

H

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation
www.cmhc.ca

January Weather Cools Single-family Housing Starts

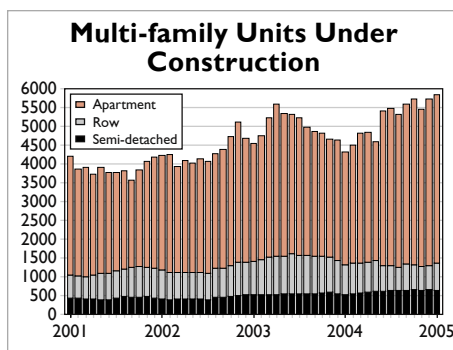
Home builders in the Calgary Census Metropolitan Area (CMA) started 874 housing units of all types in January, representing a gain of 11 per cent over activity reported one year ago. A strong gain in multi-family construction compensated for a decline in single-family units. This represents the third-best start to the year since 1981, behind the 992 units started in the first month of 2002 and 897 in January 1999.

Single-family builders were not able to overcome the frigid temperatures in the first half of the month, resulting in the weakest January for single-family construction in four years. A total of 495 single-family homes began construction in January, down 19 per cent from January 2004. While this represents a relatively slower start to the year, market observers should not be overly concerned. A decline in production was expected, given a drop in year-over-year single-family building permits in December. However, the extent of the drop can be attributed largely to the extreme cold temperatures and wind-chill factors during the first half of January. The single-family industry should look forward to a recovery in February, given the warmer temperatures in the second half of January and a 13 per cent jump in January building permits over the previous year.

A total of 631 single-family units were completed in January, representing a strong showing for the first month of the year. At 596 units, absorptions were also strong in January, though they fell below the number of units completed. As a result, single-family inventories increased to 741 units in January, up 35 units from the previous month and five per cent higher than January of 2004. Showhomes accounted for 446 of the complete and unabsorbed units in January, six per cent more than the previous year. This represents the highest showhome total in the Calgary CMA for any January on record. Spec, or non-showhomes, totalled 295 units in January, three per cent more than the previous year.

Meanwhile, multi-family construction, which includes semi-detached, row, and apartment units, recorded a quick start to the year. Total multi-family starts reached 379 units in January, representing a 119 per cent gain over the previous year. While the extent of the increase was impressive, it was not such a difficult feat considering January of 2004 was the weakest month for multi-family construction in the last 30 months. Despite the year-over-year gain, CMHC expects to see a decline in annual multi-family production from 2004's 22-year high. Nonetheless, after one month semi-detached units have recorded a year-over-year increase of eight per cent, while row units are up 90 per cent. Apartments, meanwhile, have recorded a 239 per cent gain to-date. No units were started for rental tenure in January.

Unlike the single-family market, multi-family completions were uncharacteristically low in January, reaching only 251 units. As a result, absorptions were also weak, totaling 252 units, the lowest total in seven months.



CALGARY JANUARY 2005

IN THIS ISSUE:

ANALYSIS

- 1 **January Weather Cools
Single-family Housing Starts**

STATISTICAL TABLES

- 2 **Starts**
Starts Activity By Area
- 3 **Completions**
Housing Completions by Area
- 4 **Housing Activity Summary**
Calgary CMA

Despite the weakness, market observers can expect a flurry of absorptions in the months ahead. With a 22-year high of 5,848 multi-family units under construction at the end of January, absorptions should escalate once many of these units are completed. However, while this may sound promising, it is unlikely that all will be absorbed at completion. In January, only 75 per cent of units were absorbed at completion. If a similar proportion of units are absorbed at completion over the duration of the year, the multi-family market will see some strong additions to inventory in the months ahead. At the end of January, 604 multi-family units were complete and unabsorbed, 18 per cent more than the previous year. Semi-detached units have recorded the largest year-over-year gain in inventory, up 82 per cent from January 2004. Row inventories are down 25 per cent during the same time, while complete and unabsorbed apartment units have increased 10 per cent.

Table IA
STARTS ACTIVITY BY AREA
 CALGARY CMA - JANUARY 2005

Area	Single		Multiple			Total		% chg
	2005	2004	Semi	Row	Apt	2005	2004	2005/ 2004
Airdrie	33	31	2	16	0	51	38	34.21
Beiseker	0	0	0	0	0	0	0	**
Calgary City	401	526	42	97	207	747	682	9.53
Chestermere Lake	23	24	0	5	0	28	30	-6.67
Cochrane	5	11	0	0	0	5	11	-54.55
Crossfield	0	2	0	0	0	0	2	**
Irricana	0	0	2	0	0	2	4	-50.00
Md Rockyview	33	18	8	0	0	41	18	**
Total	495	612	54	118	207	874	785	11.34

Table IB
STARTS ACTIVITY BY AREA
 CALGARY CMA - YEAR TO DATE

Area	Single		Multiple			Total		% chg
	2005	2004	Semi	Row	Apt	2005	2004	2005/ 2004
Airdrie	33	31	2	16	0	51	38	34.21
Beiseker	0	0	0	0	0	0	0	**
Calgary City	401	526	42	97	207	747	682	9.53
Chestermere Lake	23	24	0	5	0	28	30	-6.67
Cochrane	5	11	0	0	0	5	11	-54.55
Crossfield	0	2	0	0	0	0	2	**
Irricana	0	0	2	0	0	2	4	-50.00
Md Rockyview	33	18	8	0	0	41	18	**
Total	495	612	54	118	207	874	785	11.34

** indicates a greater than 100 per cent change

HOUSING NOW provides an overview of a survey conducted monthly by CMHC. These surveys deal with Housing Starts, Completions and Absorptions for all CMA's across Canada. For more information please contact Richard Corriveau at 403-515-3005 or fax 403-515-3036.

Table 2A
HOUSING COMPLETIONS BY AREA
 CALGARY CMA - JANUARY 2005

Area	Single		Multiple			Total		% chg
	2005	2004	Semi	Row	Apt	2005	2004	2005/ 2004
Airdrie	49	43	2	6	0	57	62	-8.06
Beiseker	1	0	0	0	0	1	4	-75.00
Calgary City	509	507	58	26	145	738	943	-21.74
Chestermere Lake	39	34	2	0	0	41	38	7.89
Cochrane	7	5	4	0	0	11	28	-60.71
Crossfield	3	0	4	0	0	7	4	75.00
Irricana	0	3	0	0	0	0	3	**
Md Rockyview	23	23	4	0	0	27	37	-27.03
Total	631	615	74	32	145	882	1,119	-21.18

Table 2B
HOUSING COMPLETIONS BY AREA
 CALGARY CMA - YEAR TO DATE

Area	Single		Multiple			Total		% chg
	2005	2004	Semi	Row	Apt	2005	2004	2005/ 2004
Airdrie	49	43	2	6	0	57	62	-8.06
Beiseker	1	0	0	0	0	1	4	-75.00
Calgary City	509	507	58	26	145	738	943	-21.74
Chestermere Lake	39	34	2	0	0	41	38	7.89
Cochrane	7	5	4	0	0	11	28	-60.71
Crossfield	3	0	4	0	0	7	4	75.00
Irricana	0	3	0	0	0	0	3	**
Md Rockyview	23	23	4	0	0	27	37	-27.03
Total	631	615	74	32	145	882	1,119	-21.18

** indicates a greater than 100 per cent change

The information, analysis and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analysis and opinions shall not be taken as representations for which CMHC or any of its employees shall incur responsibility. **HOUSING NOW** is published by Canada Mortgage and Housing Corporation. Duplication of this report in whole or in part is strictly prohibited without permission of the authors and/or the Corporation. © 2005 All rights reserved

Table 3
HOUSING ACTIVITY SUMMARY
CALGARY CMA

Activity	Ownership					Rental				Grand Total
	Freehold			Condominium		Private		Assisted		
	Single ¹	Semi ¹	Row	Row	Apt	Row	Apt	Row	Apt	
Starts										
January 2005	495	54	0	118	207	0	0	0	0	874
January 2004	612	50	0	62	61	0	0	0	0	785
Year-to-Date 2005	495	54	0	118	207	0	0	0	0	874
Year-to-Date 2004	612	50	0	62	61	0	0	0	0	785
Under Construction										
January 2005	3,326	628	20	705	4,031	0	332	0	132	9,174
January 2004	3,523	524	27	762	2,759	0	237	0	0	7,832
Completions										
January 2005	631	74	0	32	145	0	0	0	0	882
January 2004	615	80	4	153	263	0	4	0	0	1,119
Year-to-Date 2005	631	74	0	32	145	0	0	0	0	882
Year-to-Date 2004	615	80	4	153	263	0	4	0	0	1,119
Completed & Not Absorbed										
January 2005	741	217	0	95	185	0	107	0	0	1,345
January 2004	708	119	2	122	205	2	60	0	0	1,218
Total Supply²										
January 2005	4,067	845	20	800	4,216	0	439	0	132	10,519
January 2004	4,231	643	29	884	2,964	2	297	0	0	9,050
Absorptions										
January 2005	596	50	0	49	138	0	15	0	0	848
January 2004	626	83	3	137	261	2	11	0	0	1,123
Year-to-Date 2005	596	50	0	49	138	0	15	0	0	848
Year-to-Date 2004	626	83	3	137	261	2	11	0	0	1,123
3-month Average	702	60	1	81	252	0	8	0	0	1,104
12-month Average	690	61	3	88	196	1	16	0	0	1,055

¹ May include units intended for condominium.

² Sum of units under construction, complete and unoccupied



CMHC and Builders ... Building the Future Together

CMHC works to encourage a vibrant and dynamic housing sector enabling you to capitalize on business opportunities, build long-term relationships – and save you time and money. With the most comprehensive range of housing information in the country, CMHC has leading-edge research on housing technologies and best practices.

Visit www.cmhc.ca for the most comprehensive, up-to-date housing information in Canada.