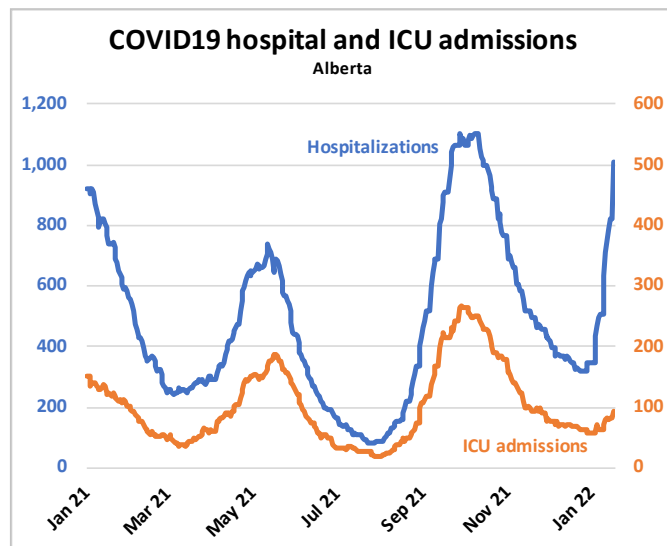
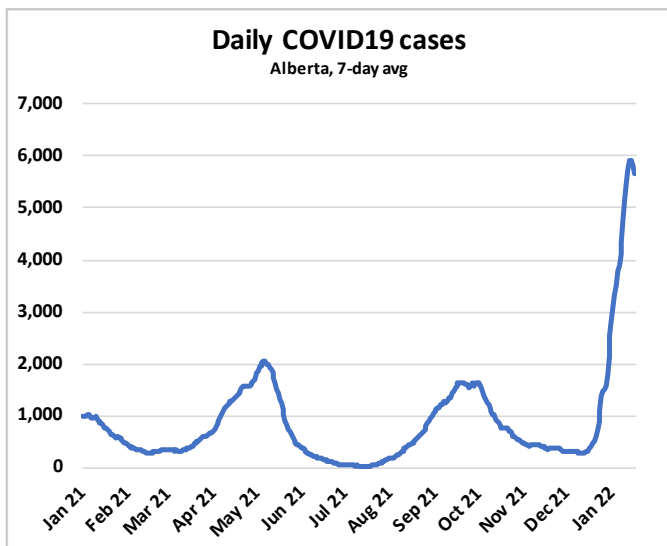




Housing and Mortgage Market Review

Alberta Could See Strong Acceleration in Real Estate Market in First Half of 2022

COVID cases in Alberta have surged in recent weeks, but appear to have peaked for now. The good news is that the normal relationship between hospitalizations and ICU admissions has broken down, suggesting that while Omicron is far more contagious, it's also a less virulent strain. Still, with hospitalizations rising and an ongoing shortage of healthcare workers in most provinces, COVID-related restrictions will remain in place for a while longer, and that will likely weigh modestly on economic growth this quarter.



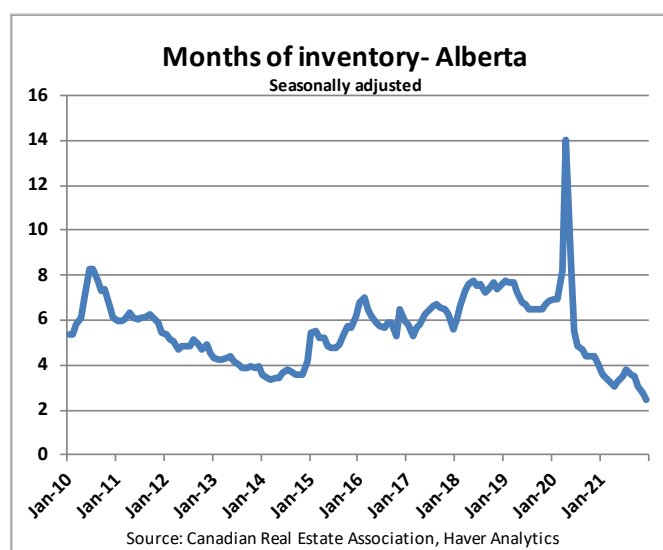
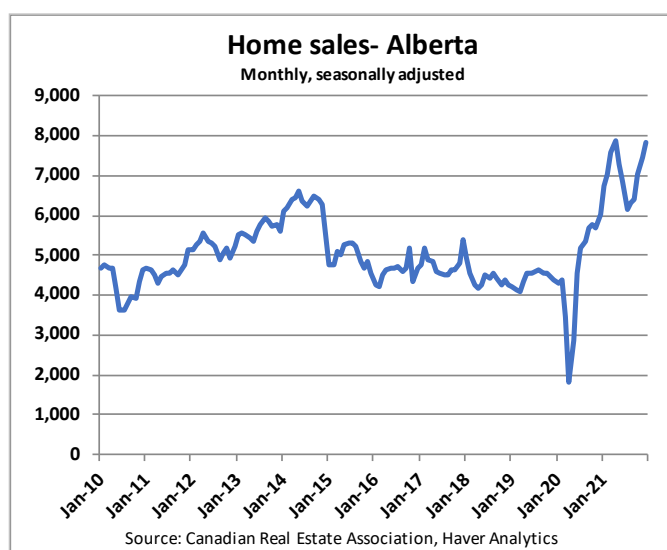


Housing and Mortgage Market Review

Alberta

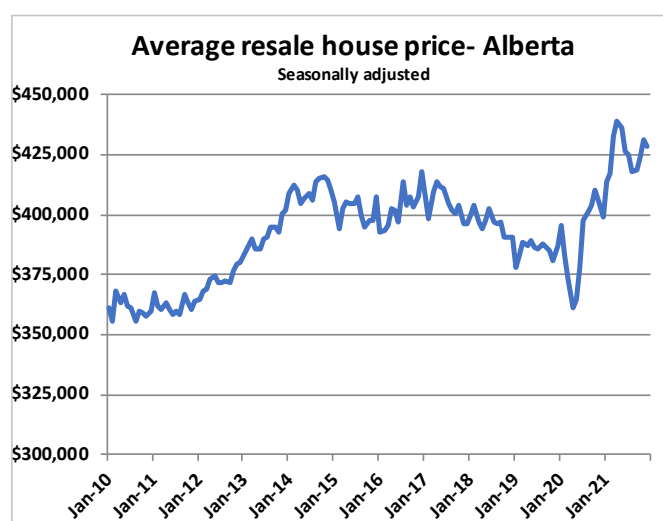
Home Sales

Home sales across Alberta ended the year at record levels. Supply also continues to decline with active inventory across the province down a whopping 40% compared to last year at this time and down 65% since the beginning of 2020. Months of inventory have fallen to just 2.5, the lowest since 2007.



The last time the resale market was this tight in Alberta, average house prices were rising by nearly 40% year-over-year. The fact that prices were up “just” 7.5% in the fourth quarter suggests that we may see a strong acceleration in early 2022.

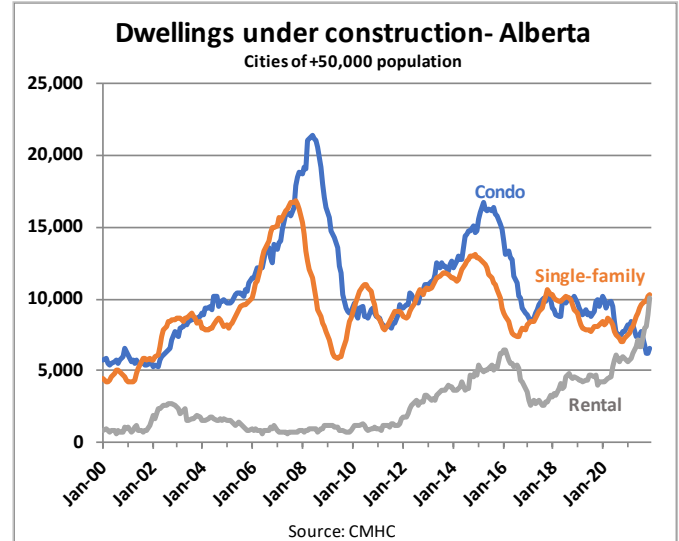
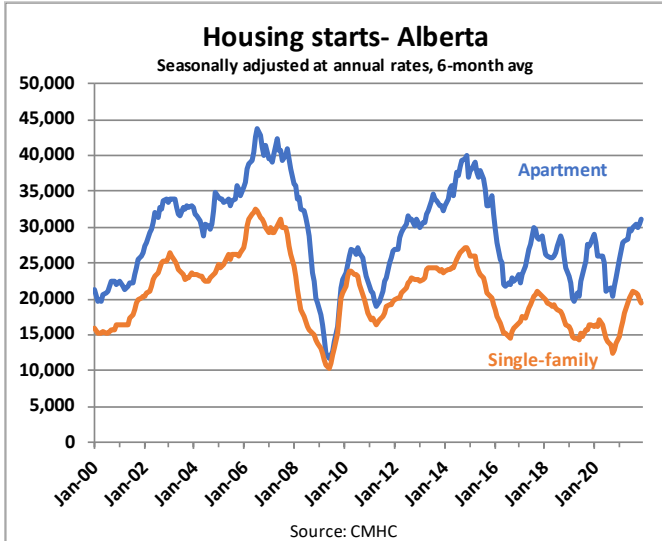
In terms of new supply in the pipeline, single-family housing starts have risen sharply off the pandemic lows to hit 20,000 on an annualized basis. Still, that remains well below the average over the past 20 years.



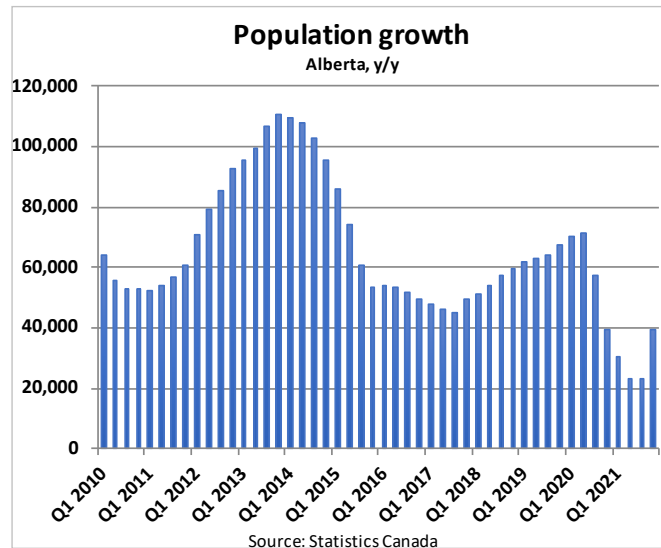


Housing and Mortgage Market Review

Alberta



Population growth has also rebounded off its pandemic lows, but is still barely half of pre-pandemic levels. This looks set to change in 2022 as net interprovincial migration into the province has turned positive for the first time since 2015. This means more people are coming to Alberta from other provinces than those who are leaving, and it bodes well for future population growth.



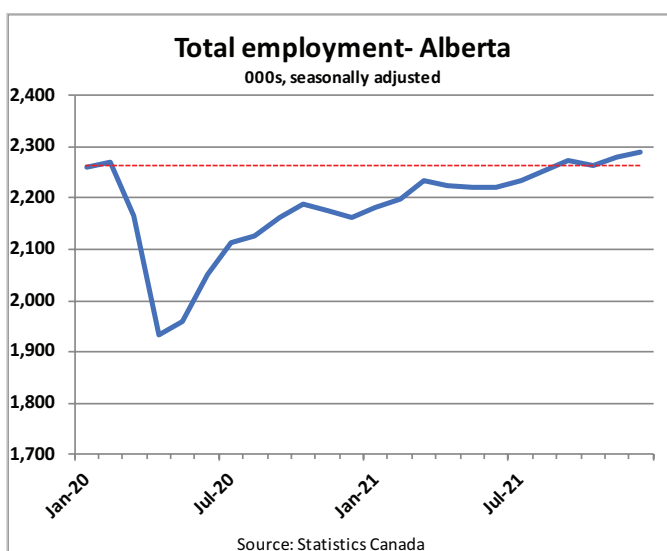


Housing and Mortgage Market Review

Alberta

Solid economic momentum

Alberta's economy continues to rebound from the damage inflicted during the early days of the pandemic. The number of jobs in the province is now back above pre-pandemic levels. Unemployment in the province remains high relative to the rest of the country (7.3% vs 5.9% nationally), but the trend is clearly going in the right direction. And with energy prices looking very strong, there's plenty of reason to think this trend will continue.



What it all means: House prices do not yet reflect the improving underlying fundamentals in Alberta metros. Solid population growth, record housing demand and falling supply are a recipe for a strong market that should persist at least until mid-year.

**Any forecasts/projects contained in this report are accurate as of the date indicated.*

Ben Rabidoux is the founder of Edge Realty Analytics (www.edgeanalytics.ca), which equips top real estate and mortgage professionals with timely research and insightful marketing infographics to help them stand apart from the competition and stay engaged with their clients and prospects.

He is also the founder and president of North Cove Advisors, a market research firm serving institutional and high net worth clients since 2013 that is consistently ranked top 5 for Canadian economic coverage by Brendan Wood International.

He is a frequent guest and contributor in major media outlets, including Bloomberg, The Wall Street Journal, Reuters, The Globe and Mail, The Toronto Star, Macleans, and many others.



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