

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Fewer Housing Starts in Edmonton During August

AUGUST 2004

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Following a large decline in July, Edmonton's housing starts took yet another downswing in August. Total housing starts across the region reached 935 units, representing a 40 per cent drop from the 1,551 units started in August of last year. This follows a 38 per cent fall in total starts year-over-year in July. Stronger activity by single-detached home builders was countered by another large downswing in the multi-family sector. August's tally represented the sixth month in a row that new home construction has failed to outpace the same monthly figures in 2003.

Across the capital region, CMHC recorded 306 multi-family starts in August, down 69 per cent from the 981 units initiated in August 2003. While semi-detached starts in August were more than double the number reported a year ago, row and apartment starts were in full retreat. Across the region, multi-family developers are seeking to reduce production to a more sustainable level. In 2002 and 2003, Greater Edmonton witnessed the strongest consecutive years for multiple dwelling starts in two decades. Since March, production levels have pulled back, particularly for apartments, amid industry concerns over rising rental vacancies and a large supply of new condominiums available across the region.

On a year-to-date basis, multiple starts have fallen by 37 per cent from activity levels reported in the first eight months of 2003. In addition to Edmonton City, multiple starts have dropped by a wide margin so far this year in Spruce Grove, St. Albert and Stony Plain. In contrast, multi-unit starts have seen strong improvements year-to-date in Fort Saskatchewan, Leduc City and Strathcona County.

The number of multi-units completed in August increased by over 76 per cent to 769 units, compared with 436 completions in August 2003. Multiple dwelling absorptions also jumped in August to 701 units but nonetheless fell short of completions by 68 units. As such, the inventory of completed and unoccupied multi-family units increased from 674 units in July to 742 units in August. Even so, multi-unit inventory in August was still 19 per cent below the 917 units on-hand in August 2003.

In contrast to the multi-family segment, single-detached home builders began work on more homes in August than the same month last year. Single starts across Metro increased by 10 per cent year-over-year to 629 units. Edmonton City outpaced the region, with single starts up by 19 per cent in August to 387 units compared with 324 in August 2003. Other communities showing stronger numbers in August included Beaumont, Fort Saskatchewan, Leduc City and St. Albert. So far this year, single-family starts have reached 4,283 units across Metro, representing a 2.5 per cent pullback from the number of new single-detached homes started from January to August of 2003. While Edmonton City has also seen a modest decline to date, Table 1b shows that many communities such as Beaumont, Leduc City, Stony Plain and Sturgeon County have posted large increases to the end of August.

Single-detached completions fell by 11 per cent year-over year in August to 490 units.

Meanwhile, the number of units absorbed also dipped from last August but nonetheless exceeded completions by eight units. This allowed the inventory of completed and unoccupied units (both show homes and specs) to fall for the third month in a row to 579 units. The number of show homes counted as inventory increased to 350 units from 340 units tallied in July. The count of spec homes observed in August dropped to 229 units compared with 247 in the previous month and 309 units in August 2003.

The average price of a new single-detached home absorbed in the month of August rose by 6.6 per cent from the same month last year to \$245,420. On a year-to-date basis, new single-detached homes have increased in price by an average of 6.8 per cent to \$236,380. This compares with an 8.9 per cent increase for existing (resale) homes so far this year, for an average price of \$200,572.

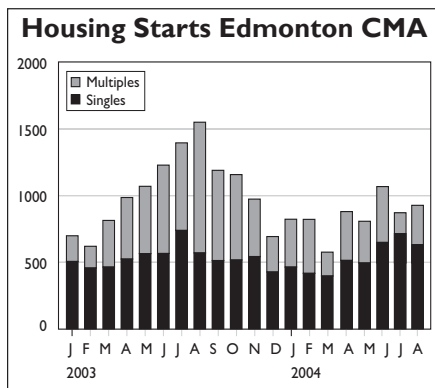


Table I
EDMONTON CMA
STARTS ACTIVITY BY AREA AUGUST 2004

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	25	5	0	0	0	25	5	**
CALMAR TOWN	3	0	0	0	0	3	0	**
DEVON TOWN	5	16	0	0	0	5	16	-68.75
EDMONTON CITY	387	324	98	12	114	611	1190	-48.66
FORT SASKATCHEWAN CITY	10	6	4	0	56	70	6	**
GIBBONS TOWN	0	1	0	0	0	0	1	**
LEDUC CITY	10	7	0	0	0	10	7	42.86
LEDUC COUNTY	5	4	0	0	0	5	4	25.00
MORINVILLE TOWN	1	1	0	0	0	1	1	0.00
PARKLAND COUNTY	26	41	0	0	0	26	43	-39.53
SPRUCE GROVE CITY	18	34	14	0	0	32	139	-76.98
ST.ALBERT CITY	40	31	8	0	0	48	33	45.45
STONY PLAIN TOWN	12	13	0	0	0	12	13	-7.69
STRATHCONA COUNTY	63	78	0	0	0	63	82	-23.17
STURGEON COUNTY	20	5	0	0	0	20	5	**
OTHER CENTRES	4	4	0	0	0	4	6	-33.33
TOTAL	629	570	124	12	170	935	1551	-39.72

Table IB
EDMONTON CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	132	97	0	0	0	132	97	36.08
CALMAR TOWN	9	6	0	0	0	9	6	50.00
DEVON TOWN	50	95	8	0	0	58	103	-43.69
EDMONTON CITY	2617	2654	532	189	1446	4784	6157	-22.30
FORT SASKATCHEWAN CITY	55	48	14	6	56	131	74	77.03
GIBBONS TOWN	5	11	0	0	0	5	11	-54.55
LEDUC CITY	102	64	2	0	41	145	78	85.90
LEDUC COUNTY	34	34	0	0	0	34	34	0.00
MORINVILLE TOWN	20	22	16	0	0	36	48	-25.00
PARKLAND COUNTY	137	149	12	0	0	149	151	-1.32
SPRUCE GROVE CITY	135	170	30	15	0	180	295	-38.98
ST.ALBERT CITY	205	228	20	0	0	225	306	-26.47
STONY PLAIN TOWN	134	108	4	0	0	138	243	-43.21
STRATHCONA COUNTY	523	606	100	0	0	623	659	-5.46
STURGEON COUNTY	88	67	0	0	0	88	67	31.34
OTHER CENTRES	37	32	0	0	0	37	36	2.78
TOTAL	4283	4391	738	210	1543	6774	8365	-19.02

** Indicates 100% change or greater



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 Goatcher in Market Analysis at (780) 423-8729 or by fax at (780) 423-8702.

Table 2
EDMONTON CMA
HOUSING COMPLETIONS BY AREA AUGUST 2004

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	21	0	0	0	0	21	0	**
CALMAR TOWN	1	1	0	0	0	1	1	0.00
DEVON TOWN	4	6	2	0	0	6	6	0.00
EDMONTON CITY	271	384	56	110	490	927	778	19.15
FORT SASKATCHEWAN CITY	6	6	2	0	0	8	10	-20.00
GIBBONS TOWN	1	2	0	0	0	1	2	-50.00
LEDUC CITY	11	5	0	0	0	11	15	-26.67
LEDUC COUNTY	3	2	0	0	0	3	2	50.00
MORINVILLE TOWN	6	4	0	0	0	6	13	-53.85
PARKLAND COUNTY	17	17	2	0	0	19	17	11.76
SPRUCE GROVE CITY	27	14	0	0	51	78	16	**
ST.ALBERT CITY	39	50	2	0	38	79	62	27.42
STONY PLAIN TOWN	21	5	0	0	0	21	7	**
STRATHCONA COUNTY	47	52	16	0	0	63	55	14.55
STURGEON COUNTY	11	0	0	0	0	11	0	**
OTHER CENTRES	4	3	0	0	0	4	3	33.33
TOTAL	490	551	80	110	579	1259	987	27.56

Table 2B
EDMONTON CMA
HOUSING COMPLETIONS BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	81	94	0	0	0	81	94	-13.83
CALMAR TOWN	6	3	0	0	0	6	3	**
DEVON TOWN	33	73	2	8	0	43	73	-41.10
EDMONTON CITY	2461	2768	470	312	1572	4815	5461	-11.83
FORT SASKATCHEWAN CITY	47	62	22	0	0	69	206	-66.50
GIBBONS TOWN	5	3	0	0	0	5	3	66.67
LEDUC CITY	80	70	10	4	32	126	125	0.80
LEDUC COUNTY	38	24	0	0	0	38	24	58.33
MORINVILLE TOWN	24	12	2	0	22	48	27	77.78
PARKLAND COUNTY	109	148	4	0	0	113	148	-23.65
SPRUCE GROVE CITY	124	142	38	33	51	246	206	19.42
ST.ALBERT CITY	194	263	10	0	38	242	348	-30.46
STONY PLAIN TOWN	97	91	6	0	47	150	138	8.70
STRATHCONA COUNTY	546	504	132	54	0	732	536	36.57
STURGEON COUNTY	88	85	0	0	0	88	85	3.53
OTHER CENTRES	38	19	4	0	0	42	21	**
TOTAL	3971	4361	700	411	1762	6844	7498	-8.72

** Indicates 100% change or greater

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Table 3
EDMONTON CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
STARTS										
August	629	124	0	12	95	0	75	0	0	935
2003	570	56	0	46	635	0	244	0	0	1551
Year-To-Date 2004	4283	738	4	206	1104	0	439	0	0	6774
Year-To-Date 2003	4391	690	59	259	2106	61	799	0	0	8365
UNDER CONSTRUCTION										
2004	3109	684	20	254	3929	8	843	0	0	8847
2003	3340	740	32	248	3339	16	1271	0	0	8986
COMPLETIONS										
August	490	80	3	107	384	0	195	0	0	1259
2003	551	94	12	32	60	16	222	0	0	987
Year-To-Date 2004	3971	700	19	335	978	57	784	0	0	6844
Year-To-Date 2003	4361	562	30	216	809	63	1457	0	0	7498
COMPLETED & NOT ABSORBED										
2004	579	127	1	42	165	0	407	0	0	1321
2003	568	100	0	29	139	5	644	0	0	1485
TOTAL SUPPLY										
2004	3688	811	21	296	4094	8	1250	0	0	10168
2003	3908	840	32	277	3478	21	1915	0	0	10471
ABSORPTIONS										
August	498	79	5	114	327	0	176	0	0	1199
3-month Average	537	89	4	57	170	5	104	0	0	966
12-month Average	542	94	3	32	137	7	110	0	0	925

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