Calgary

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Promising Start to the Year for New Home Construction

JANUARY 2003

On the heels of the best performance in 21 years, new housing starts in the Calgary Census Metropolitan Area (CMA) reached 814 units in January. While single-family starts recorded an impressive increase over the previous year, a drop in multi-family activity undermined overall January construction. Total housing starts were 18 per cent weaker than January 2002, though the decline must be put into perspective. Last year, Calgary's homebuilders enjoyed their best January for new construction in 22 years, making it very difficult to compete with.

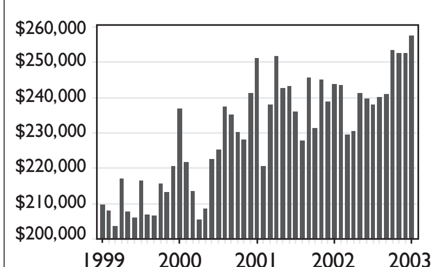
In the Calgary CMA, construction began on 612 single-family units in January, up 14 per cent from activity one year earlier. This activity represents one of the best performances for any January on record, second only to the 672 units in the first month of 1990. Given this and the fact builders are coming off a record for single-family starts in 2002, another solid year for Calgary's homebuilders appears promising. With one month into 2003, single-family starts are up 48 per cent in M.D. Rockyview, one of the largest gains among municipalities comprising the Calgary CMA. Within City limits, starts within Calgary are up 15 per cent to the end of January.

At 587 units, single-family absorptions in January were on par with the previous year. However, the average price of new units differed greatly, as the average absorbed price set a new monthly record. For all new single-family units absorbed in January, the average price reached $257,660, representing a six per cent gain over 2001's annual average. While absorptions were on par with the previous year, the number of complete and unabsorbed units was 13 per cent lower than January 2002. At 372 units, the number of showhomes in the Calgary CMA was 10 per cent lower than the previous year and the lowest since March 2000. Meanwhile, at 169 units, spec or non-showhome units in inventory lagged January 2002's total by 18 per cent.

While single-family activity was hot in January, multi-family builders recorded a cooler, yet respectable, performance. Multi-family construction, which includes semi-detached units, rows, and apartments, totaled 202 starts in January, down 55 per cent from January 2002. While the decline in activity may appear significant, January's multi-unit construction managed to surpass the preceding 10-year average by a healthy 15 per cent. By type, only apartment construction was weaker than last year's performance. At 42 units in January, apartment starts were down 89 per cent from the previous year. Semi-detached units, meanwhile, posted a 140 per cent year-over-year gain, while row construction was up 60 per cent from January 2002.

In January, a healthy 493 multi-family units were absorbed in the Calgary CMA, 20 per cent more than the previous year. This, combined with relatively fewer completions, resulted in a further reduction in the number of complete and unabsorbed units. At 277, the number of multis in inventory is 37 per cent lower than January 2002 and the lowest total in 40 months. Until many of January's 4,554 units under construction reach completion, expect the number of multis in inventory to remain low. With the percentage of multis absorbed at completion at over 85 per cent, additions to inventory will be minimal in the next few months. At the end of January, semi-detached units in inventory were 40 per cent lower than January 2002, while row and apartment inventories lagged the previous year by margins of 38 and 35 per cent, respectively.

Calgary CMA: Single-family Average Absorbed Price



Source: CMHC

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Table 1

CALGARY CMA
STARTS ACTIVITY BY AREA JANUARY 2003

	Single		Multiple			Total		% Chg
AREA	2003	2002	Semi	Row	Apt	2003	2002	2003/2002
AIRDRIE	37	29	4	16	0	57	34	67.65
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**513**	**448**	**52**	**68**	**42**	**675**	**886**	**-23.81**
CHESTERMERE LAKE	14	22	2	0	0	16	22	-27.27
COCHRANE	8	14	2	0	0	10	20	-50.00
CROSSFIELD	3	1	0	0	0	3	1	**
IRRICANA	0	0	0	4	0	4	0	**
MD ROCKYVIEW	37	25	12	0	0	49	29	68.97
TOTAL	**612**	**539**	**72**	**88**	**42**	**814**	**992**	**-17.94**

Table 1B

CALGARY CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

	Single		Multiple			Total		% Chg
AREA	2003	2002	Semi	Row	Apt	2003	2002	2003/2002
AIRDRIE	37	29	4	16	0	57	34	67.65
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**513**	**448**	**52**	**68**	**42**	**675**	**886**	**-23.81**
CHESTERMERE LAKE	14	22	2	0	0	16	22	-27.27
COCHRANE	8	14	2	0	0	10	20	-50.00
CROSSFIELD	3	1	0	0	0	3	1	**
IRRICANA	0	0	0	4	0	4	0	**
MD ROCKYVIEW	37	25	12	0	0	49	29	68.97
TOTAL	**612**	**539**	**72**	**88**	**42**	**814**	**992**	**-17.94**

** 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 Corriveau in Market Analysis at (403) 515-3005 or by fax at (403) 515-3036.*

Table 2

CALGARY CMA
HOUSING COMPLETIONS BY AREA JANUARY 2003

AREA	Single 2003	Single 2002	Multiple Semi	Multiple Row	Multiple Apt	Total 2003	Total 2002	% Chg 2003/2002
AIRDRIE	31	45	2	3	0	36	64	-43.75
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**475**	**435**	**66**	**47**	**318**	**906**	**810**	**11.85**
CHESTERMERE LAKE	25	12	0	12	0	37	12	**
COCHRANE	9	5	6	0	0	15	7	**
CROSSFIELD	0	1	0	0	0	0	1	**
IRRICANA	0	1	0	0	0	0	1	**
MD ROCKYVIEW	22	31	2	0	0	24	31	-22.58
TOTAL	**562**	**530**	**76**	**62**	**318**	**1018**	**926**	**9.94**

Table 2B

CALGARY CMA
HOUSING COMPLETIONS BY AREA YEAR TO DATE

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IRRICANA	0	1	0	0	0	0	1	**
MD ROCKYVIEW	22	31	2	0	0	24	31	-22.58
TOTAL	**562**	**530**	**76**	**62**	**318**	**1018**	**926**	**9.94**

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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	Total
STARTS										
January	612	72	0	88	42	0	0	0	0	814
2002	539	30	0	55	102	0	266	0	0	992
Year-To-Date 2003	612	72	0	88	42	0	0	0	0	814
Year-To-Date 2002	539	30	0	55	102	0	266	0	0	992
UNDER CONSTRUCTION										
2003	4028	526	22	850	2617	0	539	0	0	8582
2002	3000	398	3	791	2316	0	722	0	0	7230
COMPLETIONS										
January	562	76	0	62	182	0	136	0	0	1018
2002	530	66	0	64	262	0	4	0	0	926
Year-To-Date 2003	562	76	0	62	182	0	136	0	0	1018
Year-To-Date 2002	530	66	0	64	262	0	4	0	0	926
COMPLETED & NOT ABSORBED										
2003	541	90	1	29	140	0	17	0	0	818
2002	618	149	0	48	239	0	2	0	0	1056
TOTAL SUPPLY										
2003	4569	616	23	879	2757	0	556	0	0	9400
2002	3618	547	3	839	2555	0	724	0	0	8286
ABSORPTIONS										
January	587	90	2	69	199	0	133	0	0	1080
3-month Average	703	59	2	74	197	0	48	0	0	1083
12-month Average	708	58	1	88	200	0	22	0	0	1077