HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Home Market

Third quarter 2004 starts continue to rise

With 988 starts in the third quarter, 2004 residential construction squeezed ahead of the same quarter in 2003 by 22 units. All of the strength was in the single-family sector as 707 starts easily compensated for a slow down in multi-family activity which fell back to 281 starts compared to 320 starts in the third quarter of 2003.

Both single-family and multi-family starts in rural Saskatchewan were feeble. In fact, rural starts had the weakest third quarter performance since 1991. Third quarter rural starts were down 41 per cent from last year and saw their slowest third quarter since 1993.

Single-family housing starts roared in this latest quarter with 707 units started, the strongest third quarter for single-family starts on record since 1987 when construction began on 805 units.

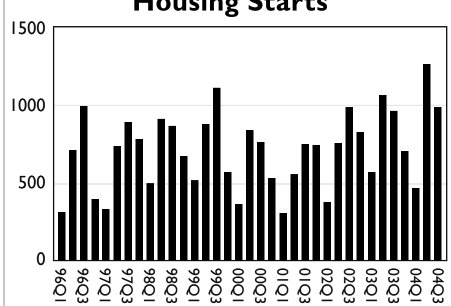
Year-to-date, total housing starts are up almost five per cent compared to last year at this time. Multiple housing starts are the source of the increase with a nine per cent jump, followed by a two per cent increase in single-family starts on a year-to-date basis.

Regina year-to-date total housing starts are now up by a stunning 48 per cent. Single-family starts in the capital have increased from 368 units last year to 450 units in 2004 while multiple starts have increased from 267 units in 2003 to 489 by the end of September 2004.

In Saskatoon, year-to-date single-family housing starts are up by 77 units from 519 by September of 2003 to 596 by the end of the third quarter of 2004. Multi-family building has weakened compared to that seen in 2003. Multi starts are down 170 units from 700 at this time in 2003 to 530 in 2004.

Quarterly housing starts figures for Saskatchewan's smaller cities show strong starts figures everywhere except the Battlefords where third quarter starts activity fell to three units compared to five in 2003. Year-to-date, only Prince Albert and Swift Current are behind what was seen at this time in 2003. Housing starts have been particularly strong in Moose Jaw and Lloydminster where housing construction has seen increases in year-to-date starts on both sides of the border.

Saskatchewan Total Housing Starts



Source: CMHC

SASKATCHEWAN

THIRD QUARTER 2004

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CMHC SCHL

HOME TO CANADIANS

Canada

Units under construction up again in the third quarter

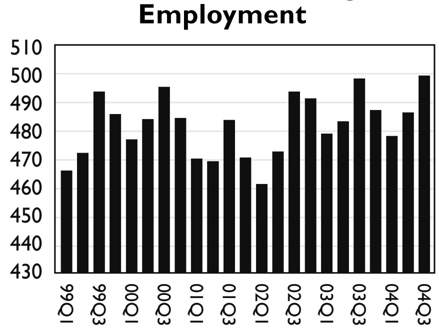
At the end of the third quarter of 2004, the total supply of housing units, consisting of units completed and not occupied and those under construction, is seven per cent higher than that seen at the end of the third quarter of 2003.

The high volume of urban housing starts has pushed up the inventory of units under construction in the province's cities from 1,607 units in September 2003 to 1,853 units at the end of September 2004. Although most of the units under construction are apartment and row condominiums, the number of single-family units at various stages of construction is also ahead of last year's figures.

The number of single-family units under construction is up 36 per cent, from 641 units in 2003 to 874 units at the end of September 2004. The number of apartment condominium units under construction jumped from 490 units in 2003 to 651 in this latest quarter. Semi-detached ownership and row rental units are also on the rise while row condominium units under construction fell from 291 units in 2003 to 218 units in 2004. Apartment rental units under construction fell from 130 units in 2003 to only one unit at the end of September 2004.

Third quarter absorptions rose 7.5 per cent from 687 units in the third quarter of 2003 to 739 in the most recent quarter. Single-family absorptions slowed while multi-family absorptions, particularly apartment condominium and rental units were on the rise.

Saskatchewan Average Employment



Source: Statistics Canada - Raw Employment

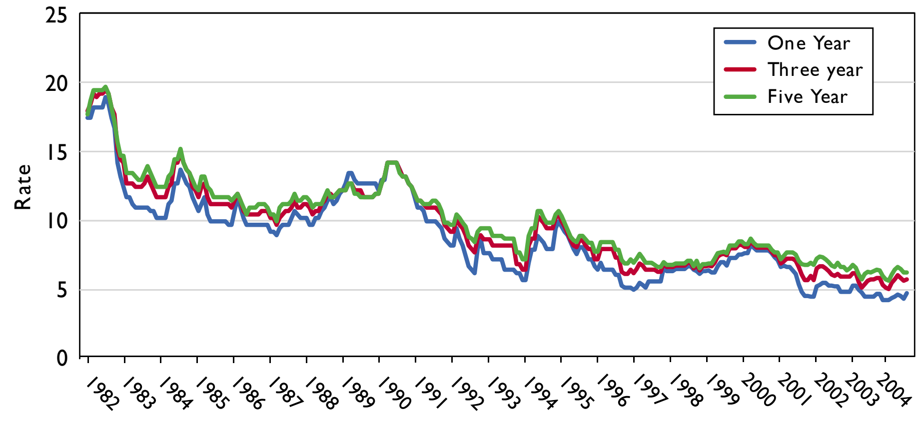
Vigorous absorption has led to a decline in the number of completed and unabsorbed units in Regina and Saskatoon. At the end of the third quarter of 2004, the inventory of complete and unoccupied units stood 47 per cent lower in Regina and 56 per cent lower in Saskatoon compared to the same quarter in 2003. Significant reductions in the inventories of condominium row and rental apartment units were the primary contributors to the reduction.

Weak employment gains but earnings on the rise

Notwithstanding lackluster average employment gains of 1,100 employed, growth in average weekly earnings has exceeded five per cent, supporting steady housing demand. The Goods sector has seen average weekly earnings escalate by almost seven per cent while Service sector earnings have grown by more than 4.5 per cent.

Construction employment, which was in decline in the early part of the year, is now flat. The average weekly earnings figure for this sector is up almost nine per cent suggesting employment growth may be seen in the near future as employers find it necessary to hire more staff.

Typical Mortgage Rates
Chartered Banks



Source: Statistics Canada

Higher mortgage rates expected

We expect the Bank of Canada to raise interest rates further, with increases totaling 50-75 basis points for the year. In 2005, the improving economic environment will mean that the Bank will need to move the overnight rate to even higher levels, increasing it by another 100 basis points or more.

The one, three, and five-year posted closed mortgage rates are expected to remain relatively flat to slightly higher for the remainder of 2004, having already followed the rise in bond yields earlier in the year. Next year, these rates will begin to increase by 50-100 basis points and are expected to be in the 4.75-6.00, 6.00-7.00, and 6.75-7.75 per cent range, respectively.

For more information, contact:
Paul Caton
Senior Market Analyst
Telephone: Saskatoon (306) 975-4897
Regina (306) 780-5889
Toll Free: 1-877-722-2642
Fax: (306) 975-6066
E-mail: pcaton@cmhc-schl.gc.ca

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Table 1a

STARTS ACTIVITY BY AREA

PROVINCE OF SASKATCHEWAN - 3RD QUARTER 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Regina CMA	**217**	**148**	**4**	**80**	**156**	**457**	**204**	*******
Regina City	177	118	4	80	156	417	174	***
Saskatoon CMA	**237**	**197**	**24**	**4**	**0**	**265**	**443**	**-40.2**
Saskatoon City	147	145	20	0	0	167	379	-55.9
Estevan CA	7	8	2	4	0	13	8	62.5
Lloydminster CA (SK)	37	3	0	0	0	37	3	***
Moose Jaw CA	27	22	0	0	0	27	22	22.7
Battleford CA	3	5	0	0	0	3	5	-40.0
Prince Albert CA	26	25	0	0	0	26	25	4.0
Swift Current CA	7	4	4	0	0	11	10	10.0
Yorkton CA	9	7	0	0	0	9	7	28.6
Total Urban	**570**	**419**	**34**	**88**	**156**	**848**	**727**	**16.6**
Total Rural	**137**	**227**	**3**	**0**	**0**	**140**	**239**	**-41.4**

Table 1b

STARTS ACTIVITY BY AREA

PROVINCE OF SASKATCHEWAN - YEAR TO DATE 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Regina CMA	**450**	**368**	**10**	**235**	**244**	**939**	**635**	**47.9**
Regina City	361	298	10	235	244	850	565	50.4
Saskatoon CMA	**596**	**519**	**76**	**148**	**306**	**1126**	**1219**	**-7.6**
Saskatoon City	377	377	64	138	306	885	1050	-15.7
Estevan CA	12	12	2	4	0	18	16	12.5
Lloydminster CA (SK)	52	9	0	0	0	52	9	***
Moose Jaw CA	60	36	0	0	0	60	36	66.7
Battleford CA	12	9	0	5	0	17	9	88.9
Prince Albert CA	64	73	0	0	0	64	73	-12.3
Swift Current CA	15	15	10	0	0	25	45	-44.4
Yorkton CA	24	17	2	0	0	26	17	52.9
Total Urban	**1285**	**1058**	**100**	**392**	**550**	**2327**	**2059**	**13.0**
Total Rural	**332**	**534**	**5**	**0**	**60**	**397**	**548**	**-27.6**

** indicates a greater than 100 per cent change

Table 2a

HOUSING COMPLETIONS

PROVINCE OF SASKATCHEWAN - 3RD QUARTER 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Regina CMA	**153**	**172**	**4**	**36**	**36**	**229**	**245**	**-6.5**
Regina City	115	140	4	36	36	191	213	-10.3
Saskatoon CMA	**188**	**217**	**26**	**138**	**21**	**373**	**375**	**-0.5**
Saskatoon City	130	143	24	138	21	313	288	8.7
Estevan CA	3	2	2	0	0	5	2	***
Lloydminster CA (SK)	17	4	0	0	0	17	4	***
Moose Jaw CA	20	14	0	4	0	24	14	71.4
Battleford CA	7	5	0	8	0	15	5	***
Prince Albert CA	25	32	0	0	0	25	32	-21.9
Swift Current CA	4	9	2	0	0	6	11	-45.5
Yorkton CA	10	6	2	0	0	12	6	***
Total Urban	**427**	**461**	**36**	**186**	**57**	**706**	**694**	**1.7**
Total Rural	**106**	**163**	**0**	**4**	**0**	**110**	**165**	**-33.3**

Table 2b

HOUSING COMPLETIONS

PROVINCE OF SASKATCHEWAN - YEAR TO DATE 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Regina CMA	**356**	**376**	**24**	**89**	**200**	**669**	**537**	**24.6**
Regina City	289	287	24	89	200	602	448	34.4
Saskatoon CMA	**486**	**502**	**56**	**223**	**116**	**881**	**1089**	**-19.1**
Saskatoon City	353	380	52	198	115	718	929	-22.7
Estevan CA	9	5	2	0	0	11	5	***
Lloydminster CA (SK)	43	18	0	0	0	43	18	***
Moose Jaw CA	43	30	0	7	0	50	30	66.7
Battleford CA	10	8	0	8	0	18	8	***
Prince Albert CA	53	73	0	0	0	53	73	-27.4
Swift Current CA	13	14	6	0	0	19	18	5.6
Yorkton CA	18	20	2	0	0	20	26	-23.1
Total Urban	**1031**	**1046**	**90**	**327**	**316**	**1764**	**1804**	**-2.2**
Total Rural	**383**	**399**	**3**	**8**	**0**	**394**	**438**	**-10.0**

** indicates a greater than 100 per cent change

Table 3

SINGLE DETACHED ABSORPTIONS BY PRICE

PROVINCE OF SASKATCHEWAN - CENTRES OF 50,000 POPULATION AND OVER

Area	< $90,000	$90,000-109,999	$110,000-129,999	$130,000-149,999	$150,000-169,999	$170,000-189,999	$190,000 +	Units
3rd Quarter 2004								
Regina CMA	0	1	8	30	22	22	69	152
Regina City	0	0	6	22	17	15	54	114
Saskatoon CMA	1	2	3	35	30	38	99	208
Saskatoon City	0	0	1	15	14	24	84	138
Total	1	3	11	65	52	60	168	360
3rd Quarter 2003								
Regina CMA	**0**	**1**	**10**	**29**	**40**	**50**	**52**	**182**
Regina City	0	0	7	25	32	43	43	150
Saskatoon CMA	**1**	**4**	**13**	**46**	**40**	**29**	**81**	**214**
Saskatoon City	0	0	4	27	34	24	64	153
Total	1	5	23	75	80	79	133	396

Table 3b

AVERAGE SINGLE-DETACHED PRICE

PROVINCE OF SASKATCHEWAN - BY QUARTER 2004 (DOLLARS)

Area	**Q1**	**Q2**	**Q3**	**Q4**	**Annual Average**
Regina CMA	186,228	193,296	189,949		186,228
Regina City	183,489	189,231	188,691		183,489
Saskatoon CMA	191,202	191,552	198,150		191,202
Saskatoon City	199,775	196,490	207,822		199,775

Table 4
UNDER CONSTRUCTION
PROVINCE OF SASKATCHEWAN - SEPTEMBER 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Regina CMA	**350**	**244**	**8**	**200**	**257**	**815**	**487**	**67.4**
Regina City	257	165	8	200	256	721	408	76.7
Saskatoon CMA	**411**	**330**	**52**	**54**	**395**	**912**	**1019**	**-10.5**
Saskatoon City	265	250	44	44	395	748	919	-18.6
Estevan CA	7	8	0	4	0	11	12	-8.3
Lloydminster CA (SK)	29	3	0	0	0	29	3	***
Moose Jaw CA	26	16	0	0	0	26	16	62.5
Battleford CA	3	3	0	5	0	8	3	***
Prince Albert CA	28	26	0	0	0	28	30	-6.7
Swift Current CA	7	3	4	0	0	11	29	-62.1
Yorkton CA	13	8	0	0	0	13	8	62.5
Total Urban	**874**	**641**	**64**	**263**	**652**	**1853**	**1607**	**15.3**
Total Rural	**258**	**397**	**5**	**0**	**60**	**323**	**409**	**-21.0**

Table 4b
COMPLETE NOT OCCUPIED
PROVINCE OF SASKATCHEWAN - SEPTEMBER 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Regina	**29**	**22**	**0**	**8**	**19**	**56**	**105**	**-46.7**
City Only	29	22	0	8	17	54	101	-46.5
Saskatoon	**17**	**35**	**6**	**16**	**9**	**48**	**108**	**-55.6**
City Only	13	21	5	16	9	43	89	-51.7
Total CMA's	**46**	**57**	**6**	**24**	**28**	**104**	**213**	**-51.2**

** indicates a greater than 100 per cent change

Table 5

HOUSING ACTIVITY SUMMARY

PROVINCE OF SASKATCHEWAN - CENTRES OF 10,000 POPULATION AND OVER

	Ownership					Rental				
Activity	**Freehold**			**Condominium**		**Private**		**Assisted**		**Grand**
	Single [1]	Semi [1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	570	34	0	49	156	4	0	35	0	848
Previous Year	419	30	0	98	180	0	0	0	0	727
Year-to-Date 2004	1285	100	0	347	550	10	0	35	0	2327
Year-to-Date 2003	1058	54	0	459	349	9	130	0	0	2059
Under Construction										
2004	874	64	0	218	651	10	1	35	0	1853
2003	641	46	0	291	490	9	130	0	0	1607
Completions										
Current Quarter	427	36	4	182	57	0	0	0	0	706
Previous Year	461	28	0	189	16	0	0	0	0	694
Year-to-Date 2004	1031	90	7	310	315	10	1	0	0	1764
Year-to-Date 2003	1046	76	4	396	152	4	126	0	0	1804
Completed & Not Absorbed										
2004	46	6	0	24	21	0	7	0	0	104
2003	57	7	0	31	74	0	52	0	0	221
Total Supply [3]										
2004	920	70	0	242	672	10	8	35	0	1957
2003	698	53	0	322	564	9	182	0	0	1828
Absorptions [2]										
Current Quarter	360	33	0	185	84	0	77	0	0	739
Previous Year	396	26	0	180	32	0	53	0	0	687
12-month Average	98	8	0	43	39	1	15	0	0	204

1 May include units intended for condominium.
2 Centres of 50,000 population and over.
3 Sum of units under construction, complete and unoccupied

DEFINITIONS AND BACKGROUND NOTES

Starts and Completions Survey

The purpose of this survey is to measure new residential construction activity. The common unit of measurement is the "dwelling unit" (as opposed to value).

The Starts and Completion Survey enumerates dwelling units in new structures only; such units being designed for non-transient and year-round occupancy. Thus, excluded from the survey are conversions, vacation homes, cottages and collective type dwellings.

Starts - refer to units where construction has advanced to the footing or foundation stage and in the case of multiples, a start applies to the individual unit.

Under Construction - refers to units that have started but are not complete (i.e. units under construction from the previous month plus starts for the current month minus completions during the current month plus/minus any adjustments to units under construction which may include cancellations of projects, re-initiations of projects and/or changes in tenure status).

Completions - refer to units where all proposed construction work has been performed or in some cases where ninety percent of all construction work is completed and the structure is fit for occupancy.

Completed and Unoccupied - refers to completed units of new construction which have never been occupied or sold (i.e. completed and unoccupied units from the previous month plus completions during the current month minus absorptions for the current month).

Total Supply - refers to the total supply of new units and includes, units under construction and units that are completed but not occupied (i.e. under construction plus completed and unoccupied for the current month).

Absorptions - refers to newly completed units which have been sold or rented. The number of absorptions is obtained from a survey initiated when the structure is completed. Units pre-sold or pre-leased are not included until the completion stage (i.e. completed and unoccupied units from the previous month plus completions for the current month minus completed and unoccupied units for the current month).

Dwelling units have been divided into four categories:

The definition of types of dwellings used are in accordance with those used in the Census.

Single-Detached - This type is commonly called a "single-house". It comprises only one-dwelling unit which is completely separate on all sides from any other dwelling or structure including linked homes which are attached below ground.

Semi-Detached - In this category each one of two dwellings are located side-by-side in a building and are separated by a common wall extending from ground to roof or by a garage.

Row - This category comprises a one-family dwelling unit in a row of three or more dwellings separated by common or party walls extending from ground to roof.

Apartment and Other - This category includes all dwelling units other than those described above. It includes structures such as: duplexes, double-duplexes, triplexes, row-duplexes, apartments proper and dwellings over or behind a store or other nonresidential structure. In accordance with the definition, single-detached units with legal secondary suites are included in this category.

Geographical coverage of the survey includes all metropolitan areas, census agglomerations and urban centres of 10,000 population and over, as defined by the Census. These areas are enumerated completely each month. The remainder of the branch territory is covered on a sample basis four times a year in March, June, September and December.

Market Absorption Survey

The purpose of this survey is to provide an indication of the short-term demand for home ownership and rental dwellings. The survey is designed to measure the rate at which units are sold or rented after they are completed.

The geographical coverage of the Market Absorption Survey is all metropolitan areas and all urban centres of 50,000 population and over.

In the Market Absorption Survey, certain dwellings are excluded for various reasons. These are: dwellings financed by CMHC or NHA Section 6, Non-profit Public and Private initiated housing, which are not subject to normal market criteria and dwellings constructed for model purposes.

Absorption in this report is defined as take up monitored at completions plus those from inventory. For the short term, absorptions are a function of actual completions and inventory levels.

2001 Census Definitions

A **Census Metropolitan Area** refers to the main labour market area of an urbanized core having 100,000 or more population.

A **Census Agglomeration** refers to the region labour market area of an urbanized core housing between 10,000 and 99,999 population. CMA's and CA's are created by Statistics Canada and are usually known by the name of the urban area forming their urbanized core. They contain whole municipalities (or census subdivisions) and are comprised of:

1. Municipalities if (a) at least 40% of the employed labour force living in the municipalities work in the urbanized core or (b) at 25% of the employed labour force working in the municipality live in the urbanized core.
2. Other municipalities if (a) at least 40% of the employed labour force living in the municipality work in the urbanized core or (b) at 25% of the employed labour force working in the municipality live in the urbanized core.

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