HOUSING NOW

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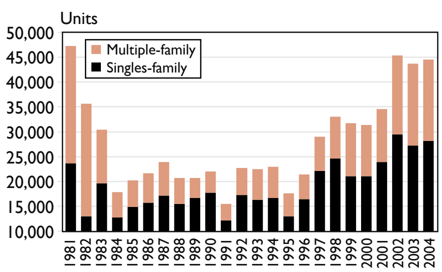
Canada Mortgage and Housing Corporation
www.cmhc.ca

Housing Starts Exceed 40,000 Units for third consecutive year

Builders in Manitoba, Saskatchewan, and Alberta started 44,491 homes of all types in 2004, an increase of 1.8 per cent from 2003. The activity in 2004 was over 14,000 units above the ten year average and represented the third consecutive year that total housing starts across the Prairies exceeded 40,000 units. Much of the credit for the strong performance can be attributed to the surge in building activity during the fourth quarter of the year. Starts from October to December were nearly 16 per cent higher than the same period in 2003. With 12,327 units started, the fourth quarter of 2004 posted the best three month finish to a year since 1979.

Builders in Manitoba started work on 4,440 units in 2004, a gain of 5.6 per cent from 2003. The gain in 2004 housing starts was underpinned by the single-family sector. The highest population growth since the early 1980s combined with a lack of listings in Winnipeg's resale market pushed single-family starts to 3,484 units across the province, an increase of more than 10 per cent over the previous year

Prairie Provinces Housing Starts
Surpassed 40,000 units for the third consecutive year in 2004



Source: CMHC

and the best annual performance since 1988. About 61 per cent of the single-detached activity took place in urban centres of 10,000 population and over while rural areas accounted for about 39 per cent of single-detached starts. Higher construction activity caused supply of single family homes in urban areas to rise from 832 units in December 2003 to 1,040 units in December 2004. At the current rate of absorption, it will take about 5.6 months to deplete this supply. Meanwhile, multi-family starts including semi-detached homes, rows and apartments declined from 1,041 units in 2003 to 956 units in 2004. Despite the downturn, this was the third best performance for multi-family starts since 1989. At 783 units combined, Brandon and the Winnipeg Census Metropolitan Area (CMA) accounted for nearly 82 per cent of the multi-family starts in Manitoba.

With 3,781 units started in 2004, total housing starts in Saskatchewan recorded their best performance since 1988. At 2,193 units, single-family starts registered a 4.6 per cent gain over 2003. A decline of over 17 per cent in rural single-family starts was off-set by a jump of nearly 15 per cent in urban single-family starts. As a result, the urban share of single-family starts increased from 68 per cent in 2003 to 75 per cent in 2004. Higher construction levels caused the supply of single-family homes in urban centres to rise from 674 units in December 2003 to 872 units in December 2004. It will take about eight months to absorb this inventory at the current three month moving average absorption rate of 109 units per month.

PRAIRIES
FOURTH QUARTER 2004

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ANALYSIS

STATISTICAL TABLES

Multi-family starts in Saskatchewan reached 1,588 units in 2004, a 17-year high and a 30 per cent gain over 2003. At 1,462 units, the CMAs of Regina and Saskatoon accounted for about 92 per cent of the province's multi-family starts. Activity was stimulated by apartment and row condominium construction. Apartment condominium starts across all urban centres increased from 397 units in 2003 to 661 units in 2004. Row condominium starts went up from 557 units to 609 units over the same period. Builders in urban centres also responded

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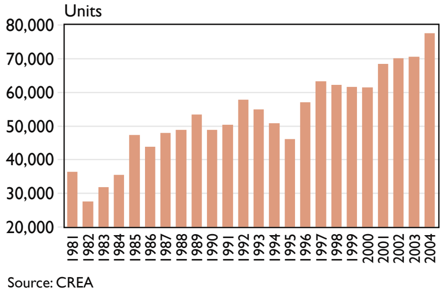
Prairie Provinces – MLS® Sales
Surpassed 70,000 units for the third consecutive year in 2004



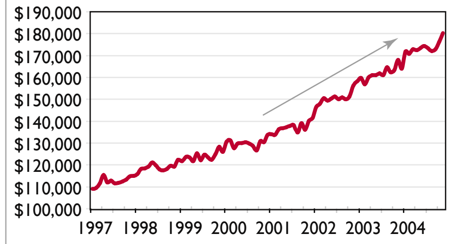
Source: CREA

to demand for homeownership through doubling construction of semi-detached homes to 176 units. Rental starts across urban centres declined from 147 units in 2003 to 47 units in 2004. Increased starts activity raised the supply of multi-family units in urban centres from 906 units at the end of December 2003 to 1,168 units at the end of December 2004. At the current rate of absorption, it will take approximately 11 months to exhaust the supply of multi-family homes in urban centres.

For the third year in succession, total housing starts in Alberta topped 35,000 units. At 36,270 units in 2004, total housing starts finished 0.3 per cent ahead of 2003 activity. Following a nearly 11 per cent decline in 2003, single-family starts moved up 2.6 per cent in 2004, reaching 22,487 units. This was the second best performance for single-detached starts on record, next to the 24,520 units that were started in 2002. As was the case in 2003, about 85 per cent of all single-family starts occurred in the province's urban centres. All urban areas except the Census Agglomerations of Lethbridge, Cold Lake and Wetaskiwin, as well as the Calgary CMA, recorded a gain in activity compared to 2003. Across all urban centres, the increase in units under construction more than offset the reduction in completed and not absorbed units. Single-family units under construction were up from 7,735 units in December 2003 to 8,180 units in December 2004. Over the same period, the count of units completed and not absorbed decreased from 1,581 units to 1,482 units. As a result, total supply of single-family homes in Alberta's urban centres stood at 9,662 units at the end of December 2004. At prevailing rates of absorption, there is a six month supply of single-family homes in Alberta's urban markets.

Despite concerns over rising inventories, Alberta's multi-family builders started work on 4,465 units during the fourth quarter of 2004. This was an increase of nearly 35 per cent over the fourth quarter of 2003, representing the strongest fourth quarter on record since 1981. Robust fourth quarter results nearly made up for the decline in year-over-year activity over the second and third quarters of 2004. As a result, multi-family starts in 2004 were down 3.3 per cent from 2003 to 13,783 units. Over 95 per cent of the activity occurred in the province's urban centres. At current levels of absorption, the supply of ownership and rental multi-family homes stands at about 12 and 20 months, respectively.

Prairie Provinces
Monthly Average MLS® Price
Has been on an upward trend over the past few years



Source: CREA, CMHC Calculation

Resale Transactions Set New Record in 2004

In 2004, record levels sales in Alberta, as well as the second and fourth best years in history in Manitoba and Saskatchewan, helped push MLS® sales across the Prairie Provinces to a new record for the fourth consecutive year. With total sales exceeding 70,000 units for the third consecutive year, resale activity on a per capita basis for the Prairie Provinces is at an all time high. Ten centres account for nearly all of the MLS® activity in the Prairie Provinces. About 78 per cent of all MLS® transactions took place in the five CMAs of Winnipeg, Regina, Saskatoon, Edmonton and Calgary. The five largest Census Agglomerations in Alberta, Wood Buffalo, Grande Prairie, Red Deer, Lethbridge and Medicine Hat accounted for about 14 per cent of all MLS® sales in the Prairie Provinces.

Record resale activity has translated into higher prices and record MLS® dollar volumes. The average MLS® price for the three Prairie Provinces now stands at $175,000, an increase of about seven per cent from 2003. Annual MLS® dollar volumes for the Prairie Provinces now exceed $13 billion. The variation in price across the three provinces is reflected in the dollar volumes. While Alberta accounts for 73 per cent of all units sold on the MLS®, its share of MLS® dollar volume stands at about 82 per cent. Manitoba accounts for about 16 per cent of all units sold on the MLS®. However, its dollar volume share is about 11 per cent. Meanwhile, Saskatchewan's share of MLS® sales and MLS® dollar volumes stands at 11 and seven per cent, respectively.

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Table 1A
MANITOBA HOUSING STARTS BY AREA
4th Quarter 2004

Area	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% chg 2004/2003
Winnipeg CMA	**451**	**411**	**6**	**17**	**37**	**511**	**752**	**-32.05**
Winnipeg City	340	314	6	17	37	400	651	-38.56
Brandon CA	42	34	0	28	0	70	64	9.38
Portage la Prairie CA	5	5	0	0	0	5	5	0.00
St. Andrews	26	25	0	0	0	26	25	4.00
Thompson CA	7	3	0	0	0	7	3	**
Manitoba Urban	**531**	**478**	**6**	**45**	**37**	**619**	**849**	**-27.09**
Manitoba Rural	**346**	**421**	**33**	**8**	**8**	**395**	**469**	**-15.78**
Manitoba Total	**877**	**899**	**39**	**53**	**45**	**1,014**	**1,318**	**-23.07**

Table 1B
MANITOBA HOUSING STARTS BY AREA
January to December 2004

Area	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% chg 2004/2003
Winnipeg CMA	**1,882**	**1641**	**50**	**32**	**525**	**2,489**	**2,430**	**2.43**
Winnipeg City	1,440	1,259	48	32	493	2,013	2,044	-1.52
Brandon CA	131	114	0	39	137	307	168	82.74
Portage la Prairie CA	35	24	0	0	0	35	24	45.83
St. Andrews	76	65	0	0	0	76	65	16.92
Thompson CA	11	3	0	0	0	11	3	**
Manitoba Urban	**2,135**	**1,847**	**50**	**71**	**662**	**2,918**	**2,690**	**8.48**
Manitoba Rural	**1,349**	**1,318**	**82**	**21**	**70**	**1,522**	**1,516**	**0.40**
Manitoba Total	**3,484**	**3,165**	**132**	**92**	**732**	**4,440**	**4,206**	**5.56**

** indicates a greater than 100 per cent change

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Table 2A

SASKATCHEWAN HOUSING STARTS BY AREA

4th Quarter 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Regina CMA	**155**	**153**	**44**	**72**	**32**	**303**	**254**	**19.3**
Regina City	133	137	44	72	32	281	237	18.6
Saskatoon CMA	**157**	**157**	**24**	**190**	**81**	**452**	**236**	**91.5**
Saskatoon City	104	116	18	184	81	387	184	***
Estevan CA	3	2	0	0	0	3	2	50.0
Lloydminster CA (Sk)	7	28	0	0	0	7	28	-75.0
Moose Jaw CA	19	7	0	0	0	19	14	35.7
Battleford CA	1	3	0	0	0	1	11	-90.9
Prince Albert CA	15	17	0	0	0	15	17	-11.8
Swift Current CA	7	7	8	0	0	15	7	***
Yorkton CA	2	6	0	0	0	2	6	-66.7
Saskatchewan Urban	**366**	**380**	**76**	**262**	**113**	**817**	**575**	**42.1**
Saskatchewan Rural	**210**	**125**	**3**	**27**	**0**	**240**	**133**	**80.5**
Saskatchewan Total	**576**	**505**	**79**	**289**	**113**	**1,057**	**708**	**49.3**

Table 2B

SASKATCHEWAN HOUSING STARTS BY AREA

January to December 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Regina CMA	**605**	**521**	**54**	**307**	**276**	**1242**	**889**	**39.7**
Regina City	494	435	54	307	276	1131	802	41.0
Saskatoon CMA	**753**	**676**	**100**	**338**	**387**	**1,578**	**1,455**	**8.5**
Saskatoon City	481	493	82	322	387	1,272	1,234	3.1
Estevan CA	15	14	2	4	0	21	18	16.7
Lloydminster CA (Sk)	59	37	0	0	0	59	37	59.5
Moose Jaw CA	79	43	0	0	0	79	50	58.0
Battleford CA	13	12	0	5	0	18	20	-10.0
Prince Albert CA	79	90	0	0	0	79	90	-12.2
Swift Current CA	22	22	18	0	0	40	52	-23.1
Yorkton CA	26	23	2	0	0	28	23	21.7
Saskatchewan Urban	**1,651**	**1,438**	**176**	**654**	**663**	**3,144**	**2,634**	**19.4**
Saskatchewan Rural	**542**	**659**	**8**	**27**	**60**	**637**	**681**	**-6.5**
Saskatchewan Total	**2,193**	**2,097**	**184**	**681**	**723**	**3,781**	**3,315**	**14.1**

** indicates a greater than 100 per cent change

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Table 3A

ALBERTA HOUSING STARTS BY AREA - 4TH QUARTER 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Edmonton CMA	**1,727**	**1,487**	**348**	**161**	**1,228**	**3,464**	**2,825**	**22.62**
Edmonton City	1,039	914	246	122	1,118	2,525	2,041	23.71
Calgary CMA	**2,017**	**1,972**	**212**	**228**	**1,160**	**3,617**	**2,990**	**20.97**
Calgary City	1,709	1,705	182	171	1,064	3,126	2,594	20.51
Brooks Town CA	20	17	0	0	0	20	17	17.65
Camrose CA	21	9	6	4	0	31	11	**
Canmore Town	44	26	10	10	20	84	214	-60.75
Cold Lake CA	37	79	2	0	0	39	93	-58.06
Cold Lake Town	3	12	0	0	0	3	12	-75.00
Bonnyville Town	4	10	0	0	0	4	24	-83.33
Grande Prairie CA	205	146	16	47	0	268	220	21.82
Lethbridge CA	133	147	10	30	0	173	212	-18.40
Lloydminster CA	39	37	0	12	98	149	41	**
Medicine Hat CA	141	153	28	24	228	421	263	60.08
Okotoks Town	53	58	24	31	68	176	76	**
Red Deer CA	197	199	72	21	67	357	313	14.06
Wetaskiwin CA	8	8	0	0	0	8	22	-63.64
Wood Buffalo CA	226	129	10	58	0	294	278	5.76
Fort McMurray	224	128	10	58	0	292	273	6.96
Alberta Urban	**4,868**	**4,467**	**738**	**626**	**2,869**	**9,101**	**7,575**	**20.15**
Alberta Rural	**923**	**856**	**87**	**59**	**86**	**1,155**	**1,059**	**9.07**
Alberta Total	**5,791**	**5,323**	**825**	**685**	**2,955**	**10,256**	**8,634**	**18.79**

Table 3B

ALBERTA HOUSING STARTS BY AREA - JANUARY TO DECEMBER 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Edmonton CMA	**6,614**	**6,391**	**1,162**	**478**	**3,234**	**11,488**	**12,380**	**-7.21**
Edmonton City	4,030	3,857	810	411	2,908	8,159	8,956	-8.90
Calgary CMA	**8,233**	**8,526**	**918**	**942**	**3,915**	**14,008**	**13,642**	**2.68**
Calgary City	6,982	7,300	760	796	3,656	12,194	11,877	2.67
Brooks Town CA	69	64	0	39	0	108	110	-1.82
Camrose CA	87	53	32	4	24	147	105	40.00
Canmore Town	116	90	40	43	119	318	552	-42.39
Cold Lake CA	268	273	8	0	8	284	321	-11.53
Cold Lake Town	45	28	2	0	0	47	36	30.56
Bonnyville Town	26	32	4	0	0	30	64	-53.13
Grande Prairie CA	705	494	38	99	117	959	782	22.63
Lethbridge CA	554	556	56	153	57	820	747	9.77
Lloydminster CA	193	166	0	12	98	303	170	78.24
Medicine Hat CA	513	478	96	73	383	1,065	686	55.25
Okotoks Town	298	244	44	47	68	457	500	-8.60
Red Deer CA	789	779	150	163	241	1,343	1124	19.48
Wetaskiwin CA	19	23	0	0	8	27	67	-59.70
Wood Buffalo CA	590	497	86	161	24	861	880	-2.16
Fort McMurray	565	494	86	161	24	836	873	-4.24
Alberta Urban	**19,048**	**18,634**	**2,630**	**2,214**	**8,296**	**32,188**	**32,066**	**0.38**
Alberta Rural	**3,439**	**3,284**	**286**	**187**	**170**	**4,082**	**4,105**	**-0.56**
Alberta Total	**22,487**	**21,918**	**2,916**	**2,401**	**8,466**	**36,270**	**36,171**	**0.27**

Table 4
MANITOBA HOUSING ACTIVITY SUMMARY
Centres of 10,000 Population and Over

Activity	Ownership					Rental				Grand Total
	Freehold			Condominium		Private		Assisted		
	Single [1]	Semi [1]	Row	Row	Apt	Row	Apt	Row	Apt	
Starts										
4th Quarter 2004	531	6	0	25	24	20	13	0	0	619
4th Quarter 2003	478	16	0	4	177	4	170	0	0	849
Year-to-Date 2004	2,135	50	0	47	128	24	457	0	77	2,918
Year-to-Date 2003	1,847	50	0	32	298	10	453	0	0	2,690
Under Construction										
4th Quarter 2004	871	12	0	37	157	20	397	0	0	1,494
4th Quarter 2003	703	20	0	14	307	4	351	0	0	1,399
Completions										
4th Quarter 2004	626	20	0	7	33	4	24	0	47	761
4th Quarter 2003	484	14	0	3	40	6	90	0	0	637
Year-to-Date 2004	1,967	58	0	24	278	8	411	0	77	2,823
Year-to-Date 2003	1,855	36	0	30	40	6	356	0	0	2,323
Completed & Not Absorbed										
4th Quarter 2004	169	14	0	0	40	0	0	0	0	223
4th Quarter 2003	129	4	0	3	8	0	62	0	0	206
Total Supply [2]										
4th Quarter 2004	1,040	26	0	37	197	20	397	0	0	1,717
4th Quarter 2003	832	24	0	17	315	4	413	0	0	1,605
Absorptions										
Total 4th Quarter 2004	560	24	0	1	29	7	27	0	32	680
Total 4th Quarter 2003	452	16	0	9	32	6	45	0	0	560
Year-to-Date 2004	1,828	48	0	20	246	7	468	0	62	2,679
Year-to-Date 2003	1,598	36	0	37	32	6	188	0	16	1,913
3-month Average	187	8	0	0	10	2	9	0	11	227
12-month Average	152	4	0	2	21	1	39	0	5	224

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied

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 Vinay Bhardwaj in Market Analysis at **(403) 515-3004** or by e-mail: vinay.bhardwaj@cmhc.ca.

Table 5
SASKATCHEWAN HOUSING ACTIVITY SUMMARY
Centres of 10,000 Population and Over

Activity	Ownership					Rental				Grand Total
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	
Starts										
4th Quarter 2004	366	76	0	262	111	0	2	0	0	817
4th Quarter 2003	380	34	7	98	48	6	2	0	0	575
Year-to-Date 2004	1,651	176	0	609	661	10	2	35	0	3,144
Year-to-Date 2003	1,438	88	7	557	397	15	132	0	0	2,634
Under Construction										
4th Quarter 2004	826	102	0	355	551	4	3	35	0	1,876
4th Quarter 2003	622	54	7	181	416	10	2	0	0	1,292
Completions										
4th Quarter 2004	416	38	0	131	211	0	0	0	0	796
4th Quarter 2003	399	22	0	208	122	5	134	0	0	890
Year-to-Date 2004	1,447	128	7	441	526	10	1	0	0	2,560
Year-to-Date 2003	1,445	98	4	604	274	9	260	0	0	2,694
Completed & Not Absorbed										
4th Quarter 2004	46	5	0	46	60	0	7	0	0	164
4th Quarter 2003	52	8	0	28	61	0	139	0	0	288
Total Supply[2]										
4th Quarter 2004	872	107	0	401	611	4	10	35	0	2,040
4th Quarter 2003	674	62	7	209	477	10	141	0	0	1,580
Absorptions										
Total 4th Quarter 2004	326	31	0	109	172	0	0	0	0	638
Total 4th Quarter 2003	330	13	0	207	113	5	47	0	0	715
Year-to-Date 2004	1,173	113	0	415	527	10	133	0	0	2,371
Year-to-Date 2003	1,200	78	4	580	286	9	121	0	0	2,278
3-month Average	109	10	0	36	57	0	0	0	0	212
12-month Average	98	9	0	35	44	1	11	0	0	198

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied

Table 6

ALBERTA HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population and Over

	Ownership					Rental				
Activity	**Freehold**			**Condominium**		**Private**		**Assisted**		**Grand Total**
	Single [1]	Semi [1]	Row	Row	Apt	Row	Apt	Row	Apt	
Starts										
4th Quarter 2004	4,868	738	30	537	2,462	59	365	0	42	9,101
4th Quarter 2003	4,467	632	52	506	1,506	52	360	0	0	7,575
Year-to-Date 2004	19,048	2,630	141	1,806	6,511	228	1,476	39	309	32,188
Year-to-Date 2003	18,634	2,268	209	2,076	6,786	266	1,827	0	0	32,066
Under Construction										
4th Quarter 2004	8,180	1,650	81	1351	8,284	153	1,240	39	309	21,287
4th Quarter 2003	7,735	1,448	152	1,530	7,702	165	1,742	0	0	20,474
Completions										
4th Quarter 2004	5,223	610	44	495	2,586	42	592	0	0	9,592
4th Quarter 2003	5,073	632	47	551	1,074	48	382	0	0	7,807
Year-to-Date 2004	18,592	2,444	179	2,010	5,985	254	2,048	0	0	31,512
Year-to-Date 2003	19,609	2,292	142	1,786	5,040	181	2,658	0	0	31,708
Completed & Not Absorbed										
4th Quarter 2004	1,482	378	4	161	714	10	843	0	0	3,592
4th Quarter 2003	1,581	255	12	131	424	4	521	0	0	2,928
Total Supply [2]										
4th Quarter 2004	9,662	2,028	85	1,512	8,998	163	2,083	39	309	24,879
4th Quarter 2003	9,316	1,703	164	1,661	8,126	169	2,263	0	0	23,402
Absorptions										
Total 4th Quarter 2004	4,858	541	44	433	2,174	41	336	0	0	8,427
Total 4th Quarter 2003	4,669	579	35	451	896	33	512	0	0	7,175
Year-to-Date 2004	17,687	2,207	182	1,840	5,374	237	1,718	0	0	29,245
Year-to-Date 2003	17,325	2,016	138	1,496	4,630	151	2,422	0	0	28,178
3-month Average	1,619	180	15	144	725	14	112	0	0	2,809
12-month Average	1,474	184	15	153	448	20	143	0	0	2,437

1 May include units intended for condominium.

2 Sum of units under construction, complete and unoccupied