EDMONTON HOUSING
RESEARCH CORPORATION

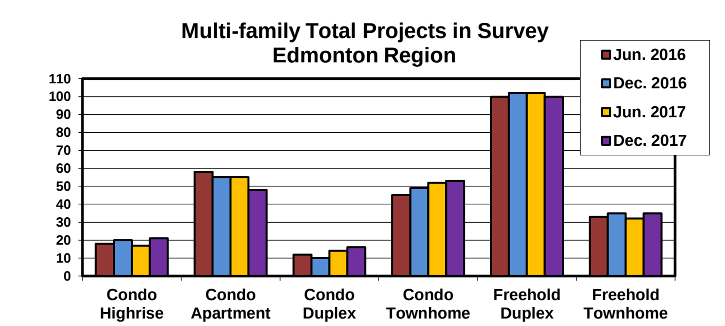
Edmonton & Region Multi-Family Report
December 31, 2017

Volume 2, Issue 11.

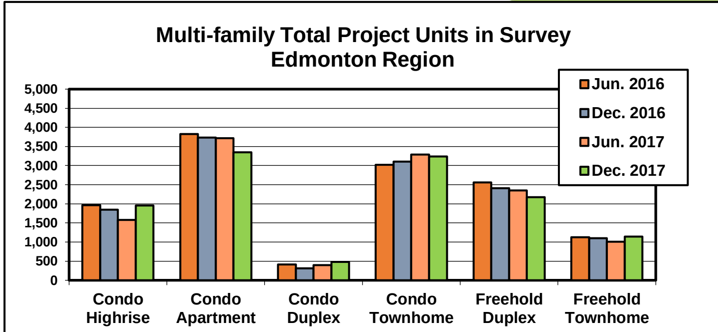
EHRC's semi-annual ***Edmonton Multi-Family Report*** provides a comprehensive overview of new multiple dwelling activity across the Capital region. This report highlights the results of an extensive EHRC survey of new multi-family projects currently being marketed in the Edmonton area. The survey includes high-rise (concrete) and medium/low-rise apartments, townhomes and duplex condominiums as well as freehold semi-detached (duplex) and townhomes.

Survey Coverage:

- EHRC's latest survey covering the period July 1 to December 31, 2017 examined 12,341 multi-family units found in 273 projects.
- The number of units covered in the survey and the project count was largely unchanged from our previous survey examining the first 6 months of 2017.



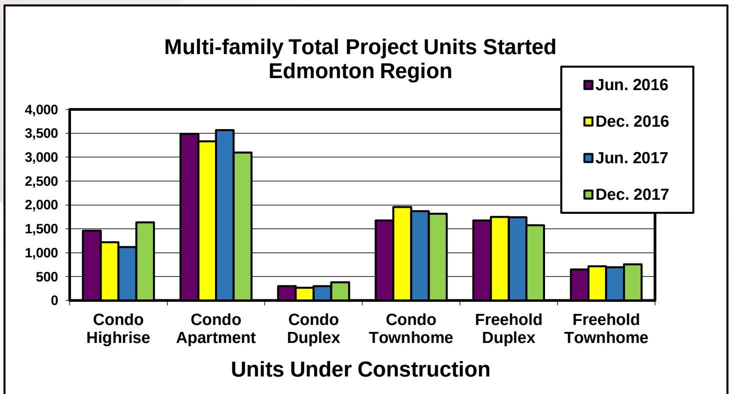
Source: EHRC December 2017 (Edmonton Region)



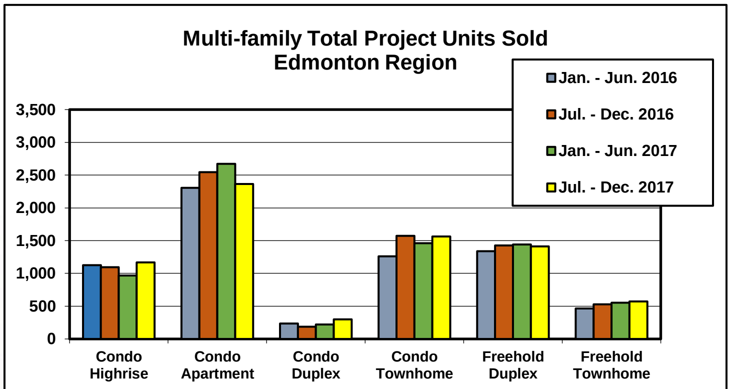
Source: EHRC December 2017 (Edmonton Region)

Project Units Started and Sold:

- Of the 12,341 project units in the survey, 9,260 (75%) had started construction while the remaining 3,081 (25%) units were pending construction but in the active marketing phase.
- At the end of December 7,386 (60%) of the total project units in our survey had been sold. The remaining 4,955 units (40%) were considered inventory (units to sell).



Source: EHRC December 2017 (Edmonton Region)



Source: EHRC December 2017 (Edmonton Region)

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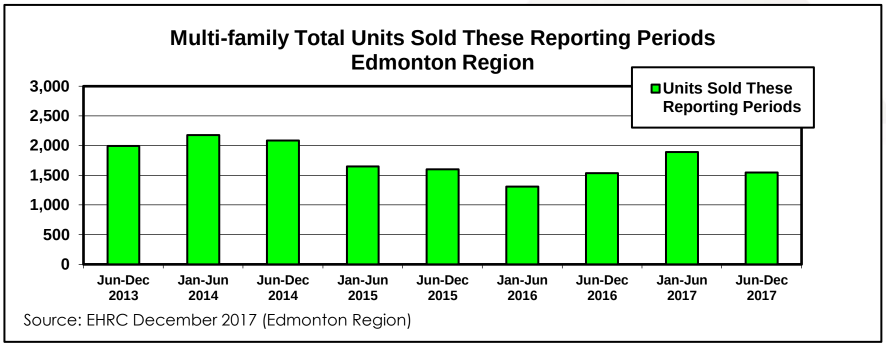
Project Units Sales in Reporting Period

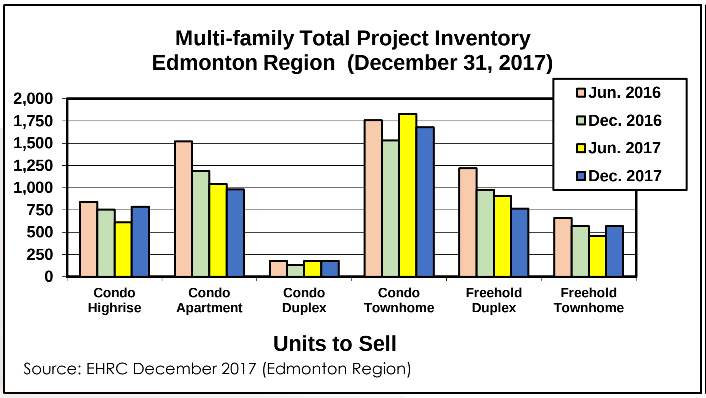
- During the second half of 2017, there were 1,548 project unit sales reported, down 18% from the previous 6 month period but largely unchanged from the number of sales tallied during the second half of 2016.
- Freehold duplexes made up the largest proportion of sales (29%), followed by low/medium-rise condo apartments (22%) and condo townhomes (21%).



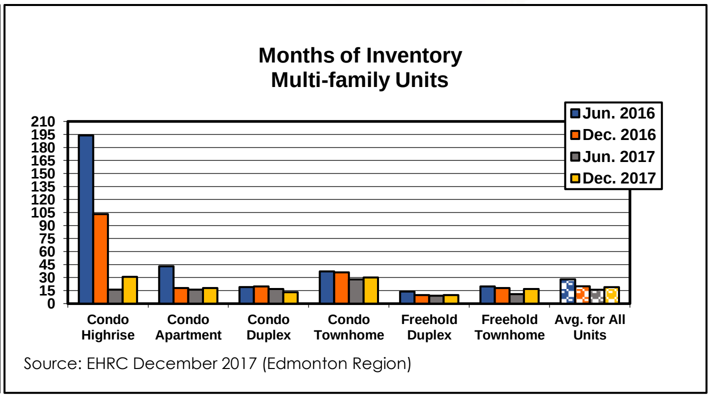
Source: EHRC December 2017 (Edmonton Region)

Inventory: (Units to Sell):

- The inventory of multi-family dwellings to sell amounted to 4,955 units at the end of December, down slightly from the 5,018 unsold units at mid-year. At the end of 2016, inventory stood at 5,146 units.
- Condo townhomes accounted for 34% of the December inventory while low/medium-rise condo apartments represented 20% of the unsold stock. High-rise condo apartments and freehold duplexes accounted for 16% and 15% of inventory, respectively.



Source: EHRC December 2017 (Edmonton Region)



Source: EHRC December 2017 (Edmonton Region)

Months of Inventory

- The Edmonton Region's new multi-family market contained 19 months of total inventory at the end of 2017, up 19% from 16 months in June. Total inventory stood at 20 months in December 2016.
- Months of inventory were highest for condo high-rise units at 31 followed by condo townhomes at 30. The lowest months of inventory were found in freehold duplexes at 10 and condo duplexes at 13.
- EHRC converts inventory into months by comparing the number of units unsold against the absorptions per month.

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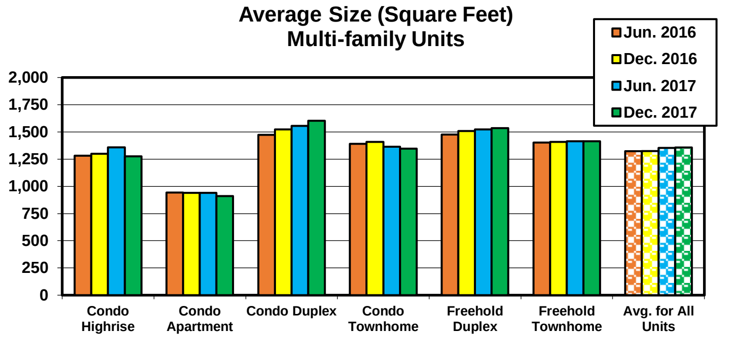
Unit Size:

- The average unit size for all multi-family dwellings combined in the December 2017 survey was 1,357 square feet, up slightly from 1,353 square feet during the first half of 2017 and 1,348 in the same period of 2016.
- Condo duplexes were the largest units in the survey at 1,603 square feet, up 3.2% from the previous survey.
- The largest decrease from the preceding survey occurred in condo high-rise units which averaged 1,277 square feet, down 6% from six months prior.



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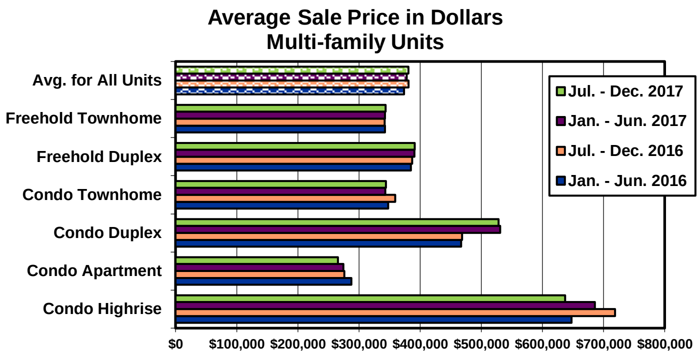


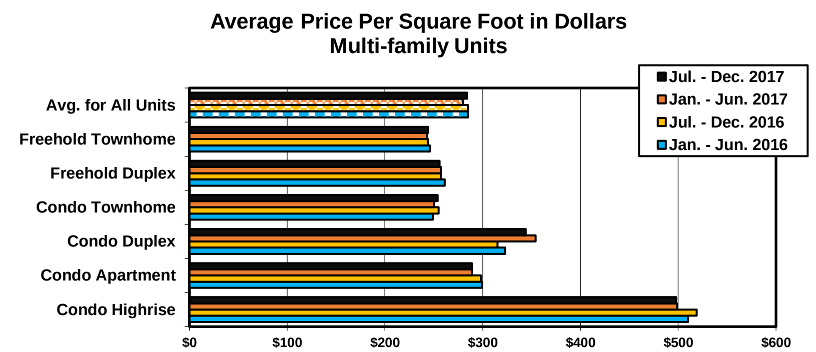
Source: EHRC December 2017 (Edmonton Region)

Unit Price:

- The average sale price for all units combined during the second half of 2017 was $380,879, up 0.7% from the first half of the year and down marginally from the $381,091 average for July to December 2016.
- Condo high-rise units remained the most expensive type of unit, but the average was down 7% from the previous 6 months to $636,948. Some of this price reduction was due to declining average unit size.
- Low/medium-rise condo apartments remained the lowest-priced option, with an average sale price of $265,796, down 3.2% from January through June 2017.

Unit Price/Square Foot

- On a per square foot basis, the purchase price of a new multi-family unit in Edmonton Region stood at $284 during the second half of 2017, up 1.4% from the previous six months and largely unchanged from the same time in 2016.
- Concrete high-rise apartments remained the most expensive unit type ($/sq. ft. basis) at $498, unchanged from the first half of 2017.
- Freehold townhomes continued to be the most affordable option ($/sq. ft. basis) during the second half of 2017 at $244. This price has held steady over the past year.



Source: EHRC December 2017 (Edmonton Region)

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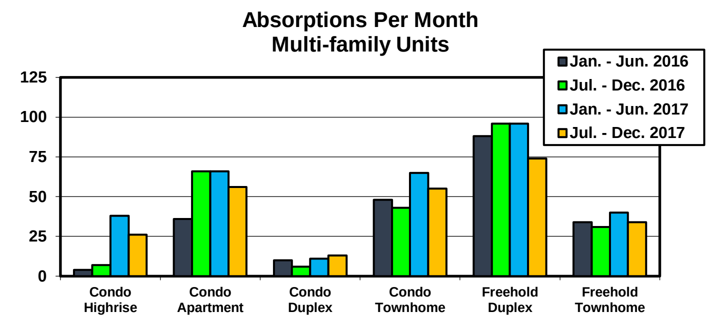
Absorption Rates:

- The absorption rate for all unit types combined during the second half of 2017 averaged 258 units per month, down 18% from the first half of the year but roughly the same as we reported in the second half of 2016.
- Absorption rates for condo duplexes increased 18.2% from the first half of the year to 13 units per month.
- Absorptions of low/medium-rise condo apartments declined 15.2% from the prior survey to 56 units per month while freehold duplexes decreased by 23% from the first half to a rate of 74 units per month.
- For condo high-rise units, absorptions averaged 26 units per month in the most recent survey compared with 38 units per month in the first half of 2017.



Source: EHRC December 2017 (Edmonton Region)

Edmonton Housing Research Corporation
Multi-Family Summary Overall Report July 1, 2017 to December 31, 2017

December 31, 2017

EDMONTON HOUSING RESEARCH CORPORATION	Condo Highrise	Condo Apartments	Condo Duplex	Condo Townhomes	Freehold Duplex	Freehold Townhomes	Totals
Number of Projects	21	48	16	53	100	35	**273**
Total Number of Project Units	1,954	3,347	479	3,242	2,178	1,141	**12,341**
Total Number of Project Units Started	1,636	3,099	379	1,817	1,574	755	**9,260**
Total Number of Project Units Sold	1,168	2,367	300	1,564	1,412	575	**7,386**
Number of Project Units to Sell	786	980	179	1,678	766	566	**4,955**
Total Number of Project Units Sold Jul - Dec 2017	154	335	80	332	446	201	**1,548**
Average Sq. Ft.	1,277	912	1,603	1,345	1,535	1,413	**1,357**
Average Price	$636,948	$265,796	$528,509	$344,284	$391,103	$343,780	**$380,879**
Average Price / Sq. Ft.	$498	$289	$344	$254	$256	$244	**$284**
Age in Month	35	33	31	28	21	20	**26**
Absorptions per Month - Jul - Dec 2017	26	56	13	55	74	34	**258**
Inventory in Months	31	18	13	30	10	17	**19**

Detailed Geographies Available: This report provides an overview of the results of the EHRC semi-annual multi-family survey. Each component (project type) of the survey is available as a separate statistical report (Excel tables) providing detailed project-specific data rolled-up by City Sector. Contact our office for further information on these and other EHRC information products at 780-486-1929 or email dave@edmhrc.ca