

OUSING NOW

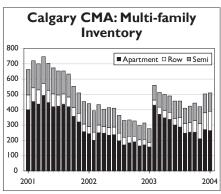
YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Housing Starts Hot Despite Cold January Weather

anuary's frigid temperatures failed to put a damper on new home construction in the Calgary Census Metropolitan Area (CMA). Total housing starts reached a healthy 785 units in January, representing a decline of less than four per cent from activity reported one year earlier. Overall activity was undermined by a modest decline in multi-family construction.

Single-family builders overcame severely cold temperatures by recording one of the best Januarys on record. A total of 612 single-family homes began construction in January, identical to the number reported in 2003. This represents an impressive performance for single-family starts, as the 612 units are tied for the second best January on record. At 672 units, only the first month of 1990 recorded a better January performance for the Calgary CMA. Chestermere Lake and Cochrane led singlefamily construction across the region in January, as starts increased 71 and 38 per cent, respectively, over the previous year. The City of Calgary was essentially even with January 2003, though respective losses of 33 and 63 per cent were experienced in Airdrie and MD Rockyview. Despite the promising start to the year, the marketplace



should expect a decline across the CMA in February. Single-family permits in January were 32 per cent lower than the previous year. Due to the timing of the residential construction cycle, the full impact of the cold-snap will also not be seen until February's starts are recorded.

This year also recorded one of the best Januarys on record for single-family completions. A total of 615 units were completed in January, the third highest total on record for the month of January and nine per cent more than the previous year. At 623 units, absorptions surpassed the number of completed units in the Calgary CMA, drawing down the overall number of units in inventory. At the end of January, single-family inventories reached 708 units, 31 per cent higher than the previous year but II units fewer than December 2003. The month-over-month decline in inventory can be attributed to a drop in spec inventories. At 286 units, the number of specs in inventory was 19 units less than the total recorded at the end of 2003. However, they continue to be high compared to the last few years, as they are up 69 per cent on a year-over-year basis. Showhomes, the other component of single-family inventory, reached 422 units in January, up 13 per cent from the previous year.

Meanwhile, multi-family construction, which includes semi-detached, row, and apartment units, delivered a cooler, yet respectable, performance in January. Total multi-family starts reached 173 units, down 14 per cent from January of 2003. The drop in multi-family starts can be attributed to semi-detached and row-unit construction, where activity fell 31 and 30 per cent, respectively, from the previous year. Meanwhile, though January's

JANUARY 2004

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apartment starts were uncharacteristically low, they did record a 45 per cent jump over January of 2003.

At 497 units, multi-family absorptions in the Calgary CMA were also strong in January. Unlike the single-family market, however, absorptions failed to surpass those reaching completion, adding to the number of units in inventory. For the third month in succession, multi-family inventories increased in the Calgary CMA, reaching a 10-month high of 510 units, or 84 per cent more than January 2003. The majority of the inventory gain can be attributed to the row (townhouse) market, where the number of complete and unabsorbed units is up 320 per cent from the previous year. During the same time, semi-detached and apartment inventories have increased by margins of 32 and 69 per cent, respectively.



Table I **CALGARY CMA** STARTS ACTIVITY BY AREA JANUARY 2004

	Sin	gle		Multiple		То	% Chg	
AREA	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
AIRDRIE	31	37	0	7	0	38	57	-33.33
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	526	513	44	51	61	682	675	1.04
CHESTERMERE LAKE	24	14	6	0	0	30	16	87.50
COCHRANE	- 11	8	0	0	0	П	10	10.00
CROSSFIELD	2	3	0	0	0	2	3	-33.33
IRRICANA	0	0	0	4	0	4	4	0.00
MD ROCKYVIEW	18	37	0	0	0	18	49	-63.27
TOTAL	612	612	50	62	61	785	814	-3.56

Table IB CALGARY CMA STARTS ACTIVITY BY AREA YEAR TO DATE

	Sin	gle	Multiple			То	% Chg	
AREA	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
AIRDRIE	31	37	0	7	0	38	57	-33.33
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	526	513	44	51	61	682	675	1.04
CHESTERMERE LAKE	24	14	6	0	0	30	16	87.50
COCHRANE	11	8	0	0	0	11	10	10.00
CROSSFIELD	2	3	0	0	0	2	3	-33.33
IRRICANA	0	0	0	4	0	4	4	0.00
MD ROCKYVIEW	18	37	0	0	0	18	49	-63.27
TOTAL	612	612	50	62	61	785	814	-3.56

^{**} 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 JANUARY 2004

	Sin	gle		Multiple		То	tal	% Chg
AREA	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
AIRDRIE	43	31	6	13	0	62	36	72.22
BEISEKER	0	0	0	4	0	4	0	**
CALGARY CITY	507	475	56	136	244	943	906	4.08
CHESTERMERE LAKE	34	25	4	0	0	38	37	2.70
COCHRANE	5	9	0	0	23	28	15	86.67
CROSSFIELD	0	0	4	0	0	4	0	**
IRRICANA	3	0	0	0	0	3	0	**
MD ROCKYVIEW	23	22	10	4	0	37	24	54.17
TOTAL	615	562	80	157	267	1119	1018	9.92

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

	Sin	gle	Multiple			To	% Chg	
AREA	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
AIRDRIE	43	31	6	13	0	62	36	72.22
BEISEKER	0	0	0	4	0	4	0	**
CALGARY CITY	507	475	56	136	244	943	906	4.08
CHESTERMERE LAKE	34	25	4	0	0	38	37	2.70
COCHRANE	5	9	0	0	23	28	15	86.67
CROSSFIELD	0	0	4	0	0	4	0	**
IRRICANA	3	0	0	0	0	3	0	**
MD ROCKYVIEW	23	22	10	4	0	37	24	54.17
TOTAL	615	562	80	157	267	1119	1018	9.92

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Table 3
CALGARY CMA
HOUSING ACTIVITY SUMMARY

	Ownership						Rental				
Activity		Freehold		Condor	ninium	Priv	vate	Assi	sted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	Total	
STARTS											
January	612	50	0	62	61	0	0	0	0	785	
2003	612	72	0	88	42	0	0	0	0	814	
Year-To-Date 2004	612	50	0	62	61	0	0	0	0	785	
Year-To-Date 2003	612	72	0	88	42	0	0	0	0	814	
UNDER CONSTRUCT	ION										
2004	3523	524	27	762	2759	0	237	0	0	7832	
2003	4028	526	22	850	2617	0	539	0	0	8582	
COMPLETIONS											
December	615	80	4	153	263	0	4	0	0	1119	
2003	562	76	0	62	182	0	136	0	0	1018	
Year-To-Date 2004	615	80	4	153	263	0	4	0	0	1119	
Year-To-Date 2003	562	76	0	62	182	0	136	0	0	1018	
COMPLETED & NOT A	ABSORBE	D									
2004	708	119	2	122	205	2	60	0	0	1218	
2003	541	90	I	29	140	0	17	0	0	818	
TOTAL SUPPLY											
2004	4231	643	29	884	2964	2	297	0	0	9050	
2003	4569	616	23	879	2757	0	556	0	0	9400	
ABSORPTIONS											
January	626	83	3	137	261	2	Ш	0	0	1123	
3-month Average	692	78	4	125	236	l I	19	0	0	1155	
12-month Average	738	63	5	101	219	I	39	0	0	1166	

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