

Weekly Economic Review

Alberta housing market heats up

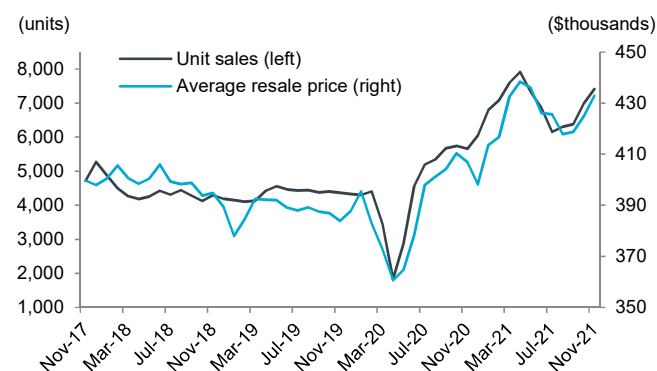
Resale Housing

Resale activity surges on

Activity in Alberta's resale housing market continued to accelerate in November. Seasonally adjusted unit sales increased 6.0% month-over-month (m/m) to 7,412 in November, the fourth monthly increase in a row following a pullback from the all-time high in April. Sales increased in most regions with strong gains in major cities. New listings continued to trail the pick-up in sales and experienced a decline of 2.0% m/m. With improving sales and lagging new listings, the months of inventory hit a 14-year low. With the market conditions tightening, the average resale price increased 1.9% m/m to almost \$433,000 (Chart 1).

CHART 1: REALESTATE HOUSING ACTIVITY ADVANCES

Resale housing unit sales and average resale price (seasonally adjusted)



Sources: Canadian Real Estate Association, Haver Analytics

Housing Starts

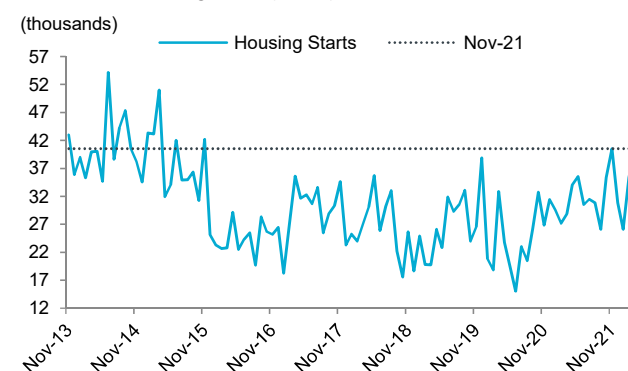
Multifamily unit starts jump

Housing starts in Alberta grew in November to the highest level since November 2015. Starts were up 15% m/m to a seasonally adjusted annual rate (SAAR) of 40,525 units. Multifamily starts grew 27% m/m to a six-year record (Chart 2), propelled by a 40% m/m increase in apartment starts and a 28% m/m increase in semi-detached starts. Meanwhile, the number of single unit starts (-6.3% m/m) continued its slide from April's peak. Regionally, the gains were concentrated

in Calgary (+73% m/m), while Edmonton experienced a dip (-34% m/m). Year-to-date (YTD), housing starts were up 35% from the weak level in 2020, with large gains in all unit types and all regions.

CHART 2: HOUSING STARTS AT HIGHEST LEVEL SINCE 2015

Alberta-wide housing starts (SAAR)



Sources: Canadian Mortgage and Housing Corporation, Haver Analytics

Population

Widespread population growth

Alberta's population posted solid growth in the third quarter (Q3) of 2021. Alberta's population was 4,464,170 on October 1, up 21,291 (+0.48%) from the previous quarter. This is comparable to pre-pandemic growth rates. After net losses for five consecutive quarters, Alberta registered a net in-flow of interprovincial migrants (+4,489), the largest quarterly gain since 2015. Alberta continued to have the highest natural growth rate among the provinces, adding 4,601 people. Lastly, international migration added 12,201 new residents in Q3, a dramatic improvement from the same period last year (-352).

Manufacturing Shipments

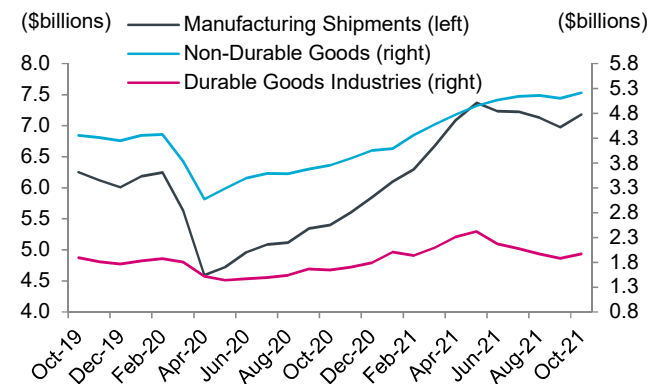
Refinery shipments advance

Factory sales in Alberta bounced back in October after moderating for several months. The value of manufacturing shipments ticked up 2.9% m/m to \$7.2 billion (Chart 3). The advancement was primarily due to higher petroleum and coal volumes (+9.1% m/m) in October supported by high energy prices. Durable goods shipments increased 4.9%

m/m, driven by increases to wood products (+9.0% m/m) and machinery (+13% m/m). These gains were tempered by a decline in food shipments (-3.3% m/m). Factory sales remained elevated, up 33% compared to a year ago and up 30% on a year-to-date basis.

CHART 3: BOTH NON-DURABLES AND DURABLES TICK UP

Value of manufacturing shipments in Alberta, selected by industry



Sources: Statistics Canada, Haver Analytics

Wholesale Trade

Slight moderation in October

Alberta's wholesale trade activity eased slightly in October with pullback in 2 out of 7 sub-sectors. Wholesale trade stood at \$7.2 billion, down 1.0% m/m, returning to June and July levels. Food, beverage and tobacco (-8.0% m/m) and motor vehicle and parts (-4.8% m/m) led the decline. This was offset by gains in building material and supplies (+5.7% m/m), fueled by improved lumber prices and stronger residential and non-residential construction in October. Sales of machinery, equipment and supplies remained on the same level as in September. Overall, wholesale trade sales in Alberta remained 13% higher YTD.

Consumer Price Index

Inflation remains high

Inflation remained elevated in November, as supply chain disruptions (exacerbated by the floods in British Columbia) put upward pressure on prices. The headline consumer price index rose 4.3% y/y in November, following the same growth in October. Energy prices (+34% y/y) were the leading

component of inflation again, with prices significantly higher in most energy sub-components. Food prices grew further and were up 4.0% y/y on the back of meat (+11% y/y), dairy products and eggs (+6.7% y/y), and fresh fruit (+4.2% y/y). Core inflation in Alberta—all items except food and energy—grew at a slower pace in November (+1.8% y/y) than in October (+1.9% y/y).

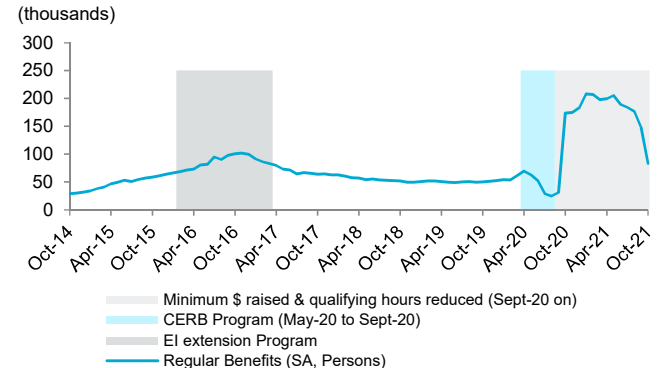
Employment Insurance

Beneficiaries decline

The number of Albertans receiving regular Employment Insurance (EI) benefits dropped significantly in October but remained elevated. On a seasonally adjusted basis, 83,350 people received regular EI benefits in October. This was 64,760 fewer than in September and 124,890 fewer than the January 2021 peak, and was lower than the past peak in 2016. The decline partly reflects expiring benefits for some of the more than 200,000 Albertans who initially received CERB early in the pandemic and who were rolled into EI benefits last October (Chart 4).

CHART 4: DECLINE IN EI BENEFICIARIES AS MANY REACH THE END OF THEIR BENEFITS

Unemployment rate and number of regular beneficiaries in Alberta



Sources: Statistics Canada, Haver Analytics

Contact [Ceilidh Ballantyne](mailto:Ceilidh.Ballantyne@alberta.ca) at 780.427.7543

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