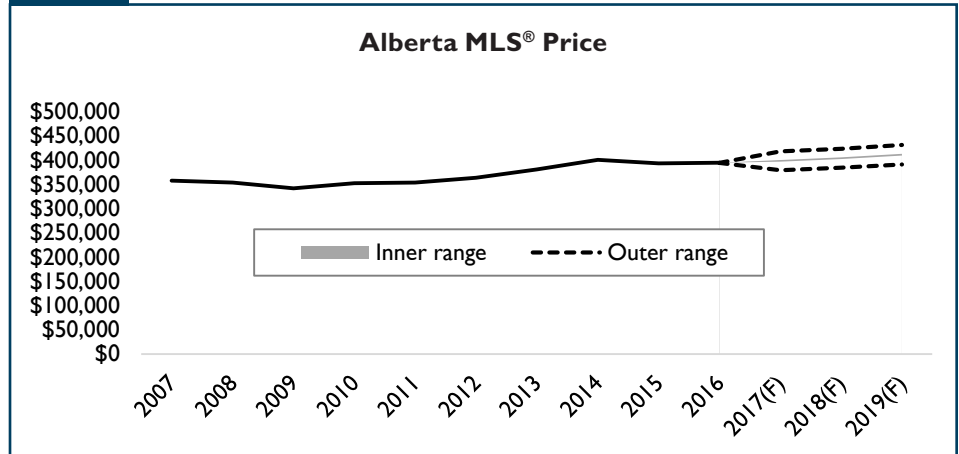
Source: CREA, CMHC Forecast (F)

Housing markets in Alberta in 2017 have tended to be oversupplied relative to demand. Resale market conditions are expected to transition from buyers' market conditions to more balanced conditions next year and continue to strengthen with stronger economic and employment growth in 2019. Resale demand has picked up in 2017 and will continue to rise as MLS® sales are forecasted to range from 49,700 to 63,700 units in 2018 and between 50,600 to 65,000 in 2019<sup>2</sup>.

Buyers' market conditions in 2017 have kept the average resale price growth to around one per cent in 2017. Improving market conditions are expected to lift the average price in 2018 to between \$384,400 and \$423,500. This would be above the annual high set back in 2014 of approximately \$400,600. Price growth is expected to rise further with tighter market conditions in 2019 lifting the annual average price to between \$391,200 and \$431,200.

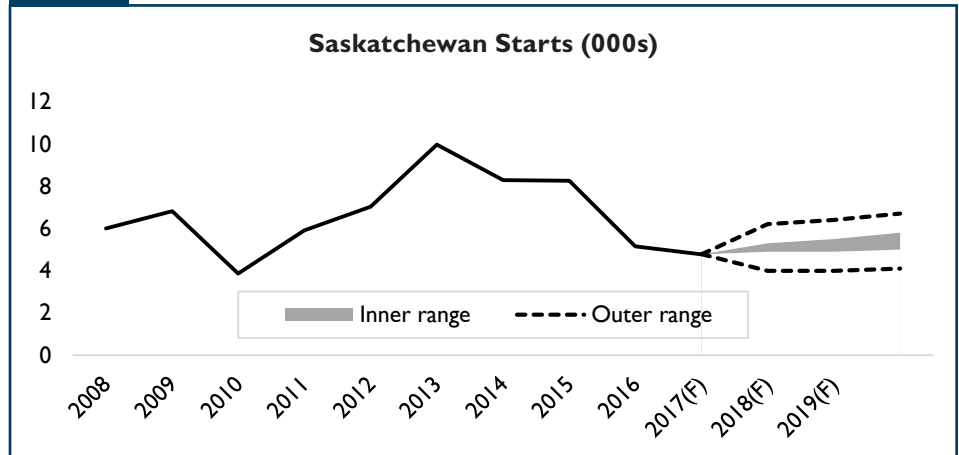
After two years of declines, Alberta's housing starts through August 2017 were on pace to increase by approximately 20% from last year. This year's strong growth in housing starts will need to be absorbed. Inventory levels are elevated and there are signs of overbuilding in Calgary and Edmonton's multi-family market. As a result, multi-family housing starts are expected to decline to between 9,900 and 17,700 in 2018, and then gradually rise to between 10,200 and 18,400 units in 2019 as inventory levels come down. Single-detached starts are projected to increase over the entire forecast period and range from 13,000 to 18,200 in 2018 and range from 13,100 to 18,500 in 2019.

Figure 3



Source: CREA, CMHC Forecast (F)

Figure 4



Source: CMHC, CMHC Forecast (F)

## Saskatchewan

In Saskatchewan, the 2014 oil price shock, combined with low potash and uranium prices, caused an economic slowdown that lasted for two years. An economic recovery that began in 2017 is expected to continue over the forecast period. Exports are increasing again and so is consumer spending. Firming commodity prices will also stimulate investment to support economic

growth through 2019. After declining last year, employment levels have stabilized in 2017 and are projected to increase with an expanding economy. Population growth is projected to be lower in 2017 compared to 2016 but as migration flows stabilize,

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<sup>2</sup> The outer bound forecast ranges reflect potential risks and various scenarios that could play out over the forecast horizon. For narrower and more precise forecast ranges please refer to the forecast summary tables in this publication.

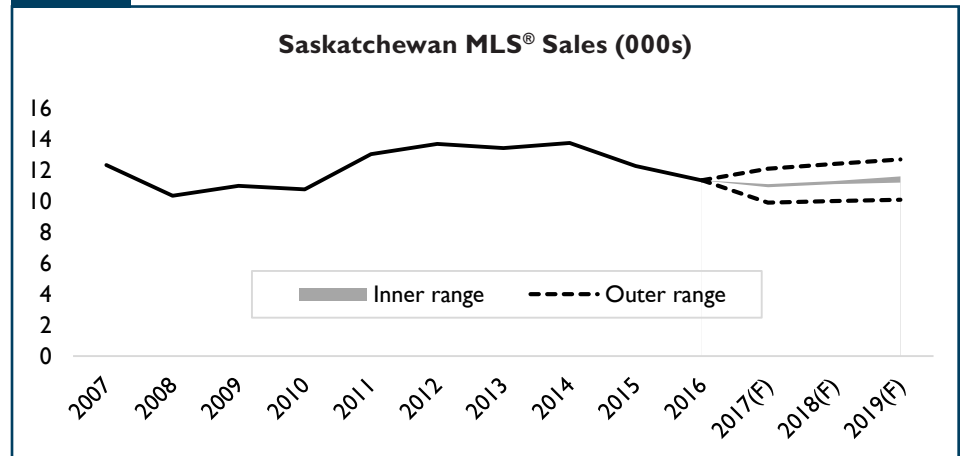
population growth is also expected stabilize around a growth rate of 1.3% annually through 2019

Housing market conditions are expected to follow Saskatchewan's economic recovery and will continue to slowly transition from market conditions that favour the buyer to more balanced conditions in 2018. Resale demand is lower this year but is expected to pick up with stronger employment gains. MLS® sales in 2017 are likely to end this year below last year which would represent the third consecutive year of declining resales. In 2018, MLS® sales are projected to increase with stronger employment gains and will range from 10,000 to 12,400 and then edge higher in 2019 and range from 10,100 to 12,700.

In Saskatchewan, the average MLS® price in 2017 is projected to be lower than in 2016. With supply levels elevated relative to demand, buyers' market conditions have held back price growth. With market balance expected to improve in 2018, the average MLS® price is expected to stabilize and range from \$279,300 to \$308,100. Price growth is expected to strengthen deeper into the forecast and by 2019, the average price is expected to increase and range between \$282,800 and \$312,000.

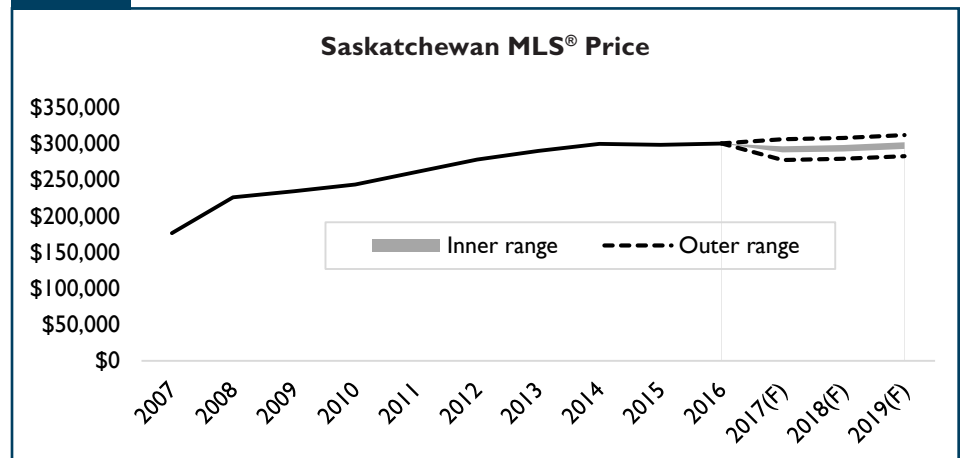
After declining for four years, housing starts in Saskatchewan are on pace in 2017 to exceed production in 2016. The past slowdown in housing starts has caused inventory levels to peak at the beginning of 2017. With housing demand expected to move slightly higher, housing starts are expected to modestly increase over the forecast period. In 2018, single-detached starts are forecasted to range between 2,400 and 3,400 units while multi-family starts are projected to be between 1,100 and 3,400 units. By 2019, single-detached starts will range between 2,400 and 3,600 units while multi-family starts are expected to range between 1,100 and 3,600 units.

Figure 5



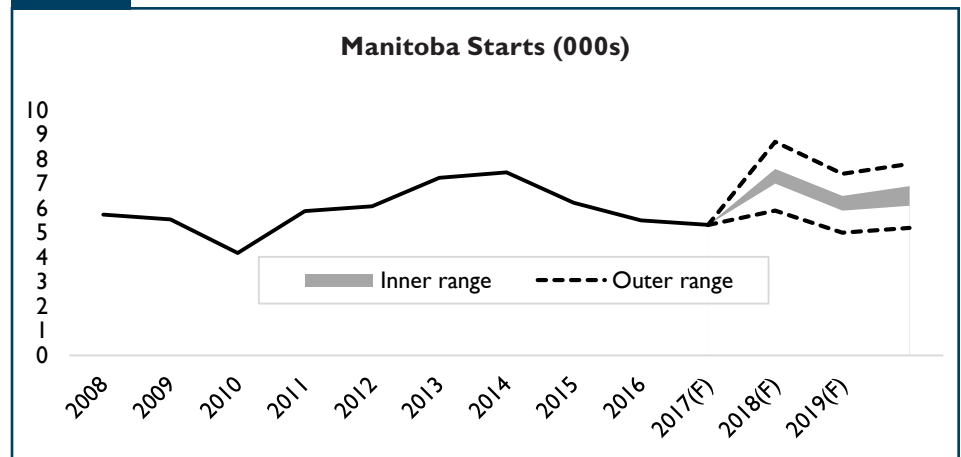
Source: CREA, CMHC Forecast (F)

Figure 6



Source: CREA, CMHC Forecast (F)

Figure 7



Source: CMHC, CMHC Forecast (F)

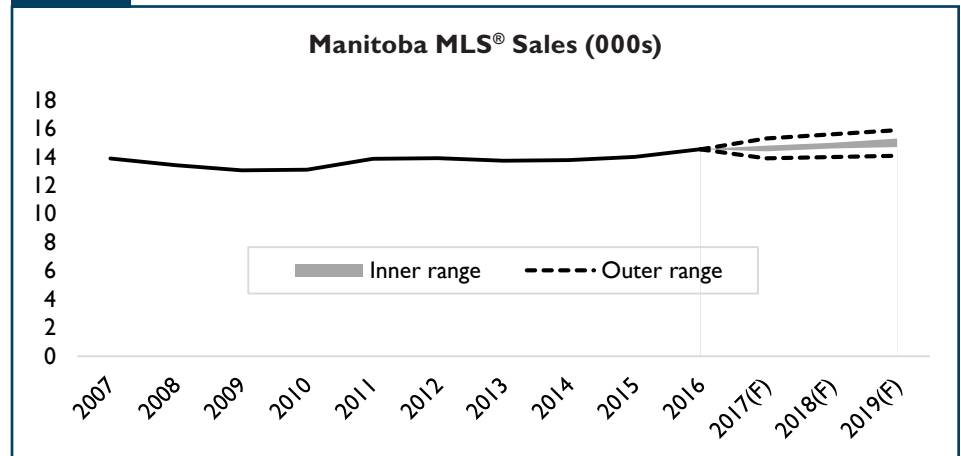
## Manitoba

Manitoba's economy has continued to experience economic growth since the Great Recession of 2009. Having a diversified economy has allowed Manitoba to mitigate the risk of large economic swings that large oil-producing provinces experience when oil prices move significantly. Manitoba's exports and consumer spending are increasing in 2017 but at slower rate than the national average. Investment intentions in 2017 were lower primarily due to a decrease in investment spending in utilities. All combined, Manitoba's economy is projected to continue expanding over the forecast period. Employment growth will be close to one per cent in both 2018 and 2019. While net migration is dipping from the recent highs in 2016, it will still be high enough to contribute to population growth of around 1.3% in 2018 and 2019.

In Manitoba, MLS® sales are on pace to just edge past the level of sales in 2016. The resale market in Winnipeg is expected to remain in balanced market conditions over the forecast period. With steady employment and household growth, MLS® sales are expected to edge higher and range from 14,000 to 15,600 in 2018 and from 14,100 to 15,900 in 2019.

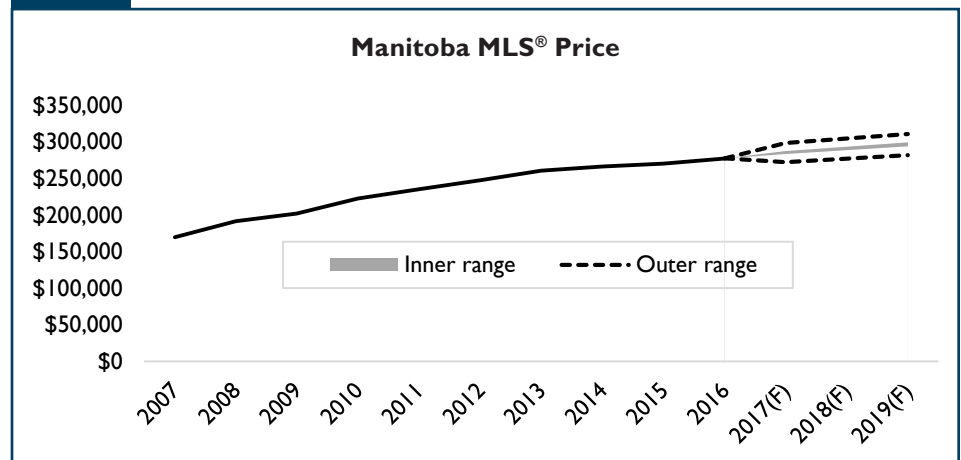
With resale market conditions balanced, the average resale price in Manitoba is on pace to be higher in 2017 compared to 2016. Resale market conditions are projected to remain fairly stable over the next two years and the average resale price in Manitoba is expected to rise for the twentieth consecutive year in 2018 and range from \$277,000 to \$304,600. Balanced conditions are projected for 2019 with the, MLS® average price rising and ranging from \$282,000 to \$311,000.

Figure 8



Source: CREA, CMHC Forecast (F)

Figure 9



Source: CREA, CMHC Forecast (F)

In the new home market, Manitoba's housing starts have been stronger than expected, increasing by over 50% through August 2017. Some of the increase is attributed to a new Impact Fee in Winnipeg which increases the cost of construction<sup>3</sup>. Building and development permits applications received prior to May 1, 2017 and begin construction before November 1, 2017 are exempt from the Impact Fee.

The acceleration of housing starts in Winnipeg is expected to moderate during the fourth quarter of 2017 and Manitoba's total housing starts are projected to range from 5,900 to 8,700 by year end. There are some signs of modest overbuilding with respect to multi-family units in Manitoba, and multi-family starts are projected to pull back and range from 1,700 to 4,500 in 2018 before edging higher to range from 1,800 to 4,800 units in 2019 as inventory is absorbed. The supply of single-detached units is rising but is not as elevated

<sup>3</sup> <http://www.winnipeg.ca/PPD/ImpactFee/default.stm#3>.

as multi-family units. In 2018, single-detached starts are expected to ease and range from 2,600 to 3,600 units. In 2019, market conditions are projected to support some growth with single-detached starts ranging from 2,600 to 3,800.

## Risks

There are a number of risks both to the upside and downside which contribute to uncertainty in the outlook. For example, weaker oil prices could lead to reduced investment, employment declines, and reduce migration inflows causing housing demand to move lower. Weaker demand than expected could cause markets to become more over supplied causing prices to weaken and housing starts to move towards the lower end of the outer forecast range. Conversely, stronger than expected employment gains and population growth could increase housing demand and cause resales to increase towards the upper bound of the outer range and also increase housing starts. With stronger demand, average prices would be expected to increase towards the

higher end of the outer range. The outer bound forecast ranges reflect potential risks and various scenarios that could play out over the forecast horizon. For narrower and more precise forecast ranges please refer to the forecast summary tables in this publication.

## Mortgage rates are expected to rise gradually over the forecast horizon

Mortgage rates are expected to rise modestly over the period 2017-2019. This increase is consistent with the expected improvement in domestic economic conditions and the predicted increase in world interest rates.

In our baseline scenario, the posted 5-year mortgage rate is expected to lie within the 4.9%-5.7% range in 2018 and within the 5.2%-6.2% range in 2019. Hence, the expected increase in this rate over 2017-2019 should be at most 160 basis points. Over our forecast horizon, mortgage rates are expected to stay below levels observed prior to the Great Recession.

## 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:

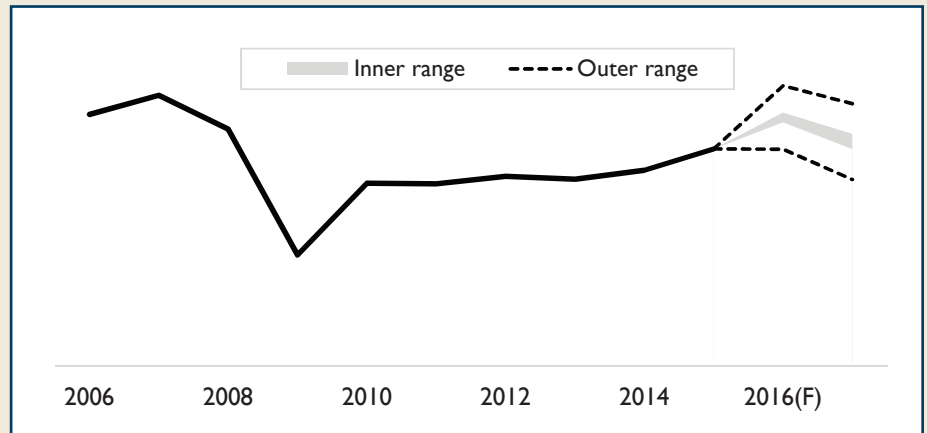
- An inner range, which provides more precise guidance to readers on the outlook while recognizing the small random components of the relationship between the housing market and its drivers. This inner range is based on the coefficient of variation\* of historical data and on past forecast accuracy. 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 2017									
	2014	2015	2016	2017(F)		2018(F)		2019(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
<b>New Home Market</b>									
<b>Starts:</b>									
Single-Detached	19,563	14,557	11,421	13,800	15,000	14,900	16,300	15,000	16,600
Multiples	21,027	22,725	13,112	13,400	17,200	12,000	15,600	12,400	16,200
Starts - Total	40,590	37,282	24,533	28,500	30,900	28,200	30,600	28,800	31,400
<b>Resale Market</b>									
MLS® Sales	71,783	56,471	52,166	53,400	58,600	54,000	59,400	55,000	60,600
MLS® Average Price(\$)	400,594	393,131	394,512	396,800	400,200	402,200	405,700	409,400	413,000
<b>Economic Overview</b>									
Mortgage Rate(5 year)(%)	4.88	4.67	4.66	4.60	5.00	4.90	5.70	5.20	6.20

	2014	2015	2016	2017(F)	2018(F)	2019(F)
<b>Rental Market</b>						
October Vacancy Rate (%)	1.6	4.6	7.1	6.9	6.1	5.1
Two-bedroom Average Rent (October)(\$)	1,260	1,285	1,239	1,214	1,224	1,244
<b>Economic Overview</b>						
Population	4,132,646	4,194,449	4,250,816	4,305,652	4,365,931	4,430,983
Annual Employment Level	2,274,600	2,301,100	2,263,800	2,288,800	2,320,500	2,362,300
Net Migration	62,346	29,850	22,336	21,744	27,100	30,000
Average Weekly Earnings (\$)	1,082	1,104	1,111	1,119	1,134	1,156

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 2nd October 2017. (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 (2017-2019).

Forecast Summary Saskatchewan Fall 2017									
	2014	2015	2016	2017(F)		2018(F)		2019(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
<b>New Home Market</b>									
<b>Starts:</b>									
Single-Detached	3,807	2,414	2,768	2,800	3,000	2,700	3,100	2,700	3,300
Multiples	4,450	2,735	2,007	2,000	2,400	2,000	2,600	2,000	2,800
Starts - Total	8,257	5,149	4,775	4,900	5,300	4,900	5,500	5,000	5,800
<b>Resale Market</b>									
MLS® Sales	13,748	12,280	11,345	10,900	11,100	11,100	11,300	11,200	11,600
MLS® Average Price(\$)	299,659	298,282	300,299	288,000	296,400	289,200	298,200	292,800	302,000
<b>Economic Overview</b>									
Mortgage Rate(5 year)(%)	4.88	4.67	4.66	4.60	5.00	4.90	5.70	5.20	6.20

	2014	2015	2016	2017(F)	2018(F)	2019(F)
<b>Rental Market</b>						
October Vacancy Rate (%)	3.2	6.0	8.0	7.8	6.3	5.0
Two-bedroom Average Rent (October)(\$)	1,085	1,092	1,104	1,084	1,092	1,104
<b>Economic Overview</b>						
Population	1,124,432	1,135,977	1,153,590	1,168,900	1,184,329	1,200,199
Annual Employment Level	570,900	573,700	568,500	569,600	574,900	582,000
Net Migration	8,402	6,675	11,036	9,027	9,100	9,600
Average Weekly Earnings (\$)	949	971	1,000	992	1,003	1,020

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Forecast Summary Manitoba Fall 2017									
	2014	2015	2016	2017(F)		2018(F)		2019(F)	
				(L)	(H)	(L)	(H)	(L)	(H)
<b>New Home Market</b>									
<b>Starts:</b>									
Single-Detached	3,149	2,325	2,704	3,300	3,500	3,000	3,300	3,000	3,500
Multiples	3,071	3,176	2,615	3,700	4,200	2,900	3,300	3,000	3,600
Starts - Total	6,220	5,501	5,319	7,000	7,600	5,900	6,500	6,100	6,900
<b>Resale Market</b>									
MLS® Sales	13,782	14,021	14,550	14,400	14,800	14,600	15,000	14,700	15,300
MLS® Average Price(\$)	266,329	270,375	277,493	283,500	287,600	288,800	293,500	294,000	299,500
<b>Economic Overview</b>									
Mortgage Rate(5 year)(%)	4.88	4.67	4.66	4.60	5.00	4.90	5.70	5.20	6.20

	2014	2015	2016	2017(F)	2018(F)	2019(F)
<b>Rental Market</b>						
October Vacancy Rate (%)	2.5	2.9	2.8	3.1	3.2	3.2
Two-bedroom Average Rent (October)(\$)	1,016	1,045	1,068	1,095	1,120	1,145
<b>Economic Overview</b>						
Population	1,285,437	1,300,749	1,323,550	1,342,212	1,359,929	1,377,472
Annual Employment Level	626,500	636,200	633,600	644,200	650,300	656,500
Net Migration	9,605	10,688	15,027	12,000	11,000	10,800
Average Weekly Earnings (\$)	814	842	857	876	893	910

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Source: CMHC (Starts and Completions Survey and Market Absorption Survey). Statistics Canada. CREA(MLS®). CMHC Forecast (2017-2019).

## 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 2017	5.0	8.9	1,142	3,446	1,216	2,230	7,709	481,556
	Q2 2016	-3.8	8.8	1,154	2,293	806	1,487	7,246	468,116
	Change	8.7	0.1	-1.1%	50.3	50.9	50.0	6.4	2.9
<b>Edmonton</b>	Q2 2017	-0.8	8.1	1,098	3,015	1,414	1,601	6,189	388,984
	Q2 2016	2.2	7.3	1,136	2,826	1,001	1,825	5,704	375,119
	Change	-3.1	0.8	-3.3%	6.7	41.3	-12.3	8.5	3.7
<b>Regina</b>	Q2 2017	0.1	5.2	1,058	575	205	370	1,040	322,298
	Q2 2016	1.4	5.7	1,047	352	196	156	1,099	328,196
	Change	-1.3	-0.5	1.1%	63.4	4.6	137.2	-5.4	-1.8
<b>Saskatoon</b>	Q2 2017	1.4	8.1	991	431	317	114	1,431	347,656
	Q2 2016	-1.4	6.4	997	546	278	268	1,481	342,411
	Change	2.8	1.7	-0.6%	-21.1	14.0	-57.5	-3.4	1.5
<b>Winnipeg</b>	Q2 2017	1.4	5.3	887	1,598	685	913	4,391	302,793
	Q2 2016	-0.2	6.1	862	1,063	503	560	4,412	291,474
	Change	1.6	-0.8	2.9%	50.3	36.2	63.0	-0.5	3.9
<b>Alberta</b>	Q2 2017	1.6	7.9	1,111	8,157	3,841	4,316	18,118	410,205
	Q2 2016	-2.2	8.0	1,112	6,410	2,752	3,658	16,926	397,766
	Change	3.8	-0.1	-0.1%	27.3	39.6	18.0	7.0	3.1
<b>Saskatchewan</b>	Q2 2017	-0.1	6.4	989	1,352	823	529	3,529	302,908
	Q2 2016	-1.2	6.1	992	1,251	737	514	3,612	304,858
	Change	1.2	0.3	-0.3%	8.1	11.7	2.9	-2.3	-0.6
<b>Manitoba</b>	Q2 2017	1.3	5.1	875	2,065	941	1,124	4,977	293,782
	Q2 2016	0.0	5.9	854	1,430	744	686	4,995	282,408
	Change	1.4	-0.8	2.5%	44.4	26.5	63.8	-0.4	4.0
<b>Prairie Region</b>	Q2 2017	n/a	n/a	n/a	11,574	5,605	5,969	26,624	374,219
	Q2 2016	n/a	n/a	n/a	9,091	4,233	4,858	25,533	362,055
	Change	-	-	-	27.3	32.4	22.9	4.3	3.4
<b>Canada</b>	Q2 2017	1.7	6.5	947	55,085	21,499	33,586	166,363	531,144
	Q2 2016	0.7	6.9	939	53,286	19,826	33,460	177,752	506,217
	Change	1.1	-0.5	0.9%	3.4	8.4	0.4	-6.4	4.9

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	2016	2017(F)		2018(F)		2019(F)	
			(L)	(H)	(L)	(H)	(L)	(H)
<b>Calgary</b>	Single-Detached	3,489	4,100	4,500	4,200	4,600	4,600	5,000
	Multiples	5,756	6,700	7,300	6,000	6,500	6,300	6,700
	Starts - Total	9,245	10,700	11,900	10,200	11,200	10,700	11,900
<b>Edmonton</b>	Single-Detached	4,335	4,800	5,800	5,300	6,300	5,500	6,700
	Multiples	5,701	5,400	7,800	5,000	7,200	5,300	7,700
	Starts - Total	10,036	11,300	12,500	11,300	12,500	11,900	13,300
<b>Grande Prairie</b>	Single-Detached	108	140	160	150	170	155	185
	Multiples	126	45	55	135	165	85	115
	Starts - Total	234	190	210	290	330	250	290
<b>Lethbridge</b>	Single-Detached	486	470	490	470	500	475	515
	Multiples	191	180	210	180	215	185	220
	Starts - Total	677	650	700	655	710	665	725
<b>Medicine Hat</b>	Single-Detached	103	70	75	95	105	105	125
	Multiples	57	35	45	40	60	45	75
	Starts - Total	160	100	120	135	165	155	195
<b>Red Deer</b>	Single-Detached	163	195	205	200	220	225	255
	Multiples	212	45	55	90	110	110	140
	Starts - Total	375	235	265	290	330	340	390
<b>Wood Buffalo</b>	Single-Detached	91	750	890	710	890	175	225
	Multiples	44	426	575	70	130	35	65
	Starts - Total	135	1,200	1,600	635	1,160	175	325
<b>Regina</b>	Single-Detached	667	650	870	640	860	660	880
	Multiples	896	1,110	1,220	1,070	1,180	1,120	1,240
	Starts - Total	1,563	1,720	2,130	1,670	2,075	1,740	2,160
<b>Saskatoon</b>	Single-Detached	1,092	1,080	1,200	1,100	1,220	1,120	1,240
	Multiples	817	640	960	630	950	660	990
	Starts - Total	1,909	1,740	2,140	1,760	2,150	1,800	2,200
<b>Winnipeg</b>	Single-Detached	1,858	2,120	2,280	1,830	1,970	1,930	2,070
	Multiples	2,196	2,850	3,550	1,870	2,330	1,960	2,440
	Starts - Total	4,054	5,070	5,730	3,760	4,240	3,940	4,460

The forecasts (F) included in this document are based on information available as of 2nd October 2017. (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 (2017-2019).

Prairie Region Housing Forecast - Resale Market								
		2016	2017(F)		2018(F)		2019(F)	
			(L)	(H)	(L)	(H)	(L)	(H)
<b>Calgary</b>	MLS® Sales	22,522	23,000	24,600	23,300	24,900	23,700	25,300
	MLS® Average Price(\$)	463,047	468,800	474,200	477,300	482,700	487,200	492,800
<b>Edmonton</b>	MLS® Sales	16,990	18,000	18,800	18,600	19,400	20,000	20,800
	MLS® Average Price(\$)	369,365	376,800	381,200	382,800	387,200	390,700	395,300
<b>Grande Prairie</b>	MLS® Sales	1,752	2,080	2,260	2,100	2,300	2,140	2,350
	MLS® Average Price(\$)	295,859	294,000	300,000	294,000	301,000	294,900	302,000
<b>Lethbridge</b>	MLS® Sales	2,573	2,510	2,600	2,520	2,630	2,570	2,685
	MLS® Average Price(\$)	266,801	268,300	273,700	269,000	275,000	270,000	276,500
<b>Medicine Hat</b>	MLS® Sales	1,295	1,275	1,365	1,300	1,400	1,325	1,435
	MLS® Average Price(\$)	267,610	269,650	271,000	272,000	274,000	274,000	276,000
<b>Red Deer</b>	MLS® Sales	3,876	3,330	3,970	3,370	4,030	3,460	4,140
	MLS® Average Price(\$)	305,771	312,200	315,600	315,600	319,100	319,600	323,300
<b>Wood Buffalo</b>	MLS® Sales	875	975	1,025	950	1,000	945	1,005
	MLS® Average Price(\$)	497,396	415,000	435,000	400,000	420,000	390,000	410,000
<b>Regina</b>	MLS® Sales	3,408	3,190	3,400	3,240	3,460	3,300	3,530
	MLS® Average Price(\$)	316,619	310,540	321,660	311,910	323,090	314,610	325,890
<b>Saskatoon</b>	MLS® Sales	4,693	4,455	4,530	4,510	4,590	4,585	4,665
	MLS® Average Price(\$)	343,534	335,130	339,120	336,000	340,000	338,490	342,510
<b>Winnipeg</b>	MLS® Sales	12,871	12,810	13,190	13,110	13,490	13,310	13,690
	MLS® Average Price(\$)	284,610	285,100	299,900	290,800	305,800	296,100	311,300

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 2nd October 2017.

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

Source: CREA(MLS®). CMHC Forecast (2017-2019).

Prairie Region Housing Forecast - Rental Market					
		2016	2017(F)	2018(F)	2019(F)
<b>Calgary</b>	October Vacancy Rate (%)	7.0	6.8	6.0	5.0
	Two-bedroom Average Rent (October)(\$)	1,258	1,240	1,250	1,270
<b>Edmonton</b>	October Vacancy Rate (%)	7.1	6.9	6.2	5.2
	Two-bedroom Average Rent (October)(\$)	1,229	1,200	1,210	1,230
<b>Regina</b>	October Vacancy Rate (%)	5.5	5.5	5.0	4.0
	Two-bedroom Average Rent (October)(\$)	1,109	1,100	1,110	1,125
<b>Saskatoon</b>	October Vacancy Rate (%)	10.3	10.0	7.5	6.0
	Two-bedroom Average Rent (October)(\$)	1,100	1,070	1,075	1,085
<b>Winnipeg</b>	October Vacancy Rate (%)	2.8	3.1	3.2	3.2
	Two-bedroom Average Rent (October)(\$)	1,068	1,095	1,120	1,145

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 2nd October 2017.

Source: CMHC (Rental Market Survey). CMHC Forecast (2017-2019).

## DEFINITIONS AND METHODOLOGY

### New Home Market

Historical home starts numbers are collected through CMHC's monthly **Starts and Completions Survey**. Building permits are used to determine construction sites and visits confirm construction stages. A **start** is defined as the beginning of construction on a building, usually when the concrete has been poured for the whole of the structure's footing, or an equivalent stage where a basement will not be part of the structure.

#### Single-Detached Start:

The start of a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure.

#### Semi-Detached Start:

The start of each of the dwellings in a building containing two dwellings located side-by-side, adjoining no other structure and separated by a common or party wall extending from ground to roof.

#### Row (or Townhouse) Start:

Refers to the commencement of construction on a dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

#### Apartment and other Starts:

Refers to the commencement of construction on all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

#### Average and Median Single Detached Home Prices:

Are estimated using CMHC's **Market Absorption Survey**, which collects home prices at absorption and measures the rate at which units are sold or rented after they are completed. Dwellings are enumerated each month after a structure is completed until full absorption occurs. The term "**absorbed**" means that a housing unit is no longer on the market as it has been sold or rented.

#### New Home Price Indexes:

Changes in the New Home Price Indexes are estimated using annual averages of Statistics Canada's monthly values for New Housing Price Indexes (NHPI).

### Resale Market

Historical resale market data in the summary tables of the Housing Market Outlook Reports refers to residential transactions through the Multiple Listings Services (MLS®) as reported by The Canadian Real Estate Association (CREA). In Quebec, this data is obtained by the Centris® listing system via the Quebec Federation of Real Estate Boards.

#### MLS® (Centris® in the province of Quebec) Sales:

Refers to the total number of sales made through the Multiple Listings Services in a particular year.

#### MLS® (Centris® in the province of Quebec) Average Price:

Refers to the average annual price of residential transactions through the Multiple Listings Services.

## Rental Market

Rental Market vacancy rates and two bedroom rents information is from Canada Mortgage and Housing Corporation's (CMHC's) October **Rental Market Survey** (RMS). Conducted on a sample basis in all urban areas with populations of 10,000 and more, the RMS targets privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey obtains information from owners, managers, or building superintendents through a combination of telephone interviews and site visits.

### Vacancy Rate:

The vacancy rate refers to the average vacancy rate of all apartment bedroom types. A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

### Two Bedroom Rent:

The rent refers to the average of the actual amount tenants pay for two bedroom apartment units. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water.

## Economic Overview

**Labour Force** variables include the Annual Employment Level, Employment Growth, Unemployment Rate. Source: Statistics Canada's Labour Force Survey.

### Net Migration:

Sum of net interprovincial (between provinces), net intra-provincial (within provinces), net international (immigration less emigration), returning Canadians and temporary (non-permanent) residents as provided to the CANSIM database by Statistics Canada's Demography Division. Sources of inter-provincial and intra-provincial migration data include a comparison of addresses from individual income tax returns for two consecutive years from Canada Revenue Agency (CRA) taxation records. The migration estimates are modelled, with the tax file results weighted to represent the whole population.

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