

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Apartments Bolster Housing Starts in August

AUGUST 2003

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For the second consecutive month, strong apartment starts have pushed new housing activity above the robust levels reported for the same month of 2002. Total housing starts across Metro Edmonton increased by 70 per cent over August of last year to 1,551 units.

As was the case in July, developers of new multi-unit housing provided the big gains year-over-year in the August starts tally. New construction of semi-detached, row and apartment units soared from 303 units a year ago to 981 units this August. Almost 80 per cent of August's multiple unit starts were apartments, with both rental and condominium units showing up in large numbers in Edmonton City. Spruce Grove also reported a big increase in condominium apartment starts. Condo apartments represented 65 per cent of all new multis reported in August.

To the end of August, multiple starts Metro-wide were up by almost 12 per cent from last year. Readers should keep in mind that in 2002 multiple unit starts reached the highest output in two decades across the region. In Edmonton City, developers have been very busy, with multi-unit starts exceeding 3,500

units year-to-date, for an increase of 27 per cent over the first eight months of 2002.

Multi-unit completions also increased in August, up by 49 per cent to 436 units. Rental apartments accounted for just over half of these. The twenty-year high in multiple unit starts in 2002 has bolstered completions so far this year by over 70 per cent. Absorptions of new multiples hit 241 units in August, well below the level of completions. As such, inventory levels of completed and unoccupied units moved higher.

The unabsorbed rental apartment inventory stood at 644 units in August, representing a 204 per cent increase from the same month in 2002. Rental apartments now account for 70 per cent of Metro's inventory of unabsorbed new multiple units. This growing supply of unoccupied new rental apartments is putting upward pressure on vacancies in existing buildings as well. These higher vacancies will act as a disincentive to additional new rental apartment construction in the months ahead.

In contrast to the multi-unit figures, single-detached housing starts moved lower across the Capital region in August. Single-family starts dropped by just over six per cent to 570 units. While stronger activity was reported in Devon, Parkland County and Spruce Grove, most communities reported lower numbers or little change from last year.

Despite this fallback in August, single starts year-to-date remained ahead of last year's numbers after eight months. In Edmonton City, single starts have increased by almost five per cent year-to-date. However, with higher inventories of new spec houses on hand and more existing homes listed on the resale market, expect builders in the months ahead to back-off from last year's record-setting pace.

Single-detached absorptions increased by 14 per cent from August 2002 to 510 units. Year-to-date absorptions have risen by 31 per cent across the region. The average price of a new single-detached home absorbed in August increased by almost nine per cent to \$230,272. Year-to-date, the average price of new houses has increased by over 11 per cent to \$221,354.

Single-detached completions outpaced absorptions by 41 units in August, and this bolstered the supply of unabsorbed new units we reported last month. In fact, the inventory of completed and unoccupied singles has been on the rise all year after bottoming out last December at 318 units including show homes. Current inventory is up by 70 per cent from August 2002, with the lion's share of the increase coming on the spec homes side. The number of show homes in August was up by 27 per cent from the same month last year while specs were up by 141 per cent.

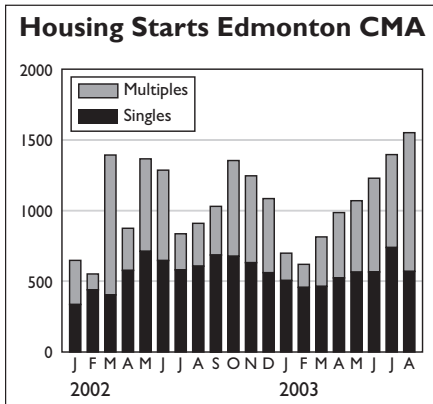


Table I
EDMONTON CMA
STARTS ACTIVITY BY AREA AUGUST 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	5	23	0	0	0	5	23	-78.26
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	16	5	0	0	0	16	5	**
EDMONTON CITY	324	374	44	46	776	1190	456	**
FORT SASKATCHEWAN CITY	6	8	0	0	0	6	10	-40.00
GIBBONS TOWN	1	1	0	0	0	1	1	0.00
LEDUC CITY	7	13	0	0	0	7	13	-46.15
LEDUC COUNTY	4	1	0	0	0	4	1	**
MORINVILLE TOWN	1	1	0	0	0	1	1	0.00
PARKLAND COUNTY	41	10	2	0	0	43	10	**
SPRUCE GROVE CITY	34	24	2	0	103	139	26	**
ST.ALBERT CITY	31	40	2	0	0	33	76	-56.58
STONEY PLAIN TOWN	13	16	0	0	0	13	118	-88.98
STRATHCONA COUNTY	78	77	4	0	0	82	156	-47.44
STURGEON COUNTY	5	9	0	0	0	5	9	-44.44
OTHER CENTRES	4	5	2	0	0	6	5	20.00
TOTAL	570	607	56	46	879	1551	910	70.44

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	97	93	0	0	0	97	93	4.30
CALMAR TOWN	6	2	0	0	0	6	2	**
DEVON TOWN	95	67	0	8	0	103	69	49.28
EDMONTON CITY	2654	2535	560	314	2629	6157	5292	16.35
FORT SASKATCHEWAN CITY	48	62	26	0	0	74	109	-32.11
GIBBONS TOWN	11	5	0	0	0	11	5	**
LEDUC CITY	64	100	14	0	0	78	155	-49.68
LEDUC COUNTY	34	32	0	0	0	34	32	6.25
MORINVILLE TOWN	22	18	4	0	22	48	30	60.00
PARKLAND COUNTY	149	173	2	0	0	151	173	-12.72
SPRUCE GROVE CITY	170	134	14	8	103	295	260	13.46
ST.ALBERT CITY	228	273	28	0	50	306	575	-46.78
STONEY PLAIN TOWN	108	101	16	18	101	243	241	0.83
STRATHCONA COUNTY	606	622	22	31	0	659	737	-10.58
STURGEON COUNTY	67	65	0	0	0	67	65	3.08
OTHER CENTRES	32	22	0	0	0	36	28	28.57
TOTAL	4391	4304	690	379	2905	8365	7866	6.34

** 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 AUGUST 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	0	3	0	0	0	0	3	**
CALMAR TOWN	1	0	0	0	0	1	0	**
DEVON TOWN	6	4	0	0	0	6	4	50.00
EDMONTON CITY	384	305	70	42	282	778	445	74.83
FORT SASKATCHEWAN CITY	6	3	4	0	0	10	5	**
GIBBONS TOWN	2	0	0	0	0	2	0	**
LEDUC CITY	5	8	2	8	0	15	14	7.14
LEDUC COUNTY	2	4	0	0	0	2	4	-50.00
MORINVILLE TOWN	4	2	2	7	0	13	2	**
PARKLAND COUNTY	17	12	0	0	0	17	12	41.67
SPRUCE GROVE CITY	14	10	2	0	0	16	65	-75.38
ST.ALBERT CITY	50	34	12	0	0	62	48	29.17
STONEY PLAIN TOWN	5	11	2	0	0	7	80	-91.25
STRATHCONA COUNTY	52	68	0	3	0	55	74	-25.68
STURGEON COUNTY	0	5	0	0	0	0	5	**
OTHER CENTRES	3	2	0	0	0	3	2	50.00
TOTAL	551	471	94	60	282	987	763	29.36

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	94	55	0	0	0	94	55	70.91
CALMAR TOWN	3	1	0	0	0	3	1	**
DEVON TOWN	73	50	0	0	0	73	60	21.67
EDMONTON CITY	2768	1908	420	279	1994	5461	3290	65.99
FORT SASKATCHEWAN CITY	62	44	6	0	138	206	90	**
GIBBONS TOWN	3	1	0	0	0	3	1	**
LEDUC CITY	70	65	8	8	39	125	196	-36.22
LEDUC COUNTY	24	30	0	0	0	24	30	-20.00
MORINVILLE TOWN	12	7	8	7	0	27	11	**
PARKLAND COUNTY	148	119	0	0	0	148	119	24.37
SPRUCE GROVE CITY	142	94	16	0	48	206	151	36.42
ST.ALBERT CITY	263	231	70	3	12	348	309	12.62
STONEY PLAIN TOWN	91	83	12	0	35	138	184	-25.00
STRATHCONA COUNTY	504	344	20	12	0	536	374	43.32
STURGEON COUNTY	85	56	0	0	0	85	56	51.79
OTHER CENTRES	19	15	2	0	0	21	19	10.53
TOTAL	4361	3103	562	309	2266	7498	4946	51.60

** 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										
August	570	56	0	46	635	0	244	0	0	1551
2002	607	140	0	23	63	42	35	0	0	910
Year-To-Date 2003	4391	690	59	259	2106	61	799	0	0	8365
Year-To-Date 2002	4304	754	0	254	1205	148	1201	0	0	7866
UNDER CONSTRUCTION										
2003	3340	740	32	248	3339	16	1271	0	0	8986
2002	3015	630	0	252	1617	122	1517	0	0	7153
COMPLETIONS										
August	551	94	12	32	60	16	222	0	0	987
2002	471	104	0	17	118	26	27	0	0	763
Year-To-Date 2003	4361	562	30	216	809	63	1457	0	0	7498
Year-To-Date 2002	3103	410	12	79	772	36	534	0	0	4946
COMPLETED & NOT ABSORBED										
2003	568	100	0	29	139	5	644	0	0	1485
2002	334	46	0	11	91	1	212	0	0	695
TOTAL SUPPLY										
2003	3908	840	32	277	3478	21	1915	0	0	10471
2002	3349	676	0	263	1708	123	1729	0	0	7848
ABSORPTIONS										
August	510	85	13	27	56	24	36	0	0	751
3-month Average	546	88	5	32	97	14	122	0	0	904
12-month Average	533	71	3	29	92	14	125	0	0	867

RESIDENTIAL CONSTRUCTION DIGEST

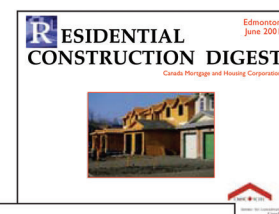
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