

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Fewer Housing Starts in November

Following weaker numbers in October, housing starts across Greater Edmonton again moved lower in November, when compared with the same month in 2002. Total housing starts in the Edmonton Census Metropolitan Area (CMA) fell by 22 per cent to 974 units compared with 1,246 starts recorded in November of last year.

For the fourth month in a row, single-detached starts in November failed to match the record-setting performance in 2002. In fact, single-family starts slipped by 14 per cent from last November to 543 units. Higher activity in Leduc City, Spruce Grove and Strathcona County was countered by lower numbers in most other communities.

Single-detached starts have slowed since the summer in response to rising spec home inventories and a larger supply of homes listed on the resale market. While November's single-family completions were down from November 2002, year-to-date they have increased by 28 per cent from the first eleven months of last year. Absorptions have also improved this year, although they have not kept pace with completions, resulting in a steady accumulation of unabsorbed new homes.

Single-detached absorptions in November fell by 15 per cent from the same month last year to 488 units. With 531 single-family homes completed in November, the unabsorbed inventory increased to 711 units compared with 668 in October and only 328 in November 2002. November's inventory represents the highest number of completed and unoccupied units across the region since September 1994. Of November's unsold inventory, 431 units (61%) were spec homes. This compares with only 122 spec units available this time last year.

The average price of a new single-detached home sold across Metro increased by 11 per cent in November over the same month last year to \$232,965. On a year-to-date basis, the average price of new homes across the region have increased by 9.6 per cent. This compares with an eight per cent increase in the average price of existing single-family homes sold during the same time frame.

Multiple unit starts also declined in November, with new construction dropping by 30 per cent from the same month last year to 431 units. Both row and apartment activity was down substantially from November 2002, while semi-detached starts were up by a large margin. Condominium apartments in Edmonton City made up the lion's share of the November multiple unit tally.

Despite November's pullback, the multi-unit development industry remains in high gear thanks to a robust economy and low interest rates. With one month remaining in 2003, multiple dwelling starts have already exceeded production levels recorded for the entire year in 2002, and last year's multi-unit starts were the best in two decades.

Multiple unit completions in November fell by 18 per cent year-over-year to 270 units. Absorptions in November were down

NOVEMBER 2003

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by 15 per cent from the same month last year, but they reached 288 units. With absorptions outpacing completions, unoccupied inventories were prevented from moving higher. Nonetheless, the stock of unabsorbed new multiples stood at 839 units in November, representing a 92 per cent increase over the same time last year.

CMHC's measurement of Total Supply (see Table 3) consists of units under construction and unabsorbed units in inventory. As of November, the total supply of new multiples stood at 6,974 units, one-third higher than a year ago. For condominium apartments, the number is over two-thirds (68%) higher. Unless multiple unit absorption rates ramp-up in the months ahead, expect inventories to swell in the first half of 2004.

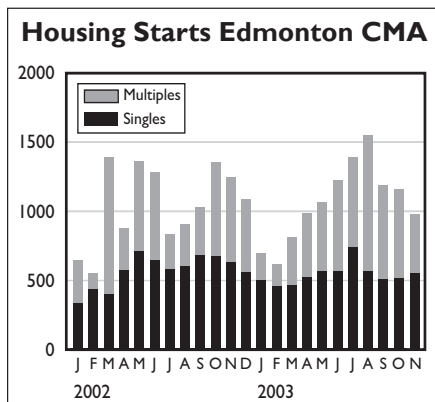


Table I
EDMONTON CMA
STARTS ACTIVITY BY AREA NOVEMBER 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	2	14	0	0	0	2	14	-85.71
CALMAR TOWN	1	0	0	0	0	1	0	**
DEVON TOWN	6	7	0	0	0	6	7	-14.29
EDMONTON CITY	336	404	58	21	298	713	1002	-28.84
FORT SASKATCHEWAN CITY	8	9	2	0	0	10	11	-9.09
GIBBONS TOWN	1	0	0	0	0	1	0	**
LEDUC CITY	20	10	0	0	0	20	10	**
LEDUC COUNTY	1	2	0	0	0	1	2	-50.00
MORINVILLE TOWN	1	1	4	0	0	5	1	**
PARKLAND COUNTY	15	35	0	0	0	15	35	-57.14
SPRUCE GROVE CITY	21	17	6	4	0	31	23	34.78
ST.ALBERT CITY	28	32	2	0	0	30	36	-16.67
STONY PLAIN TOWN	10	19	0	0	0	10	23	-56.52
STRATHCONA COUNTY	77	67	20	16	0	113	67	68.66
STURGEON COUNTY	11	15	0	0	0	11	15	-26.67
OTHER CENTRES	5	0	0	0	0	5	0	**
TOTAL	543	632	92	41	298	974	1246	-21.83

Table IB
EDMONTON CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	125	134	0	0	0	125	134	-6.72
CALMAR TOWN	10	5	0	0	0	10	5	**
DEVON TOWN	110	98	0	8	0	118	100	18.00
EDMONTON CITY	3594	3776	684	505	3666	8449	7957	6.18
FORT SASKATCHEWAN CITY	68	97	30	0	32	130	240	-45.83
GIBBONS TOWN	13	5	0	0	0	13	5	**
LEDUC CITY	100	124	18	0	76	194	183	6.01
LEDUC COUNTY	52	57	0	0	0	52	57	-8.77
MORINVILLE TOWN	31	26	10	0	22	63	51	23.53
PARKLAND COUNTY	199	268	2	0	0	201	268	-25.00
SPRUCE GROVE CITY	213	178	52	15	206	486	358	35.75
ST.ALBERT CITY	319	375	34	0	50	403	685	-41.17
STONY PLAIN TOWN	142	139	18	18	148	326	291	12.03
STRATHCONA COUNTY	822	860	62	63	0	947	993	-4.63
STURGEON COUNTY	119	123	0	0	0	119	123	-3.25
OTHER CENTRES	47	34	0	0	0	51	46	10.87
TOTAL	5964	6299	914	609	4200	11687	11496	1.66

** 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 Goatcher in Market Analysis at (780) 423-8729 or by fax at (780) 423-8702.

Table 2
EDMONTON CMA
HOUSING COMPLETIONS BY AREA NOVEMBER 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	12	12	0	0	0	12	12	0.00
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	15	9	0	0	0	15	9	66.67
EDMONTON CITY	371	300	84	3	134	592	588	0.68
FORT SASKATCHEWAN CITY	5	4	2	0	0	7	4	75.00
GIBBONS TOWN	1	1	0	0	0	1	1	0.00
LEDUC CITY	2	6	0	0	0	2	6	-66.67
LEDUC COUNTY	8	5	0	0	0	8	5	60.00
MORINVILLE TOWN	3	3	0	0	0	3	7	-57.14
PARKLAND COUNTY	9	38	0	0	0	9	38	-76.32
SPRUCE GROVE CITY	9	14	2	8	0	19	36	-47.22
ST. ALBERT CITY	30	40	6	0	27	63	48	31.25
STONY PLAIN TOWN	9	11	2	0	0	11	17	-35.29
STRATHCONA COUNTY	39	96	2	0	0	41	96	-57.29
STURGEON COUNTY	14	7	0	0	0	14	7	**
OTHER CENTRES	4	1	0	0	0	4	3	33.33
TOTAL	531	547	98	11	161	801	877	-8.67

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

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	159	93	0	0	0	159	93	70.97
CALMAR TOWN	5	4	0	0	0	5	4	25.00
DEVON TOWN	122	81	0	0	0	122	93	31.18
EDMONTON CITY	3946	2875	722	342	2624	7634	5073	50.48
FORT SASKATCHEWAN CITY	89	65	10	0	138	237	111	**
GIBBONS TOWN	9	4	0	0	0	9	4	**
LEDUC CITY	111	103	16	8	39	174	252	-30.95
LEDUC COUNTY	42	50	0	0	0	42	50	-16.00
MORINVILLE TOWN	22	15	12	7	0	41	25	64.00
PARKLAND COUNTY	213	213	0	0	0	213	213	0.00
SPRUCE GROVE CITY	178	139	20	8	48	254	276	-7.97
ST. ALBERT CITY	351	342	86	3	87	527	455	15.82
STONY PLAIN TOWN	137	121	32	18	145	332	238	39.50
STRATHCONA COUNTY	653	605	26	12	0	691	671	2.98
STURGEON COUNTY	127	92	0	0	0	127	92	38.04
OTHER CENTRES	35	28	2	0	0	37	34	8.82
TOTAL	6199	4830	926	398	3081	10604	7684	38.00

** Indicates 100% change or greater

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Table 3
EDMONTON CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
STARTS										
November 2002	543	92	0	41	298	0	0	0	0	974
Year-To-Date 2003	632	56	0	40	294	10	214	0	0	1246
Year-To-Date 2002	5964	914	78	413	3040	118	1160	0	0	11687
Year-To-Date 2002	6299	942	3	342	2008	158	1744	0	0	11496
UNDER CONSTRUCTION										
2003	3071	618	35	328	3688	65	1401	0	0	9206
2002	3283	512	3	216	2234	40	1782	0	0	8070
COMPLETIONS										
November 2002	531	98	0	11	86	0	75	0	0	801
Year-To-Date 2003	547	102	0	65	40	24	99	0	0	877
Year-To-Date 2002	6199	926	46	270	1441	82	1640	0	0	10604
Year-To-Date 2002	4830	716	12	203	983	128	812	0	0	7684
COMPLETED & NOT ABSORBED										
2003	711	108	6	23	154	0	548	0	0	1550
2002	328	68	0	6	60	3	300	0	0	765
TOTAL SUPPLY										
2003	3782	726	41	351	3842	65	1949	0	0	10756
2002	3611	580	3	222	2294	43	2082	0	0	8835
ABSORPTIONS										
November 2002	488	109	1	12	93	0	73	0	0	776
3-month Average	565	119	3	20	196	8	103	0	0	1014
12-month Average	529	77	3	23	121	9	135	0	0	897

BUILDING OPPORTUNITIES

CMHC's 2003 Housing Observer provides a comprehensive overview of Canadian housing conditions and trends and the key factors behind them.

The Observer gives a portrait of Canada's housing stock, how Canada's changing demographics and socio-economic factors influence our housing, and discusses the key trends in housing finance and the factors impacting the affordability of housing in Canada.

CMHC is continuously working to encourage a viable and dynamic housing sector. Flagship publications like the 2003 Housing Observer enables the industry to capitalize on business opportunities.

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