



Housing and Mortgage Market Review: Quarterly Report – *January 2024*

Year-end gains in Alberta's housing market reflect strong employment and population growth

Highlights:

- Home sales cooled in Q4, but ended the year on solid footing with increased activity in December
- The housing market remains tilted strongly towards sellers, and prices continue to grind higher
- Record population growth continues to underpin housing demand

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Alberta

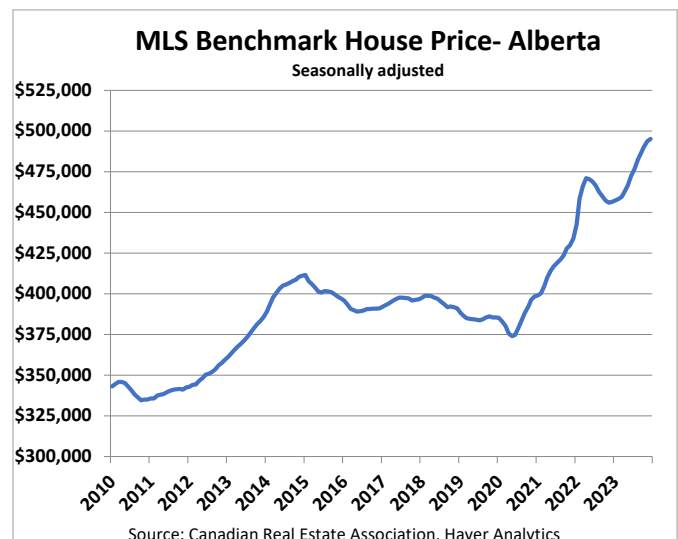
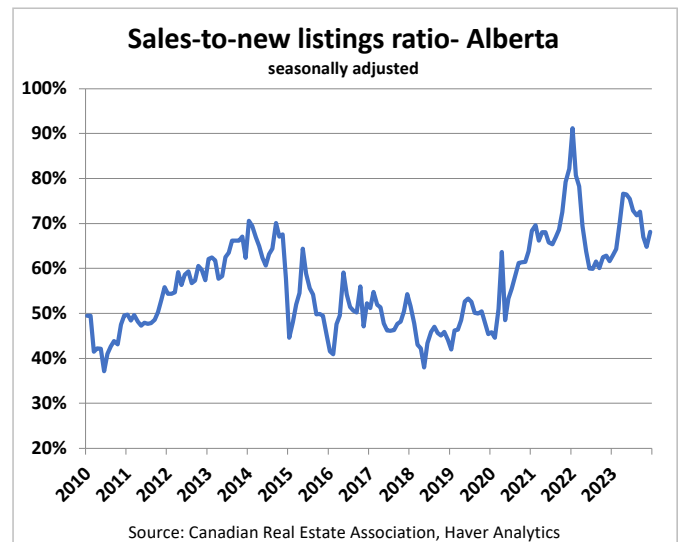
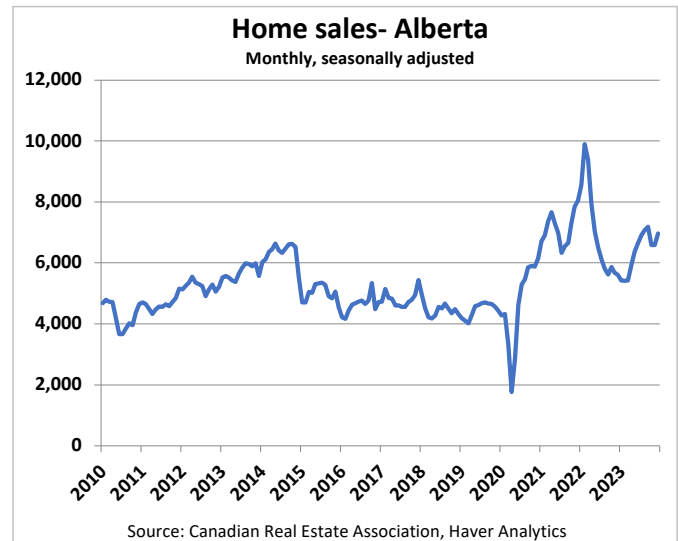
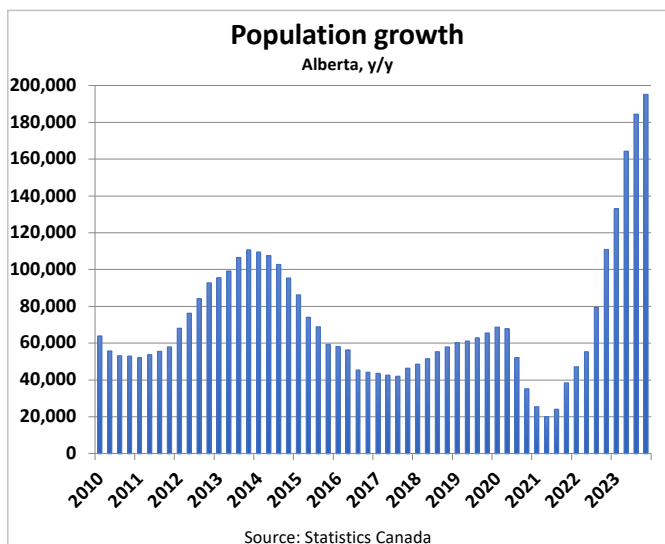
Seasonally adjusted home sales across Alberta slid 4.8% in the fourth quarter relative to Q3, but they did end the year on a positive note by registering a 5.7% monthly increase in December.

New listings rose 3.4% in the fourth quarter, while the sales-to-new listings ratio ended the year in strong seller market territory at just under 70%.

Alberta was the only province to record positive house prices in Q4, with the MLS House Price Index eking out a 0.3% gain relative to Q3 levels.

A new record for population growth

Housing demand across the province is being underpinned by record population growth. Alberta's population grew by 200,000 people over the past year. That represents a 4.3% annual growth rate, the highest in the country.



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New construction activity continues to increase across Alberta, with the number of dwellings currently being built in the quarter rising by 5.1%. Purpose-built rental construction continues to surge and now accounts for half of all dwellings under construction.

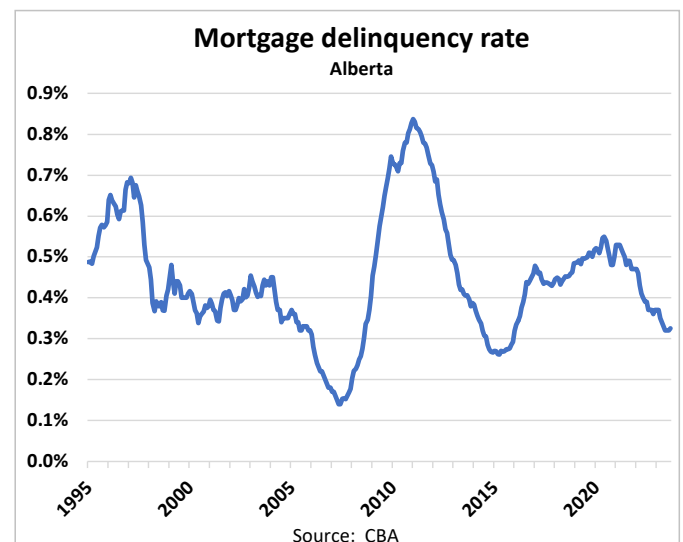
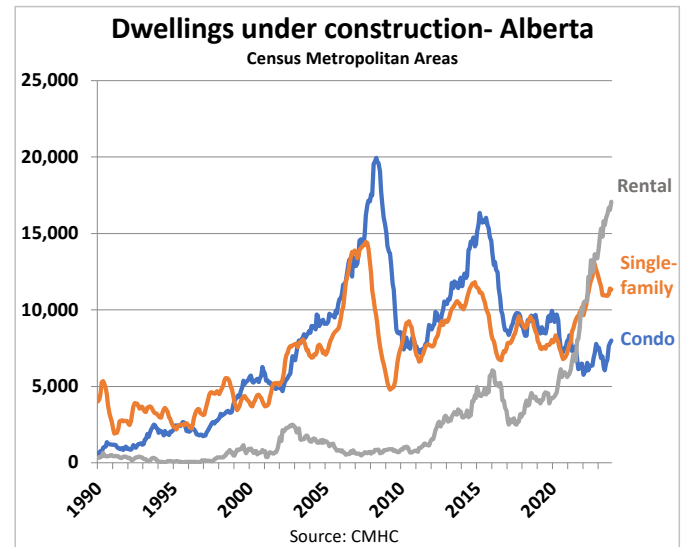
Employment still solid but can't keep up with population growth

Alberta's economy continues to churn out new jobs at a solid pace. Q4 saw another 53,000 new positions created, but that still wasn't enough to offset the massive population growth the province is currently experiencing. Consequently, the unemployment rate rose 0.6% in Q4 relative to Q3 levels.

The mortgage delinquency rate in Alberta remains stable at just over 0.3%. With signs that the Canadian economy is beginning to cool at the margins, we should expect delinquencies to rise modestly through 2024.

What it all means

Alberta's housing market and broader economy continued to perform well in Q4, driven by strong population growth and a solid labour market. The lagged impact of high mortgage rates may cool things in the first half of 2024 and lead to more balanced housing market conditions.



*Any forecasts contained in this report are accurate as of the date indicated.