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HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Year-to-Date Starts Post First Gain of 2004

Despite an early taste of winter, Calgary home builders in October posted the second best October performance on record. Overall housing starts in the Calgary Census Metropolitan Area (CMA) totalled 1,315 units, 51 per cent more than the previous year. October's construction has pushed year-to-date housing starts to 11,706 units, almost two per cent above corresponding levels in 2003. This represents the first year-to-date increase of 2004. It is also a considerable improvement since May when total housing starts were down almost 20 per cent to-date.

For the third consecutive month, the gain in total housing starts was led by a surge in multi-family activity. Multi-family housing starts, including semi-detached units, rows, and apartments, totalled 645 units in October, representing a 155 per cent gain over the previous year. To the end of October, 4,820 units have begun construction, 11 per cent above the corresponding period in 2003. Apartments have been the dominant force boosting multi-family activity this year, with 3,251 units started to-date. With two months to go in the year, apartment starts have already surpassed 2003's annual total of 3,025 units and are guaranteed to record a 22-year high. Semi-detached construction is also on pace to post their highest level since 1980. At 778 units to the end of October, semi-detached starts are 18 per cent higher than the first 10 months

of 2003. Meanwhile, row, or town-home, construction has fallen 28 per cent during the same period.

The strong pace of multi-family starts in October boosted the under construction count to the highest level in 22 years. At the end of October, 5,719 multi-family units were under construction, 19 per cent higher than the previous year. October also posted a strong completion tally for multi-family units, as the 525 completions were the second highest total of the year thus far and a 68 per cent gain over October 2003. With the strong completions, the market enjoyed a corresponding surge in absorptions. Multi-family absorptions totalled 470 in October, a 68 per cent gain over the previous year. However, as they failed to surpass the number of units completed, Calgary's multi-family market saw their inventory climb by over 50 units from the previous month. At the end of October, 597 multi-family units were complete and unabsorbed, 35 per cent higher than the previous year. As has been the case all year, row inventories posted the largest year-over-year gain in October at 79 per cent. This was followed by gains of 51 and 15 per cent in the semi-detached and apartment markets, respectively.

Meanwhile, following a nine per cent year-over-year decline in September, Calgary's single-family builders responded in October with an increase of the same magnitude. A total of 670 single-family units were started in the Calgary CMA in October, nine per cent more than those recorded 12 months ago. This represents the third best October for single-family starts on record, following 712 units in 2002 and 671 in 1998. October's single-family construction brings the year-to-date total to 6,886 units, only four per cent behind the first 10 months of 2003. Within city limits, the decline to-date was modestly higher than the CMA's, down five per cent to-date. The most notable increase was in Cochrane, where starts after 10 months were up 65 per cent. Crossfield, on the other hand,

CALGARY

OCTOBER 2004

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had posted a 48 per cent decline in single-family construction to the end of October.

Unlike multi-family units, single-family completions faltered in October, down nine per cent from the previous year. Absorptions declined by a similar magnitude, resulting in a modest change in the number of complete and unabsorbed units. At the end of October, 721 units sat in inventory, two per cent more than the previous year. A 13 per cent year-over-year gain in showhomes in October was countered by a 13 per cent drop in the number of spec units.

The average price of a new single-family home in October increased seven per cent from the previous year to \$288,420. This boosted the year-to-date average price to \$281,730, a seven per cent gain over the average new house price reported during the first 10 months of 2003.

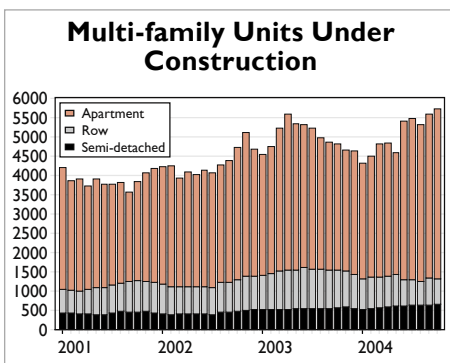


Table IA
STARTS ACTIVITY BY AREA
 CALGARY CMA - OCTOBER 2004

Area	Single		Multiple			Total		% chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Airdrie	26	21	2	22	0	50	33	51.52
Beiseker	0	0	0	0	0	0	4	**
Calgary City	566	534	56	48	496	1,166	757	54.03
Chestermere Lake	23	18	0	0	0	23	30	-23.33
Cochrane	16	2	0	7	0	23	2	**
Crossfield	1	0	0	0	0	1	2	-50.00
Irricana	1	1	0	0	0	1	1	0.00
Md Rockyview	37	40	14	0	0	51	40	27.50
Total	670	616	72	77	496	1,315	869	51.32

Table IB
STARTS ACTIVITY BY AREA
 CALGARY CMA - YEAR TO DATE

Area	Single		Multiple			Total		% chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Airdrie	366	348	20	99	113	598	584	2.40
Beiseker	2	2	0	0	0	2	6	-66.67
Calgary City	5,839	6,129	634	673	3,088	10,234	10,040	1.93
Chestermere Lake	267	218	64	0	0	331	256	29.30
Cochrane	102	62	8	15	50	175	147	19.05
Crossfield	16	31	2	0	0	18	42	-57.14
Irricana	5	3	8	4	0	17	9	88.89
Md Rockyview	289	377	42	0	0	331	437	-24.26
Total	6,886	7,170	778	791	3,251	11,706	11,521	1.61

** indicates a greater than 100 per cent change

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 2A
HOUSING COMPLETIONS BY AREA
 CALGARY CMA - OCTOBER 2004

Area	Single		Multiple			Total		% chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Airdrie	28	31	0	12	0	40	42	-4.76
Beiseker	0	1	0	0	0	0	1	**
Calgary City	626	693	52	102	347	1,127	969	16.31
Chestermere Lake	18	26	8	0	0	26	26	0.00
Cochrane	13	3	2	0	0	15	3	**
Crossfield	3	3	0	0	0	3	6	-50.00
Irricana	0	0	0	0	0	0	0	**
Md Rockyview	18	22	2	0	0	20	32	-37.50
Total	706	779	64	114	347	1231	1,079	14.09

Table 2B
HOUSING COMPLETIONS BY AREA
 CALGARY CMA - YEAR TO DATE

Area	Single		Multiple			Total		% chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Airdrie	327	382	26	85	56	494	689	-28.30
Beiseker	1	4	0	4	0	5	4	25.00
Calgary City	5,868	6,384	542	913	1,953	9,276	10,273	-9.71
Chestermere Lake	241	244	64	0	0	305	290	5.17
Cochrane	75	123	12	0	57	144	167	-13.77
Crossfield	15	24	8	0	0	23	39	-41.03
Irricana	4	1	2	4	0	10	3	**
Md Rockyview	264	338	28	8	0	300	396	-24.24
Total	6,795	7,500	682	1,014	2,066	10,557	11,861	-10.99

** indicates a greater than 100 per cent change

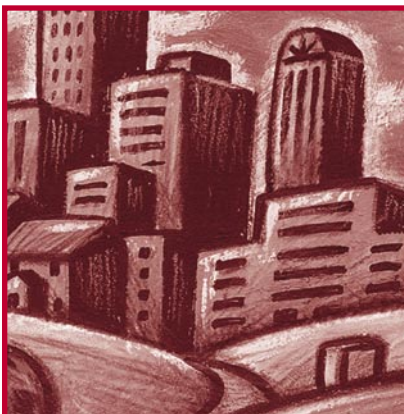
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Table 3
HOUSING ACTIVITY SUMMARY
CALGARY CMA

Activity	Ownership					Rental				Grand Total
	Freehold			Condominium		Private		Assisted		
	Single ¹	Semi ¹	Row	Row	Apt	Row	Apt	Row	Apt	
Starts										
October 2004	670	72	0	77	496	0	0	0	0	1,315
October 2003	616	86	18	96	53	0	0	0	0	869
Year-to-Date 2004	6,886	778	17	774	2,787	0	332	0	132	11,706
Year-to-Date 2003	7,170	660	45	1,056	2,350	0	240	0	0	11,521
Under Construction										
October 2004	3,613	654	12	648	3,941	0	332	0	132	9,332
October 2003	3,643	574	41	930	3,032	0	241	0	0	8,461
Completions										
October 2004	706	64	4	110	347	0	0	0	0	1,231
October 2003	779	60	7	147	80	0	6	0	0	1,079
Year-to-Date 2004	6,795	682	35	975	1,825	4	241	0	0	10,557
Year-to-Date 2003	7,500	620	51	942	2,106	4	638	0	0	11,861
Completed & Not Absorbed										
October 2004	721	172	3	131	159	0	132	0	0	1,318
October 2003	698	114	1	74	141	0	113	0	0	1,141
Total Supply²										
October 2004	4,334	826	15	779	4,100	0	464	0	132	10,650
October 2003	4,341	688	42	1,004	3,173	0	354	0	0	9,602
Absorptions										
October 2004	700	60	4	88	318	0	2	0	0	1,172
3-month Average	817	72	1	87	227	0	21	0	0	1,225
12-month Average	687	65	4	99	193	1	19	0	0	1,068

¹ May include units intended for condominium.

² Sum of units under construction, complete and unoccupied



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