Calgary

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

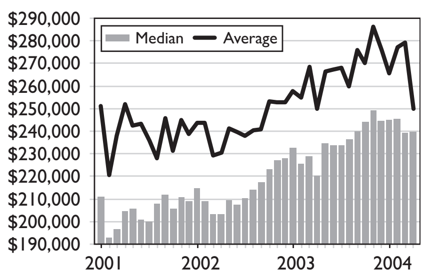
APRIL 2004

Single-family Starts Impressive Despite Decline

Total housing starts in the Calgary Census Metropolitan Area (CMA) fell 25 per cent in April from those recorded in April 2003. A hefty drop in multi-family activity overshadowed a modest decline in single-family construction. Collectively, builders started 1,057 units in April, down from 1,417 one year earlier. After four months of this year, construction began on 4,310 units, 17 per cent fewer than in 2003. Despite persistently low mortgage rates, the market is seeing the impact of last year's slower job growth and net migration. A strong boost to active listings in the competing resale market has also hindered new construction.

On the heels of a strong year-over-year gain in March, single-family starts continued with an impressive performance in April. Construction began on 789 single-family units, representing a four per cent decline from April 2003. While April's starts failed to top the previous year's activity, they should still impress industry observers. The 789 single-family starts in April represent the best monthly performance since June of last year. After four months of the year, 2,593 single-family homes have started construction in the Calgary CMA, seven per cent fewer than the corresponding period in 2003. Of the municipalities comprising the CMA, only Chestermere Lake and Cochrane have recorded year-over-year gains, up 31 and 13 per cent, respectively, to the end of April.

Calgary CMA: Single-family Absorbed Price



Following the weakest month for single-family absorptions in three years, April rebounded with strong absorptions of 715 units. April's absorptions represent a nine per cent gain over the previous year and the highest monthly total so far in 2004. Despite this performance, however, it was insufficient to prevent another rise in single-family inventory. For the fourth consecutive month, the number of complete and unabsorbed homes increased in April, reaching a 33-month high of 772 units. Of these, 307 were spec homes, 46 per cent more than April 2003. While the number of specs has increased on a year-over-year basis, so too has the number of showhomes. They are up 13 per cent from the previous year reaching a three-year high of 465 units.

Meanwhile, multi-family construction, which includes semi-detached, row, and apartment units, recorded their fourth consecutive year-over-year decline in April. Total multi-family starts reached 268 units, resulting in a 55 per cent drop from April of the previous year. April's starts bring the year-to-date total to 1,717 units, 29 per cent lower than the pace set in the first four months of 2003. Semi-detached units are not responsible for any of the decline to-date, as they have posted a nine per cent gain after four months. Row and apartment units tell a different story, however, as their rate of construction lags 2003 by 36 and 33 per cent, respectively. The multi-family industry should not be overly concerned about the overall 29 per cent decline to-date. Impressive multi-family permit numbers in recent months should reduce the extent of the decline in starts as the year progresses. In March, the City of Calgary approved 1,236 multi-family permits, the highest monthly total since December 1981.

Unlike the single-family market, multi-family inventory recorded a decline in April, the second such occurrence in as many months. A total of 592 multi-family units sat in inventory in April, a 29-unit decline from March but a 19 per cent increase over the previous year. Despite the month-over-month decline in April, multi-family inventory remains among the highest totals in two and one half years. By type, semi-detached inventory was up 13 per cent from April 2003, while row units reported a hefty gain of 163 per cent. Apartment inventory, meanwhile, was relatively unchanged from the previous year, up only one per cent. However, with almost 3,500 apartments still under construction and an average absorption rate of under 75 per cent at completion, the prospect of rising inventory should not be ignored.

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HOME TO CANADIANS

Canada

Table 1

CALGARY CMA
STARTS ACTIVITY BY AREA APRIL 2004

	Single		Multiple			Total		% Chg
AREA	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
AIRDRIE	28	45	2	0	0	30	62	-51.61
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**686**	**699**	**80**	**73**	**109**	**948**	**1238**	**-23.42**
CHESTERMERE LAKE	31	29	0	0	0	31	35	-11.43
COCHRANE	9	7	2	0	0	11	30	-63.33
CROSSFIELD	0	2	0	0	0	0	5	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	35	39	2	0	0	37	47	-21.28
TOTAL	**789**	**821**	**86**	**73**	**109**	**1057**	**1417**	**-25.41**

Table 1B

CALGARY CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

	Single		Multiple			Total		% Chg
AREA	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
AIRDRIE	122	129	6	53	1	182	235	-22.55
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	**2238**	**2392**	**232**	**223**	**1158**	**3851**	**4618**	**-16.61**
CHESTERMERE LAKE	105	80	28	0	0	133	98	35.71
COCHRANE	34	30	4	0	0	38	61	-37.70
CROSSFIELD	3	11	0	0	0	3	14	-78.57
IRRICANA	0	0	0	4	0	4	4	0.00
MD ROCKYVIEW	91	139	8	0	0	99	181	-45.30
TOTAL	**2593**	**2782**	**278**	**280**	**1159**	**4310**	**5212**	**-17.31**

** 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 APRIL 2004

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
AIRDRIE	31	36	4	10	1	46	64	-28.13
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**632**	**566**	**42**	**63**	**111**	**848**	**731**	**16.01**
CHESTERMERE LAKE	18	28	8	0	0	26	32	-18.75
COCHRANE	4	17	2	0	0	6	19	-68.42
CROSSFIELD	2	2	0	0	0	2	4	-50.00
IRRICANA	0	0	0	4	0	4	0	**
MD ROCKYVIEW	37	24	0	4	0	41	44	-6.82
TOTAL	**724**	**673**	**56**	**81**	**112**	**973**	**894**	**8.84**

Table 2B

CALGARY CMA
HOUSING COMPLETIONS BY AREA YEAR TO DATE

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
AIRDRIE	129	131	20	28	1	178	266	-33.08
BEISEKER	0	0	0	4	0	4	0	**
CALGARY CITY	**2109**	**2275**	**164**	**331**	**883**	**3487**	**3755**	**-7.14**
CHESTERMERE LAKE	85	98	22	0	0	107	116	-7.76
COCHRANE	22	47	2	0	23	47	77	-38.96
CROSSFIELD	6	5	6	0	0	12	7	71.43
IRRICANA	4	1	0	4	0	8	1	**
MD ROCKYVIEW	118	130	16	8	0	142	156	-8.97
TOTAL	**2473**	**2687**	**230**	**375**	**907**	**3985**	**4378**	**-8.98**

** Indicates 100% change or greater

Table 3

CALGARY CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	Total
STARTS										
April	789	86	4	69	109	0	0	0	0	1057
2003	821	80	0	113	164	0	239	0	0	1417
Year-To-Date 2004	2593	278	4	276	695	0	332	0	132	4310
Year-To-Date 2003	2782	254	0	435	1501	0	240	0	0	5212
UNDER CONSTRUCTION										
2004	3645	602	15	774	2990	0	332	0	132	8490
2003	4070	524	5	1009	3638	0	425	0	0	9671
COMPLETIONS										
April	724	56	6	71	111	4	1	0	0	973
2003	673	78	6	84	53	0	0	0	0	894
Year-To-Date 2004	2473	230	20	351	666	4	241	0	0	3985
Year-To-Date 2003	2687	260	39	241	668	0	483	0	0	4378
COMPLETED & NOT ABSORBED										
2004	772	121	0	121	135	0	215	0	0	1364
2003	623	107	4	42	179	0	167	0	0	1122
TOTAL SUPPLY										
2004	4417	723	15	895	3125	0	547	0	132	9854
2003	4693	631	9	1051	3817	0	592	0	0	10793
ABSORPTIONS										
April	715	56	6	57	148	5	6	0	0	993
3-month Average	598	49	6	66	156	2	29	0	0	906
12-month Average	717	61	4	104	221	1	30	0	0	1138