

# HOUSING NOW

## YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

### Multi-family Starts Continue to Surge

Boosted by continued strength in apartment construction, total housing starts in the Calgary Census Metropolitan Area (CMA) recorded the best March performance since 1978. Work began on 1,250 housing units in March, almost 50 per cent above the corresponding period in 2002. March construction brings 2003's first quarter total to 3,795 units, 35 per cent more than the first three months of last year.

After February's best monthly performance since June 1982, multi-family construction, including semi-detached, row, and apartment units, continued to surge forward in March. Led by 524 apartment units, work began on a total of 687 multi-family dwellings, an increase of 265 per cent over the previous year. After three months, multi-family construction is up an impressive 83 per cent, reaching 1,834 units to the end of March. Apartment condominiums have fueled the surge, with year-to-date construction more than double what was recorded one year earlier. With continued low mortgage rates, units for homeownership continue to dominate Calgary's multi-family market. In fact, so far this year, not a single unit has been started for rental tenure.

Following a significant increase in February, the number of complete and unabsorbed multis recorded a decline in March. Despite a relatively poor 259 absorptions, they did surpass the number of units completed in March. As a result, inventories fell by 44 units to 515 in March. Even with the decline, however, multi-family inventories remain 20 per cent higher than the previous year. With the number of units under construction at 20-year highs, it will be difficult for developers to prevent a rise in inventories in the coming months. Currently, semi-detached and row inventories are 26 and eight per cent higher than the previous year, respectively. Apartment inventories, meanwhile, are 49 per cent higher than March 2002.

While multi-family starts were hot in March, single-family builders recorded a cooler, yet respectable, performance. Construction began on 563 single-family units, down 16 per cent from activity in March 2002. This represents only the second time in the last 24 months that single-family construction failed to outperform the previous year. Despite the decline, it may be too early to point to a slowdown in the market. There is enough demand carried over from 2002 to keep builders busy throughout the summer. Nonetheless, recent year-over-year declines in building permit activity point to a weaker second half of the year for single-family construction. To the end of March, Calgary builders have started 1,961 single-family homes, eight per cent more than the first three months last year. This represents the best start to any year on record. Within city limits, single-family starts in the first quarter are 10 per cent higher than the previous year. Among municipalities comprising the CMA, the M.D. of Rockyview recorded an impressive year-over-year gain, up 56 per cent after three months.

At 712 units in March, single-family absorptions increased six per cent over the previous year. While this is a modest gain from 2002, it represents the best absorption performance for any March on record. A new

### MARCH 2003

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average price record was also achieved. At \$268,711, the average price of new homes absorbed in March was 17 per cent higher than the previous year. However, rather than a severe run-up in prices, the year-over-year price growth reflects an uncharacteristic flurry of high-end activity outside of city limits. A total of 59 single-family homes were absorbed in the M.D. of Rockyview in March, averaging a hefty \$557,668. Within the city, prices averaged \$242,519, 10 per cent higher than the previous year.

The strong absorption activity in March could not prevent a rise in single-family inventory. With 736 units completed, 24 were added to inventory since February. At 605 units in March, complete and unabsorbed singles were the highest since February 2002.

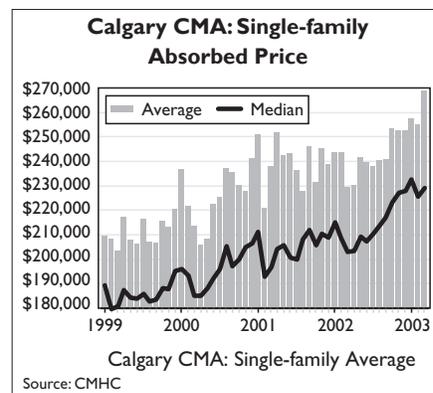


Table I  
CALGARY CMA  
STARTS ACTIVITY BY AREA MARCH 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	22	24	4	16	35	77	36	**
BEISEKER	1	1	0	0	0	1	1	0.00
<b>CALGARY CITY</b>	<b>492</b>	<b>596</b>	<b>38</b>	<b>99</b>	<b>489</b>	<b>1118</b>	<b>762</b>	<b>46.72</b>
CHESTERMERE LAKE	14	19	6	0	0	20	19	5.26
COCHRANE	10	10	0	0	0	10	14	-28.57
CROSSFIELD	2	1	0	0	0	2	1	**
IRRICANA	0	0	0	0	0	0	2	**
MD ROCKYVIEW	22	16	0	0	0	22	20	10.00
<b>TOTAL</b>	<b>563</b>	<b>667</b>	<b>48</b>	<b>115</b>	<b>524</b>	<b>1250</b>	<b>855</b>	<b>46.20</b>

Table IB  
CALGARY CMA  
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	84	94	8	45	36	173	122	41.80
BEISEKER	1	1	0	0	0	1	1	0.00
<b>CALGARY CITY</b>	<b>1693</b>	<b>1544</b>	<b>120</b>	<b>265</b>	<b>1302</b>	<b>3380</b>	<b>2492</b>	<b>35.63</b>
CHESTERMERE LAKE	51	68	12	0	0	63	68	-7.35
COCHRANE	23	37	4	4	0	31	47	-34.04
CROSSFIELD	9	2	0	0	0	9	2	**
IRRICANA	0	0	0	4	0	4	2	**
MD ROCKYVIEW	100	64	30	4	0	134	78	71.79
<b>TOTAL</b>	<b>1961</b>	<b>1810</b>	<b>174</b>	<b>322</b>	<b>1338</b>	<b>3795</b>	<b>2812</b>	<b>34.96</b>

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

Table 2  
CALGARY CMA  
HOUSING COMPLETIONS BY AREA MARCH 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	26	20	6	11	0	43	20	**
BEISEKER	0	0	0	0	0	0	0	**
<b>CALGARY CITY</b>	<b>625</b>	<b>559</b>	<b>30</b>	<b>53</b>	<b>99</b>	<b>807</b>	<b>1067</b>	<b>-24.37</b>
CHESTERMERE LAKE	19	26	0	0	0	19	26	-26.92
COCHRANE	7	1	0	12	0	19	1	**
CROSSFIELD	1	0	0	0	0	1	0	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	58	13	4	0	0	62	17	**
<b>TOTAL</b>	<b>736</b>	<b>619</b>	<b>40</b>	<b>76</b>	<b>99</b>	<b>951</b>	<b>1131</b>	<b>-15.92</b>

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

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	95	96	20	28	59	202	191	5.76
BEISEKER	0	0	0	0	0	0	2	**
<b>CALGARY CITY</b>	<b>1709</b>	<b>1440</b>	<b>144</b>	<b>132</b>	<b>1039</b>	<b>3024</b>	<b>2577</b>	<b>17.35</b>
CHESTERMERE LAKE	70	75	2	12	0	84	77	9.09
COCHRANE	30	12	10	18	0	58	14	**
CROSSFIELD	3	2	0	0	0	3	2	50.00
IRRICANA	1	1	0	0	0	1	1	0.00
MD ROCKYVIEW	106	86	6	0	0	112	90	24.44
<b>TOTAL</b>	<b>2014</b>	<b>1712</b>	<b>182</b>	<b>190</b>	<b>1098</b>	<b>3484</b>	<b>2954</b>	<b>17.94</b>

\*\* Indicates 100% change or greater

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Table 3  
CALGARY CMA  
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
<b>STARTS</b>										
March	563	48	0	115	524	0	0	0	0	1250
2002	667	46	0	86	50	0	6	0	0	855
Year-To-Date 2003	1961	174	0	322	1337	0	1	0	0	3795
Year-To-Date 2002	1810	110	0	223	397	0	272	0	0	2812
<b>UNDER CONSTRUCTION</b>										
2003	3922	522	9	982	3527	0	186	0	0	9148
2002	3089	412	0	706	2087	0	728	0	0	7022
<b>COMPLETIONS</b>										
March	736	40	24	52	93	0	6	0	0	951
2002	619	26	0	81	405	0	0	0	0	1131
Year-To-Date 2003	2014	182	33	157	615	0	483	0	0	3484
Year-To-Date 2002	1712	132	0	301	802	0	7	0	0	2954
<b>COMPLETED &amp; NOT ABSORBED</b>										
2003	605	97	12	36	200	0	170	0	0	1120
2002	590	131	0	52	249	0	0	0	0	1022
<b>TOTAL SUPPLY</b>										
2003	4527	619	21	1018	3727	0	356	0	0	10268
2002	3679	543	0	758	2336	0	728	0	0	8044
<b>ABSORPTIONS</b>										
March	712	40	12	48	101	0	58	0	0	971
3-month Average	658	63	8	52	191	0	109	0	0	1081
12-month Average	723	59	3	76	187	0	38	0	0	1086

## RESIDENTIAL CONSTRUCTION DIGEST

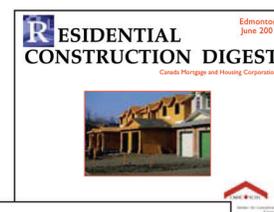
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