

# Weekly Economic Review

## Homebuilding activity at all-time high

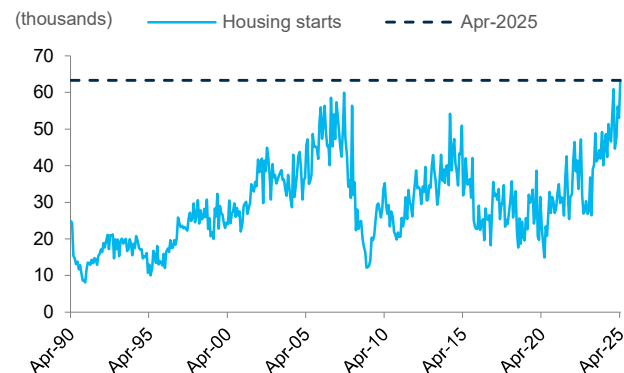
### Housing Starts

#### Starts hit new heights

Alberta's housing starts surged to an all-time high in April. Housing starts jumped 19% month-over-month (m/m) to a seasonally-adjusted annualized rate (SAAR) of 63,358 (Chart 1). Apartment starts surged (+28% m/m) led by purpose-built rentals, while row starts (+53% m/m) bounced back from a dip in March and semi-detached starts (+7.4% m/m) remained elevated. Single-detached starts (+1.7% m/m) also maintained their momentum, having risen in 11 of the past 13 months. On a regional basis, the strength was concentrated in Calgary (+28% m/m) and Edmonton (+23% m/m). With the persistent strength, starts were up 24% year-to-date (YTD), led by Calgary (+29% YTD) and supported by gains in Edmonton (+21% YTD).

**CHART 1: ALL-TIME HIGH IN STARTS**

Alberta's housing starts, SAAR



Sources: Canada Mortgage and Housing Corporation, Haver Analytics

### Resale Housing Market

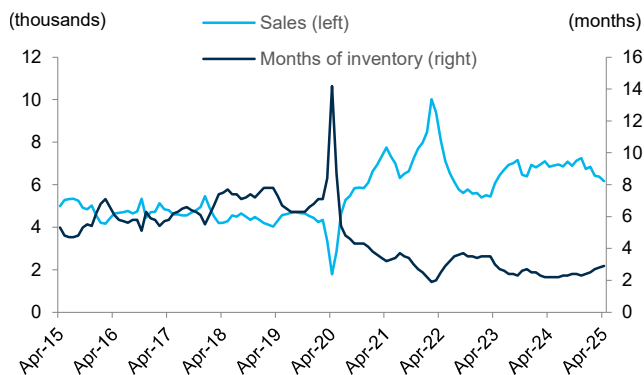
#### Conditions ease in Edmonton

Alberta's resale market continues to be tight despite recent easing in Calgary and Edmonton. Seasonally adjusted sales declined 3.4% m/m to 6,159 in April, marking a two-year low. The pullback in sales was largely localized in Edmonton (-8.7% m/m), where the sales-to-new-listings ratio fell to 65.3 — a 15-month low. The moderation in Edmonton follows a similar slowdown in Calgary earlier in the year.

Sales in Calgary held relatively steady in the month and the market remained balanced. Although conditions cooled in both Edmonton and Calgary, sales advanced in many other regions. Overall, the province-wide market remains tight, with months of inventory well below the 10-year average of 4.8 (Chart 2). The average resale price inched up (+0.1% m/m) to \$509,791 and was up 5.7% year-over-year (y/y).

**CHART 2: SALES EASE BUT MARKET STILL TIGHT**

Alberta's resale housing market



Sources: Canadian Real Estate Association, Haver Analytics

### Consumer Confidence

#### Sentiment partially recovers

After declining the past two months, consumer confidence regained some ground in April. The Conference Board of Canada's index of consumer confidence for Alberta rose 5.1 points to 34.8. Consumers were more optimistic about future finances and job opportunities. At the same time, consumers were less confident in their current finances and major purchases. Despite the improvement, consumer confidence remained subdued and well below the start of the year.

### New Motor Vehicle Sales

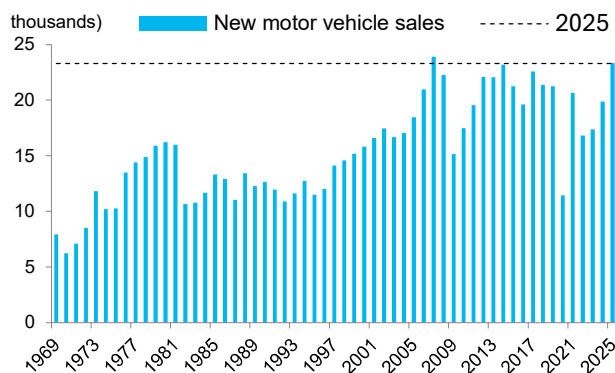
#### Albertans buying before tariffs

New motor vehicle sales surged in March as Albertans bought vehicles before new tariffs were implemented. The number of new vehicles purchased in the province jumped

42% m/m to 23,305. Although sales typically rise in the spring, this was the second-strongest March ever, just short of the record high in 2007 (Chart 3). The increase was driven by new truck sales, which rose 42% m/m to an all-time high. Year-over-year growth in vehicle sales continued to accelerate, rising from 13% in February to 17%. The average price of a sold vehicle fell 1.4% m/m to \$60,769 but was up 1.8% from last March.

### CHART 3: SECOND-STRONGEST MARCH EVER

Alberta, total new vehicle sales for March



Source: Statistics Canada, Haver Analytics

## Wholesale Trade

### Sales take a breather

Sales at Alberta's wholesalers eased in March after months of solid momentum. Wholesale trade (excluding petroleum, petroleum products, other hydrocarbons, oilseed, and grain) inched down 0.8% m/m to \$9.5 billion, the first decline in seven months. Sales of machinery, equipment & supplies (-4.3% m/m) led the decline and was accompanied by lower sales at food, beverage & tobacco wholesalers (-2.3% m/m). Meanwhile, miscellaneous sales continued to increase (+7.4% m/m) and sales of motor vehicle & parts also rose (+1.7% m/m). Wholesale trade was up 6.3% y/y, reflecting the strong gains made in the previous 6 months.

## Manufacturing Shipments

### Factory sales fall

Alberta factory sales declined for the second consecutive month in March, largely due to weaker prices for petroleum and coal product shipments. The total value of manufacturing shipments fell 2.7% m/m to \$8.4 billion. Sales of non-durable goods decreased (-3.5% m/m), led by a drop in the value of petroleum and coal products (-8.0% m/m) as Canadian prices fell 5.1%. Food and chemical shipments also eased

with lower prices and volumes. Durable good shipments edged down (-0.8% m/m), as declines in machinery (-6.6% m/m) and fabricated metals (-3.3% m/m) outweighed gains in transportation equipment (+24% m/m) and non-metallic mineral products (+13% m/m). Alberta's manufacturing shipments decreased 1.3% y/y, weighed down by lower petroleum and coal shipments (-6.3% y/y). Excluding petroleum and coal, shipments were up 0.5% y/y.

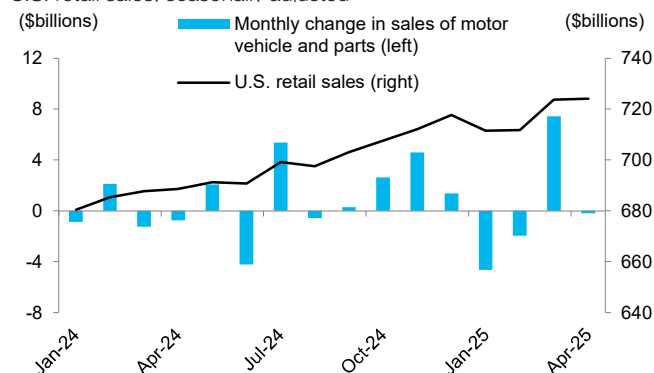
## U.S. Retail Trade

### Sales robust

U.S. retail sales held steady at an elevated level in April. Nominal retail and food services sales inched up 0.1% m/m to \$724.1 billion. This follows a 1.7% m/m increase in March when consumers rushed to front-load purchases ahead of anticipated tariffs. This was particularly strong for sales of motor vehicles and parts, which were nearly unchanged (-0.1% m/m) after surging in the month prior (Chart 4). Sales at gasoline stations (-0.5% m/m) continued to edge down due to lower prices. These declines were offset by gains in building materials and equipment stores (+0.8% m/m) and food services and drinking places (+1.2% m/m). Year-over-year growth held at 5.2% for the second consecutive month after a slower start to the year.

### CHART 4: SALES STEADY AFTER VEHICLE SALES JUMP IN MARCH

U.S. retail sales, seasonally adjusted



Sources: U.S. Bureau of the Census, Haver Analytics

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[Weekly Economic Review](#)