HOUSING NOW

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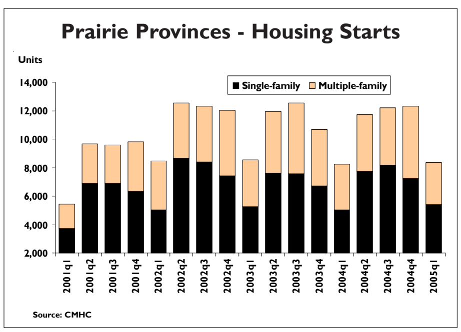
Canada Mortgage and Housing Corporation
www.cmhc.ca

First Quarter Housing Starts Exceed 8,000 Units for Third Consecutive Year

Builders in Manitoba, Saskatchewan, and Alberta began work on 8,368 new homes during the first quarter of 2005, an increase of 1.6 per cent from the first quarter of 2004. This was the third year in a row that total housing starts during the first three months of the year eclipsed the 8,000 level across the Prairie Provinces.



Builders in Manitoba started 708 units in total during the first three months of 2005, an increase of 104 units over the same period in 2004. The additional units were split proportionally between urban and rural areas at 71 and 33 units, respectively. In Manitoba, the gain in 2005Q1 housing starts was due to the single-family sector. Indeed, the 593 single-family starts recorded during the first three months of 2005 represented the strongest first quarter performance since 1990 when foundations for 702 single-family homes were poured across the province. At the end of March, total supply of single-family homes in urban areas was at 1,060 units. At the current twelve month rate of absorption, it would take about 6.7 months to deplete this supply. CMHC considers a six or seven month supply to be indicative of a balanced market.

Meanwhile, multi-family starts in Manitoba increased from 65 units during the first quarter of 2004 to 115 units in the first quarter of 2005. Virtually all of this activity, 112 units, took place within the city of Winnipeg. There were three starts in rural areas. Year-to-date, there have been no multi-family starts in Brandon versus 34 units that were started during the first three months of 2004.

With 385 units started over the first three months of 2005, total housing starts in Saskatchewan recorded their weakest performance since the first quarter of 2003. Year-to-date total starts were down nearly 19 per cent compared to the same period a year earlier. The decline was principally concentrated in the Regina Census Metropolitan Area (CMA) and rural areas of the province. From January to March 2005, total starts in the Regina CMA and the rural centres were lower by 53.3 and 28.1 per cent, respectively over the January to March 2004 period. Starts in the rest of the province were up by 11.6 per cent over the first quarter of 2004.

At 275 units, single-family starts over the first quarter of 2005 were only one unit lower than the number recorded during the first quarter of 2004. A decline of 24 units in rural areas was nearly offset by a gain of 23 units in urban areas. All urban centres except for Estevan and Prince

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PRAIRIES

1ST QUARTER 2005

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HOME TO CANADIANS

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Albert experienced greater activity in the first quarter of 2005 than the first quarter of 2004. There were no single-family starts in Yorkton during the first quarter of 2004 or 2005. Due to the strong construction levels of 2004, the supply of single-family homes in urban areas now stands at 757 units. It would take about 7.6 months to exhaust this supply at the current twelve month moving absorption rate of 99 units per month.

Meanwhile, the 44.7 per cent decline in multi-family starts between the first quarter of 2004 to the first quarter of 2005 should not be interpreted as a downturn in the market. Rather, it represents a brief lull in activity. Firstly, it must be remembered that multi-family starts during the first three months of 2003 and 2004 were well above the average levels seen over the past few years. In that light, January to March multi-family starts in 2005 are not out of line with the long term average of starts during the first quarter. CMHC anticipates multi-family starts in Saskatchewan to rebound over the coming months. Demand for condominium and rental accommodation is being driven by a growing number of empty nesters seeking to make a switch to housing that has less maintenance needs and the decrease in out-flow of younger people to other provinces.

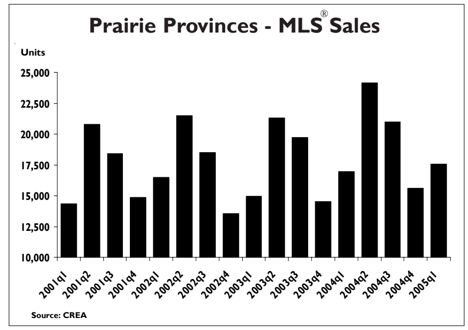
Due to higher activity in rural areas, total housing starts in Alberta during the first quarter of 2005 were about 1.7 per cent higher than the same period a year earlier. Starts in urban areas were down by 0.6 per cent compared to the first three months of 2004 while activity in rural areas exceeded last years numbers by 28.3 per cent. As a result, Alberta's first quarter total housing starts topped 7,000 units for the fourth year in succession.

Single-family starts in urban areas posted a gain 5.6 per cent in the first quarter of 2005 compared to the same period a year earlier. Declines in Calgary, Lethbridge and Medicine Hat were offset by higher starts in Edmonton, Grande Prairie and Wood Buffalo. Complemented by a 21.8 per cent jump in rural starts, total single-family starts in the province reached 4,524 units over the January to March 2005 period, an increase of 7.4 per cent over the same time frame a year earlier. At the end of March, the total supply of single-family homes in urban areas stood at 9,782 units. At prevailing rates of absorption, is close to seven months supply of single-family homes in Alberta's urban markets indicating that the overall market is in a balanced state.

Through the end of March, multi-family starts in Calgary and Edmonton were down 21.4 and 12.4 per cent, respectively compared to the same period a year earlier. Lower activity levels were also recorded in Red Deer. Meanwhile, strong gains in multi-family starts were recorded in Canmore, and Wood Buffalo. Overall, multi-family starts in the province reached 2,751 units during the first quarter of 2005, a reduction of about 6.5 per cent from the same period a year earlier. Despite the fallback in starts, supply levels remain high in Alberta's urban centres. At the end of March, the total supply of apartment units for condominiums stood at about 21 months and 15 months for apartments slated for rental tenure. There was also an 11 month supply of row condominium units and about four month supply of row rental units. High levels of supply of condominium units by themselves alone should not be interpreted as a cause for concern. Nearly 90 per cent of the condominium apartment supply and 92 per cent of the condominium row supply is accounted for by units under construction. The remainder comes from units completed and not absorbed. As more and more of the units under construction reach the completion stage, an uptick in absorptions is anticipated along with the commensurate reduction in supply.

Resale Transactions Maintain Upward Trend

Latest available statistics show that resale markets across the three Prairie markets continue to record high levels of activity. MLS® sales during the first quarter of 2005 reached 17,589 units, an increase of 3.6 per cent from the first quarter of 2004. Higher sales have translated into rising prices and growing MLS® dollar volumes. With MLS® dollar volumes of about $3.3 billion over the first quarter of 2005, the average MLS® price for the Prairies has reached nearly



$192,000, a jump of about 11.4 per cent over the first quarter of 2004.

Prairie Labour Markets Tightest in the Country

An examination of recent labour force data shows that the three Prairie Provinces continue to have the tightest labour markets in the country. In March, the seasonally adjusted unemployment rate for Manitoba, Saskatchewan, and Alberta stood at 5.3, 5.2 and 3.5 per cent, respectively. The seasonally adjusted unemployment rate for Canada over the same period was 6.9 per cent.

The tight labour market represents both good news and bad news to the new home construction industry. On the good news front, with nearly 80 per cent of all workers across the Prairies holding a full-time job, the demand for ownership housing is projected to remain vibrant over the year. Access to a full-time job makes it easier for households to obtain the required financing to buy a home. However, the tight labour market has also resulted in a shortage of skilled labour in the construction industry. Discussions with builders indicate that homes are now taking longer to complete than a few years ago since the same labour pool is now spread over a larger number of homes.

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Table 1A

MANITOBA HOUSING STARTS BY AREA

1st Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
WINNIPEG CMA	342	333	2	4	106	454	352	28.98
WINNIPEG CITY	289	293	2	4	106	401	312	28.53
BRANDON CA	7	12	0	0	0	7	46	-84.78
PORTAGE LA PRAIRIE CA	0	0	0	0	0	0	0	**
ST.ANDREWS	14	7	0	0	0	14	7	**
THOMPSON CA	1	0	0	0	0	1	0	**
MANITOBA (URBAN)	**364**	**352**	**2**	**4**	**106**	**476**	**405**	17.53
MANITOBA (RURAL)	**229**	**187**	**3**	**0**	**0**	**232**	**199**	16.58
MANITOBA (TOTAL)	**593**	**539**	**5**	**4**	**106**	**708**	**604**	17.22

Table 1B

MANITOBA HOUSING STARTS BY AREA

January to March 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
WINNIPEG CMA	**342**	**333**	**2**	**4**	**106**	**454**	**352**	**28.98**
WINNIPEG CITY	289	293	2	4	106	401	312	28.53
BRANDON CA	7	12	0	0	0	7	46	-84.78
PORTAGE LA PRAIRIE CA	0	0	0	0	0	0	0	**
ST.ANDREWS	14	7	0	0	0	14	7	**
THOMPSON CA	1	0	0	0	0	1	0	**
MANITOBA (URBAN)	**364**	**352**	**2**	**4**	**106**	**476**	**405**	**17.53**
MANITOBA (RURAL)	**229**	**187**	**3**	**0**	**0**	**232**	**199**	**16.58**
MANITOBA (TOTAL)	**593**	**539**	**5**	**4**	**106**	**708**	**604**	**17.22**

** Indicates a greater than 100 per cent change

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Table 2A
SASKATCHEWAN HOUSING STARTS BY AREA
1st Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
REGINA CMA	**84**	**73**	**0**	**0**	**0**	**84**	**180**	**-53.3**
REGINA CITY	64	53	0	0	0	64	160	-60.0
SASKATOON CMA	**118**	**111**	**10**	**0**	**69**	**197**	**203**	**-3.0**
SASKATOON CITY	92	81	6	0	63	161	171	-5.8
ESTEVAN CA	0	1	2	9	0	11	1	***
LLOYDMINSTER CA (SK)	9	5	0	0	0	9	5	80.0
MOOSE JAW CA	8	7	0	0	16	24	7	***
BATTLEFORD CA	3	0	0	0	0	3	0	***
PRINCE ALBERT CA	2	5	0	0	0	2	5	-60.0
SWIFT CURRENT CA	4	3	0	0	0	4	3	33.3
YORKTON CA	0	0	0	0	0	0	0	***
TOTAL URBAN	**228**	**205**	**12**	**9**	**85**	**334**	**404**	**-17.3**
TOTAL RURAL	**47**	**71**	**0**	**4**	**0**	**51**	**126**	**-59.5**
TOTAL SASKATCHEWAN	**275**	**276**	**12**	**13**	**85**	**385**	**530**	**-27.4**

Table 2B
SASKATCHEWAN HOUSING STARTS BY AREA
January to March 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
REGINA CMA	**84**	**73**	**0**	**0**	**0**	**84**	**180**	**-53.3**
REGINA CITY	64	53	0	0	0	64	160	-60.0
SASKATOON CMA	**118**	**111**	**10**	**0**	**69**	**197**	**203**	**-3.0**
SASKATOON CITY	92	81	6	0	63	161	171	-5.8
ESTEVAN CA	0	1	2	9	0	11	1	***
LLOYDMINSTER CA (SK)	9	5	0	0	0	9	5	80.0
MOOSE JAW CA	8	7	0	0	16	24	7	***
BATTLEFORD CA	3	0	0	0	0	3	0	***
PRINCE ALBERT CA	2	5	0	0	0	2	5	-60.0
SWIFT CURRENT CA	4	3	0	0	0	4	3	33.3
YORKTON CA	0	0	0	0	0	0	0	***
TOTAL URBAN	**228**	**205**	**12**	**9**	**85**	**334**	**404**	**-17.3**
TOTAL RURAL	**47**	**71**	**0**	**4**	**0**	**51**	**126**	**-59.5**
TOTAL SASKATCHEWAN	**275**	**276**	**12**	**13**	**85**	**385**	**530**	**-27.4**

** Indicates a greater than 100 per cent change

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Table 3A

ALBERTA HOUSING STARTS BY AREA

1st Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
EDMONTON CMA	1419	1278	270	126	430	2245	2221	1.08
EDMONTON CITY	952	870	186	124	383	1645	1651	-0.36
CALGARY CMA	1779	1804	160	281	691	2911	3253	-10.51
CALGARY CITY	1517	1552	132	228	691	2568	2903	-11.54
BROOKS TOWN CA	13	11	0	0	0	13	11	18.18
CAMROSE CA	4	16	0	8	0	12	30	-60.00
CANMORE TOWN	17	20	2	0	88	107	38	**
COLD LAKE CA	37	45	2	4	8	51	45	13.33
COLD LAKE TOWN	12	9	0	0	8	20	9	**
BONNYVILLE TOWN	2	0	2	0	0	4	0	**
GRANDE PRAIRIE CA	124	78	24	6	0	154	147	4.76
LETHBRIDGE CA	91	109	22	24	0	137	159	-13.84
LLOYDMINSTER CA	35	23	0	0	42	77	23	**
MEDICINE HAT CA	77	82	10	23	0	110	119	-7.56
OKOTOKS TOWN	94	66	12	0	0	106	76	39.47
RED DEER CA	144	142	44	21	0	209	321	-34.89
WETASKIWIN CA	3	3	0	0	0	3	3	0.00
WOOD BUFFALO CA	118	69	20	100	177	415	144	**
FORT MCMURRAY	118	64	20	100	177	415	139	**
ALBERTA URBAN	**3955**	**3746**	**566**	**593**	**1436**	**6550**	**6590**	**-0.61**
ALBERTA RURAL	**569**	**467**	**41**	**51**	**64**	**725**	**565**	**28.32**
ALBERTA TOTAL	**4524**	**4213**	**607**	**644**	**1500**	**7275**	**7155**	**1.68**

Table 3B

ALBERTA HOUSING STARTS BY AREA

January to March 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
EDMONTON CMA	**1419**	**1278**	**270**	**126**	**430**	**2245**	**2221**	**1.08**
EDMONTON CITY	952	870	186	124	383	1645	1651	-0.36
CALGARY CMA	**1779**	**1804**	**160**	**281**	**691**	**2911**	**3253**	**-10.51**
CALGARY CITY	1517	1552	132	228	691	2568	2903	-11.54
BROOKS TOWN CA	13	11	0	0	0	13	11	18.18
CAMROSE CA	4	16	0	8	0	12	30	-60.00
CANMORE TOWN	17	20	2	0	88	107	38	**
COLD LAKE CA	37	45	2	4	8	51	45	13.33
COLD LAKE TOWN	12	9	0	0	8	20	9	**
BONNYVILLE TOWN	2	0	2	0	0	4	0	**
GRANDE PRAIRIE CA	124	78	24	6	0	154	147	4.76
LETHBRIDGE CA	91	109	22	24	0	137	159	-13.84
LLOYDMINSTER CA	35	23	0	0	42	77	23	**
MEDICINE HAT CA	77	82	10	23	0	110	119	-7.56
OKOTOKS TOWN	94	66	12	0	0	106	76	39.47
RED DEER CA	144	142	44	21	0	209	321	-34.89
WETASKIWIN CA	3	3	0	0	0	3	3	0.00
WOOD BUFFALO CA	118	69	20	100	177	415	144	**
FORT MCMURRAY	118	64	20	100	177	415	139	**
ALBERTA URBAN	**3955**	**3746**	**566**	**593**	**1436**	**6550**	**6590**	**-0.61**
ALBERTA RURAL	**569**	**467**	**41**	**51**	**64**	**725**	**565**	**28.32**
ALBERTA TOTAL	**4524**	**4213**	**607**	**644**	**1500**	**7275**	**7155**	**1.68**

** Indicates a greater than 100 per cent change

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Table 4

MANITOBA HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	364	2	0	4	0	0	106	0	0	476
Previous Year	352	16	0	3	0	0	4	0	30	405
Year-To-Date 2005	364	2	0	4	0	0	106	0	0	476
Year-To-Date 2004	352	16	0	3	0	0	4	0	30	405
Under Construction										
2005	915	4	0	28	129	12	300	0	0	1388
2004	876	34	0	8	307	4	238	0	30	1497
Completions										
Current Quarter	320	10	0	13	28	8	203	0	0	582
Previous Year	179	2	0	9	0	0	117	0	0	307
Year-To-Date 2005	320	10	0	13	28	8	203	0	0	582
Year-To-Date 2004	179	2	0	9	0	0	117	0	0	307
Completed & Not Absorbed										
2005	145	12	0	4	55	0	99	0	0	315
2004	83	6	0	5	4	0	101	0	0	199
Total Supply[2]										
2005	1060	16	0	32	184	12	399	0	0	1703
2004	959	40	0	13	311	4	339	0	30	1696
Absorptions										
Current Quarter	309	12	0	9	13	3	104	0	0	450
Previous Year	226	0	0	7	4	0	78	0	0	315
Year-To-Date 2005	309	12	0	9	13	3	104	0	0	450
Year-To-Date 2004	226	0	0	7	4	0	78	0	0	315
3-month Average	103	4	0	3	4	1	35	0	0	150
12-month Average	158	5	0	2	21	1	41	0	0	228

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied.

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 Vinay Bhardwaj at (403) 515-3004 or by email: vinay.bhardwaj@cmhc.ca.

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Table 5

SASKATCHEWAN HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	228	12	0	9	69	0	0	0	16	334
Previous Year	205	8	0	81	110	0	0	0	0	404
Year-To-Date 2005	228	12	0	9	69	0	0	0	16	334
Year-To-Date 2004	205	8	0	81	110	0	0	0	0	404
Under Construction										
2005	692	96	0	318	604	0	3	35	16	1764
2004	528	38	7	209	461	10	2	0	0	1255
Completions										
Current Quarter	361	18	0	46	16	4	0	0	0	445
Previous Year	294	24	0	53	65	0	0	0	0	436
Year-To-Date 2005	361	18	0	46	16	4	0	0	0	445
Year-To-Date 2004	294	24	0	53	65	0	0	0	0	436
Completed & Not Absorbed										
2005	65	2	0	38	49	2	7	0	0	163
2004	53	8	0	16	60	0	111	0	0	248
Total Supply[2]										
2005	757	98	0	356	653	2	10	35	16	1927
2004	581	46	7	225	521	10	113	0	0	1503
Absorptions										
Current Quarter	259	19	0	45	27	2	0	0	0	352
Previous Year	239	24	0	65	66	0	28	0	0	422
Year-To-Date 2005	259	19	0	45	27	2	0	0	0	352
Year-To-Date 2004	239	24	0	65	66	0	28	0	0	422
3-month Average	86	6	0	15	9	1	0	0	0	117
12-month Average	99	9	0	33	41	1	9	0	0	192

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied.

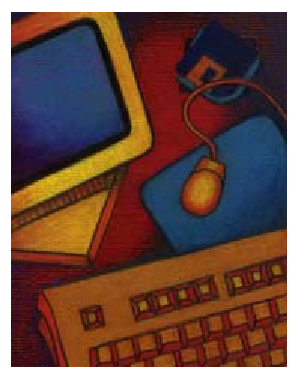

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Table 6
ALBERTA HOUSING ACTIVITY SUMMARY
Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	3955	566	18	556	1224	19	24	0	188	6550
Previous Year	3746	560	45	378	1143	20	566	0	132	6590
Year-To-Date 2005	3955	566	18	556	1224	19	24	0	188	6550
Year-To-Date 2004	3746	560	45	378	1143	20	566	0	132	6590
Under Construction										
2005	8227	1660	77	1540	8489	87	1061	39	427	21607
2004	7466	1490	146	1452	8009	149	1703	0	132	20547
Completions										
Current Quarter	3897	548	40	369	1019	53	213	0	70	6209
Previous Year	4011	524	43	472	946	28	495	0	0	6519
Year-To-Date 2005	3897	548	40	369	1019	53	213	0	70	6209
Year-To-Date 2004	4011	524	43	472	946	28	495	0	0	6519
Completed & Not Absorbed										
2005	1555	412	5	133	1002	4	652	0	0	3763
2004	1596	268	8	137	363	6	476	0	0	2854
Total Supply[2]										
2005	9782	2072	82	1673	9491	91	1713	39	427	25370
2004	9062	1758	154	1589	8372	155	2179	0	132	23401
Absorptions										
Current Quarter	3565	476	39	360	863	56	212	0	0	5571
Previous Year	3843	496	47	423	869	22	518	0	0	6218
Year-To-Date 2005	3565	476	39	360	863	56	212	0	0	5571
Year-To-Date 2004	3843	496	47	423	869	22	518	0	0	6218
3-month Average	1188	159	13	120	288	19	71	0	0	1858
12-month Average	1450	182	15	148	447	23	117	0	0	2382

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied.

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