

# HOUSING NOW

## YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

### Housing Starts Show Further Signs of Moderating

New home construction in the Calgary Census Metropolitan Area (CMA) fell 35 per cent in October compared to the same month in 2002. At 869 units, October's total housing starts were almost 500 units lower than activity recorded in October 2002. Both the single- and multi-family markets recorded year-over-year declines.

Local builders started 616 single-family homes in the Calgary CMA in October, down 14 per cent from October 2002. This represents the third consecutive month that single-family construction fell short of the previous year. Calgary's new home market is now dealing with the consequences of 12 months of weaker migration and soft employment gains. The recent jump in active resale listings is also not helping matters, as they are providing stiff competition to the new construction industry. Ten months into the year, a total of 7,170 single-family units have been started in the Calgary CMA, nine per cent lower than the corresponding period last year. Crossfield and the Municipal District of Rockyview are the only centres to record an increase to-date, up 158 and 24 per cent, respectively. Among centres recording declines, Cochrane's is the largest, down 56 per cent.

While single-family starts are showing signs of slowing, absorptions continue to shine. So far this year, eight of 10 months experienced

stronger absorptions than the previous year. At 7,362 units to the end of October, single-family absorptions are six per cent higher than 2002, on pace for a new annual record. Despite the strong pace of absorptions, the number of complete and unabsorbed units (inventory) recorded another gain and currently totals the highest since November 2001. At 704 units, the number of units in inventory is 26 per cent higher than the previous year. Spec, or non-showhome, units are responsible for most of the gain, as they currently sit at a two-year high. Total spec units in inventory reached 290 in October, 73 per cent higher than October of 2002. Showhomes, meanwhile, recorded a small drop and sit at a six-month low of 414 units.

Meanwhile, multi-family starts, consisting of semi-detached, row, and apartment units, also recorded the third consecutive year-over-year decline in October. A total of 253 multi-family units were started in October, representing a 60 per cent drop from the previous year. Though this represents the second largest year-over-year decline in over eight years, we must remember that multi-family construction is quite volatile and prone to such swings. That said, October's decline took a substantial bite out of the year-to-date gain, which, after nine months, stood at over 14 per cent. To the end of October, 4,351 multi-family units have been started, only three per cent higher than the first ten months of 2002. By type, semi-detached and row units are leading construction to-date, up by margins of 14 and 12 per cent, respectively. Apartment starts, meanwhile, are down by a few percentage points. By tenure, however, condominium construction continues to dominate Calgary's multi-family landscape. Only 240 of the 4,351 multi-family starts to the end of October were for rental tenure,

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representing less than six per cent new multi-family construction to-date.

October's decline in multi-family starts helped bring down the number of units under construction. Though they remain at a historically high level, the 4,814 units under construction at the end of October were virtually on par with the previous year. This represents the first time in 19 months that the number of units under construction was less than or equal to the corresponding figure one year earlier. While the under construction count recorded a welcome decline, the number of units in inventory reported the second consecutive monthly gain. At 443 units in October, the number of units in inventory was 36 per cent higher than the previous year. With the exception of February, this represents the strongest year-over-year gain in inventory since November of 2001. By type, row inventories are reporting the largest year-over-year gain, up 103 per cent in October.

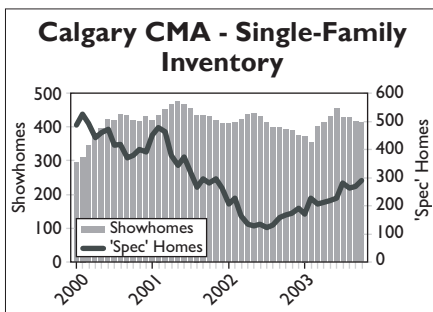


Table I  
CALGARY CMA  
STARTS ACTIVITY BY AREA OCTOBER 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	21	37	2	10	0	33	56	-41.07
BEISEKER	0	0	0	4	0	4	0	**
<b>CALGARY CITY</b>	<b>534</b>	<b>603</b>	<b>70</b>	<b>100</b>	<b>53</b>	<b>757</b>	<b>1174</b>	<b>-35.52</b>
CHESTERMERE LAKE	18	19	12	0	0	30	45	-33.33
COCHRANE	2	15	0	0	0	2	19	-89.47
CROSSFIELD	0	3	2	0	0	2	3	-33.33
IRRICANA	1	2	0	0	0	1	2	-50.00
MD ROCKYVIEW	40	33	0	0	0	40	43	-6.98
<b>TOTAL</b>	<b>616</b>	<b>712</b>	<b>86</b>	<b>114</b>	<b>53</b>	<b>869</b>	<b>1342</b>	<b>-35.25</b>

Table IB  
CALGARY CMA  
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	348	434	44	156	36	584	702	-16.81
BEISEKER	2	4	0	4	0	6	6	0.00
<b>CALGARY CITY</b>	<b>6129</b>	<b>6707</b>	<b>502</b>	<b>912</b>	<b>2497</b>	<b>10040</b>	<b>10481</b>	<b>-4.21</b>
CHESTERMERE LAKE	218	305	38	0	0	256	363	-29.48
COCHRANE	62	142	14	14	57	147	190	-22.63
CROSSFIELD	31	12	8	3	0	42	12	**
IRRICANA	3	3	2	4	0	9	7	28.57
MD ROCKYVIEW	377	305	52	8	0	437	363	20.39
<b>TOTAL</b>	<b>7170</b>	<b>7912</b>	<b>660</b>	<b>1101</b>	<b>2590</b>	<b>11521</b>	<b>12124</b>	<b>-4.97</b>

\*\* 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 OCTOBER 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	31	38	0	11	0	42	110	-61.82
BEISEKER	1	0	0	0	0	1	0	**
<b>CALGARY CITY</b>	<b>693</b>	<b>650</b>	<b>50</b>	<b>140</b>	<b>86</b>	<b>969</b>	<b>859</b>	<b>12.81</b>
CHESTERMERE LAKE	26	19	0	0	0	26	26	0.00
COCHRANE	3	11	0	0	0	3	11	-72.73
CROSSFIELD	3	0	0	3	0	6	0	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	22	31	10	0	0	32	31	3.23
<b>TOTAL</b>	<b>779</b>	<b>749</b>	<b>60</b>	<b>154</b>	<b>86</b>	<b>1079</b>	<b>1037</b>	<b>4.05</b>

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

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	382	382	64	149	94	689	718	-4.04
BEISEKER	4	1	0	0	0	4	3	33.33
<b>CALGARY CITY</b>	<b>6384</b>	<b>5886</b>	<b>454</b>	<b>785</b>	<b>2650</b>	<b>10273</b>	<b>9049</b>	<b>13.53</b>
CHESTERMERE LAKE	244	245	22	24	0	290	269	7.81
COCHRANE	123	99	20	24	0	167	125	33.60
CROSSFIELD	24	8	12	3	0	39	8	**
IRRICANA	1	3	2	0	0	3	3	0.00
MD ROCKYVIEW	338	270	46	12	0	396	292	35.62
<b>TOTAL</b>	<b>7500</b>	<b>6894</b>	<b>620</b>	<b>997</b>	<b>2744</b>	<b>11861</b>	<b>10467</b>	<b>13.32</b>

\*\* Indicates 100% change or greater

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Table 3  
CALGARY CMA  
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
<b>STARTS</b>										
October	616	86	18	96	53	0	0	0	0	869
2002	712	80	16	95	439	0	0	0	0	1342
Year-To-Date 2003	7170	660	45	1056	2350	0	240	0	0	11521
Year-To-Date 2002	7912	580	22	958	2359	0	293	0	0	12124
<b>UNDER CONSTRUCTION</b>										
2003	3643	574	41	930	3032	0	241	0	0	8461
2002	4005	476	22	800	2755	0	677	0	0	8735
<b>COMPLETIONS</b>										
October	779	60	7	147	80	0	6	0	0	1079
2002	749	66	3	52	151	0	16	0	0	1037
Year-To-Date 2003	7500	620	51	942	2106	4	638	0	0	11861
Year-To-Date 2002	6894	540	9	883	2000	0	141	0	0	10467
<b>COMPLETED &amp; NOT ABSORBED</b>										
2003	698	114	1	74	141	0	113	0	0	1141
2002	560	99	2	35	169	0	22	0	0	887
<b>TOTAL SUPPLY</b>										
2003	4341	688	42	1004	3173	0	354	0	0	9602
2002	4565	575	24	835	2924	0	699	0	0	9622
<b>ABSORPTIONS</b>										
October	765	52	6	134	74	0	13	0	0	1044
3-month Average	825	61	2	118	277	0	13	0	0	1296
12-month Average	741	58	5	88	209	0	46	0	0	1147

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up-to-date housing information in Canada.