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HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Record Pace of Single-family Construction Comes to an End

MAY 2003

Total residential construction in the Calgary Census Metropolitan Area (CMA) fell by 15 per cent in May compared to the same month in 2002. Although multi-family starts continued to excel, overall starts were tempered by a decline in single-family activity. Total new construction reached 1,105 units, bringing the year-to-date total to 6,317, almost 19 per cent above levels reported one year ago.

Following an all-time record for single-family starts in 2002, Calgary's new home market has begun to return to historical construction levels. For the third consecutive month, single-family construction fell short of the previous year. A total of 747 single-detached homes were started in May, down 23 per cent from May 2002. However, last May was the second best monthly performance on record, making it very difficult to compete with. While the decline represents the largest year-over-year drop in almost four years, the single-family starts recorded in May were 15 per cent higher than the previous five-year average.

After posting year-over-year gains for the past two years, year-to-date single-detached construction has fallen below 2002's record-setting pace. To the end of May, 3,529

single-family homes have been started in the Calgary CMA, four per cent lower than the first five months of 2002. Calgary builders appear to have caught up to the demand which began to escalate early in 2002.

Even though starts have begun to scale back, the record pace of activity over the past 18 months is evident in the number of single-detached houses under construction remaining above 4,000. Single-family homes under construction and in inventory combined for a total supply of 4,698 units in May, reaching a new high for the Calgary CMA.

Completion of single-family homes jumped 19 per cent in May to 767, outpacing absorptions which totaled 742 units. As a result, inventory of single-family homes rose by 25 units to 648 dwellings, continuing to recover after bottoming out in August 2002. Spec units are responsible for much of the increase, which, at 218 units in May, are 71 per cent higher than the previous year.

It is becoming increasingly difficult to find a new home priced under \$150,000. Only four of the 742 single-family homes absorbed in May were in this price range. As lower priced homes have become less common, the average price has risen to \$266,620, an increase of ten per cent over the previous year.

While single-family construction recorded a decline in May, multi-family housing starts, which include semi-detached, row, and apartment construction, showed continued strength. A total of 358 multi-family units were started in May, up 13 per cent from the previous year. After five months, 2,788 multi-family units have been started, a hefty 71 per cent more than the same period in 2002. While apartments are leading activity to-date, semi-detached and row construction

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is also recording impressive gains. To the end of May, apartment construction is up 84 per cent, accompanied by gains of 53 and 43 per cent in the semi-detached and row markets, respectively.

Multi-family dwellings absorbed in May totaled 474 units, exceeding completions and resulting in a reduction of inventory to 489 units. After reaching a 16-month high in February, inventory of multi-family units has fallen in each of the last four months. The 633 building permits issued for construction of multi-family units in May suggest that the strong pace of construction will continue in the coming months. However, considering total supply levels reached a 20-year high in April, some caution among developers should be exercised.

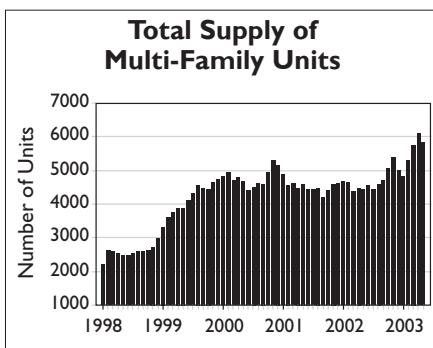


Table I
CALGARY CMA
STARTS ACTIVITY BY AREA MAY 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	31	56	8	21	0	60	121	-50.41
BEISEKER	0	0	0	0	0	0	2	**
CALGARY CITY	650	819	66	63	192	971	1068	-9.08
CHESTERMERE LAKE	27	45	2	0	0	29	45	-35.56
COCHRANE	4	22	2	0	0	6	22	-72.73
CROSSFIELD	3	0	0	0	0	3	0	**
IRRICANA	0	1	0	0	0	0	3	**
MD ROCKYVIEW	32	31	4	0	0	36	31	16.13
TOTAL	747	974	82	84	192	1105	1292	-14.47

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	160	192	26	73	36	295	285	3.51
BEISEKER	1	1	0	0	0	1	3	-66.67
CALGARY CITY	3042	3162	246	427	1874	5589	4662	19.88
CHESTERMERE LAKE	107	137	20	0	0	127	137	-7.30
COCHRANE	34	73	6	4	23	67	89	-24.72
CROSSFIELD	14	4	0	3	0	17	4	**
IRRICANA	0	1	0	4	0	4	5	-20.00
MD ROCKYVIEW	171	106	38	8	0	217	126	72.22
TOTAL	3529	3676	336	519	1933	6317	5311	18.94

** 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 MAY 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	27	35	0	20	0	47	94	-50.00
BEISEKER	1	0	0	0	0	1	0	**
CALGARY CITY	661	550	56	75	299	1091	873	24.97
CHESTERMERE LAKE	23	20	2	4	0	29	22	31.82
COCHRANE	16	16	4	2	0	22	23	-4.35
CROSSFIELD	4	0	2	0	0	6	0	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	35	23	0	0	0	35	23	52.17
TOTAL	767	644	64	101	299	1231	1035	18.94

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	158	159	30	66	59	313	315	-0.63
BEISEKER	1	0	0	0	0	1	2	-50.00
CALGARY CITY	2936	2542	244	275	1391	4846	4157	16.57
CHESTERMERE LAKE	121	107	8	16	0	145	111	30.63
COCHRANE	63	31	16	20	0	99	42	**
CROSSFIELD	9	2	4	0	0	13	2	**
IRRICANA	1	1	0	0	0	1	1	0.00
MD ROCKYVIEW	165	129	22	4	0	191	133	43.61
TOTAL	3454	2971	324	381	1450	5609	4763	17.76

** 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	
STARTS										
May	747	82	0	84	192	0	0	0	0	1105
2002	974	78	0	107	122	0	11	0	0	1292
Year-To-Date 2003	3529	336	0	519	1693	0	240	0	0	6317
Year-To-Date 2002	3676	220	0	362	770	0	283	0	0	5311
UNDER CONSTRUCTION										
2003	4050	540	0	997	3551	0	250	0	0	9388
2002	3696	416	0	704	2207	0	689	0	0	7712
COMPLETIONS										
May	767	64	5	96	154	0	145	0	0	1231
2002	644	80	0	91	164	0	56	0	0	1035
Year-To-Date 2003	3454	324	44	337	822	0	628	0	0	5609
Year-To-Date 2002	2971	238	0	434	1007	0	113	0	0	4763
COMPLETED & NOT ABSORBED										
2003	648	107	1	44	155	0	182	0	0	1137
2002	568	129	0	51	199	0	35	0	0	982
TOTAL SUPPLY										
2003	4698	647	1	1041	3706	0	432	0	0	10525
2002	4264	545	0	755	2406	0	724	0	0	8694
ABSORPTIONS										
May	742	64	8	94	178	0	130	0	0	1216
3-month Average	703	57	11	73	118	0	64	0	0	1026
12-month Average	735	62	5	79	187	0	43	0	0	1111

RESIDENTIAL CONSTRUCTION DIGEST

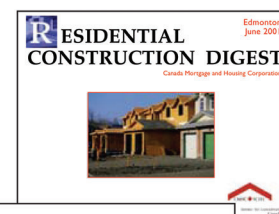
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