Calgary

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

NOVEMBER 2003

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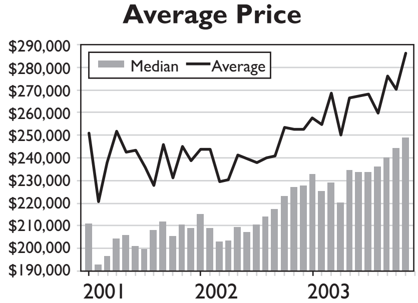
Calgary Housing Starts Continue to Soften

For the fourth consecutive month, new housing starts in the Calgary Census Metropolitan Area (CMA) recorded a hefty drop in activity. Total residential starts in the Calgary CMA reached 950 units in November, down 27 per cent from November 2002. Both the single- and multi-family markets recorded year-over-year declines, the fourth such occurrence in as many months.

Multi-family starts, consisting of semi-detached, row, and apartment units, recorded a 53 per cent decline in November from the previous year. Multi-family construction totalled 236 units, representing the lowest monthly total in 10 months. One-third of the starts occurred outside the city limits. Airdrie led the way among non-Calgary centres with 59 multi-family units beginning construction in November. By type, construction of row units dominated with 103 starts followed by semi-detached and apartment units, which totalled 70 and 63 units, respectively. November's starts bring the year-to-date activity to 4,587 units in the CMA, resulting in the second monthly year-to-date decline so far this year. Momentum has eased as the year unfolds. At mid-year, starts were up 40 per cent and seemed set to surpass 2002's activity. However, with starts down three per cent after 11 months, builders may need some luck on their side in December to surpass last year's annual performance.

Calgary CMA - Single-Family Average Price



In November, the number of multi-family units in inventory fell by 23 units from the previous month to 420 as absorptions outpaced completions. A total of 426 units were absorbed in November, pushing the year-to-date total 21 per cent ahead of the pace last year. However, despite the strong absorptions and decrease in inventory, the number of complete and unoccupied units remains 42 per cent higher than one year earlier. At the end of November, row units in inventory were 143 per cent higher than November 2002, while semi-detached and apartment inventories exceeded the previous year by margins of 20 and 28 per cent, respectively.

Meanwhile, single-family home builders started 714 units in the Calgary CMA in November, down 10 per cent from November 2002. While this represents the eighth year-over-year decline in the last 11 months, November's performance should not be considered a major disappointment. November's starts surpassed activity in September and October, an infrequent occurrence for Calgary considering the arrival of winter usually results in a seasonal decline. November's single-family starts also represent the fourth best November performance on record. After 11 months, single-family construction in the Calgary CMA has reached 7,884 units, 10 per cent below levels reported one year ago. Within City limits, year-to-date construction is down nine per cent, reaching 6,725 units. The most notable decline among centres comprising the CMA occurred in Cochrane, where starts to-date are down 58 per cent from the previous year.

Prices continue to escalate in Calgary's single-family market. Average prices set a new record of $286,421 in November, over $16,000 more than the previous record set in October. While this had pushed year-to-date single-family prices up by a margin of 10 per cent, the rise has failed to dampen absorptions. To the end of November, 8,047 single-family units have been absorbed in the CMA, three per cent ahead of those during the first 11 months of 2002. Unfortunately, however, the strong pace of absorptions failed to prevent a further rise in inventory. At 719 units, the number of complete and unabsorbed singles in November was the highest in 26 months and 28 per cent more than November 2002.

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Table 1

CALGARY CMA
STARTS ACTIVITY BY AREA NOVEMBER 2003

	Single		Multiple			Total		% Chg
AREA	2003	2002	Semi	Row	Apt	2003	2002	2003/2002
AIRDRIE	46	39	4	0	55	105	61	72.13
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	**596**	**660**	**52**	**99**	**8**	**755**	**1111**	**-32.04**
CHESTERMERE LAKE	26	35	4	0	0	30	51	-41.18
COCHRANE	10	28	0	0	0	10	32	-68.75
CROSSFIELD	1	1	4	0	0	5	3	66.67
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	35	33	6	4	0	45	37	21.62
TOTAL	**714**	**797**	**70**	**103**	**63**	**950**	**1296**	**-26.70**

Table 1B

CALGARY CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

	Single		Multiple			Total		% Chg
AREA	2003	2002	Semi	Row	Apt	2003	2002	2003/2002
AIRDRIE	394	473	48	156	91	689	763	-9.70
BEISEKER	2	5	0	4	0	6	7	-14.29
CALGARY CITY	**6725**	**7367**	**554**	**1011**	**2505**	**10795**	**11592**	**-6.88**
CHESTERMERE LAKE	244	340	42	0	0	286	414	-30.92
COCHRANE	72	170	14	14	57	157	222	-29.28
CROSSFIELD	32	13	12	3	0	47	15	**
IRRICANA	3	3	2	4	0	9	7	28.57
MD ROCKYVIEW	412	338	58	12	0	482	400	20.50
TOTAL	**7884**	**8709**	**730**	**1204**	**2653**	**12471**	**13420**	**-7.07**

** Indicates 100% change or greater

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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 in Market Analysis at (403) 515-3005 or by fax at (403) 515-3036.*

Table 2

CALGARY CMA
HOUSING COMPLETIONS BY AREA NOVEMBER 2003

	Single		Multiple			Total		% Chg
AREA	2003	2002	Semi	Row	Apt	2003	2002	2003/2002
AIRDRIE	46	36	6	32	0	84	40	**
BEISEKER	0	1	0	0	0	0	3	**
CALGARY CITY	**552**	**670**	**36**	**97**	**204**	**889**	**767**	**15.91**
CHESTERMERE LAKE	34	44	4	0	0	38	50	-24.00
COCHRANE	7	13	4	10	0	21	17	23.53
CROSSFIELD	5	4	0	0	0	5	4	25.00
IRRICANA	0	0	0	0	0	0	2	**
MD ROCKYVIEW	62	48	10	0	0	72	58	24.14
TOTAL	**706**	**816**	**60**	**139**	**204**	**1109**	**941**	**17.85**

Table 2B

CALGARY CMA
HOUSING COMPLETIONS BY AREA YEAR TO DATE

	Single		Multiple			Total		% Chg
AREA	2003	2002	Semi	Row	Apt	2003	2002	2003/2002
AIRDRIE	428	418	70	181	94	773	758	1.98
BEISEKER	4	2	0	0	0	4	6	-33.33
CALGARY CITY	**6936**	**6556**	**490**	**882**	**2854**	**11162**	**9816**	**13.71**
CHESTERMERE LAKE	278	289	26	24	0	328	319	2.82
COCHRANE	130	112	24	34	0	188	142	32.39
CROSSFIELD	29	12	12	3	0	44	12	**
IRRICANA	1	3	2	0	0	3	5	-40.00
MD ROCKYVIEW	400	318	56	12	0	468	350	33.71
TOTAL	**8206**	**7710**	**680**	**1136**	**2948**	**12970**	**11408**	**13.69**

** Indicates 100% change or greater

Table 3

CALGARY CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	Total
STARTS										
November	714	70	0	103	63	0	0	0	0	950
2002	797	68	0	135	292	0	4	0	0	1296
Year-To-Date 2003	7884	730	45	1159	2413	0	240	0	0	12471
Year-To-Date 2002	8709	648	22	1093	2651	0	297	0	0	13420
UNDER CONSTRUCTION										
2003	3651	584	41	899	2895	0	241	0	0	8311
2002	3986	504	22	854	3043	0	681	0	0	9090
COMPLETIONS										
November	706	60	0	139	204	0	0	0	0	1109
2002	816	40	0	81	0	0	4	0	0	941
Year-To-Date 2003	8206	680	51	1081	2310	4	638	0	0	12970
Year-To-Date 2002	7710	580	9	964	2000	0	145	0	0	11408
COMPLETED & NOT ABSORBED										
2003	719	109	1	101	133	0	76	0	0	1139
2002	563	91	1	41	148	0	15	0	0	859
TOTAL SUPPLY										
2003	4370	693	42	1000	3028	0	317	0	0	9450
2002	4549	595	23	895	3191	0	696	0	0	9949
ABSORPTIONS										
November	685	65	0	112	212	0	37	0	0	1111
3-month Average	756	59	2	114	241	0	17	0	0	1189
12-month Average	730	60	5	91	225	0	48	0	0	1159