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

Quarterly Market Overview

Data for Q3 2020

Altus Group

BILD CALGARY REGION

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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 – Q3 2020

- Sales nearly doubled (178) for the Calgary Region municipalities of Chestermere, Cochrane, and Okotoks in Q3 2020 compared to the Q2 activity. Following a slow spring caused by the COVD-19 pandemic and accompanying government imposed restrictions, market activity rebounded over the summer, similar to the recovery seen in the City of Calgary. While some of the increase can be attributed to delayed activity from the Spring, the decline in interest rates have boosted interest in single-family homes across the country and the bedroom communities in Calgary experienced similar interest.

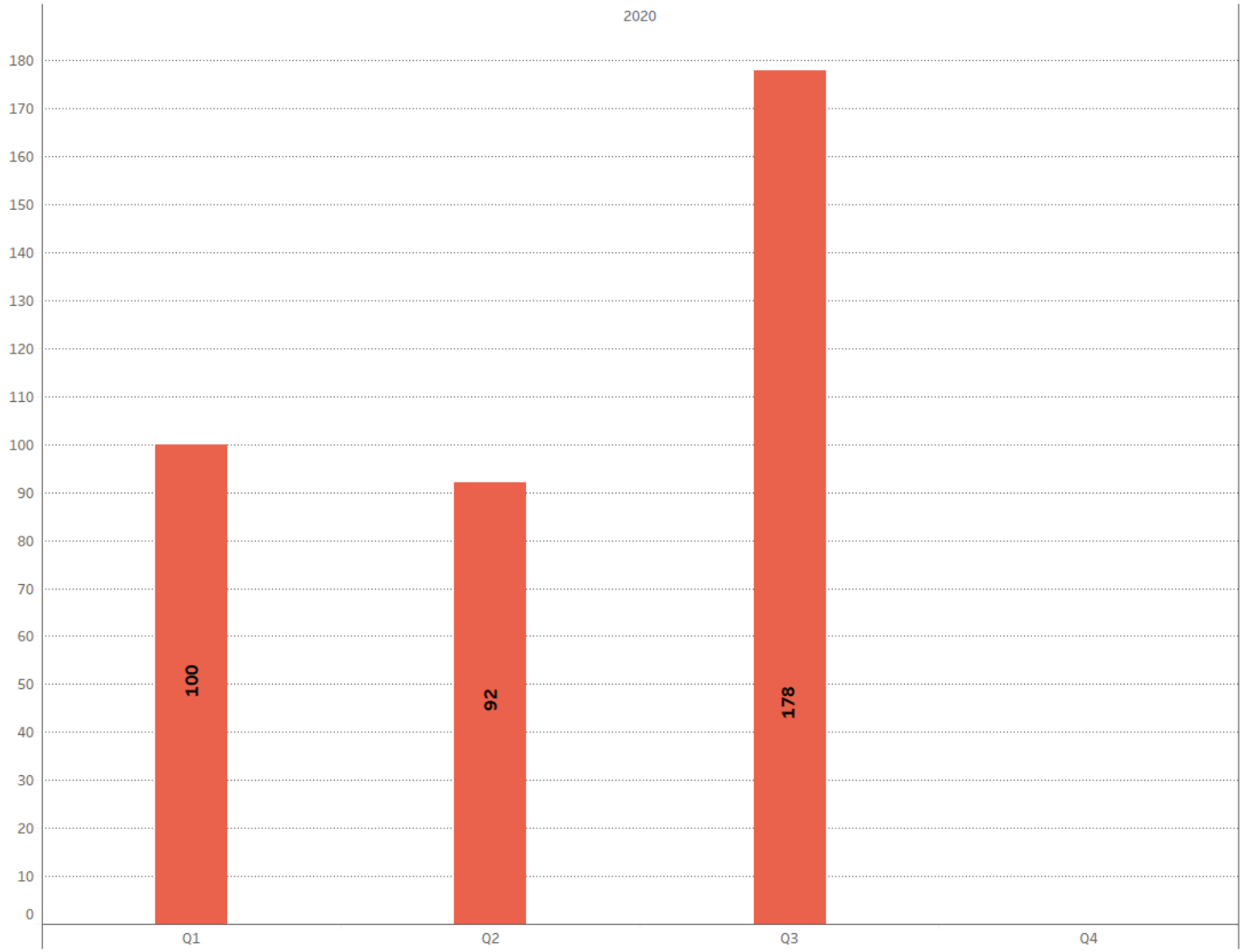
- Over the previous two quarters, sales were relatively evenly split between presales and spec sales. In Q3, presale activity increased substantially to account for almost 70% of all the sales in the quarter, with more presales homes sold in Q3 than total home sales in either Q1 or Q2 of 2020. While all home types experienced more sales, the volume of Laned homes was up the most percentage wise, more than tripling in activity. Both Attached and Front Drive homes sales improved by roughly the same amount indicating broad market recovery in activity.

- The average price of the homes sold in Q3 increased for all home types, with laned homes increasing by 11% over Q2. The average sold price of Front Drive homes recovered from the decline noted in Q2 and is now consistent with levels seen at the start of the year. Relative to the City of Calgary, absorbed Front Drive homes prices remain lower in the bedroom communities, but Laned and Attached prices are slightly higher which likely speaks to home size differences.

- The activity reported in Q3 showed improvement from the lower levels seen in the Spring, typically the busiest months for sales, signaling that buyer activity was delayed by the start of the pandemic. While COVID-19 numbers are rising, it appears that a shutdown is less likely and the market may not see the same level of impact. That said, continued stress from the pandemic along with weakness in the energy sector may impact consumer demand this Fall.

Total Quarterly Sales

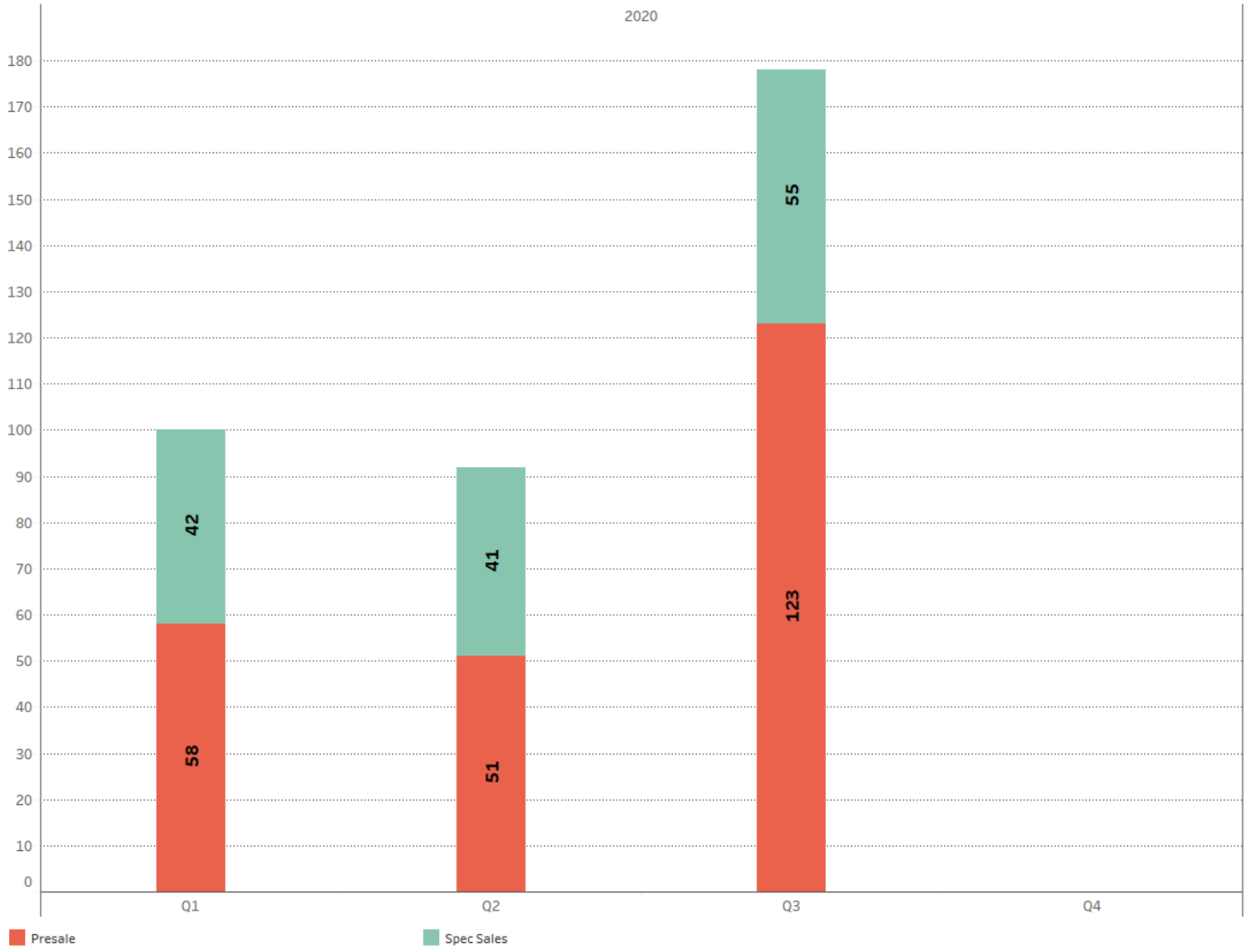
Chart represents the total number of firm sales achieved in each quarter regardless of construction status (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Pre-Construction Sales vs Spec Home Sales

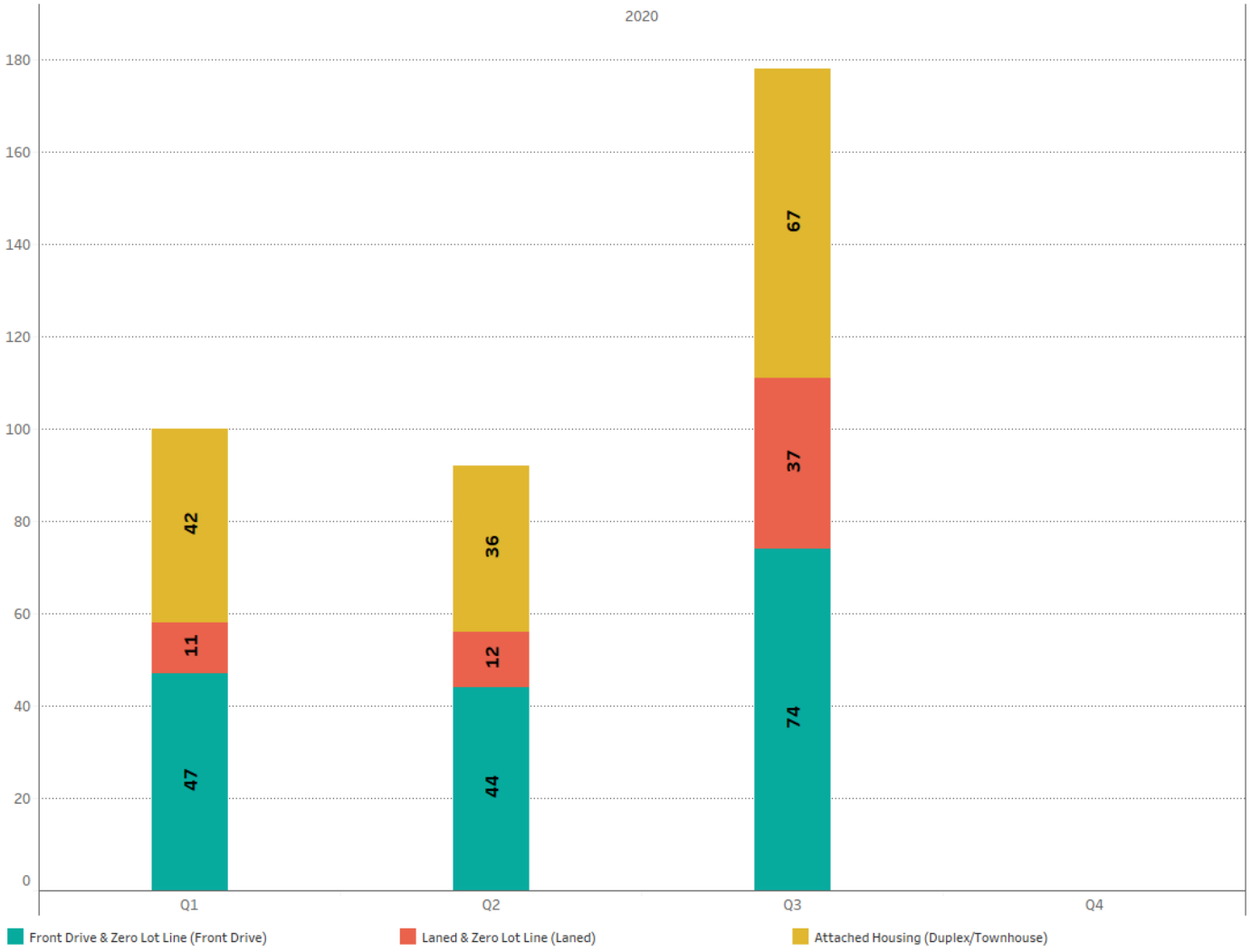
Chart represents the total number of firm sales achieved in each quarter broken down by pre-construction sales and spec home sales (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Quarterly Sales by Lot/Home Type

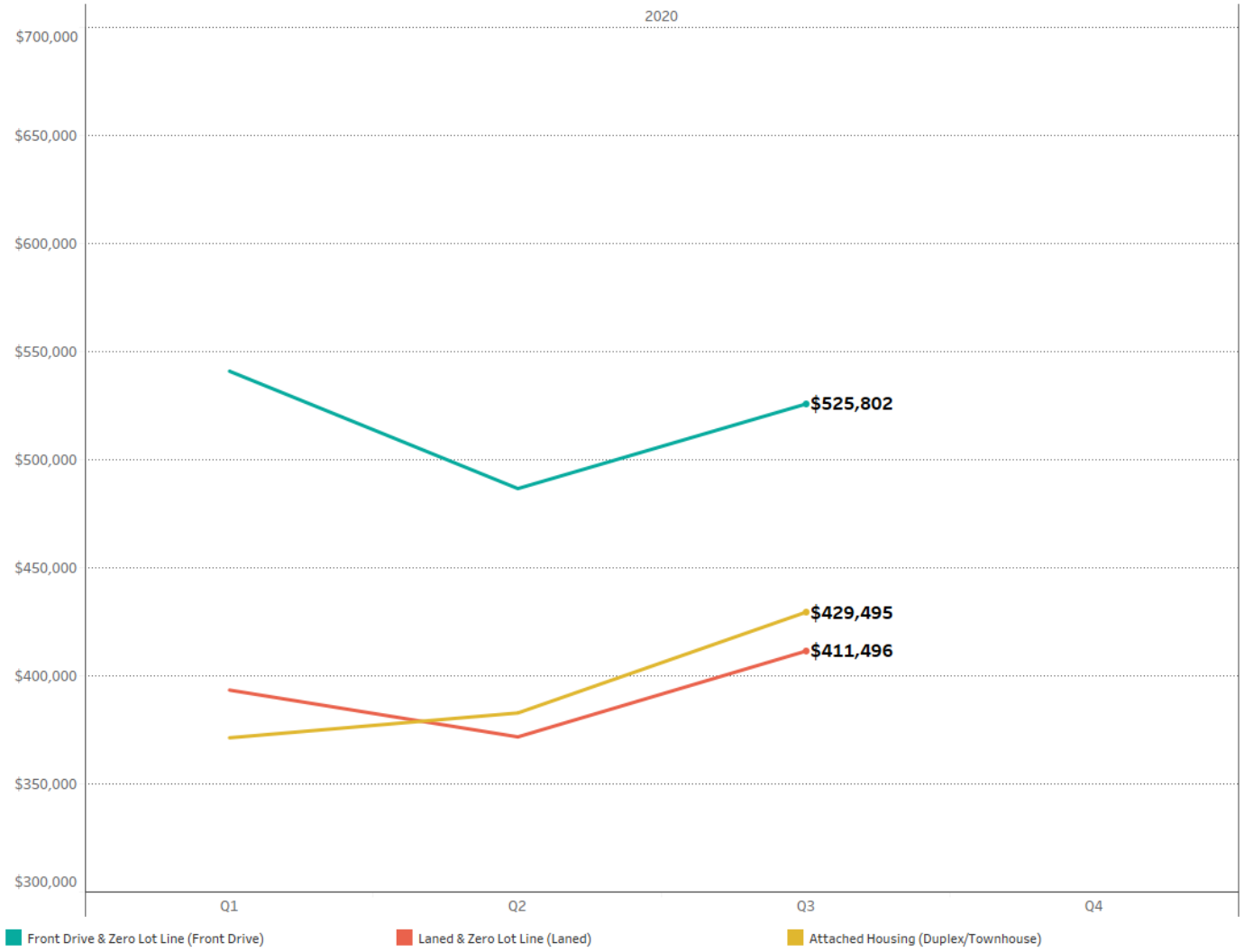
Chart represents the total number of firm sales achieved in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Average Selling/Contract Price by Lot/Home Type

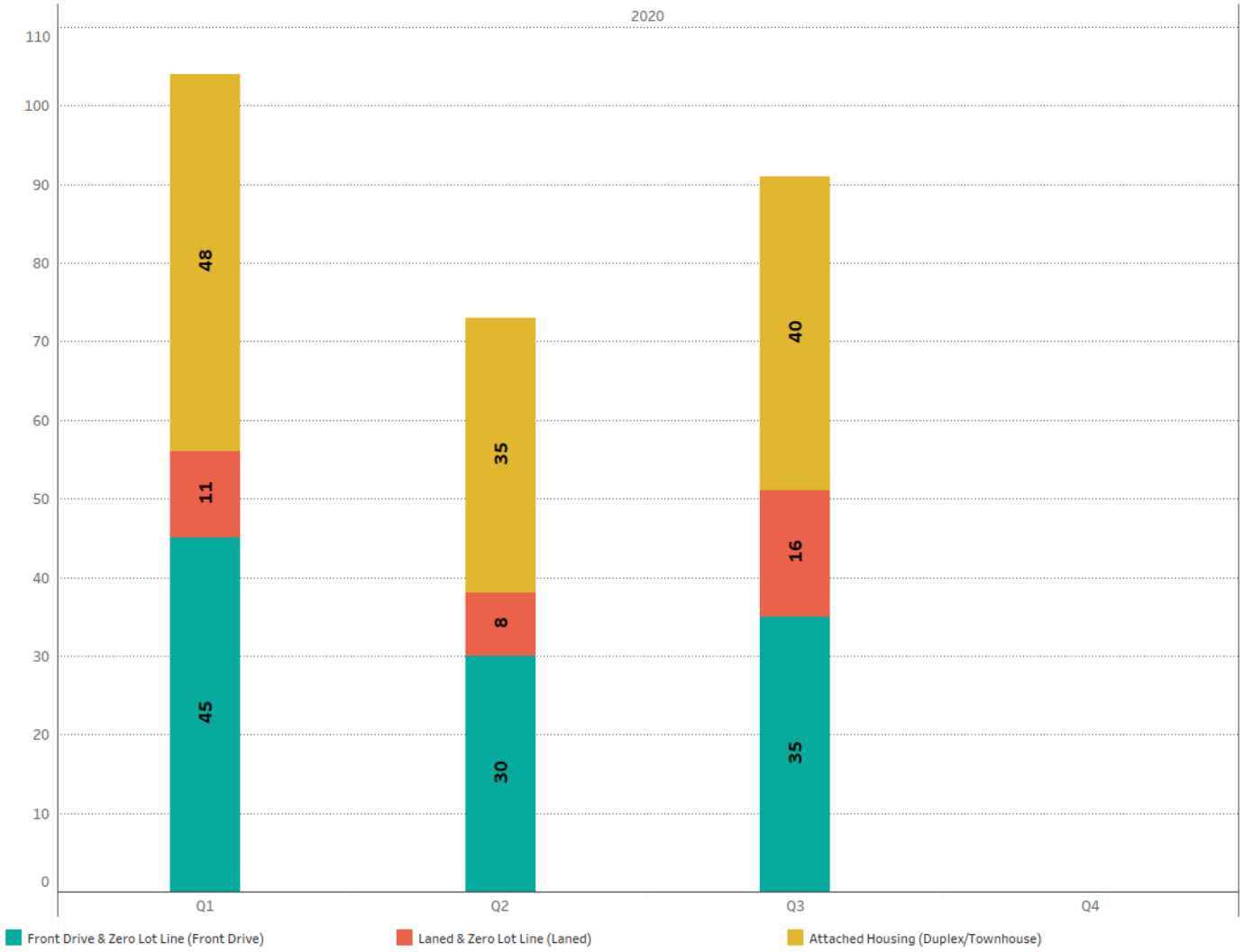
Chart represents the average price (incl. house, options, lot and GST) of homes sold in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Quarterly Construction Starts by Lot/Home Type

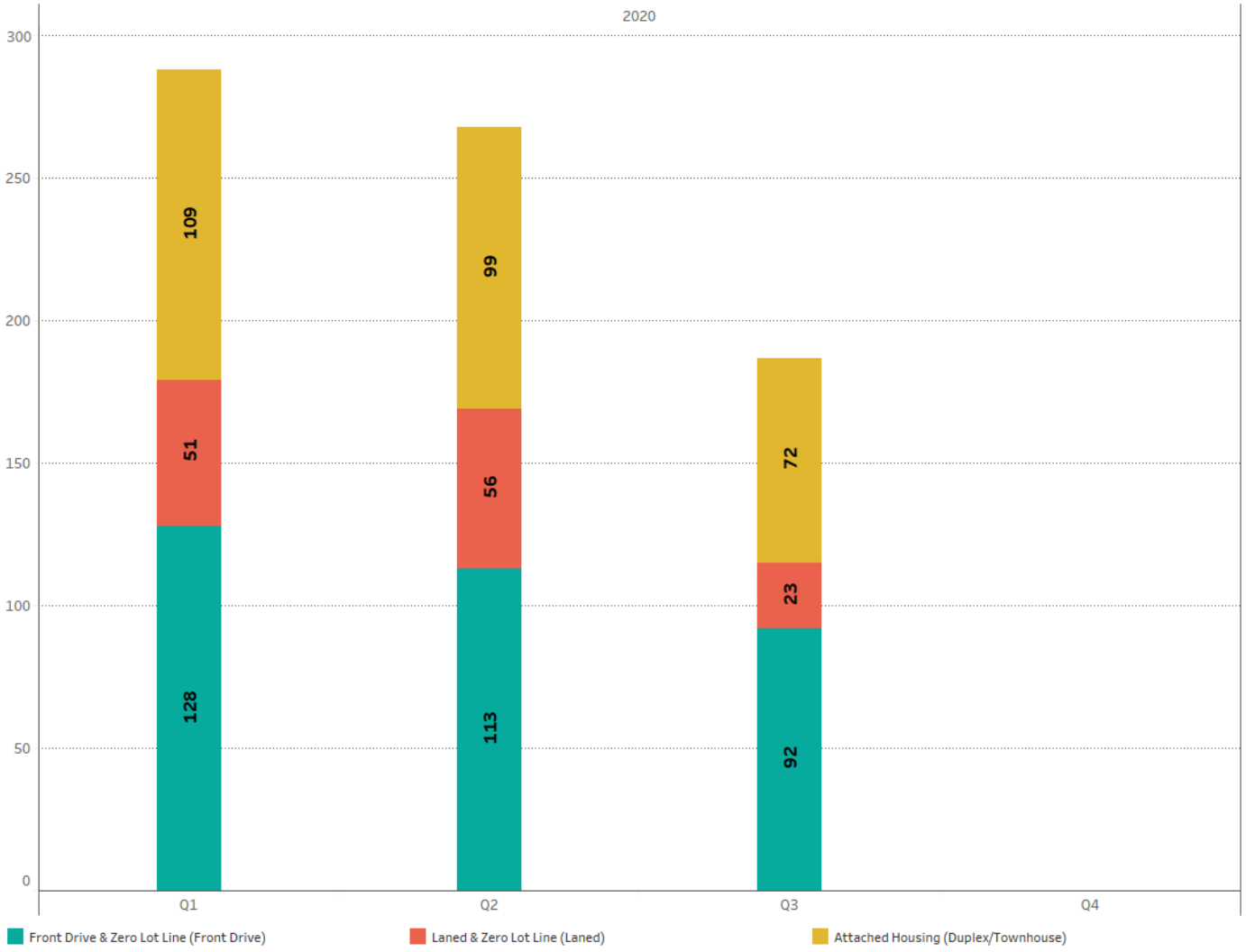
Chart represents number of single-family starts (i.e. foundations poured) in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Completed Home Inventory by Lot/Home Type

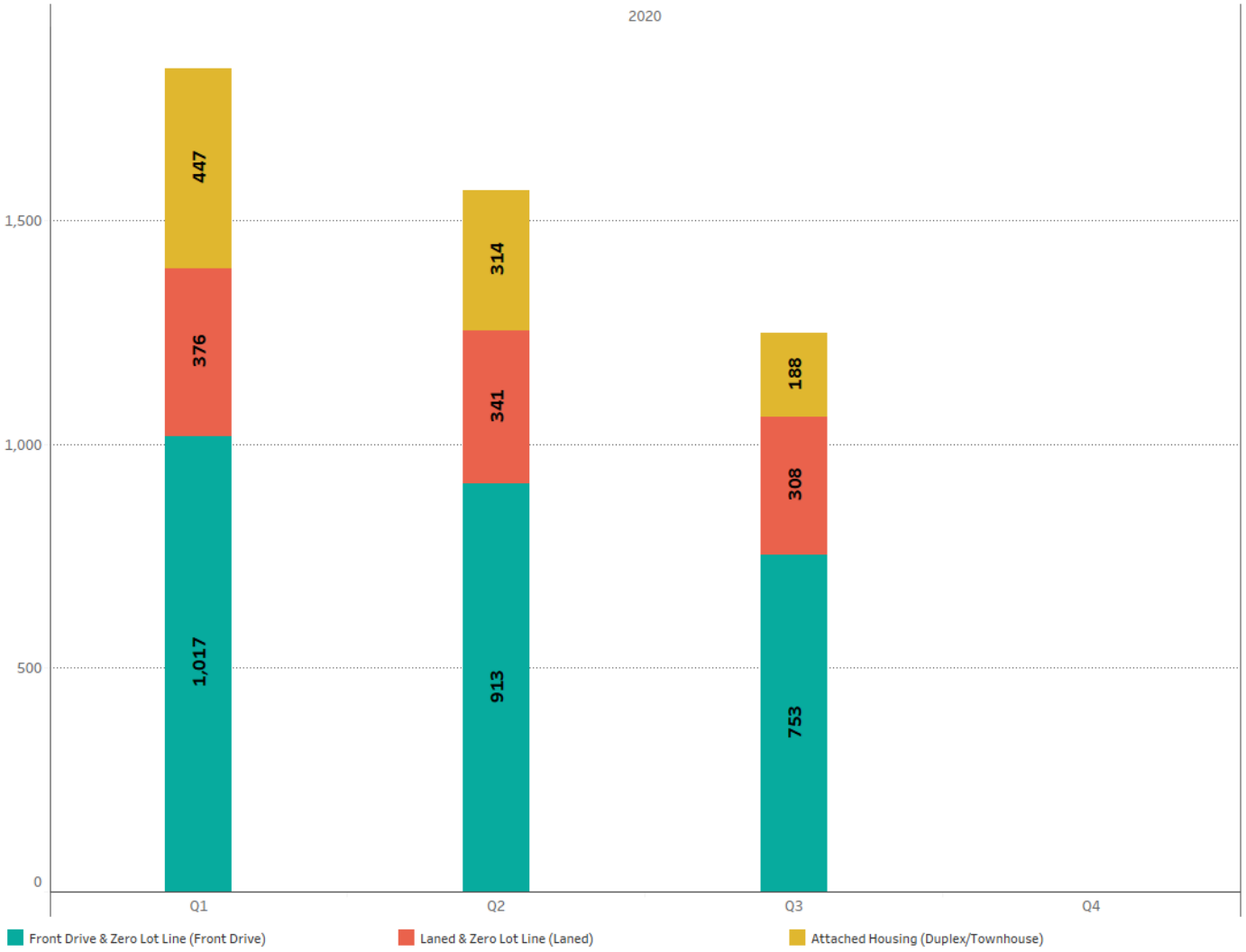
Chart represents number of finished homes available for sale with immediate occupancy in each quarter broken down by lot/home type (based on data reported by participating builders).



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).



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