Calgary

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

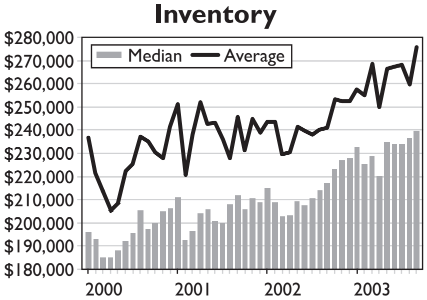
SEPTEMBER 2003

Year-to-date New Home Construction Trails 2002

Total housing starts in the Calgary Census Metropolitan Area (CMA) fell 21 per cent in September compared to the same month in 2002. For the second month in succession, both single- and multi-family starts were outperformed by the previous year. Total new construction reached 1,055 units in September, bringing the year-to-date total to 10,652, one per cent behind levels reported last year. Excluding January, this represents the only time this year that year-to-date activity has fallen below 2002.

For the sixth time in nine months, single-family starts lagged activity recorded in 2002. Local home builders started 682 single-family units in September, 18 per cent lower than the previous year. While the decline appears significant, CMHC believes the drop needs to be put in perspective. Last year posted a record for the month of September, making it difficult for builders to compete with. The 682 starts this September were still on par with the preceding five-year average. September's starts bring the year-to-date total to 6,554 units, nine per cent lower than the first nine months of 2002. This represents the largest decline to-date this year, which will likely be extended over the year's duration. The number of single-family building permits recorded by the City of Calgary in the third quarter was 23 per cent lower than the corresponding period in 2002.

Calgary CMA - Single-Family Inventory



While single-family starts are showing signs of slowing down, absorptions remain on an impressive pace. September's absorptions were modestly weaker than the previous year, though year-to-date activity has surpassed the pace set in 2002 by a healthy six per cent margin. The price of the average single-family unit is also climbing in the Calgary CMA. At $275,961, the average home absorbed in September reached a new monthly record by a healthy margin. Prior to September, the previous record sat at $268,711 in March of this year. September's record price propelled the year-to-date average to $263,691 in the Calgary CMA. Following a modest 1.2 per cent gain to $242,386 in 2002, it appears that prices will jump more than eight per cent this year, the largest such increase since 1999. In part, the jump can be attributed to low mortgage rates, as they have allowed buyers to purchase a more expensive home with a minimal increase in their monthly mortgage payment.

Meanwhile, multi-family starts, including semi-detached, row, and apartment units, also recorded a large decline in September. Multi-family housing starts totalled 373 units last month, down 24 per cent from the previous year. Despite the decline, the market is still on track to surpass 2002's activity. To the end of September, a total of 4,098 multi-family units have been started, 14 per cent above activity reported during the same period in 2002. By type, no segment of the market is dominating the others. Row construction is up 14 per cent to-date, while semi-detached and apartment starts are 15 per cent higher than the pace set last year. By tenure, however, ownership starts are dominating those intended for the rental market. To the end of September, only 240 units have been started for rental tenure, representing less than six per cent of all multi-unit starts to date.

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Similar to the single-family market, multi-family absorptions are recording substantial gains. At 593 units, September's multi-unit absorptions reached the highest monthly total in over 20 years. This pushed the year-to-date absorptions to 3,962 units, 17 per cent ahead of the first nine months of 2002. While these figures are impressive, readers should be cautioned to not assume this represents current levels of demand. As CMHC does not capture a unit absorbed until its structure is completed, current absorptions capture demand that may have prevailed as long as two years ago. At that time, both net migration and employment growth were much stronger than current levels. As a result, prudent builders will consider other factors in addition to the current pace of absorptions when determining the viability of new projects.

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Canada

Table 1

CALGARY CMA
STARTS ACTIVITY BY AREA SEPTEMBER 2003

	Single		Multiple			Total		% Chg
AREA	2003	2002	Semi	Row	Apt	2003	2002	2003/2002
AIRDRIE	42	46	2	6	0	50	86	-41.86
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**570**	**705**	**56**	**65**	**228**	**919**	**1124**	**-18.24**
CHESTERMERE LAKE	24	28	2	0	0	26	41	-36.59
COCHRANE	6	14	6	0	0	12	18	-33.33
CROSSFIELD	3	0	0	0	0	3	0	**
IRRICANA	0	0	2	0	0	2	0	**
MD ROCKYVIEW	37	43	6	0	0	43	59	-27.12
TOTAL	**682**	**836**	**74**	**71**	**228**	**1055**	**1328**	**-20.56**

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	327	397	42	146	36	551	646	-14.71
BEISEKER	2	4	0	0	0	2	6	-66.67
CALGARY CITY	**5595**	**6104**	**432**	**812**	**2444**	**9283**	**9307**	**-0.26**
CHESTERMERE LAKE	200	286	26	0	0	226	318	-28.93
COCHRANE	60	127	14	14	57	145	171	-15.20
CROSSFIELD	31	9	6	3	0	40	9	**
IRRICANA	2	1	2	4	0	8	5	60.00
MD ROCKYVIEW	337	272	52	8	0	397	320	24.06
TOTAL	**6554**	**7200**	**574**	**987**	**2537**	**10652**	**10782**	**-1.21**

** 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 SEPTEMBER 2003

AREA	Single 2003	Single 2002	Multiple Semi	Multiple Row	Multiple Apt	Total 2003	Total 2002	% Chg 2003/2002
AIRDRIE	41	59	8	13	35	97	121	-19.83
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**713**	**757**	**54**	**81**	**411**	**1259**	**1023**	**23.07**
CHESTERMERE LAKE	22	37	2	0	0	24	50	-52.00
COCHRANE	7	12	0	0	0	7	12	-41.67
CROSSFIELD	5	2	0	0	0	5	2	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	24	18	2	0	0	26	26	0.00
TOTAL	**812**	**885**	**66**	**94**	**446**	**1418**	**1234**	**14.91**

Table 2B

CALGARY CMA
HOUSING COMPLETIONS BY AREA YEAR TO DATE

AREA	Single 2003	Single 2002	Multiple Semi	Multiple Row	Multiple Apt	Total 2003	Total 2002	% Chg 2003/2002
AIRDRIE	351	344	64	138	94	647	608	6.41
BEISEKER	3	1	0	0	0	3	3	0.00
CALGARY CITY	**5691**	**5236**	**404**	**645**	**2564**	**9304**	**8190**	**13.60**
CHESTERMERE LAKE	218	226	22	24	0	264	243	8.64
COCHRANE	120	88	20	24	0	164	114	43.86
CROSSFIELD	21	8	12	0	0	33	8	**
IRRICANA	1	3	2	0	0	3	3	0.00
MD ROCKYVIEW	316	239	36	12	0	364	261	39.46
TOTAL	**6721**	**6145**	**560**	**843**	**2658**	**10782**	**9430**	**14.34**

** Indicates 100% change or greater

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										
September	682	74	0	71	228	0	0	0	0	1055
2002	836	86	6	178	218	0	4	0	0	1328
Year-To-Date 2003	6554	574	27	960	2297	0	240	0	0	10652
Year-To-Date 2002	7200	500	6	863	1920	0	293	0	0	10782
UNDER CONSTRUCTION										
2003	3806	548	27	972	3068	0	250	0	0	8671
2002	4043	460	9	757	2467	0	693	0	0	8429
COMPLETIONS										
September	812	66	0	94	442	0	4	0	0	1418
2002	885	86	6	140	111	0	6	0	0	1234
Year-To-Date 2003	6721	560	44	795	2026	4	632	0	0	10782
Year-To-Date 2002	6145	474	6	831	1849	0	125	0	0	9430
COMPLETED & NOT ABSORBED										
2003	684	106	0	61	135	0	120	0	0	1106
2002	554	106	1	43	174	0	10	0	0	888
TOTAL SUPPLY										
2003	4490	654	27	1033	3203	0	370	0	0	9777
2002	4597	566	10	800	2641	0	703	0	0	9317
ABSORPTIONS										
September	818	60	0	95	437	0	1	0	0	1411
3-month Average	820	60	0	111	345	1	15	0	0	1352
12-month Average	739	60	5	82	216	0	45	0	0	1147