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HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Edmonton's Housing Starts Lower in March

MARCH 2003

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For the first time since June 2001, housing starts across Metro Edmonton have failed to increase on a year-over-year basis. Total housing starts across the Capital Region fell by 41.6 per cent from March 2002 to 814 units. March's decline broke a string of 19 consecutive months of year-over-year improvements in total new housing activity.

Despite the fall back in multiples, single-detached starts continued to improve in March. Single starts across Metro increased by 15 per cent over March of 2002 to 464 units. Within Edmonton City, single unit starts outpaced Metro in March, up by 24 per cent over the same month last year. In St. Albert, single starts in March dropped by more than half.

Last March's numbers were bolstered by a huge surge in rental apartment activity in Edmonton City that was hard to match. Multiple unit starts, which include semi-detached, row and apartment units, fell by 65 per cent from March of last year to 350 units. Multi-unit starts in March were dominated by rental and life lease apartments in Edmonton City, with the balance occurring largely in St. Albert.

To the end of the first quarter, single-detached starts across Greater Edmonton remained 21 per cent ahead of the first three months of 2002's record-level production. Devon, Spruce Grove and Sturgeon County were among the standouts, with increases of over 50 per cent. However, considering last year's extremely high levels of new single-family construction, can this pace be maintained far into 2003? We think not.

After three months, multiple starts have fallen by half from the robust construction levels reported in the first quarter of 2002. Rental apartment starts have experienced the largest downturn in activity so far this year, with investors taking a more cautious stance after last year's twenty-year high in multi-family starts. Inventories of completed and unoccupied new multiples remained at low levels in March, compared with the same time last year, but we do not expect this situation to prevail much longer.

New units in progress were up by over 50 per cent in March and inventory levels in the resale market have also moved higher in recent months, providing added competition for new homes. In addition, the builder's stock of unsold new units has also moved up as completion levels in March outpaced absorptions. While standing inventories of completed and unoccupied were only 10 per cent higher, compared with the third month

of 2002, the proportion of show homes in the mix was down. At the same time, the number of unabsorbed spec units was up by over 50 per cent year-over-year.

New home prices continue to accelerate in Edmonton and, in contrast to this time last year, faster than existing home prices. In the first three months of 2003, the average price of a new single-detached home increased by 11 per cent to \$214,775. During the same time frame, prices of existing singles increased by only 7.3 per cent to an average of \$178,932. As such, the gap in prices between a typical new and existing home as increased by one-third to over \$35,000 compared with an average gap of just under \$27,000 in the first quarter of last year. In an environment of rising mortgage rates, builders can ill afford to see the price of their products continue to outpace price growth in the existing market as their competitive position vis-a-vis resale homes will deteriorate.

Rising inventories will constrain apartment construction levels for the balance of the year, as developers pullback production to more sustainable levels. Multi-units under construction were up by 65 per cent at the end of the first quarter compared with March 2002. Meanwhile, completions in the first quarter lagged the first three months of 2002 by a wide margin. In the months ahead, watch for completion levels to mount, particularly in both rental and condo apartments in Edmonton City.

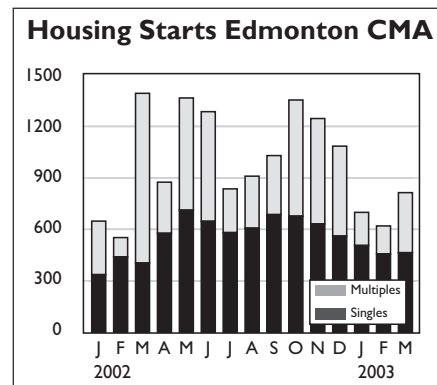


Table I
EDMONTON CMA
STARTS ACTIVITY BY AREA MARCH 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	6	7	0	0	0	6	7	-14.29
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	17	7	0	0	0	17	7	**
EDMONTON CITY	292	235	68	21	227	608	1192	-48.99
FORT SASKATCHEWAN CITY	3	7	10	0	0	13	7	85.71
GIBBONS TOWN	2	0	0	0	0	2	0	**
LEDUC CITY	8	7	0	0	0	8	7	14.29
LEDUC COUNTY	4	0	0	0	0	4	0	**
MORINVILLE TOWN	3	0	0	0	0	3	0	**
PARKLAND COUNTY	7	11	0	0	0	7	11	-36.36
SPRUCE GROVE CITY	18	14	0	0	0	18	20	-10.00
ST.ALBERT CITY	14	29	8	0	12	34	51	-33.33
STONEY PLAIN TOWN	13	13	0	0	0	13	15	-13.33
STRATHCONA COUNTY	76	68	4	0	0	80	68	17.65
STURGEON COUNTY	1	5	0	0	0	1	5	-80.00
OTHER CENTRES	0	1	0	0	0	0	3	**
TOTAL	464	404	90	21	239	814	1393	-41.56

Table IB
EDMONTON CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	21	18	0	0	0	21	18	16.67
CALMAR TOWN	2	0	0	0	0	2	0	**
DEVON TOWN	36	20	0	0	0	36	20	80.00
EDMONTON CITY	926	752	136	166	340	1568	2082	-24.69
FORT SASKATCHEWAN CITY	13	19	16	0	0	29	19	52.63
GIBBONS TOWN	2	0	0	0	0	2	0	**
LEDUC CITY	12	22	10	0	0	22	26	-15.38
LEDUC COUNTY	8	5	0	0	0	8	5	60.00
MORINVILLE TOWN	3	6	0	0	0	3	6	-50.00
PARKLAND COUNTY	26	29	0	0	0	26	29	-10.34
SPRUCE GROVE CITY	55	36	2	0	0	57	44	29.55
ST.ALBERT CITY	75	67	16	0	12	103	114	-9.65
STONEY PLAIN TOWN	26	26	2	0	0	28	36	-22.22
STRATHCONA COUNTY	203	169	6	0	0	209	181	15.47
STURGEON COUNTY	16	9	0	0	0	16	9	77.78
OTHER CENTRES	3	2	0	0	0	3	4	-25.00
TOTAL	1427	1180	188	166	352	2133	2593	-17.74

** 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 Goatcher in Market Analysis at (780) 423-8729 or by fax at (780) 423-8702.

Table 2
EDMONTON CMA
HOUSING COMPLETIONS BY AREA MARCH 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	24	4	0	0	0	24	4	**
CALMAR TOWN	2	0	0	0	0	2	0	**
DEVON TOWN	7	8	0	0	0	7	8	-12.50
EDMONTON CITY	347	197	32	25	9	413	312	32.37
FORT SASKATCHEWAN CITY	4	9	0	0	47	51	9	**
GIBBONS TOWN	0	1	0	0	0	0	1	**
LEDUC CITY	12	10	2	0	0	14	10	40.00
LEDUC COUNTY	5	4	0	0	0	5	4	25.00
MORINVILLE TOWN	0	2	0	0	0	0	2	**
PARKLAND COUNTY	19	9	0	0	0	19	9	**
SPRUCE GROVE CITY	17	10	0	0	8	25	10	**
ST.ALBERT CITY	17	33	2	0	12	31	41	-24.39
STONEY PLAIN TOWN	13	3	4	0	0	17	5	**
STRATHCONA COUNTY	91	18	0	0	0	91	18	**
STURGEON COUNTY	11	6	0	0	0	11	6	83.33
OTHER CENTRES	4	2	0	0	0	4	2	**
TOTAL	573	316	40	25	76	714	441	61.90

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

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	51	21	0	0	0	51	21	**
CALMAR TOWN	2	1	0	0	0	2	1	**
DEVON TOWN	32	16	0	0	0	32	24	33.33
EDMONTON CITY	937	536	126	56	80	1199	1087	10.30
FORT SASKATCHEWAN CITY	20	14	0	0	47	67	14	**
GIBBONS TOWN	1	1	0	0	0	1	1	0.00
LEDUC CITY	36	22	4	0	4	44	123	-64.23
LEDUC COUNTY	12	8	0	0	0	12	8	50.00
MORINVILLE TOWN	4	2	0	0	0	4	6	-33.33
PARKLAND COUNTY	51	38	0	0	0	51	38	34.21
SPRUCE GROVE CITY	45	30	8	0	32	85	30	**
ST.ALBERT CITY	78	82	18	0	12	108	94	14.89
STONEY PLAIN TOWN	27	11	4	0	35	66	13	**
STRATHCONA COUNTY	261	105	8	3	0	272	109	**
STURGEON COUNTY	39	27	0	0	0	39	27	44.44
OTHER CENTRES	6	10	0	0	0	6	10	-40.00
TOTAL	1602	924	168	59	210	2039	1606	26.96

** Indicates 100% change or greater

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Table 3
EDMONTON CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
STARTS										
March 2002	464	90	15	6	12	0	227	0	0	814
Year-To-Date 2003	1427	188	43	62	113	61	239	0	0	2133
Year-To-Date 2002	1180	256	0	121	169	0	867	0	0	2593
UNDER CONSTRUCTION										
2003	3133	636	42	212	2325	79	1890	0	0	8317
2002	2072	448	8	187	1109	0	1397	0	0	5221
COMPLETIONS										
March 2002	573	40	4	21	21	0	55	0	0	714
Year-To-Date 2003	1602	168	4	55	21	0	189	0	0	2039
Year-To-Date 2002	924	94	4	11	264	10	299	0	0	1606
COMPLETED & NOT ABSORBED										
2003	381	76	1	14	68	0	302	0	0	842
2002	346	71	1	16	222	0	319	0	0	975
TOTAL SUPPLY										
2003	3514	712	43	226	2393	79	2192	0	0	9159
2002	2418	519	9	203	1331	0	1716	0	0	6196
ABSORPTIONS										
March	540	36	3	22	16	3	27	0	0	647
3-month Average	513	53	1	18	12	2	57	0	0	656
12-month Average	500	68	1	23	82	12	79	0	0	765

RESIDENTIAL CONSTRUCTION DIGEST

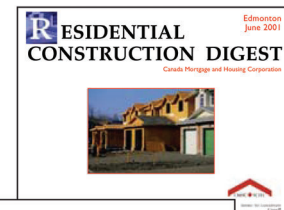
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