

2012 Edmonton Housing Forecast

I just attended the 2012 Edmonton Housing forecast, which I thought was pretty interesting. This year they had a great speaker from CERI (Canadian Energy Research Institute) who talked in-depth about the impact; gas wells, oil wells, and the oil sands have on job creation here in Alberta. The oil sands probably have the largest impact on Edmontonians with upgrader/refinery projects so close to Edmonton. These projects employ 8,000 people on avg over 3 years and 250 operational employees over 30 years. Current oil sands projects contribute 2.3 trillion of GDP growth and royalties paid to the Alberta Government are in excess of \$3.5 billion.

Some highlights and statistics from the city of Edmonton's chief economist John Rose:

- Unemployment below 5% in 2012
- Alberta is #1 in job creation for all of Canada. When reading statistics about Canada as a whole, it's important to see that there are really two economies present. The West versus the East. West is experiencing a lots of job growth and positivity in the housing sectors whereas the East side of the country is experiencing slow to negative job growth and a declining prices in the housing sectors
- Inflation should moderate in the first half of 2012

The City of Edmonton also went over there "Transforming Edmonton" vision and planning. Lots of exciting news on the horizon:

- Downtown Revitalization and The Quarters Downtown have started already, and City Centre Redevelopment will start in 2014
- LRT expansion over the next 30years is very exciting
- The Great Neighbourhoods project is a revitalization of old neighbourhoods infrastructure to improve liveability and improve overall attractiveness of communities

CMHC (Canadian Mortgage Housing Corporation) had some positive statistics for 2011 and optimistic projections for 2012.

- Full time employment grew rapidly in 2011
- Avg weekly earnings will remain on an upward trend for 2012
- Net migration to Edmonton is expected to increase from 2011 (Over 15,000 in 2012)
- Residential sales will see a slight increase
- Inventory will come down moderately
- Avg sale prices for resale and new homes will see a moderate increase
- More new homes being built this year versus 2011
- Rental vacancy rates are lower for 2012 nearing 3% with rental rates increasing to an avg of \$1,060 for a two bedroom