

# Weekly Economic Review

## Housing activity remains robust in the province

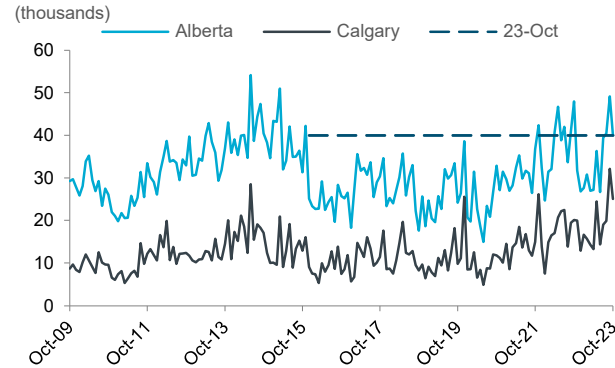
### Housing Starts

#### Starts strong despite a large pull back in apartments

Housing starts in the province dropped from an eight-year high in October but remain elevated. Starts fell 19% month-over-month (m/m) to a seasonally adjusted annual rate (SAAR) of 39,989. The monthly decline was solely due to a large fall in the volatile apartment starts. Apartment starts plunged (-45% m/m) after surging 48% to a 15-year high in September. The large decline masked ongoing strength in singles, which grew 13% m/m to a 12-month high, and gains in row and semi-detached. While housing starts declined in all regions of the province, starts in Calgary remained elevated and were at the third highest level in the previous three years (Chart 1). With the monthly decline, Alberta's housing starts were down 9.0% YTD due to last year's extremely high levels and the weak start to the year.

**CHART 1: CALGARY LEADING THE WAY**

Housing starts (SAAR)



Source: Statistics Canada and Haver Analytics

### Resale Housing

#### Sales pull back

After gaining momentum throughout much of 2023, Alberta's resale housing market cooled in October. The seasonally adjusted unit sales fell 8.3% m/m to 6,603, ending an impressive seven-month streak of gains. The pullback was widespread, with sharp declines in both Calgary (-9.2% m/m) and Edmonton (-9.0% m/m). The number of new listings (-1.0% m/m) also slowed, and the months of inventory increased to 2.7 months, the first increase in nine months. With the moderation in activity, the average resale price fell 0.5% m/m to \$455,692. While the market cooled in October, both sales and prices remained higher than last year and well above the pre-pandemic levels.

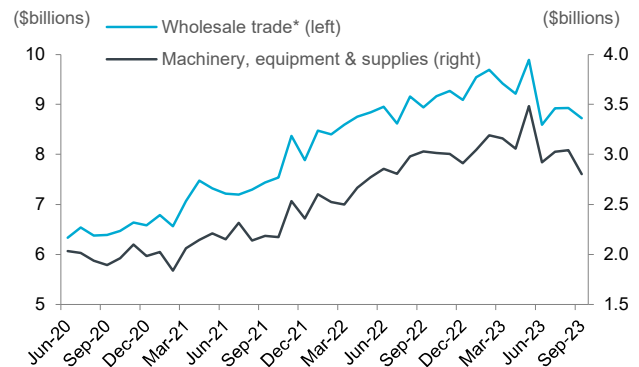
### Wholesale Trade

#### Machinery sales weigh on wholesale trade

Alberta's wholesale trade is slowing. Wholesale trade (excluding petroleum, petroleum products, and other hydrocarbons and excluding oilseed and grain) contracted by 2.3% m/m to \$8.7 billion in September. Sales dipped in four out of seven categories, with the most significant drop seen in machinery, equipment & supplies (-7.9% m/m). The machinery sector retreated after two consecutive months of growth and fell below the July 2022 level (Chart 2). However, year-to-date (YTD) sales were up by 5.9%, mainly driven by the strong growth in machinery, equipment & supplies (+12% YTD).

**CHART 2: MACHINERY SALES WEIGH ON WHOLESALE TRADE**

Alberta's seasonally adjusted wholesale trade\* and growth



Sources: Statistics Canada and Haver Analytics

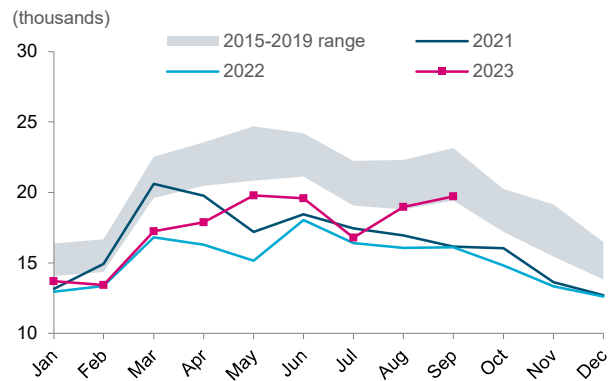
## New Motor Vehicle Sales

### Sales back on track

New motor vehicle sales continued to advance in September. The number of new vehicles sold in Alberta increased 4.0% m/m to 19,711 units, with more sales of both trucks (+4.2% m/m) and passenger cars (+1.1% m/m). With strong seasonal gains in 2023, unit sales have returned to the historical range after two years of limited inventory and weak sales (Chart 3). The improvement comes despite higher interest rates and prices. The average price per vehicle sold rose 1.6% m/m to \$61,542, 28% above the pre-COVID 2019 average. With the recent gains, unit sales were up 11% year-to-date (YTD) from last year's low levels but well below pre-COVID levels.

**CHART 3: SALES TURNING AROUND**

New motor vehicle sales in Alberta



Sources: Statistics Canada and Haver Analytics

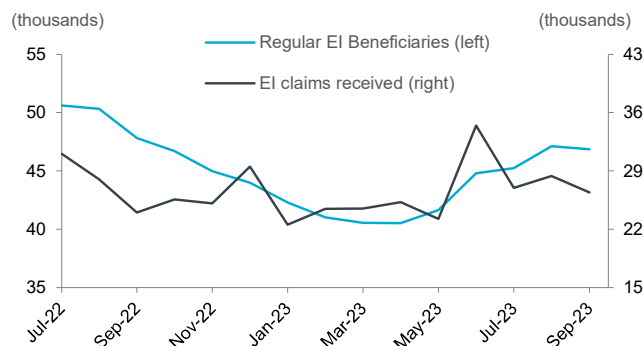
## Employment Insurance

### Claims on the decline

After growing over the past few months, the number of Albertans receiving and applying for Employment Insurance (EI) levelled off in September. After four consecutive months of increases, the number of beneficiaries eased 0.6% m/m to 46,840 (Chart 4). Meanwhile, seasonally adjusted EI

**CHART 4: CLAIMS AND BENEFICIARIES EASE**

Seasonally adjusted EI beneficiaries and claim in Alberta



Sources: Statistics Canada and Haver Analytics

claims dropped by 6.9% m/m in September, with fewer initial and renewal claims. While claims received were up 4.3% year-to-date (YTD), beneficiaries were down 22% YTD as the number of recipients decreased significantly after the height of the pandemic.

## Industrial Product Price Index (IPPI)

### Energy product prices lower

Canada's Industrial Product Price Index (IPPI) fell in October after back-to-back monthly increases. The IPPI declined 1.0% m/m, led by lower prices for energy and petroleum products (-5.7% m/m), particularly conventional crude oil (-3.7% m/m). Excluding energy and petroleum products, the IPPI fell 0.3% m/m, as the price of lumber (-6.4% m/m), intermediate food products (-1.9% m/m) and primary non-ferrous metal products (-1.2% m/m) decreased. Year-over-year, the IPPI was down 2.7%, led by lower prices for energy and petroleum products (-16.7% y/y). While prices have trended lower since peaking in May 2022, the index remains more than 20% higher than in 2019.

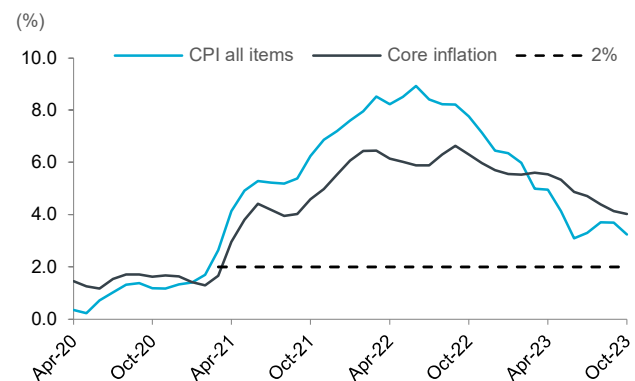
## U.S. Consumer Price Index

### U.S. inflation eases

Consumer inflation eased in October after a spike in the summer. The U.S. Consumer Price Index (CPI) increased 3.2% y/y, down from 3.7% y/y in September (Chart 5). The slower inflation largely reflected milder growth in energy prices, housing costs and services (less energy services). Core inflation, which excludes the volatile categories of food and energy prices, fell to 4.0% y/y, the slowest rate in two years.

**CHART 5: CPI AND CORE INFLATION TRENDING DOWN**

Annualized rate of inflation in the U.S.



Sources: Bureau of Labor Statistics and Haver Analytics

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