

Weekly Economic Review

Labour market holding steady

Employment

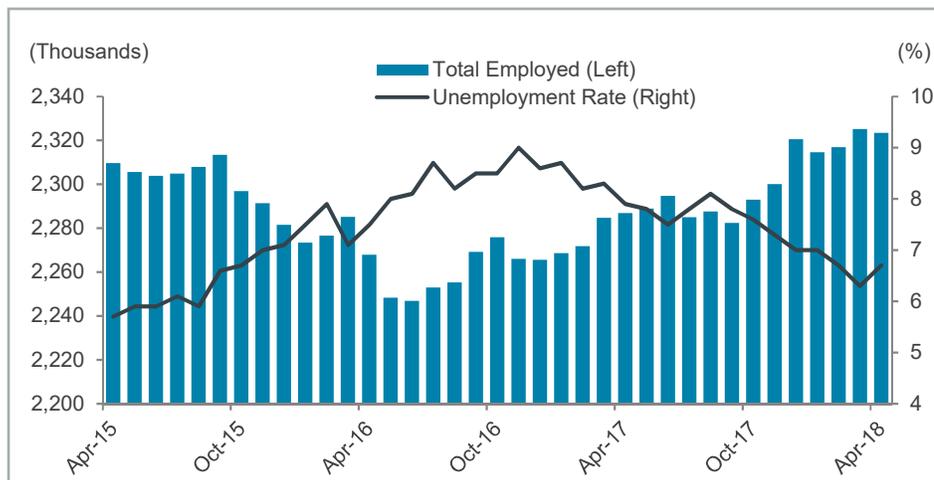
Underlying strength despite employment easing

Alberta headline employment took a pause in April after a solid run but there were strong increases in full-time and private sector jobs. Following robust job gains in five of the last six months, employment remain relatively unchanged (-1,800). Strong gains in private sector employment (+11,400) mostly offset declines

in the public sector (-9,300) and self-employment (-3,900). Full-time (+8,900) employment increased after dipping in the first quarter but was outweighed by part-time (-10,700) losses. Employment gains in goods sector (+8,300) were mainly driven by the construction and manufacturing industries. Services sector employment fell (-10,100), reflecting mostly job losses in wholesale and retail trade and finance insurance and real estate industries. The marginal decline in employment and a notable increase in the labour force caused the unemployment rate to jump 0.4 percentage points to 6.7% (Chart 1).

Chart 1: Alberta unemployment ticks up as employment takes a breather

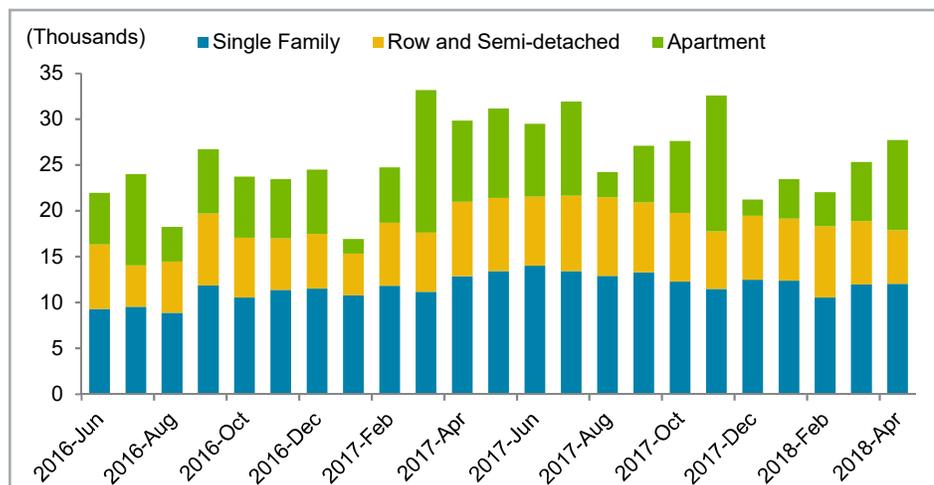
Alberta unemployment rate and employment level



Source: Statistics Canada

Chart 2: Housing starts increase with apartment starts

Seasonally adjusted housing starts in 10,000+ centres, by Type



Source: Canadian Mortgage and Housing Corporation

Housing Starts

Housing starts climb

Housing starts jumped for the second month in a row as more apartment units were started in April. Housing starts were up 10.1% month-over-month (m/m) to a seasonally adjusted annual rate of 29,695 units, a five-month high. The monthly increase was due to more apartment and semi-detached starts (Chart 2). Singles starts remained unchanged, while rows declined. Regionally, the gains were concentrated in Calgary and supported by solid increases in Edmonton and rural Alberta. In contrast, housing starts in the other urban centres fell as the rebuilding in Fort McMurray pulled back after a strong month.

New Housing Price Index

New home prices slide

After remaining stable through much of 2017, new home prices have slipped lower since the start of 2018. Alberta's new housing price index (NHPI) dipped 0.2% m/m in March and 0.5% since the beginning of the year. The weakness

has been concentrated in the house-only component (Chart 3) in Calgary, which gave back the gains made in 2017 over the last two months. House-only prices in Edmonton also held close to a seven-year low. Meanwhile, land prices have held steady over the last seven months and were up 0.6% y/y, with prices higher in both Calgary and Edmonton.

Building Permits

Modest uplift in permits

Construction intentions by contractors rose for a second month in a row. The value of Alberta building permits increased 1.8% m/m to \$1.3 billion in March, reflecting higher non-residential building permits. Commercial permits rose after three consecutive months of declines. Meanwhile, residential construction intentions held steady as higher issued permits for multi-unit homes (+18% m/m) offset the decline in single-detached home permits (-13% m/m). There were higher residential intentions in both urban centres which balanced out a drop throughout the rest of the province.

Consumer Insolvencies

Proposals remain elevated

The number of consumers filing insolvencies dipped in February but remained elevated. On an unadjusted basis, 1,023 Albertans submitted either a consumer insolvency proposal or bankruptcy in February, 58 fewer than that of both the previous month and the previous year. Despite the decline, the number of proposals continue to be elevated whereas bankruptcies remained at modest levels.

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Please see the [Alberta Economy - Indicators at a Glance](#) for a snapshot of Alberta indicators.

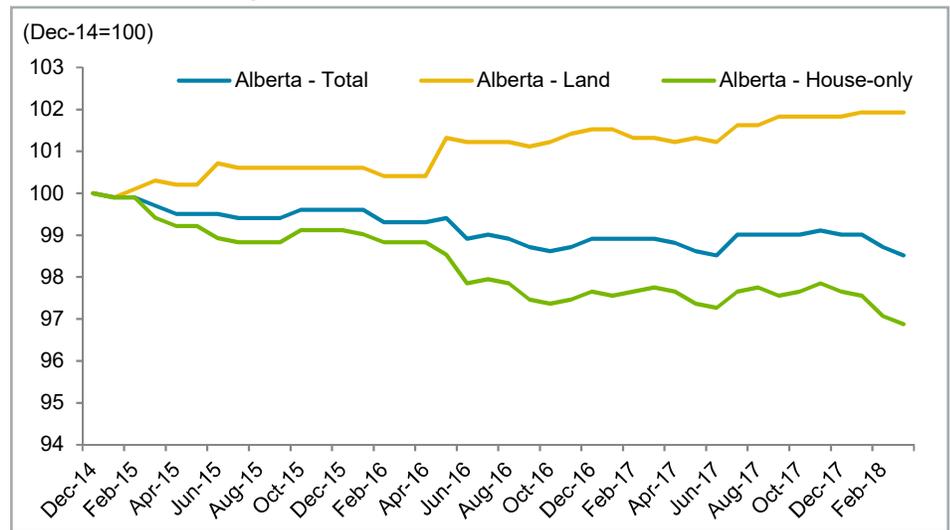
Rigs Drilling

Activity moderates during spring break-up

Drilling activity in the province continued to slow due to the spring break-up. On average, 80 rigs were drilling in April, slipping from 142 rigs in the previous month (Chart 4). The rig utilization rate stood at 19%, unchanged from a year ago and close to the 2010-2014 average. So far this year, the rig count has averaged 1.8% higher compared to the previous year. In contrast, drilling activity in the rest of Canada has pulled back 9.8% year-to-date.

Chart 3: NPHI pulled lower by softer house-only prices

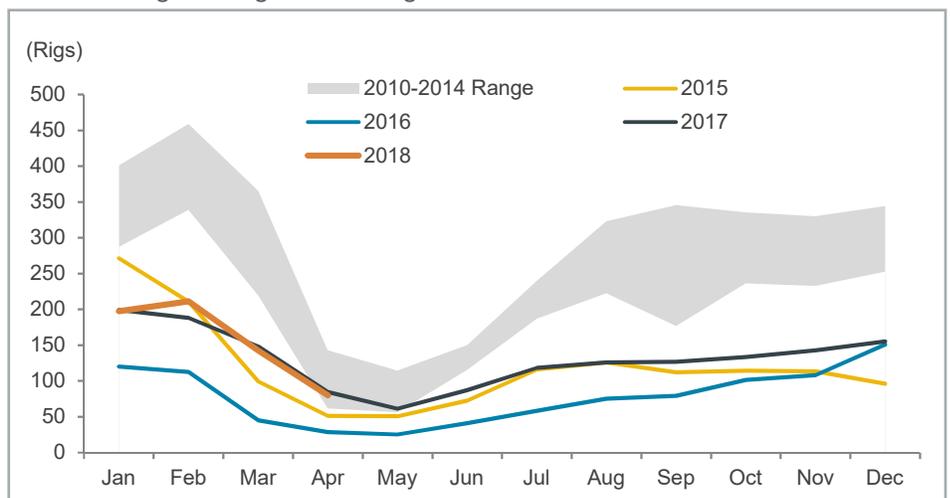
Alberta New Housing Price Index



Source: Statistics Canada

Chart 4: Seasonal slowdown in drilling activity

Number of rigs drilling for oil and gas in Alberta



Source: Canadian Association of Oilwell Drilling Contractors