



# Housing and Mortgage Market Review: Quarterly Report - *July 2023*

Alberta home sales are back on the rise, but rising rates are a potential headwind

## Highlights on what is driving the housing and mortgage market:

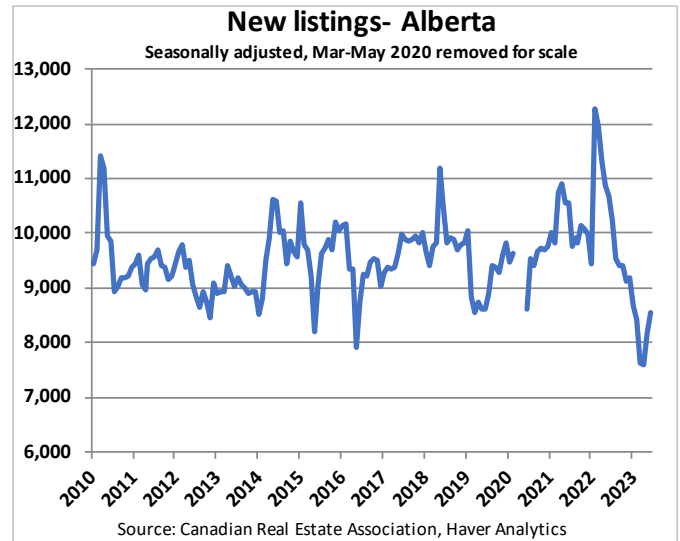
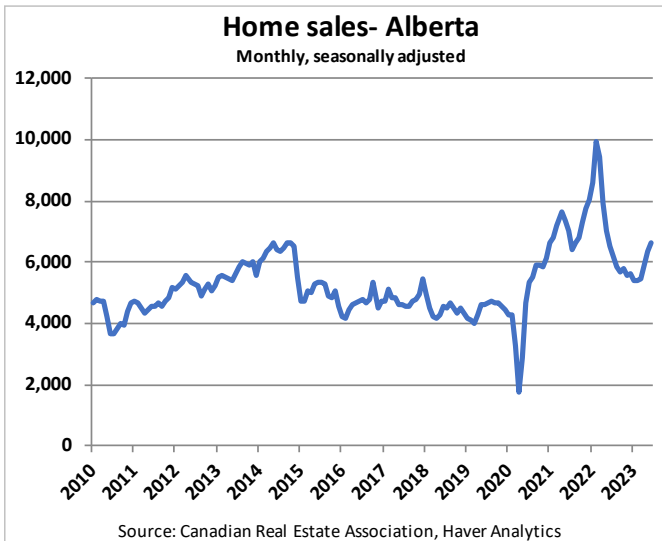
- Home sales rose strongly in the second quarter, but rising rates could weigh on demand
- Resale housing supply remains near record-lows across the province
- Surging population growth combined with slowing housing starts could lead to a potential supply crunch

# Housing and Mortgage Market Review

## Alberta

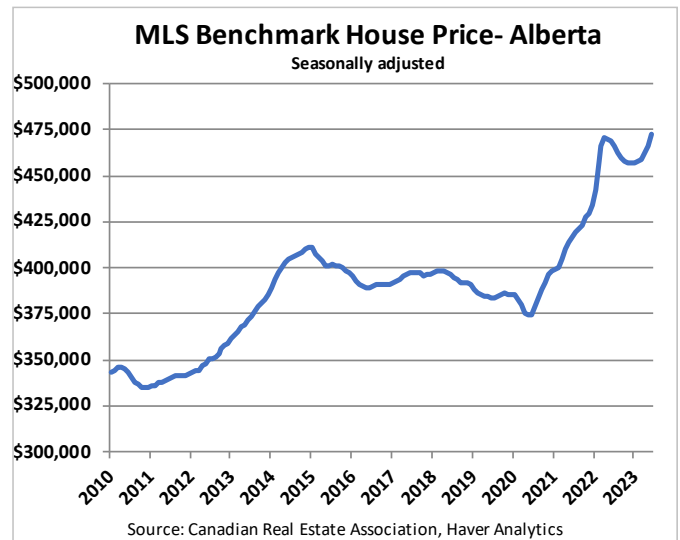
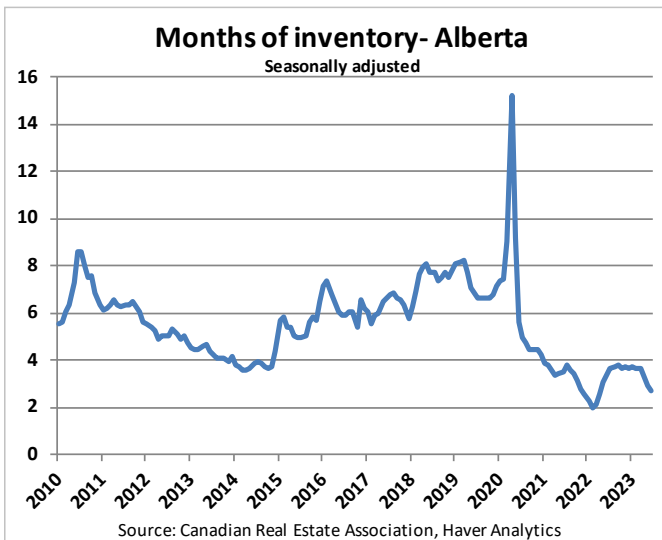
Seasonally adjusted home sales across Alberta jumped 16.1% in the second quarter relative to Q1 and ended the quarter on a solid note with a 4.7% monthly increase in June. Demand may slow in the coming months as the market digests the recent mortgage rate increases.

New listings rose 4.7% in June on a seasonally adjusted basis but remain roughly 15% below normal levels.



With sales rising and inventory still low, the market balance across the province is incredibly tight. There is currently only 2.7 months of housing inventory for sale across Alberta, a near-record low.

House prices are continuing to rise throughout the province, driven by solid supply-demand dynamics. Alberta is one of only two provinces with house prices at record highs after posting a 1.3% monthly increase in June.



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### A new record for population growth

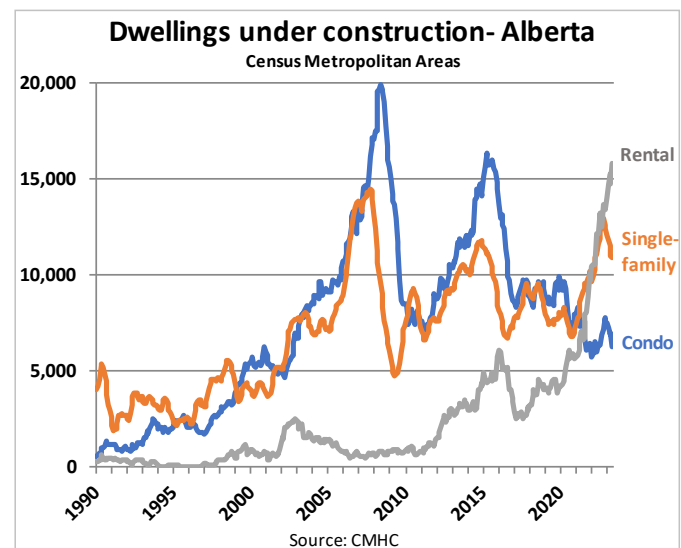
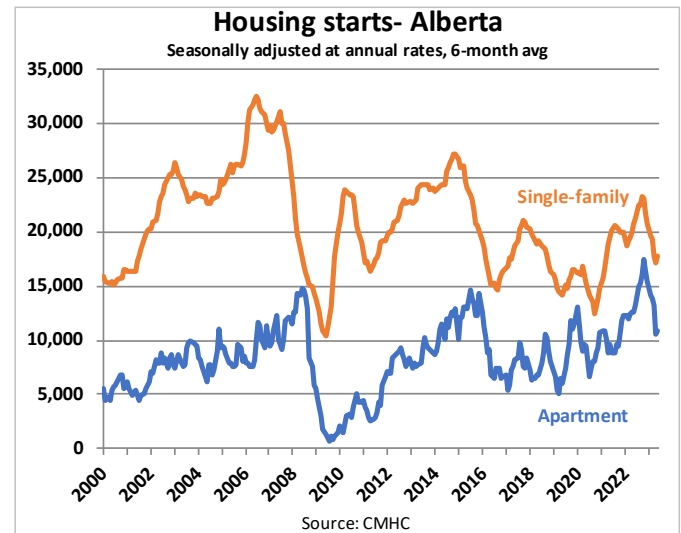
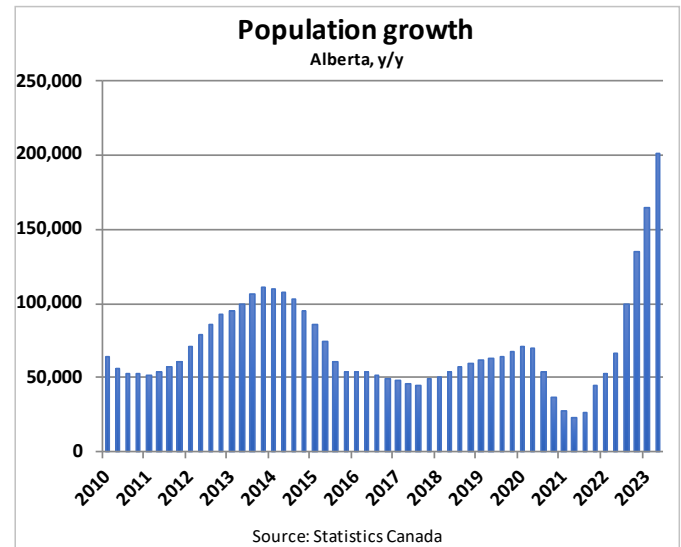
Alberta's annual population growth surged to a record 200,000 in the second quarter.

At the same time, new supply is trending lower with housing starts for both the single- and multi-family segments falling throughout Q2.

Dwellings under construction fell 2% relative to the end of Q1 with falling construction activity in the single-family and condo segments offsetting a continued increase in rentals.

### Labour market remains firm

Alberta saw 13,000 new jobs created in the second quarter. The unemployment rate was unchanged at 5.7%.





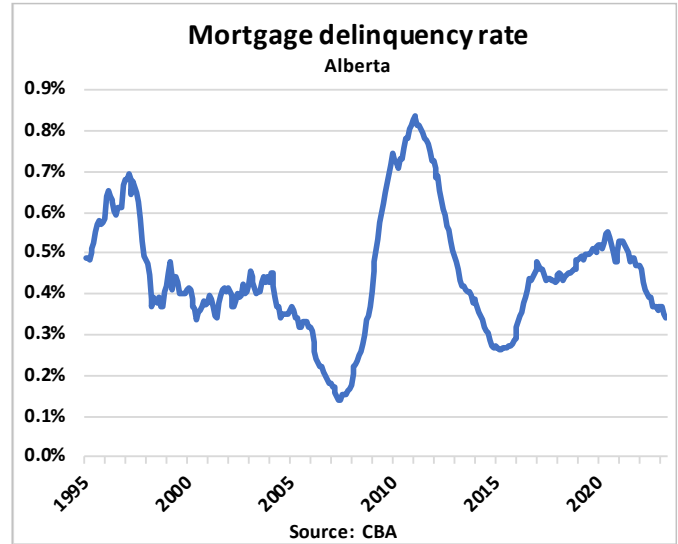
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## Alberta

The mortgage delinquency rate in Alberta continued to fall, driven by a strong economy and booming housing market. Still, with rates on the rise and the prospects of a slowdown in the Canadian economy later this year, we should expect this trend to reverse course in the coming months.

### Summary:

Demand for housing remains very strong in Alberta, driven by strong population growth and a solid labour market. Rising rates may put pressure on the market in the near term, but long-term fundamentals remain very solid.



*\*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](http://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.

