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

Quarterly Market Overview

Data for Q4 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 – Q4 2020

- The Calgary Region Municipalities of Chestermere, Cochrane, and Okotoks finished the year strong, following a busy third quarter. While total sales were down approximately 30% quarter-over-quarter, the 127 completed sales in the fourth quarter surpassed the totals in the first (100) and second (92) quarters. Fourth-quarter results bring renewed optimism heading into 2021, especially for single-family homes, as buyers look to upsize while work from home measures remain.

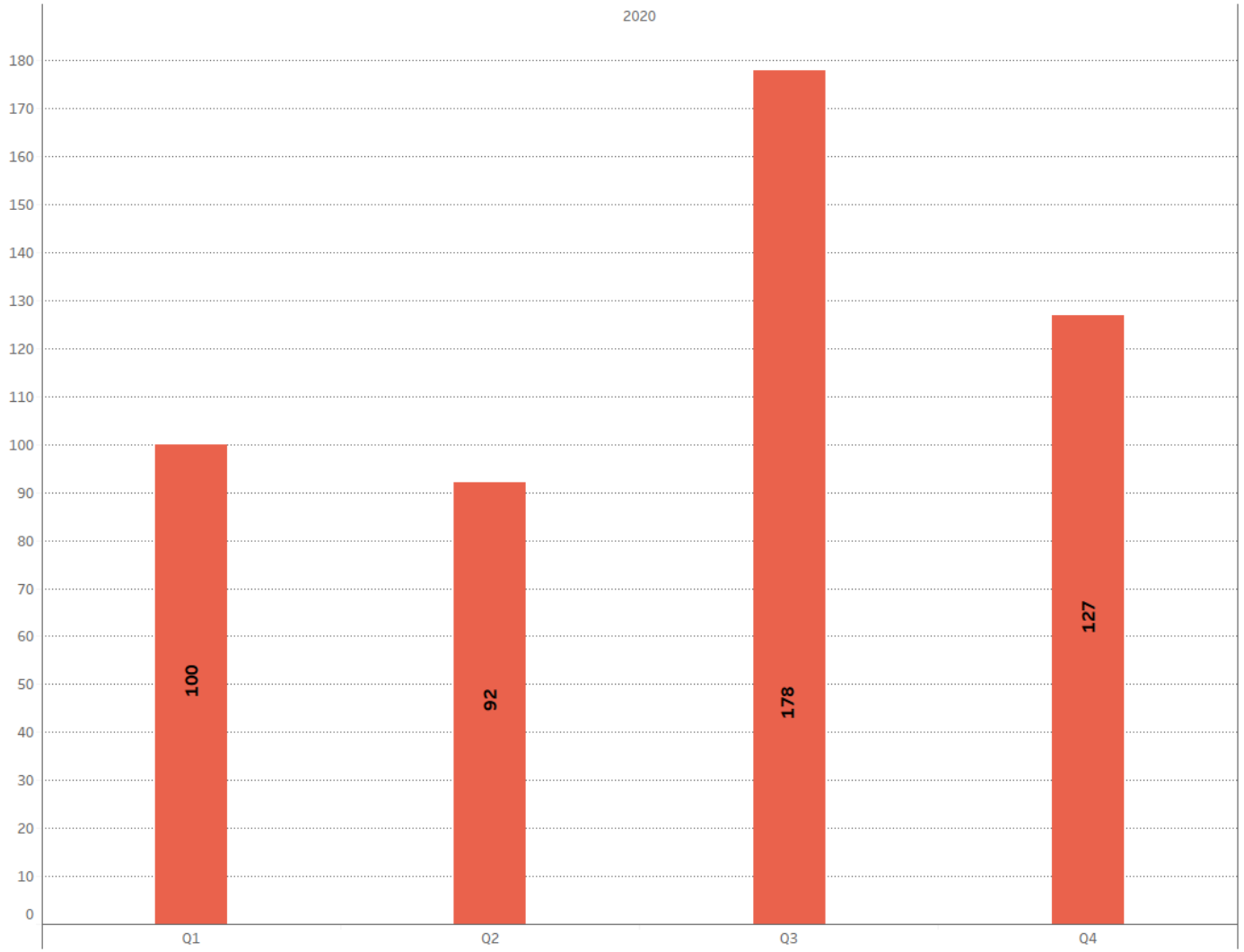
- Presale homes accounted for 65% of total sales in the fourth quarter. Presales declined by 33% quarter-over-quarter, however, the 83 units sold represented the second-highest total for 2020. Total spec homes sales declined by 25% and matched the second quarter for the lowest output for the year (41). Laned and Duplex/Townhouse total sales declined by at least 49% quarter-over-quarter while Front Drive homes increased by 4%. For a second consecutive month, buyers have expressed their desire for Front Drive home products, as almost 50% of all homes over the past two quarters were Front Drive homes (151).

- The average sold price for Laned homes was relatively flat quarter-over-quarter while Duplex and Townhouse prices dropped by 10%. Front Drive homes average sold prices increased for a third consecutive quarter ($581,491) due to increasing buyers' demand and declining completed inventory and available lots. Totals in the fourth quarter for completed inventory and available lots for Front Drive homes are at the lowest point for the year.

- Looking to 2021, Q1 is expected to have increased market activity following a strong end to the year. The activity in the market is expected to be primarily supported by first-time home buyers. Front Drive home prices are expected to continue rising due to sustained low inventory levels, while Duplex/Townhouse and Laned prices will likely remain steady. Shifting to construction levels, Q4 had the most starts over 2020 (111), in response to the elevated sales in Q3 and Q4. Construction starts will likely increase in the new year unless adversely affected by COVID-19.

Total Quarterly Sales

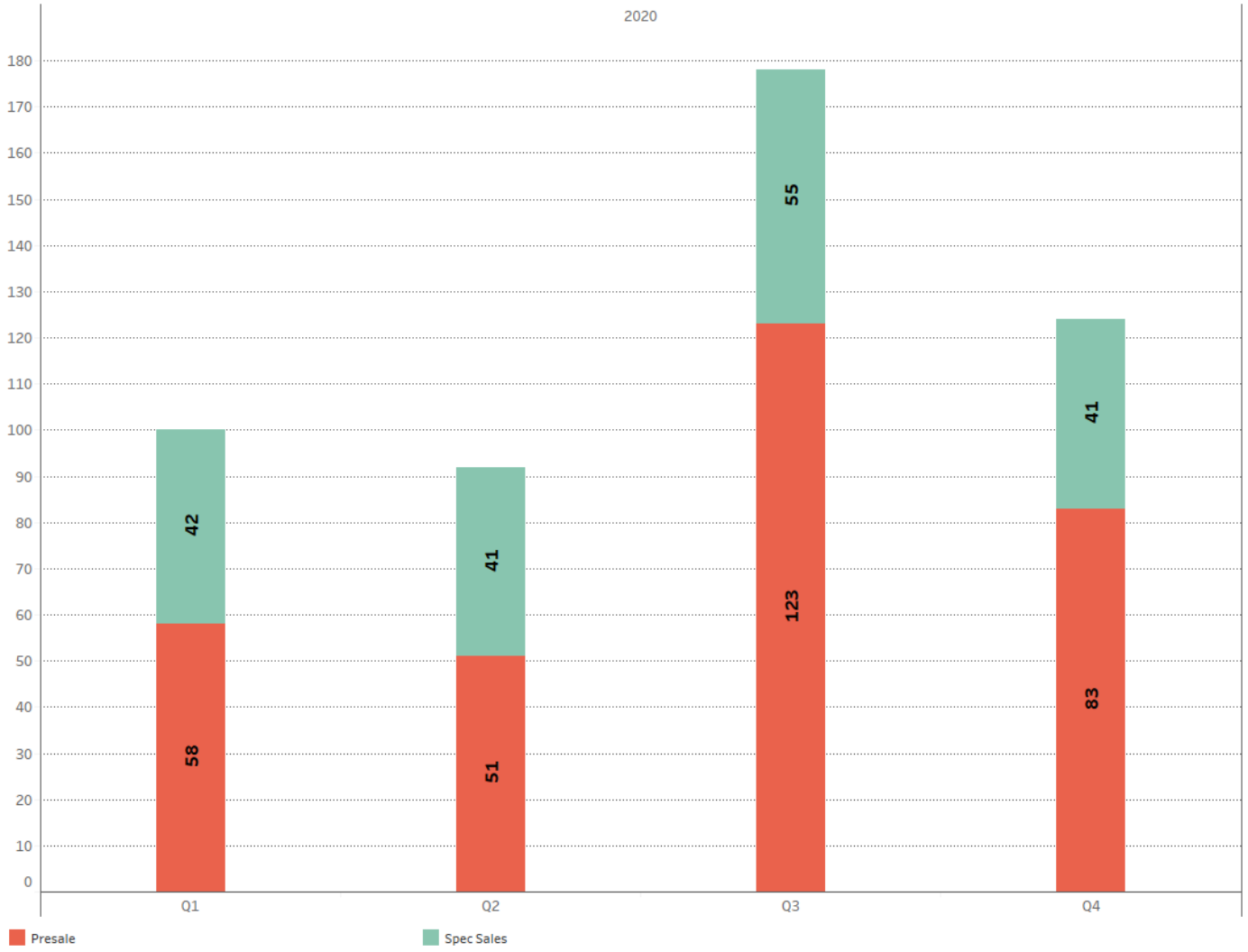
Chart represents the total number of firm sales achieved in each quarter regardless of construction status (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Pre-Construction Sales vs Spec Home Sales

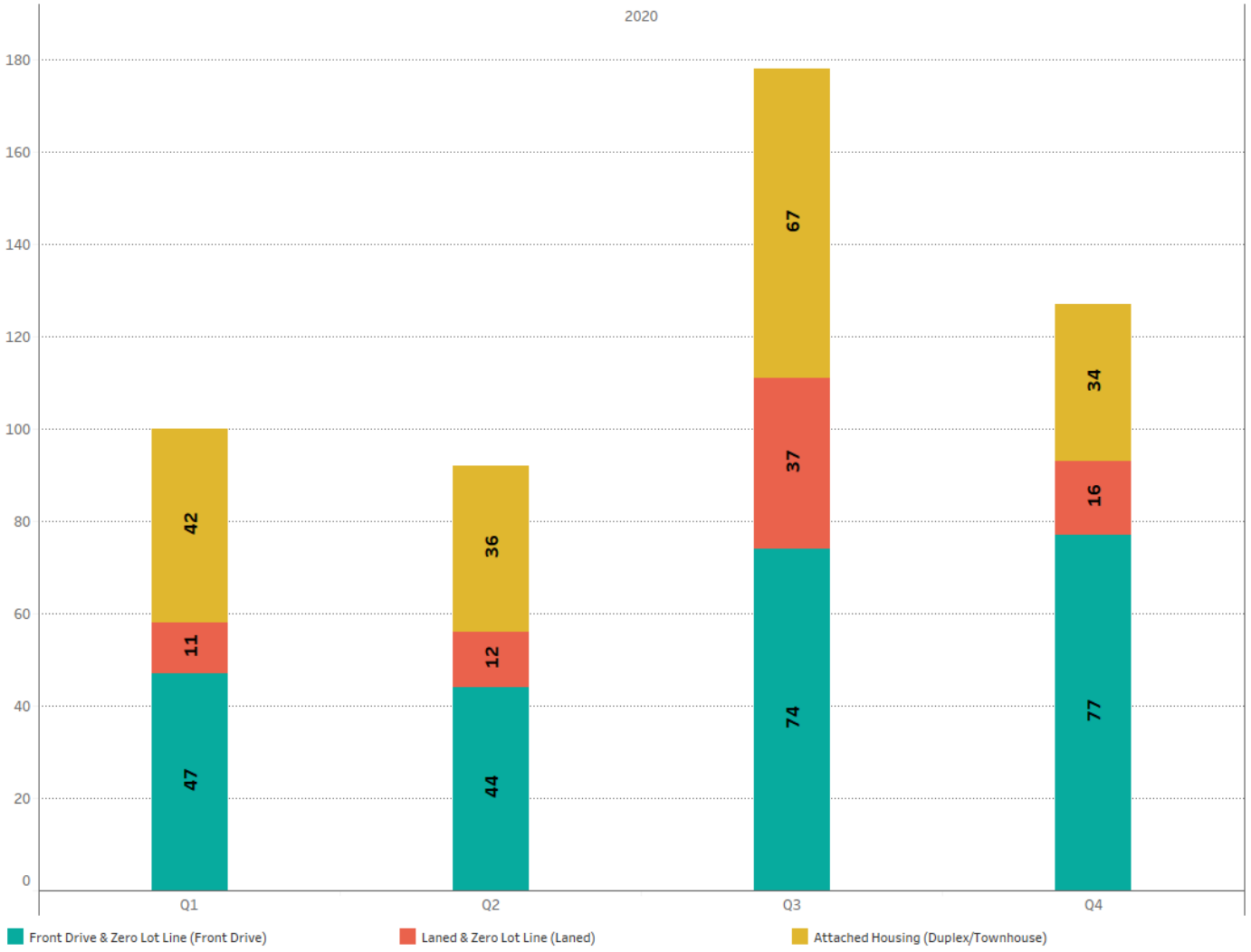
Chart represents the total number of firm sales achieved in each quarter broken down by pre-construction sales and spec home sales (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Quarterly Sales by Lot/Home Type

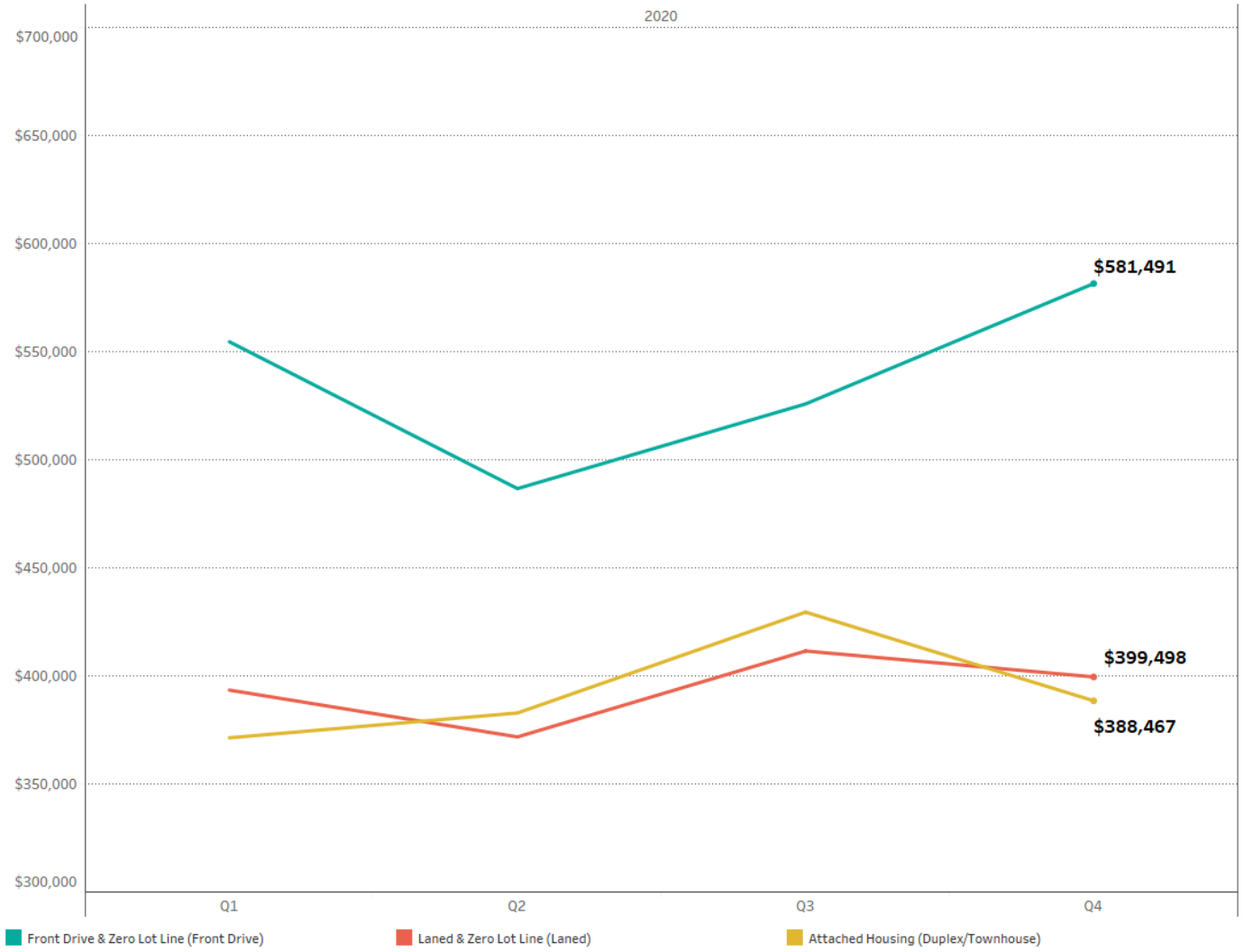
Chart represents the total number of firm sales achieved in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Average Selling/Contract Price by Lot/Home Type

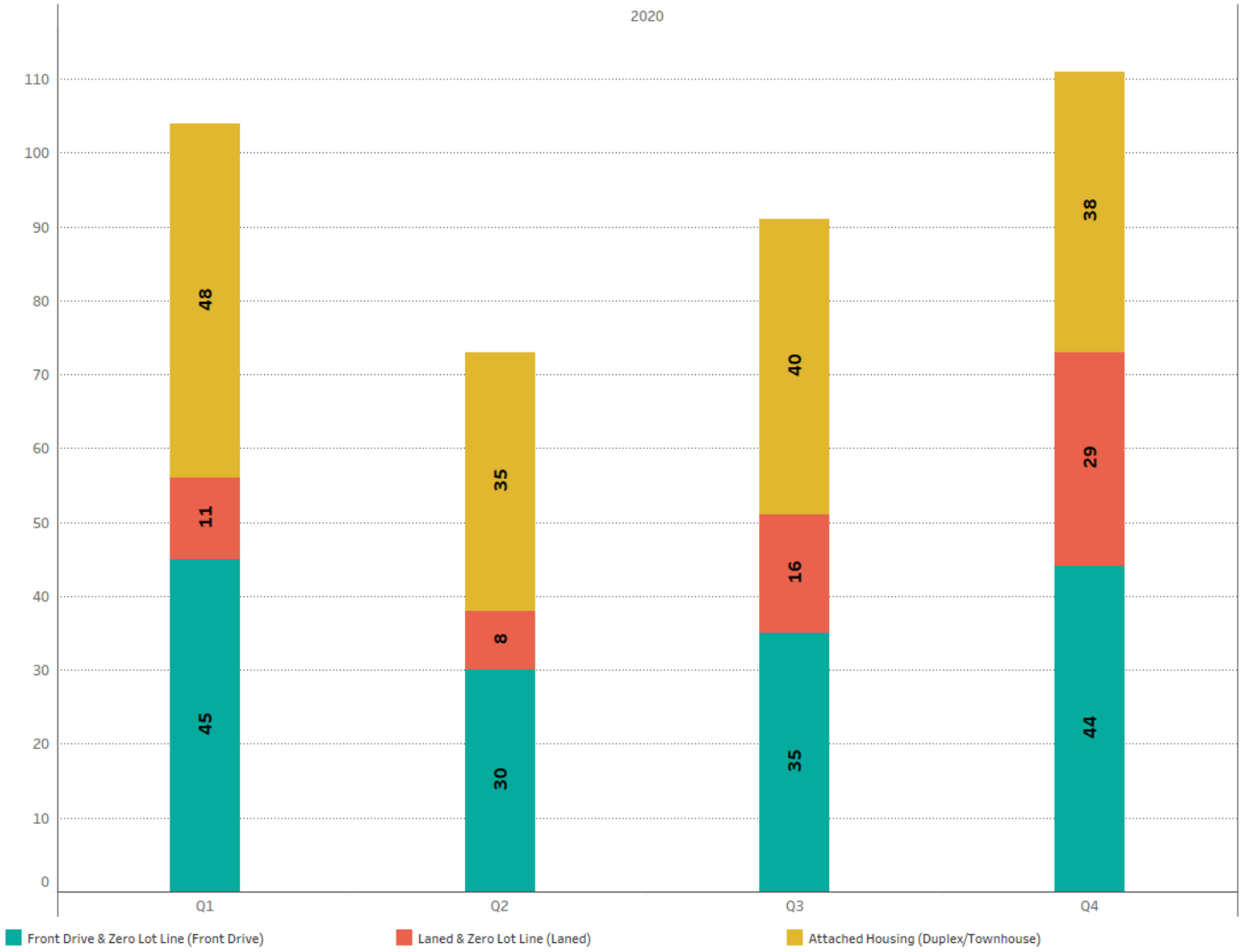
Chart represents the average price (incl. house, options, lot and GST) of homes sold in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Quarterly Construction Starts by Lot/Home Type

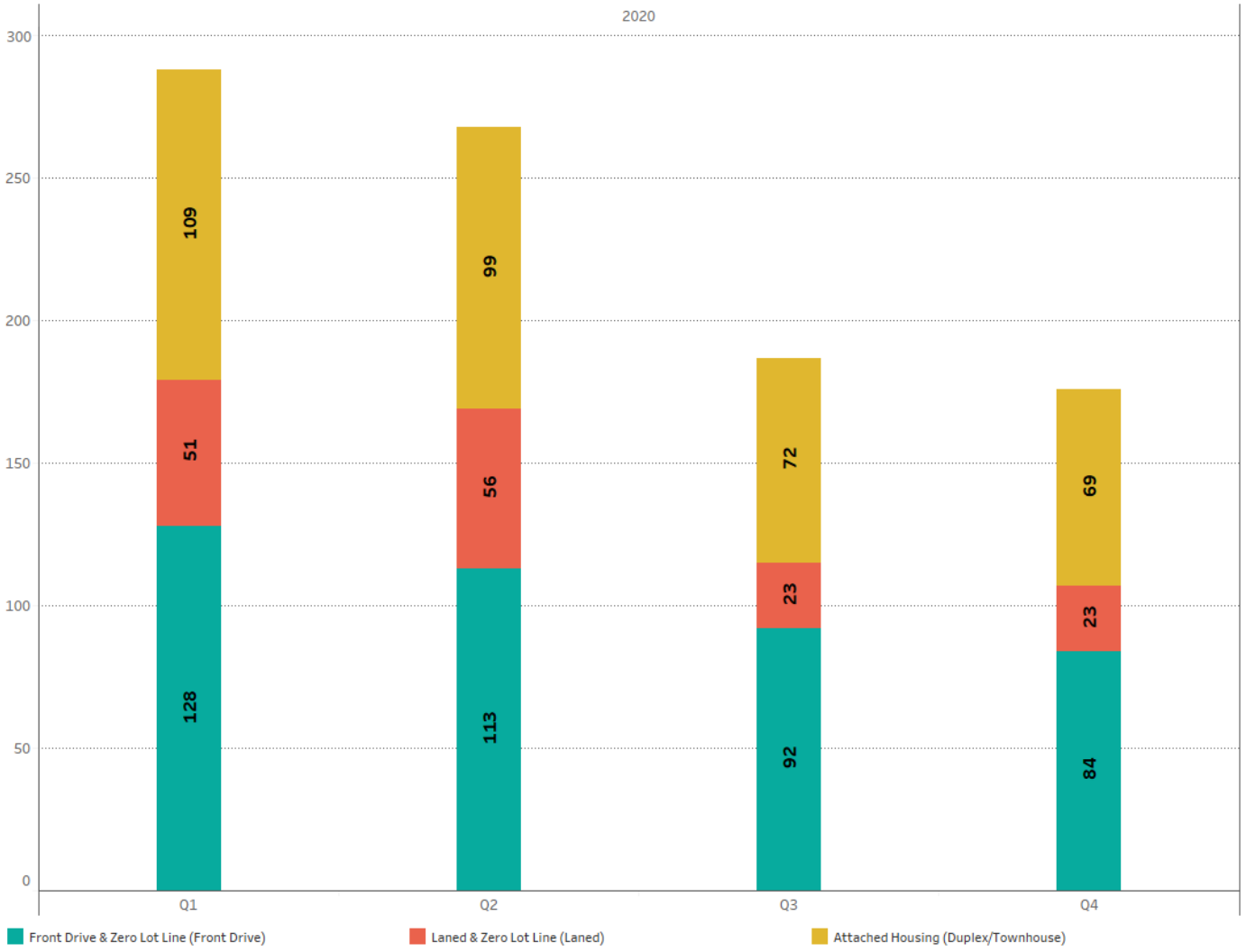
Chart represents number of single-family starts (i.e. foundations poured) in each quarter broken down by lot/home type (based on data reported by participating builders).



Note: data may include revisions to previously reported numbers.

Completed Home Inventory by Lot/Home Type

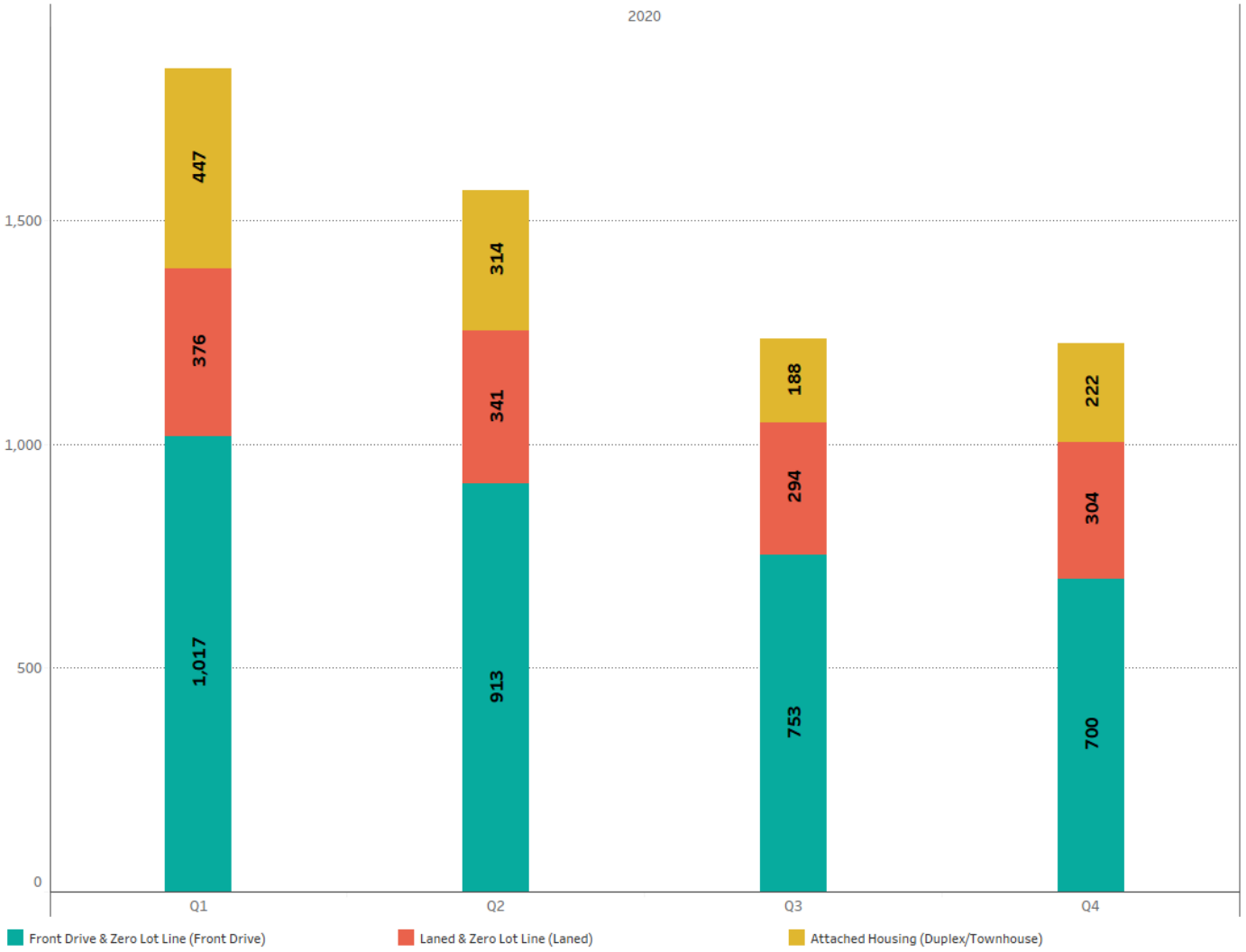
Chart represents number of finished homes available for sale with immediate occupancy in each quarter broken down by lot/home type (based on data reported by participating builders).



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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