Edmonton

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Edmonton's Housing Starts Decline in July

JULY 2004

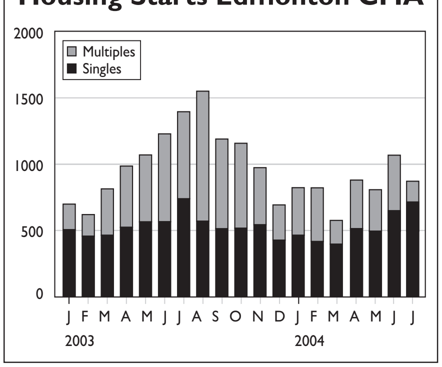
IN THIS ISSUE:

New housing activity faltered across Metro Edmonton in July, dragged down by a substantial decline in new multi-family construction. Total housing starts fell by 38 per cent to 868 units compared with 1,396 total starts in July 2003. July's downturn represented the fifth consecutive month that home building activity has fallen from the number of starts tallied during the same month last year. After seven months, Edmonton's total housing starts have dropped by 14 per cent from the number of homes started from January to July of 2003.

Multiple dwelling starts, which include semi-detached, row and apartment units, dropped by 77 per cent year-over-year in July to 154 units. Most of the declines came from weaker new apartment and row (townhouse) construction. In contrast, semi-detached starts increased by 96 per cent from 52 units last July to 102 units this year. The lion's share (144 of 154) of July's multiple starts occurred in Edmonton City.

On a year-to-date basis, multi-unit starts have dropped by 27 per cent from the first seven months of 2003. Despite this slowdown, there were 19 per cent more multi-family units under construction across the region in July than one year ago, largely due to relatively slower completion levels so far this year. Multi-unit completions were down by 22 per cent on a year-to-date basis in July, but this should change in the months ahead as a number of projects finish construction.

Housing Starts Edmonton CMA



Multiple unit completions dropped by 16 per cent year-over-year in July to 306 units. Absorptions also lagged July 2003 figures but the overall number of units sold or leased exceeded completions. This allowed the inventory of completed and unoccupied units to fall from the levels reported in previous month of June. While inventory levels were down by almost seven per cent from July of last year, the total supply of multiple units (which include units under construction plus the inventory) was 16 per cent higher than one year ago. Condominiums represent the bulk of multi-family supply across Metro this summer. As shown in Table 3, the combined row and apartment condo supply was almost 1,600 units higher than what we reported last July, up by 49 per cent. Industry concerns over elevated levels of unoccupied new units will put a damper on condominium starts going into 2005.

Single-detached starts inched lower in July but the overall numbers remained strong by historic standards. Across Greater Edmonton, work began on 714 single-family homes, representing a 3.4 per cent drop from July 2003. Within the city of Edmonton, single-family starts fell by 11 per cent from last July. Despite the overall weakness across the region, a number of communities reported stronger activity including Beaumont, Fort Saskatchewan, St. Albert and Sturgeon County.

For the year-to-date, single-detached starts across Metro have dropped by 4.4 per cent from the same seven month period in 2003. Single starts within Edmonton City have fallen by a similar margin so far this year, with the city maintaining a 61 per cent market share of metro-wide activity. For much of the past year, single-family home builders have been throttling-back production levels across the region in response to rising supplies of unsold spec homes and higher resale listings. New single-family units under construction in July were 10.5 per cent below levels recorded in July 2003.

Single-detached completions fell by 30 per cent in July compared with the same month last year. Absorptions also fell relative to last July but nonetheless exceeded completions by 47 units. This allowed inventories, including show homes, to drop from the 634 units we reported to June to 587 units in July. With fewer units under construction, the total supply numbers were off by 7.5 per cent from last July. Using the three-month average absorption rate of 543 units per month, there was a 6.5 months supply of new single-family homes across the region in July, representing a balanced market.

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Table 1

EDMONTON CMA

STARTS ACTIVITY BY AREA JULY 2004

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
BEAUMONT TOWN	43	17	0	0	0	43	17	**
CALMAR TOWN	0	2	0	0	0	0	2	**
DEVON TOWN	3	15	0	0	0	3	23	-86.96
EDMONTON CITY	**401**	**449**	**92**	**7**	**45**	**545**	**1066**	**-48.87**
FORT SASKATCHEWAN CITY	13	2	0	0	0	13	2	**
GIBBONS TOWN	1	2	0	0	0	1	2	-50.00
LEDUC CITY	6	15	0	0	0	6	15	-60.00
LEDUC COUNTY	9	9	0	0	0	9	9	0.00
MORINVILLE TOWN	3	7	2	0	0	5	29	-82.76
PARKLAND COUNTY	21	18	0	0	0	21	18	16.67
SPRUCE GROVE CITY	13	24	4	0	0	17	30	-43.33
ST. ALBERT CITY	36	28	0	0	0	36	28	28.57
STONY PLAIN TOWN	28	24	2	0	0	30	24	25.00
STRATHCONA COUNTY	107	106	2	0	0	109	110	-0.91
STURGEON COUNTY	17	14	0	0	0	17	14	21.43
OTHER CENTRES	13	7	0	0	0	13	7	85.71
TOTAL	**714**	**739**	**102**	**7**	**45**	**868**	**1396**	**-37.82**

Table 1B

EDMONTON CMA

STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
BEAUMONT TOWN	107	92	0	0	0	107	92	16.30
CALMAR TOWN	6	6	0	0	0	6	6	0.00
DEVON TOWN	45	79	8	0	0	53	87	-39.08
EDMONTON CITY	**2230**	**2330**	**434**	**177**	**1332**	**4173**	**4967**	**-15.99**
FORT SASKATCHEWAN CITY	45	42	10	6	0	61	68	-10.29
GIBBONS TOWN	5	10	0	0	0	5	10	-50.00
LEDUC CITY	92	57	2	0	41	135	71	90.14
LEDUC COUNTY	29	30	0	0	0	29	30	-3.33
MORINVILLE TOWN	19	21	16	0	0	35	47	-25.53
PARKLAND COUNTY	111	108	12	0	0	123	108	13.89
SPRUCE GROVE CITY	117	136	16	15	0	148	156	-5.13
ST. ALBERT CITY	165	197	12	0	0	177	273	-35.16
STONY PLAIN TOWN	122	95	4	0	0	126	230	-45.22
STRATHCONA COUNTY	460	528	100	0	0	560	577	-2.95
STURGEON COUNTY	68	62	0	0	0	68	62	9.68
OTHER CENTRES	33	28	0	0	0	33	30	10.00
TOTAL	**3654**	**3821**	**614**	**198**	**1373**	**5839**	**6814**	**-14.31**

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

Table 2
EDMONTON CMA
HOUSING COMPLETIONS BY AREA JULY 2004

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
BEAUMONT TOWN	14	6	0	0	0	14	6	**
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	4	17	0	0	0	4	17	-76.47
EDMONTON CITY	**279**	**409**	**70**	**16**	**163**	**528**	**744**	**-29.03**
FORT SASKATCHEWAN CITY	7	9	0	0	0	7	11	-36.36
GIBBONS TOWN	1	0	0	0	0	1	0	**
LEDUC CITY	6	4	0	0	0	6	6	0.00
LEDUC COUNTY	3	0	0	0	0	3	0	**
MORINVILLE TOWN	2	0	0	0	0	2	2	0.00
PARKLAND COUNTY	0	7	2	0	0	2	7	-71.43
SPRUCE GROVE CITY	9	19	0	15	0	24	19	26.32
ST. ALBERT CITY	17	39	4	0	0	21	49	-57.14
STONY PLAIN TOWN	7	19	0	0	0	7	25	-72.00
STRATHCONA COUNTY	64	69	20	16	0	100	73	36.99
STURGEON COUNTY	9	9	0	0	0	9	9	0.00
OTHER CENTRES	4	1	0	0	0	4	3	33.33
TOTAL	**426**	**608**	**96**	**47**	**163**	**732**	**971**	**-24.61**

Table 2B
EDMONTON 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
BEAUMONT TOWN	60	94	0	0	0	60	94	-36.17
CALMAR TOWN	5	2	0	0	0	5	2	**
DEVON TOWN	29	67	0	8	0	37	67	-44.78
EDMONTON CITY	**2190**	**2384**	**414**	**202**	**1082**	**3888**	**4683**	**-16.98**
FORT SASKATCHEWAN CITY	41	56	20	0	0	61	196	-68.88
GIBBONS TOWN	4	1	0	0	0	4	1	**
LEDUC CITY	69	65	10	4	32	115	110	4.55
LEDUC COUNTY	35	22	0	0	0	35	22	59.09
MORINVILLE TOWN	18	8	2	0	22	42	14	**
PARKLAND COUNTY	92	131	2	0	0	94	131	-28.24
SPRUCE GROVE CITY	97	128	38	33	0	168	190	-11.58
ST. ALBERT CITY	155	213	8	0	0	163	286	-43.01
STONY PLAIN TOWN	76	86	6	0	47	129	131	-1.53
STRATHCONA COUNTY	499	452	116	54	0	669	481	39.09
STURGEON COUNTY	77	85	0	0	0	77	85	-9.41
OTHER CENTRES	34	16	4	0	0	38	18	**
TOTAL	**3481**	**3810**	**620**	**301**	**1183**	**5585**	**6511**	**-14.22**

** Indicates 100% change or greater

Table 3
EDMONTON CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	Total
STARTS										
July	714	102	0	7	40	0	5	0	0	868
2003	739	52	0	49	393	0	163	0	0	1396
Year-To-Date 2004	3654	614	4	194	1009	0	364	0	0	5839
Year-To-Date 2003	3821	634	59	213	1471	61	555	0	0	6814
UNDER CONSTRUCTION										
2004	2970	640	23	349	4362	8	819	0	0	9171
2003	3320	778	44	234	2878	32	1249	0	0	8535
COMPLETIONS										
July	426	96	0	39	109	8	54	0	0	732
2003	608	68	0	53	15	16	211	0	0	971
Year-To-Date 2004	3481	620	16	228	594	57	589	0	0	5585
Year-To-Date 2003	3810	468	18	184	749	47	1235	0	0	6511
COMPLETED & NOT ABSORBED										
2004	587	126	3	49	108	0	388	0	0	1261
2003	527	91	1	24	135	13	458	0	0	1249
TOTAL SUPPLY										
2004	3557	766	26	398	4470	8	1207	0	0	10432
2003	3847	869	45	258	3013	45	1707	0	0	9784
ABSORPTIONS										
July	473	93	5	22	122	8	123	0	0	846
3-month Average	543	89	3	33	84	16	80	0	0	848
12-month Average	543	95	4	25	115	9	98	0	0	889