

HOW We Live

- ▶ Most Edmontonians live in detached, single-family homes. Of the 356,515 households in Greater Edmonton, 211,670 households (or 59.37%) lived in detached homes. Most are owner-occupied. The great majority of houses in the region are of wood-frame construction. Here's a breakdown of the region's housing inventory:
 - ▶ Single-family dwellings 59%
 - ▶ Low-rise apartments 19%
 - ▶ Row and semi-detached 12%
 - ▶ High-rise 7%
 - ▶ Other 3%
- ▶ Home ownership is the norm in Greater Edmonton. Fifty-three per cent of the region's housing stock consists of owner-occupied single dwellings, the second-highest percentage of Canada's six urban regions with more than one million people. A further 13% of the region's dwellings are owner-occupied units in multi-family dwellings. (Source: CMHC based on 2001 census)

RESALE Housing Market

- ▶ In 2004, monthly home sales through the Multiple Listing Service reached a record of 20,110 transactions. The total 2004 value of MLS® sales was \$3.7 billion. The Edmonton Real Estate Board reports that a growing economy and a healthy inventory ensure that buyers have a choice of homes available, and sellers can readily find a buyer for their property. Resale prices for May 2005 were as follows:

MAY 2005 RESALE PRICES		
		% Change from '04
Residential (all types) • Average Selling Price	\$197,615	8.45% ↑
Single-family • Average Selling Price	\$223,219	10.3% ↑
Single-family • Median Selling Price	\$208,875	9.93% ↑
Condo • Average Selling Price	\$142,472	2.47% ↑

(Source: Edmonton Real Estate Board, May 2005)

FUNDAMENTAL Support for Prices

- ▶ As interest rates increase, housing starts are expected to trend downwards along with the rest of Canada. However, activity in Greater Edmonton will likely remain higher than the 10-year average. A downward trend in net inter-provincial migration may also reduce demand for housing. With lower housing prices and greater disposable income, any decline in housing prices in Greater Edmonton could well be less pronounced than will be the case in Toronto, Vancouver or Calgary. (Source: 2005 Economic Outlook, EEDC)

OVERVIEW

Greater Edmonton has enjoyed a strong real estate market in recent years. An economic rebound has added more than 112,000 new jobs in the past decade. Unemployment has fallen to the five per cent level. The population of Greater Edmonton has surpassed the one million mark in 2004-05 (the sixth Canadian region to reach one million people). As a result, the region has experienced a strong demand for residential, commercial and industrial real estate. (Source: 2005 Economic Outlook, EEDC)

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Housing starts in the region have declined from the peak experienced in 2002, but they remain at historically high levels.

HOUSING STARTS in Greater Edmonton ('000s)		
2001	2002	2003
7.9	12.6	12.4
2004	2005*	2006*
11.5	10.6	9.0

* = forecast, Conference Board of Canada.

Edmonton housing prices have been increasing as a result of strong demand. Nevertheless, it is still a very affordable city. (Source: 2005 Economic Outlook, EEDC)

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Disposable income is projected to grow by 6.0% in 05 and 4.5% in 06. Per capita disposable income is fourth in Canada, equal to Toronto's. (Source: 2005 Economic Outlook, EEDC)

MOST Affordable Major City

- ▶ Edmonton housing prices are a bargain when compared to those in other Canadian cities with a million or more people. Housing prices in Canada were at or near all-time highs in the spring of 2005. Here are the average resale prices for all types of dwellings in Canada's six largest cities:

AVERAGE RESALE PRICES			
City	April '04	April '05	% Change
Toronto	\$321,131	\$342,032	6.5
Montreal	191,122	201,385	5.4
Vancouver	377,628	412,830	9.3
Ottawa	240,848	247,681	2.8
Calgary	212,609	224,934	13
Edmonton	178,777	191,996	7.4
National Average	\$228,224	\$248,563	8.6

(Source: The Canadian Real Estate Association/MLS, April 2005)

RESIDENTIAL Building Permits Up

- ▶ The City of Edmonton issued \$834,127,100 million worth of residential building permits for new construction and renovation of 9,079 units in 2004.
- ▶ The dollar total was 20 per cent higher than a year earlier.
(Source: City of Edmonton Planning and Development)

RENTING A Home

- ▶ Although the availability of rental apartments has been tight in recent years, the market is becoming more favourable for renters. Vacancy rates are in a gradual upward trend due to a large number of renters who took advantage of low interest rates in the past few years to buy their own houses or condominiums.

A PLACE For Business

Office Space Still Available

- ▶ Overbuilding in the boom years of the 1980s and government downsizing in the 1990s left downtown Edmonton with a surplus of high-quality office space that now shows signs of abating. According to Colliers International, office vacancy rates in downtown Edmonton fell to 8.14% in the third quarter of 2004, while suburban office markets had a vacancy rate of 12.21%. Lease rates remain low, with net rents across the city ranging from \$7.50 to \$10 per square foot in Q3 2004, according to Avison Young. (Sources: Colliers International, Avison Young)

Office Rents Likely to Rise

- ▶ With downtown office vacancy rates below 10% for the first time in two decades, there is likely to be upward pressure on office lease rates. However, in the near term, net lease rates in downtown Edmonton are still very low compared to other major Canadian cities. This acts as a restraint on the construction of new downtown office space. (Source: 2005 Economic Outlook, EEDC)

Industrial

- ▶ In the fall of 2004, Edmonton's industrial real estate market was the strongest in Alberta and the third strongest in North America with an overall vacancy rate of 3.3%, according to Avison Young Commercial Real Estate. Net rental rates range from \$4.25 to \$7.50 per square foot. Serviced land ranges in price from \$150,000 to \$400,000 per acre, depending on location, access to transportation and retail traffic. Industrial land prices in some areas are reaching record highs.
(Source: Avison Young)

Contact

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