

Weekly economic review

Resale housing market gaining steam

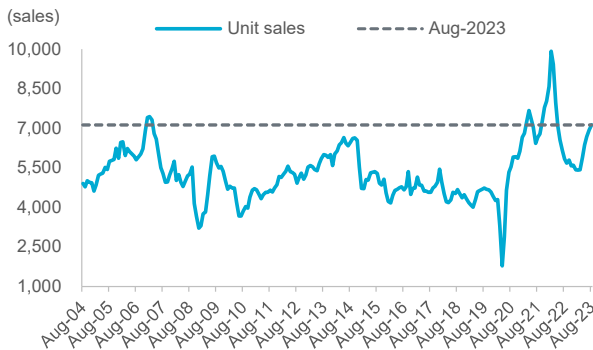
Resale Housing

Sales activity continues to increase

Activity in Alberta's resale market advanced for the sixth consecutive month in August. Seasonally adjusted unit sales increased 2.8% month-over-month (m/m) to 7,121, with gains in most regions. Strong sales in the two major markets continued to lead the way. Sales in Calgary increased 4.0% m/m to a 16-month high, while sales in Edmonton inched up to 15-month high. This pushed sales to back up to levels only reached early 2007 and during the height of the COVID recovery (Chart 1). While new listings also rose (+3.7% m/m) in the month, the months of inventory fell from 2.6 in July to 2.5 in August. Despite the rising sales, the average resale price eased by \$1,713 or 0.4% m/m to \$449,438, with prices falling in Calgary (-1.3%) and Edmonton (-1.2%).

CHART 1: HOUSING SALES PICKING UP MOMENTUM

Alberta unit sales, seasonally adjusted



Source: Canadian Real Estate Association, Haver Analytics

Wholesale Trade

Sales rebound

Alberta's wholesale trade bounced back in July after a large decline in June. Excluding petroleum and oilseed, sales increased 5.2% month-over-month or m/m to \$9.1 billion. The monthly gain was broad-based, led by miscellaneous merchandise (+14% m/m), building material and supplies (+11% m/m), motor vehicle, parts & accessories (+9.5% m/m). With the monthly increase, sales were up 8.0% year-to-date (YTD), with gains in machinery, equipment & supplies (+17%) and motor vehicle, parts & accessories (+11%).

Manufacturing Shipments

Factory sales makes gain

Factory sales in Alberta turned a corner after pulling back in June. The value of manufacturing shipments rose 4.5% month-over-month (m/m) to \$8.2 billion in July. The increase was driven by broad-based gains in non-durable goods sales (+6.5% m/m), including food, chemicals, and petroleum products. Meanwhile, sales of durable goods remained flat, as rise in sales of wood products was muted by notable decline in equipment and electronic sales. Despite the monthly gain sales remained lower than last year's elevated levels. On a YTD basis, the value of manufacturing shipments declined by 4.9%, driven by lower petroleum & coal prices.

New Motor Vehicle Sales

Sales slow

After playing catch up through the spring, sales of new motor vehicle sales fell back in July. The number of new vehicles sold in Alberta decreased 14% month-over-month (m/m) to 16,784 units. Despite the monthly decline, unit sales were 2.3% higher than last year as higher truck sales offset lower sales of passenger cars.

National Household Balance Sheet

Net worth improves

The wealth of Canadian households improved in the second quarter. Household net worth increased 1.6% quarter-over-quarter (q/q) to \$16.0 trillion as a small increase in debt was overwhelmed by rising asset values. The value of financial assets improved (+1.3% q/q) with the strong equity market, while the ongoing rebound in real estate values lifted non-financial assets (+1.9% q/q). Meanwhile with the increase in debt and higher interest rates, the total value of debt payments jumped 2.1%. However, with strong gains in disposable income (+2.8% q/q), households allotted a smaller share of their income to debt payments in the second quarter.

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For current snapshot of Alberta indicators [Alberta Economy - Indicators at a Glance](#)