Calgary Region: Chestermere, Cochrane & Okotoks Single-Family New Homes

Quarterly Market Overview

Data for Q2 2020

Altus Group

BILD CALGARY REGION

Table of Contents

Introduction……3

Current Participating Builders……4

Highlights……5

Total Quarterly Sales……6

Pre-Construction Sales vs Spec Home Sales……7

Monthly Sales by Lot/Home Type ……8

Average Selling/Contract Price by Lot/Home Type ……9

Monthly Construction Starts by Lot/Home Type ……10

Completed Home Inventory by Lot/Home Type ……11

Number of Available Lots by Lot/Home Type ……12

Introduction

BILD Calgary Region (BILD) in partnership with Altus Group is pleased to present this overview of the single-family new home market for the Calgary Region municipalities of Chestermere, Cochrane and Okotoks which will be produced on a quarterly basis. Single-family includes detached, duplex (semi-detached) and row townhouse (fee simple) built forms. Our objective is to deliver insights on market sales, inventory and price activity and construction trends to assist BILD and its members with market trends and knowledge, and policy discussions with government.

Through our partnership, and by providing market trend data that promotes complete perspective on the New Housing Market in Chestermere, Cochrane and Okotoks, we can:

- Support the new home builders in the Region and BILD with key market metrics to enable informed decision-making and promote awareness about the new home industry in Chestermere, Cochrane and Okotoks
- Expand knowledge of single-family supply, sales, inventory and price trends
- Increase market transparency that benefits all

This quarterly report is made possible by the cooperation and contribution of data from many of the top builder companies in Chestermere, Cochrane and Okotoks. These builder companies combined represent approximately 78% of the single-family new home activity in Chestermere, Cochrane and Okotoks and we will grow that number as more builder companies become data partners. If you are a single-family new home builder in Chestermere, Cochrane or Okotoks and wish to become a data partner and receive the benefits that go along with that please contact Beverly Jarvis, Director of Policy, Projects & Government Relations at BILD Calgary Region at beverly.jarvis@bildcr.com.

Current Participating Builders

- Baywest Homes
- Broadview Homes
- Brookfield Homes
- Calbridge Homes
- Douglas Homes
- Excel Homes
- Homes by Avi
- Jayman Built
- Morrison Homes
- NuVista Homes
- Prominent Homes
- Stepper Homes
- Sterling Homes/Pacesetter by Sterling (Calgary)
- Trico Homes

Highlights – Q2 2020

- There were 92 single-family sales for the Calgary Region municipalities of Chestermere, Cochrane, and Okotoks for Q2, 2020. Quarter-over-quarter comparisons reveal a modest decrease of 8% of total sales, which is a small decline given the fact that the second quarter was impacted by the COVID-19 pandemic and the related government imposed restrictions.

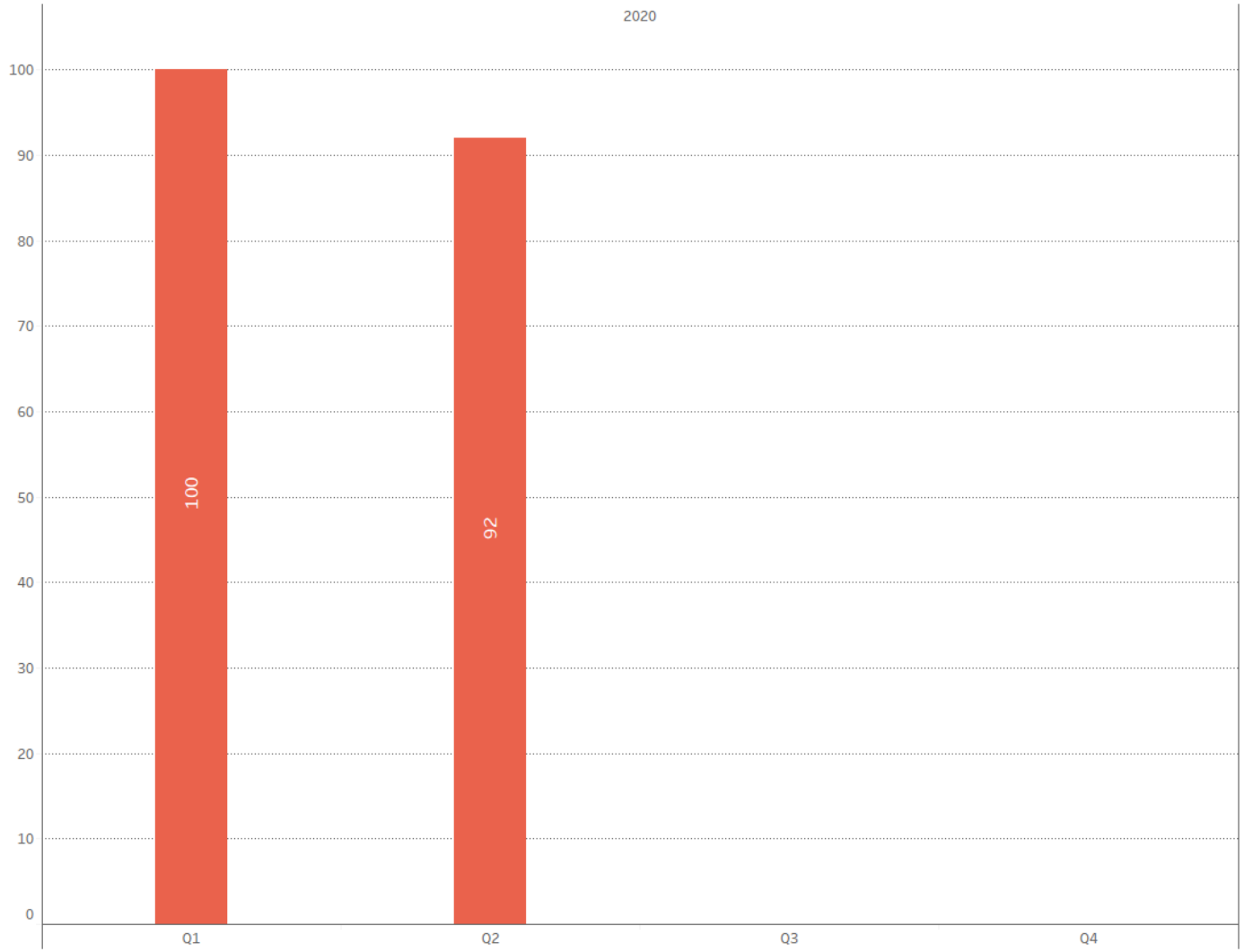
- The average sold price for front drive/zero lot line (front drive) and laned/zero line (laned) dipped by 22% and 13% respectively, as buyers are likely becoming more price sensitive and focused on more affordable housing options. Price sensitivity is expected to continue in the near term given uncertainty around the pandemic, but prices for homes sold may increase this fall as a broader range of consumers return to the market.

- Construction starts in Chestermere, Cochrane, and Okotoks were down 30% quarter-over quarter as the COVID-19 pandemic and implemented safety protocols had some impacts on activity. Front drive/zero lot line (front drive) had the largest decrease from the previous quarter, down 33%. We expect construction starts may increase in Q3 as sales recover and operations normalize, although elevated levels of completed home inventory may keep the level of construction activity below typical levels.

- Activity in the Calgary region is expected to mirror the improvements in sales noted in the City of Calgary in July and August as buyers returned to the market. While the true impact of the pandemic on the economy, and home buyers, remains to be seen, stronger than typical sales during the summer would appear to indicate that many would-be Spring buyers deferred purchase activity to the summer.

Total Quarterly Sales

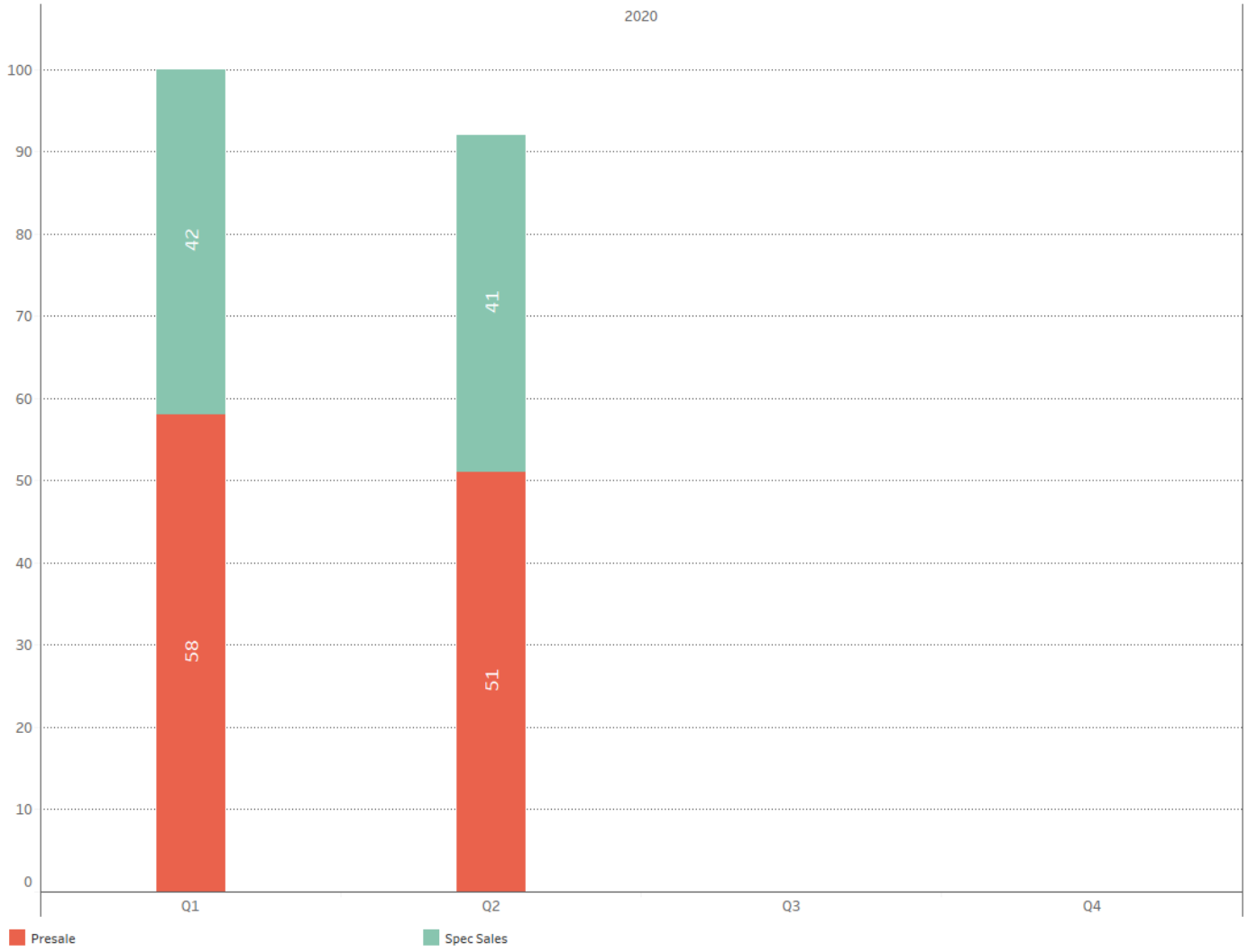
Chart represents the total number of firm sales achieved in each quarter regardless of construction status (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Pre-Construction Sales vs Spec Home Sales

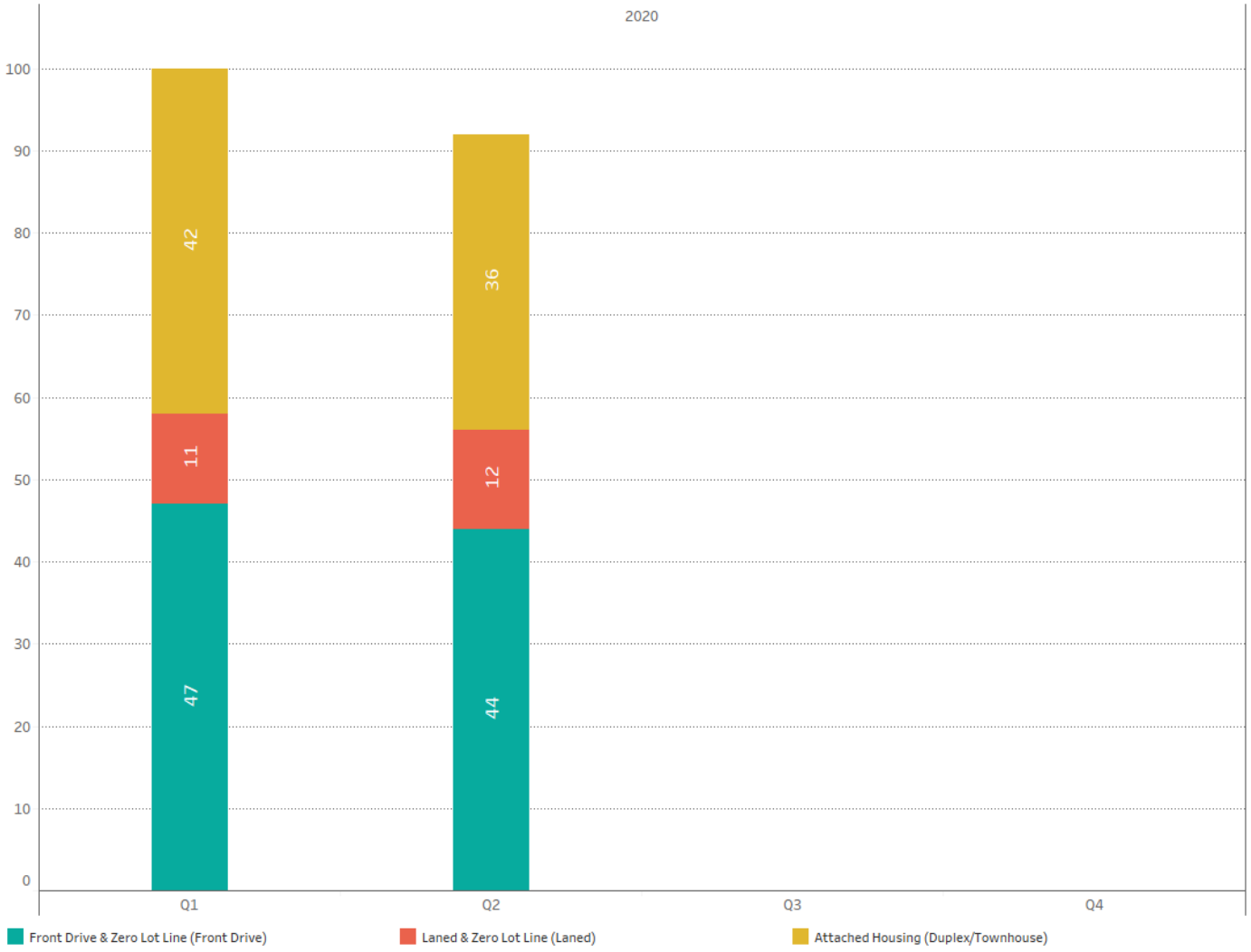
Chart represents the total number of firm sales achieved in each quarter broken down by pre-construction sales and spec home sales (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Quarterly Sales by Lot/Home Type

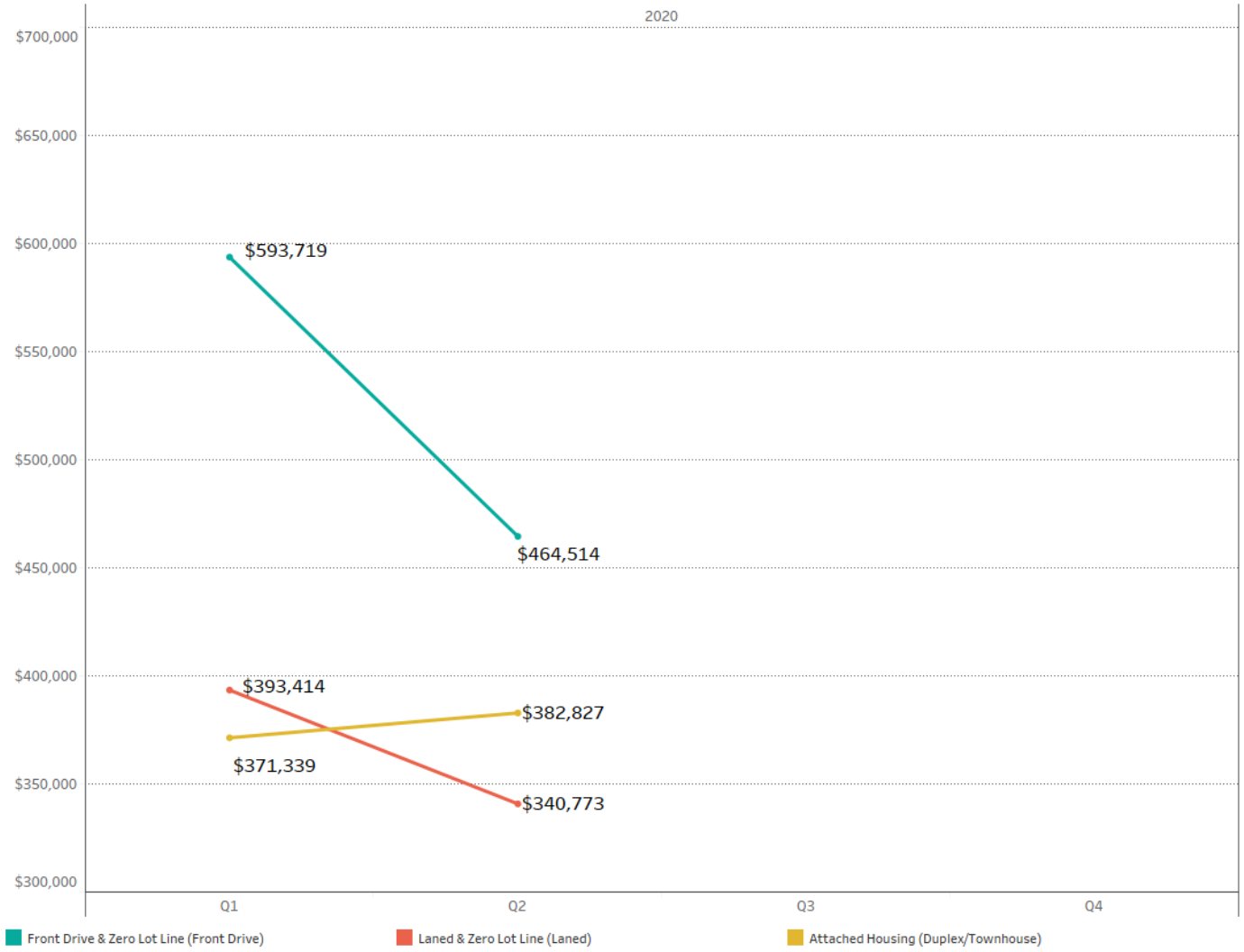
Chart represents the total number of firm sales achieved in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Average Selling/Contract Price by Lot/Home Type

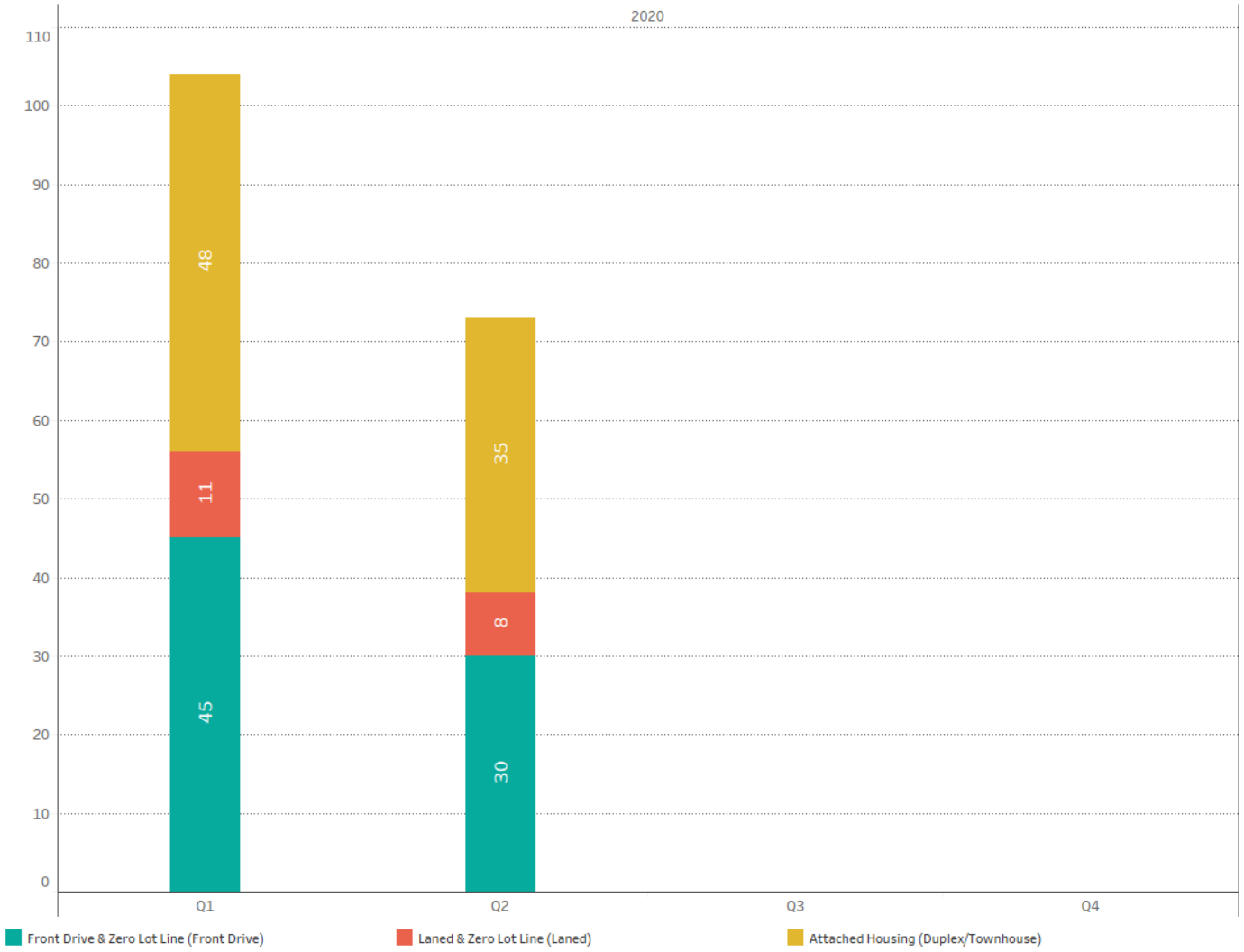
Chart represents the average price (incl. house, options, lot and GST) of homes sold in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Quarterly Construction Starts by Lot/Home Type

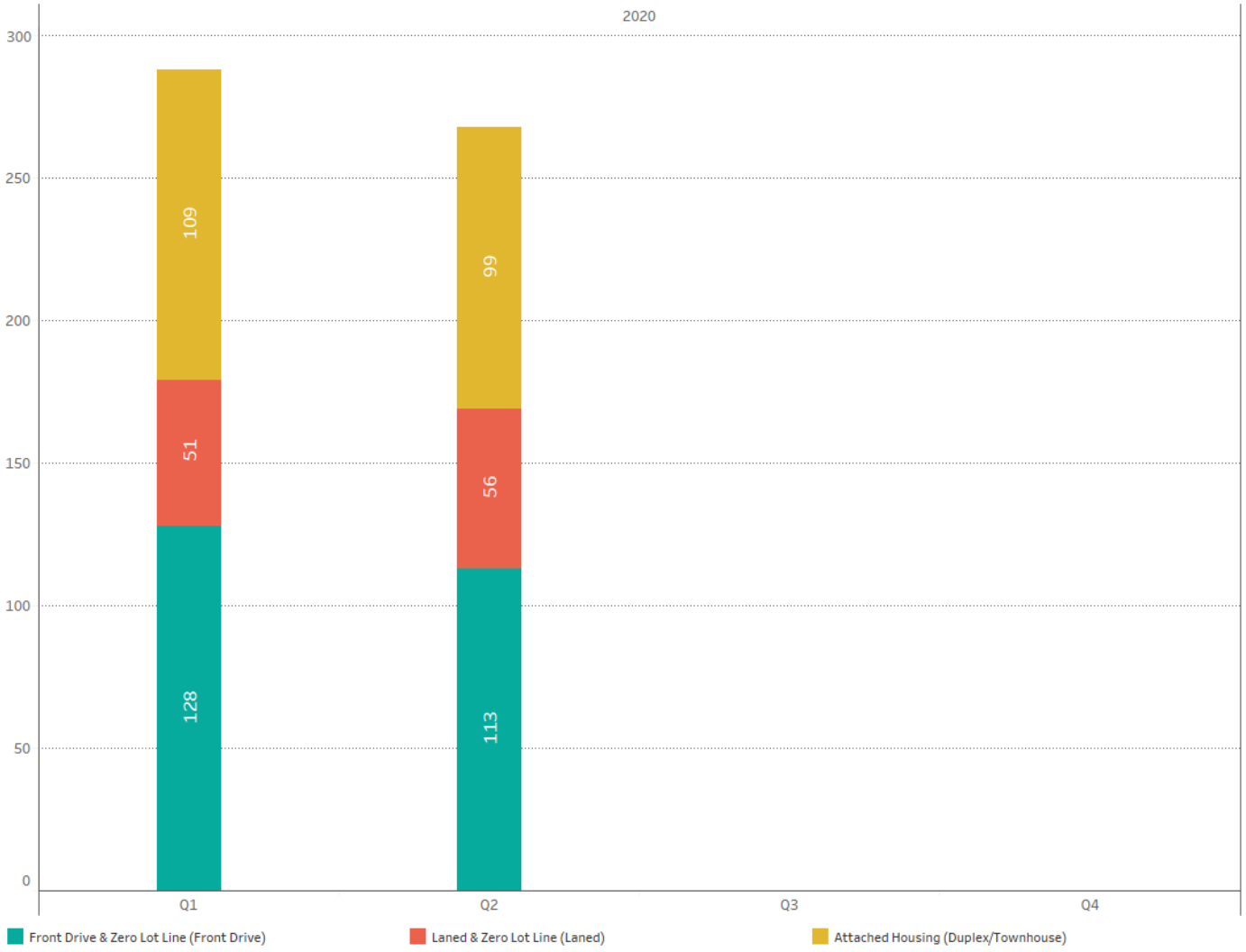
Chart represents number of single-family starts (i.e. foundations poured) in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Completed Home Inventory by Lot/Home Type

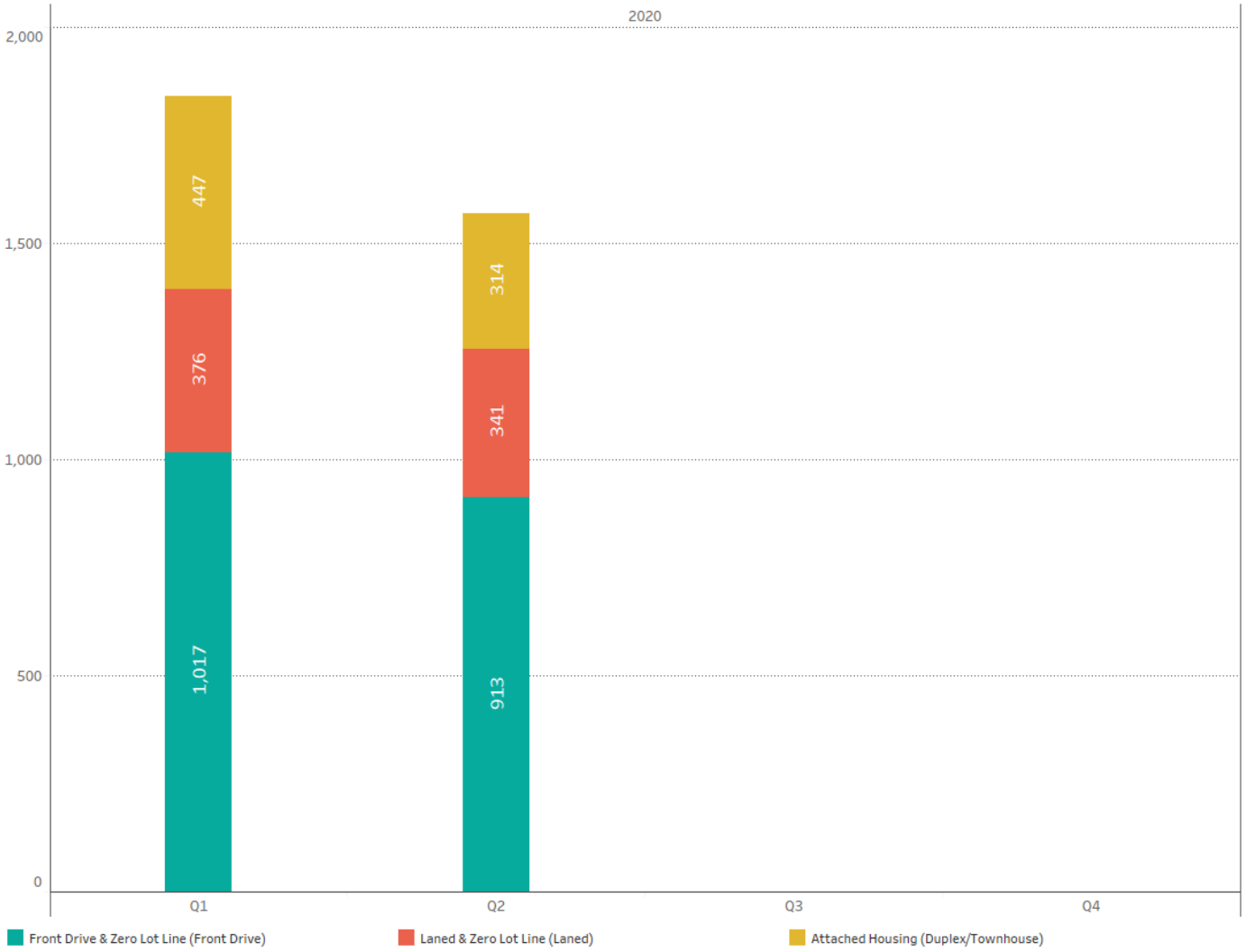
Chart represents number of finished homes available for sale with immediate occupancy in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Number of Available Lots by Lot/Home Type

Chart represents number of available/unsold lots (incl. serviced lots available for immediate construction) for sale in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Copyright © Altus Group Limited

The information contained in the material represented is subject to revisions. Altus Group Limited and BILD Calgary Region make no representation about the accuracy, completeness, or the suitability of the material represented herein for the particular purposes of any reader and such material may not be copied, duplicated or re-distributed in any form or by any means without the prior written permission of Altus Group Limited and BILD Calgary Region. Altus Group Limited and BILD Calgary Region assume no responsibility or liability without limitation for any errors or omissions in the information contained in the material represented. E&O.E.