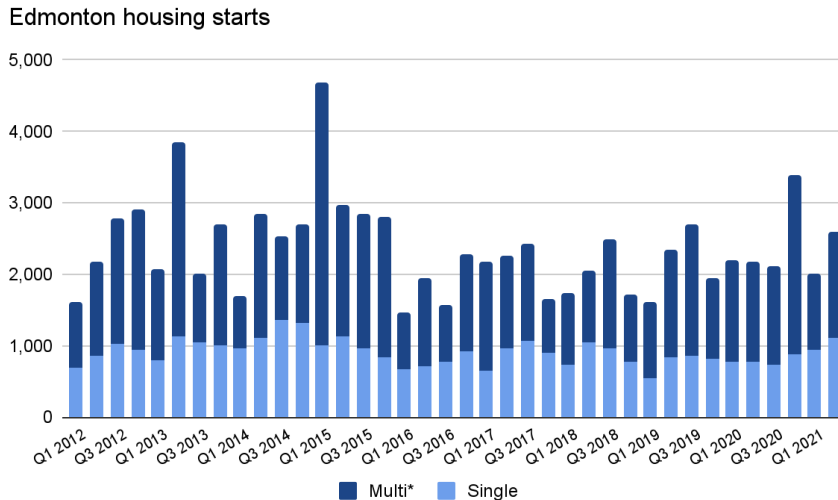


Single starts in Q2 2021 continue to post gains

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Housing starts in Edmonton totaled 2,603 units in Q2 2021, up 20 per cent year-over-year. The four-quarter moving average for total housing starts in Edmonton moved higher in Q2 2021 from Q1 due to higher production in both the single and multi-family segments. This moving average is helpful to filter out quarter-over-quarter fluctuations which may be due to seasonal factors.

Single housing starts continued to see year-over-year gains in Q2 with 1,108 units breaking ground in Edmonton, representing a gain of almost 44 per cent year-over year. Multi-family starts (which comprises semi-detached, row, and apartment units) also increased in Q2 year-over-year, though the increase came primarily from semi-detached and row housing production. Apartment starts declined by almost nine per cent year-over-year in Q2.



Source: Canada Mortgage Housing Corporation, series ending in Q2 2021

Significance

Even though apartment starts declined in Q2, all other housing types saw double-digit gains. Housing starts in Q2 2020 pulled back by almost eight per cent year-over-year and was indicative of the residential construction industry's response to the pandemic and public health restrictions that were in place at the time. This helps to explain some of the strength in year-over-year growth rates in Q2 2021 for these segments. Compared to Q2 2019, however, single housing starts in Q2 2021 still showed impressive growth, coming in about 32 per cent higher. The demand for single homes is expected to continue over the balance of this year, supported by low



interest rates and buyer preferences for more space. However, total housing starts in 2021 are forecast to decline overall with the decline largely expected to come from reduced apartment starts.

Limitations

While the number of single and multi-family housing starts offer an indication of the construction building sector's performance, housing starts are not distributed evenly across quarters and figures can fluctuate dramatically. Therefore, the figures should be interpreted in the context of other economic indicators.

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