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July Housing Starts Rebound With a Vengeance

Following a rain soaked June which cut year-over-year housing starts by 50 per cent, July's favourable weather helped new home construction rebound with a vengeance. Total housing starts in the Calgary Census Metropolitan Area (CMA) reached 1,284 units in July, representing a gain of nearly 18 per cent from 2004. July's construction pushed year-to-date housing starts to 7,674 units, five per cent below the pace set in the first seven months of 2004.

The strongest gain in July occurred in the multi-family market, where starts were 32 per cent higher than 2004. Multi-family starts, which include semi-detached, row, and apartment units, totalled 450 in July, up from 341 one year earlier. This represents a welcome improvement for the multi-family market, as the year-to-date 25 per cent shortfall that existed to the end June was the steepest in 13 months. Nonetheless, multi-family starts still lag the previous year by a significant margin. At 2,689 units, multi-family starts after seven months are 19 per cent lower than 2004. The majority of the decline remains attributable to the apartment market, where starts after seven months are down 35 per cent. Semi-detached units have also recorded a year-

over-year decline, albeit down only five per cent. Meanwhile, following a four-year low in 2004, row-unit construction is enjoying a significant surge. Overall starts for row units are up 40 per cent to the end of July.

July's dry weather also favoured multi-family completions. A total of 509 multi-family units were completed in July, the strongest July total since 1982. Correspondingly, multi-family absorptions were also high in July. In fact, the number of absorbed units surpassed those completed, the second such occurrence in as many months. A total of 624 units were absorbed in July, representing the highest monthly total in eight months. Much of the strength came in the apartment condominium market, where a total of 408 units were absorbed. As a result of this strength, multi-family inventory fell for the second consecutive month. At 644 units, the number of complete and unabsorbed multis is the lowest total since January of 2005. Nonetheless, they sit 12 per cent higher than 2004. The year-over-year gain can be attributed to apartment condominiums, where complete and unabsorbed units are more than double the previous year.

While multi-family starts posted a stronger year-over-year gain in July, single-family construction recorded an impressive performance of its own. Local builders started work on 834 single-family homes in July, up nearly 11 per cent from the previous year. What is notable about this achievement is not the extent of the year-over-year gain. Rather, July's single-family construction represents the strongest monthly activity in over two years and the best July performance on record. July's construction boosted single-family starts in the CMA to 4,985 units for the first seven months of the year, over

CALGARY

JULY 2005

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four per cent higher than corresponding levels in 2004. The gain within city limits is modestly more pronounced, as the 4,284 starts to the end of July are up six per cent compared to 2004.

The dry weather also aided single-family completions, as the 801 units completed surpassed the previous year by 24 per cent. Single-family absorptions also escalated in July to 839 units, 31 per cent more than 2004 and 38 units more than were completed. As a result, the number of complete and unabsorbed singles fell from the previous month. At 683 units in July, single-family inventory (including showhomes) are the second lowest in the previous 24 months.

The average absorbed price of all new single-family homes in July jumped to the second highest level on record, reaching \$326,115, up 15 per cent from the average reported in July of last year. For all homes absorbed in the first seven months, the average price sits at 308,347 for the Calgary CMA, up 12 per cent from the same period in 2004.

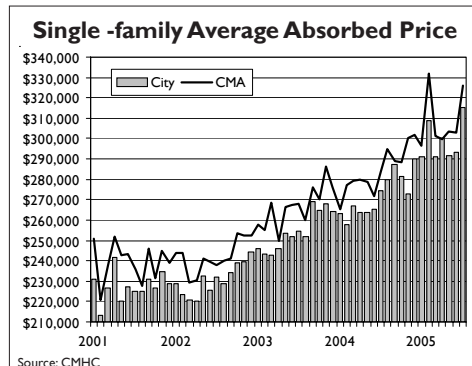


Table IA
STARTS ACTIVITY BY AREA
 Calgary CMA - July 2005

Area	Single		Multiple			Total		%Chg 2005/2004
	2005	2004	Semi	Row	Apt	2005	2004	
AIRDRIE	37	53	2	10	0	49	61	-19.67
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	713	616	70	75	278	1136	866	31.18
CHESTERMERE LAKE	31	27	4	9	0	44	41	7.32
COCHRANE	4	14	0	0	0	4	67	-94.03
CROSSFIELD	2	3	0	0	0	2	3	-33.33
IRRICANA	3	0	0	0	0	3	8	-62.50
MD ROCKYVIEW	44	38	2	0	0	46	46	0.00
TOTAL	834	752	78	94	278	1284	1093	17.47

Table IB
STARTS ACTIVITY BY AREA
 Calgary CMA - Year to Date 2005

Area	Single		Multiple			Total		%Chg 2005/2004
	2005	2004	Semi	Row	Apt	2005	2004	
AIRDRIE	264	278	14	63	0	341	484	-29.55
BEISEKER	0	2	0	0	0	0	2	**
CALGARY CITY	4284	4039	430	617	1477	6808	7004	-2.80
CHESTERMERE LAKE	192	192	28	26	0	246	246	0.00
COCHRANE	37	66	0	0	0	37	123	-69.92
CROSSFIELD	7	10	4	0	0	11	10	10.00
IRRICANA	3	4	2	0	0	5	16	-68.75
MD ROCKYVIEW	198	189	28	0	0	226	215	5.12
TOTAL	4985	4780	506	706	1477	7674	8100	-5.26

** Indicates a greater than 100 per cent change

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 at (403) 515-3005

Table 2A
HOUSING COMPLETIONS BY AREA
 Calgary CMA - July 2005

Area	Single		Multiple			Total		%Chg 2005/2004
	2005	2004	Semi	Row	Apt	2005	2004	
AIRDRIE	33	18	0	25	0	58	79	-26.58
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	689	570	74	62	321	1146	774	48.06
CHESTERMERE LAKE	26	26	0	0	0	26	30	-13.33
COCHRANE	8	11	0	11	0	19	11	72.73
CROSSFIELD	0	2	0	0	0	0	2	**
IRRICANA	2	0	0	0	0	2	0	**
MD ROCKYVIEW	43	20	16	0	0	59	22	**
TOTAL	801	648	90	98	321	1310	919	42.55

Table 2B
HOUSING COMPLETIONS BY AREA
 Calgary CMA - Year to Date 2005

Area	Single		Multiple			Total		%Chg 2005/2004
	2005	2004	Semi	Row	Apt	2005	2004	
AIRDRIE	243	208	4	55	112	414	327	26.61
BEISEKER	1	1	0	0	0	1	5	-80.00
CALGARY CITY	3886	3754	488	414	1446	6234	6039	3.23
CHESTERMERE LAKE	187	152	12	5	0	204	192	6.25
COCHRANE	70	52	4	17	50	141	77	83.12
CROSSFIELD	10	10	6	0	0	16	16	0.00
IRRICANA	6	4	2	4	0	12	10	20.00
MD ROCKYVIEW	228	186	46	4	0	278	214	29.91
TOTAL	4631	4367	562	499	1608	7300	6880	6.10

** Indicates a greater than 100 per cent change

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Table 3
HOUSING ACTIVITY SUMMARY
Calgary CMA

Activity	Ownership					Rental				Grand Total
	Freehold		Condominium			Private		Assisted		
	Single ¹	Semi ¹	Row	Row	Apt	Row	Apt	Row	Apt	
Starts										
Current Month	834	78	0	94	278	0	0	0	0	1284
Previous Year	752	106	10	57	168	0	0	0	0	1093
Year-To-Date 2005	4985	506	12	694	1475	0	2	0	0	7674
Year-To-Date 2004	4780	530	14	492	1820	0	332	0	132	8100
Under Construction										
2005	3815	590	15	831	4046	0	124	0	132	9553
2004	3935	646	14	639	3704	0	332	0	132	9402
Completions										
Current Month	801	90	0	98	321	0	0	0	0	1310
Previous Year	648	74	0	96	101	0	0	0	0	919
Year-To-Date 2005	4631	562	17	482	1398	0	210	0	0	7300
Year-To-Date 2004	4367	440	31	702	1095	4	241	0	0	6880
Completed & Not Absorbed										
2005	683	175	3	75	226	0	165	0	0	1327
2004	743	146	3	120	110	0	194	0	0	1316
Total Supply										
2005	4498	765	18	906	4272	0	289	0	132	10880
2004	4678	792	17	759	3814	0	526	0	132	10718
Absorptions										
Current Month	839	102	2	107	408	0	5	0	0	1463
Previous Year	642	68	0	108	119	0	8	0	0	945
Year-To-Date 2005	4654	580	8	519	1350	0	167	0	0	7278
Year-To-Date 2004	4343	416	28	688	1182	9	120	0	0	6786
3-month Average	767	95	2	78	260	0	33	0	0	1235
12-month Average	718	77	1	81	221	0	20	0	0	1118

1 May include units intended for condominium.

2 Sum of units under construction, complete and unoccupied.

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