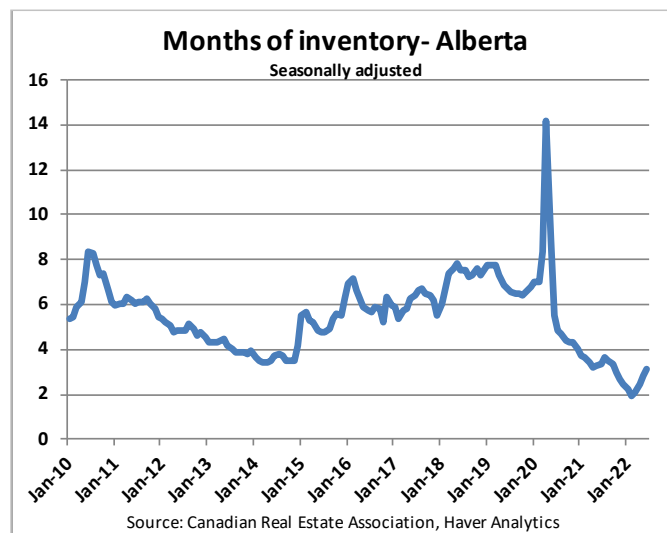
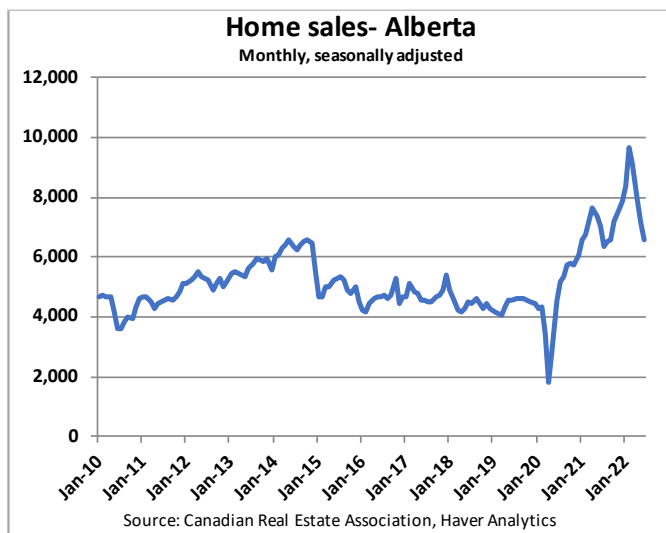




Housing and Mortgage Market Review

Housing market dynamics look “very solid” for now

Home sales across Alberta fell 20% in the second quarter compared to the prior quarter. Still, demand remains very strong across the province with sales running well above average levels of the past decade and even above prior cycle highs in 2014.



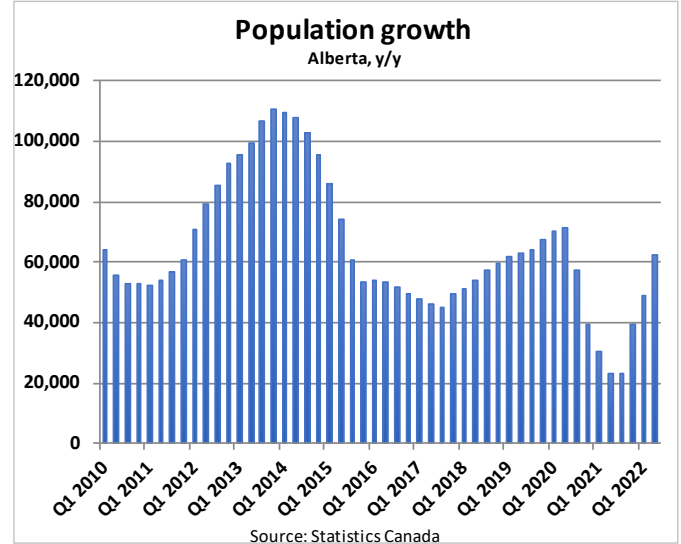
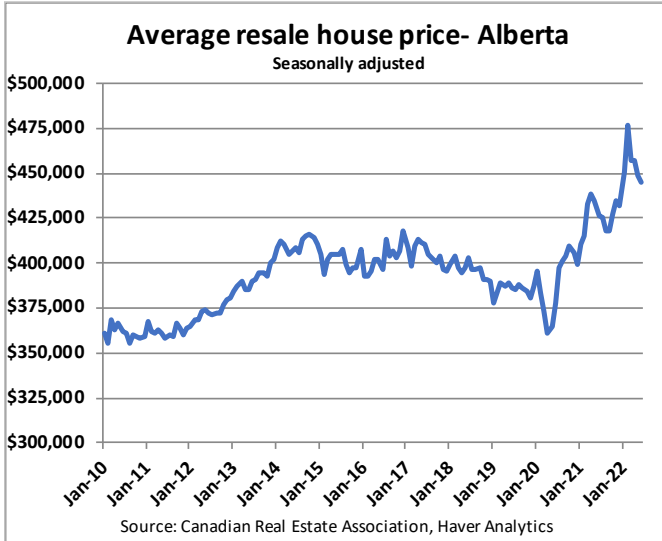
Resale inventory levels rose 9% compared to Q1 on a seasonally adjusted basis but are still 13% below year-ago levels. Months of inventory ticked up to 3.1, which is above the lows seen earlier this year, but still well below normal levels over the past decade. Even with a recent slowdown in sales, markets across Alberta are still very tight.

Seasonally adjusted average house prices slipped 2.7% compared to Q1, but were still up 4.5% compared to last year.



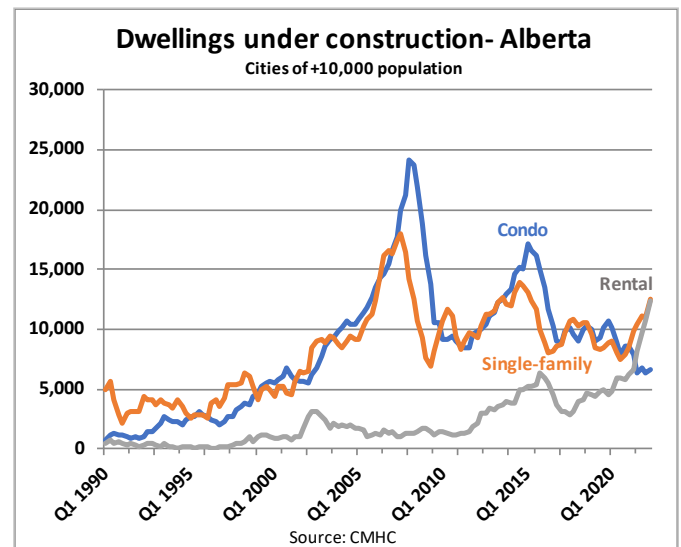
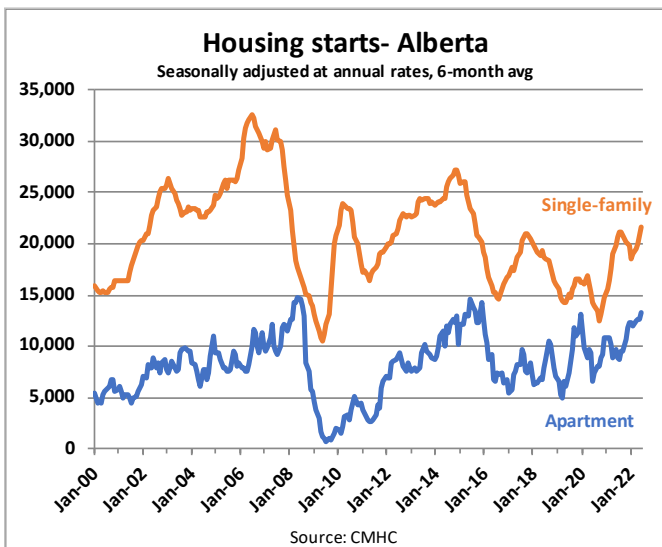
Housing and Mortgage Market Review

Alberta



Strong population growth supports long-term demand

Alberta's population has grown by 60,000 in the past year in part due to solid immigration, but also due to population inflows from other provinces as an improving economy and relatively affordable housing lures in workers from other parts of the country.



Housing starts surged 39.8% in the second quarter as developers had the busiest quarter since 2014. Dwellings under construction continue to rise, driven primarily by a big uptick in rental construction.

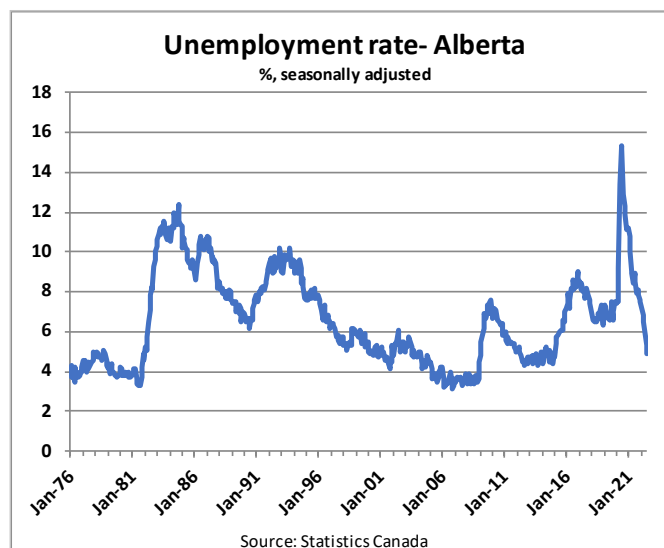
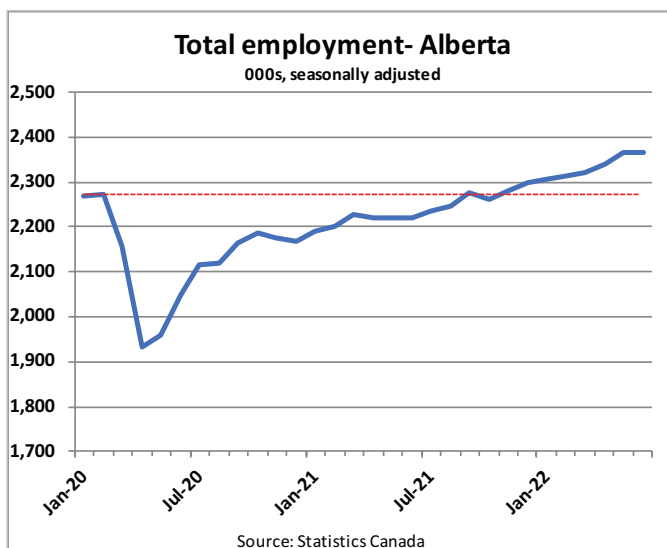


Housing and Mortgage Market Review

Alberta

Solid economic momentum continues in Q2

Alberta's economy continues to churn out new jobs with employment higher by 46,000 in Q2 compared to Q1. The unemployment rate fell from 6.5% to 4.9% over the past quarter.



What it all means: While most of the country is facing challenging conditions in the resale market, housing market dynamics in Alberta look very solid for now. Activity may dampen going forward as the full impact of the Bank of Canada's recent rate hikes take hold, but the market overall remains on very solid footing.

**Any forecasts 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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