Calgary

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

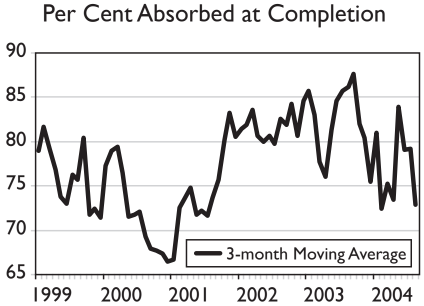
Calgary Housing Starts Continue to Impress

AUGUST 2004

Fuelled by gains in both the single- and multi-family markets, total housing starts across the Calgary Census Metropolitan Area (CMA) recorded their second best August performance since 1981. Work began on 1,160 housing units in August, 16 per cent higher than corresponding levels reported one year earlier. August's starts pushed year-to-date activity to 9,260 units, only 3.5 per cent lower than the first eight months of 2003. This represents the lowest year-to-date decline of the year thus far.

August's gain in total new home construction was led by a 47 per cent surge in multi-family activity. Multi-family housing starts, including semi-detached units, rows, and apartments, totalled 347 units in August, up from 236 one year earlier. The strong pace of starts during the summer months has continued to close the year-to-date shortfall for multi-family construction. To the end of August, 3,667 units have begun construction, only two per cent lower than the corresponding period in 2003. This represents a significant departure from the 32 per cent decline after the first five months of the year. After eight months, semi-detached construction is 25 per cent higher than the corresponding period in 2003, while apartment units are up by a seven per cent margin. Conversely, row-unit construction has fallen by 36 per cent after eight months.

Multi-family Units
Per Cent Absorbed at Completion



At 506 units in August, multi-family completions were the strongest in six months. However, only 442 units were absorbed during August, adding another 64 units to inventory over the previous month. At the end of August, 637 multi-family units sat in inventory, 56 per cent higher than the previous year. This represents the second highest total in three years. With August's 5,310 units under construction close to a 22-year high and an average absorption rate of 77 per cent upon completion, expect to see further additions to inventory once the multitude of current projects get completed. At the end of August, the number of semi-detached and apartment units under construction was 18 and 19 per cent higher than the previous year, respectively. Row units under construction, meanwhile, were 40 per cent lower than August 2003.

While multi-family starts stood out with their strong year-over-year gain in August, single-family construction in the Calgary CMA also excelled. A total of 813 single-family units were started in August, representing the best monthly performance since June 2003 and a six per cent gain over the previous August. While demand continued to be fuelled by low mortgage rates, builders boosted August production to avoid future price increases and other winter-related costs. August's construction brings the year-to-date total for single-family starts to 5,593 units, five per cent lower than the first eight months of 2003.

IN THIS ISSUE:

At that pace of construction, surpassing 8,000 single-family units for the year is a strong possibility.

Single-family completions in August were the highest since October 1998, reaching 908 units. As a result, the Calgary market saw a corresponding jump in absorptions. At 915 units in August, single-family absorptions were the highest since October 1998. As the number of absorptions surpassed those completed, single-family inventory fell to 736 units, the lowest total in six months. Despite the recent decline, Calgary's single-family inventory is seven per cent higher than the previous year. Showhomes still account for the majority of units in inventory. At 489 units at the end of August, the number of showhomes was 15 per cent higher than the previous year. Spec units, the other component of inventory, reached 247 units in August, six per cent lower than the corresponding total in 2003.

CMHC SCHL

HOME TO CANADIANS
Canada

Table 1

CALGARY CMA
STARTS ACTIVITY BY AREA AUGUST 2004

	Single		Multiple			Total		% Chg
AREA	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
AIRDRIE	21	29	2	0	0	23	59	-61.02
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**692**	**652**	**84**	**72**	**174**	**1022**	**854**	**19.67**
CHESTERMERE LAKE	39	23	8	0	0	47	25	88.00
COCHRANE	9	9	0	7	0	16	9	77.78
CROSSFIELD	4	4	0	0	0	4	6	-33.33
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	48	48	0	0	0	48	48	0.00
TOTAL	**813**	**765**	**94**	**79**	**174**	**1160**	**1001**	**15.88**

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	299	285	18	77	113	507	501	1.20
BEISEKER	2	2	0	0	0	2	2	0.00
CALGARY CITY	**4731**	**5025**	**504**	**496**	**2295**	**8026**	**8364**	**-4.04**
CHESTERMERE LAKE	231	176	62	0	0	293	200	46.50
COCHRANE	75	54	6	8	50	139	133	4.51
CROSSFIELD	14	28	0	0	0	14	37	-62.16
IRRICANA	4	2	8	4	0	16	6	**
MD ROCKYVIEW	237	300	26	0	0	263	354	-25.71
TOTAL	**5593**	**5872**	**624**	**585**	**2458**	**9260**	**9597**	**-3.51**

** 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 AUGUST 2004

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
AIRDRIE	53	45	0	34	0	87	68	27.94
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	**762**	**751**	**86**	**82**	**250**	**1180**	**1210**	**-2.48**
CHESTERMERE LAKE	47	22	6	0	0	53	32	65.63
COCHRANE	6	15	8	0	34	48	17	**
CROSSFIELD	1	3	0	0	0	1	3	-66.67
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	39	37	6	0	0	45	37	21.62
TOTAL	**908**	**874**	**106**	**116**	**284**	**1414**	**1368**	**3.36**

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	261	310	24	73	56	414	550	-24.73
BEISEKER	1	3	0	4	0	5	3	66.67
CALGARY CITY	**4516**	**4978**	**432**	**764**	**1507**	**7219**	**8045**	**-10.27**
CHESTERMERE LAKE	199	196	46	0	0	245	240	2.08
COCHRANE	58	113	10	0	57	125	157	-20.38
CROSSFIELD	11	16	6	0	0	17	28	-39.29
IRRICANA	4	1	2	4	0	10	3	**
MD ROCKYVIEW	225	292	26	8	0	259	338	-23.37
TOTAL	**5275**	**5909**	**546**	**853**	**1620**	**8294**	**9364**	**-11.43**

** Indicates 100% change or greater

Table 3

CALGARY CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	Total
STARTS										
August	813	94	3	76	174	0	0	0	0	1160
2003	765	66	3	112	55	0	0	0	0	1001
Year-To-Date 2004	5593	624	17	568	1994	0	332	0	132	9260
Year-To-Date 2003	5872	500	27	889	2069	0	240	0	0	9597
UNDER CONSTRUCTION										
2004	3839	636	17	599	3594	0	332	0	132	9149
2003	3937	538	27	999	3157	0	250	0	0	8908
COMPLETIONS										
August	908	106	0	116	284	0	0	0	0	1414
2003	874	64	0	126	304	0	0	0	0	1368
Year-To-Date 2004	5275	546	31	818	1379	4	241	0	0	8294
Year-To-Date 2003	5909	494	44	701	1584	4	628	0	0	9364
COMPLETED & NOT ABSORBED										
2004	736	172	3	130	151	0	181	0	0	1373
2003	690	100	0	62	130	0	117	0	0	1099
TOTAL SUPPLY										
2004	4575	808	20	729	3745	0	513	0	132	10522
2003	4627	638	27	1061	3287	0	367	0	0	10007
ABSORPTIONS										
August	915	80	0	106	243	0	13	0	0	1357
3-month Average	755	68	1	122	130	0	9	0	0	1085
12-month Average	691	63	4	105	199	1	16	0	0	1079