

# Housing Review

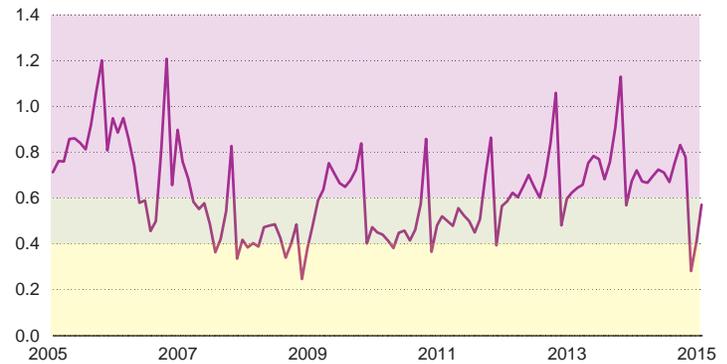
## Calgary's resale market showed signs of stabilization in March.

While the number of units sold was down from the same time last year, Calgary's resale activity rebounded significantly from the month before. At 2,215 units sold, it marked a 43.5 per cent increase from February. Meanwhile, the flood of new listings that inundated the market a few months earlier slowed substantially. New listings were down 11.7 per cent year-over-year, causing the sales-to-new-listings ratio to jump to 0.57. Typically, a reading between 0.40 and 0.60 is indicative of a balanced market, while a ratio below 0.40 is labelled as a buyers' market. Anything above 0.60 is thought to be a sellers' market. The current reading suggests that Calgary's market is rather healthy. A strong sales-to-new-listings ratio would serve to prevent any significant declines in prices.

In what was likely a blip, new condo projects led to strong building permits and housing starts figures in March. Generally speaking, builders have responded appropriately to the market slowdown, curtailing future construction projects. However, as condo projects that were presold several months ago begin construction, we'll see the occasional surge in multi-family building permits and housing starts.

Calgary Sales: New Listings Ratio

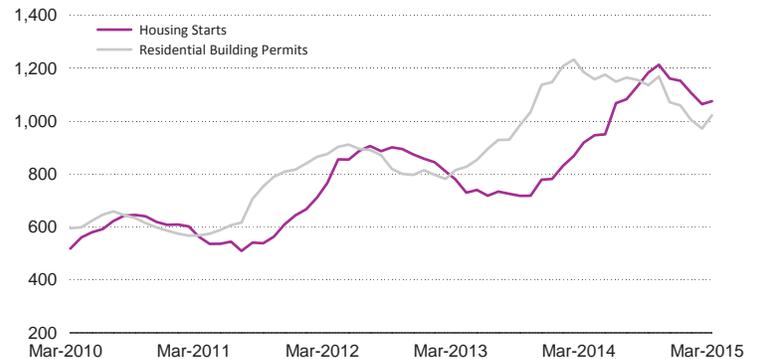
March 2005 - 2015



Sources: CREA, Corporate Economics

Residential Construction

Number of Units, 12 Month Trend



Sources: CREA, Corporate Economics

### Calgary's Housing Market - March 2015

	Mar-15	Feb-15	Jan-15	Mar-14	Annual Change (%)	YTD	2014
Building Permits (Units)	1,315	470	507	712	84.7	764	1,060
Single-family (Units)	208	235	280	428	-51.4	241	375
Housing Starts (Units)	1,356	556	576	1,219	11.2	829	1,153
Single-family (Units)	297	310	217	316	-6.0	275	385
MLS Benchmark Home Price (\$000s)	450.6	451.9	454.2	432.7	4.1	452.2	444.3
Single-family (\$000s)	497.0	498.2	500.5	476.7	4.3	498.6	489.1
Apartment (\$000s)	291.9	294.6	297.2	285.6	2.2	294.6	292.8
Resales (Units)	2,215	1,544	1,162	3,170	-30.1	1,640	2,801.3
Sales: Listings Ratio (Dimensionless)	0.57	0.41	0.28	0.72		0.42	0.71
5-Year Mortgage Rate (%)	4.74	4.74	4.79	4.99		4.76	4.88
Average Weekly Wage Rate (\$)	1,130.25	1,134.77	1,123.22	1,076.12	5.0	1,129.41	1,098.03

Source: Statistics Canada, CREA, CMHC, Corporate Economics, April 2015

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**Current market conditions suggest that home prices in Calgary will stagnate rather than suffer any meaningful decline.** The MLS benchmark home price index edged down slightly in the month, but was still up 4.1 per cent year-over-year. Small fluctuations are to be expected given the current economic environment.

**Robust affordability conditions continue to affirm the sustainability of current home prices.** Accommodative monetary policy has kept mortgage rates at rock bottom. Meanwhile, wages in Calgary have been on a bit of a tear lately. The average weekly wage rate in the city climbed 5.0 per cent year-over-year in March, outpacing inflation and home price growth by a considerable margin.

*Next update: May 28, 2015*

## Who We Are

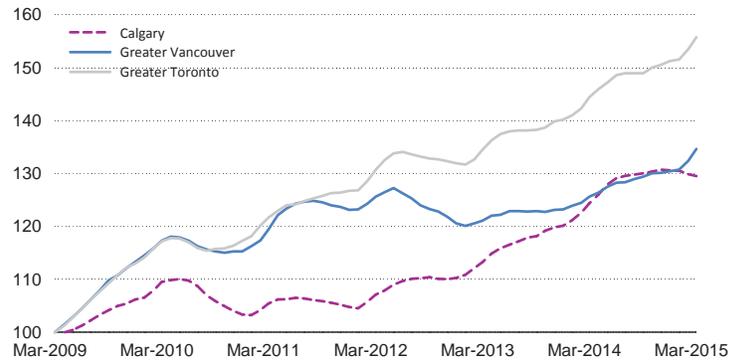
Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced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

Many of our publications are available on the internet at [www.calgary.ca/economy](http://www.calgary.ca/economy).

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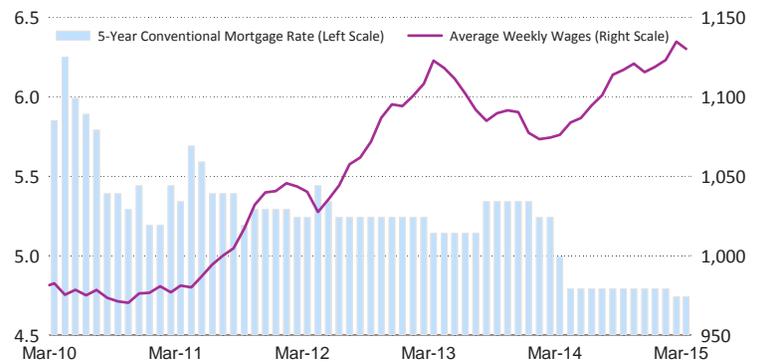
**MLS Composite Benchmark Home Price**

*Indexed to Recession-Low, March 2009 = 100*



Sources: CREA, Corporate Economics

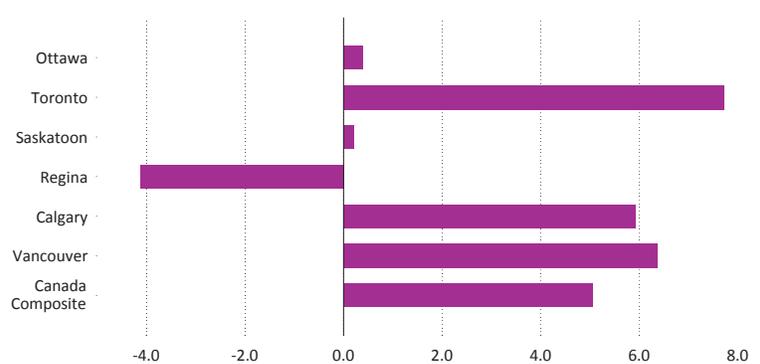
**Housing Affordability Factors**



Sources: Statistics Canada, CMHC, Corporate Economics

**Canadian Home Prices**

*MLS Benchmark Home Price, Year-to-Date Percentage Change*



Sources: CREA, Corporate Economics