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# HOUSING NOW

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Canada Mortgage and Housing Corporation  
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### Multi-family Starts Reach 22-Year High with One Month to Go

For the fourth month in succession, total housing starts in the Calgary Census Metropolitan Area (CMA) outperformed the previous year. Residential construction in the Calgary CMA totalled 1,043 units in November, up 10 per cent from the 950 starts reported for November 2003. As has been the case since July, the year-over-year gain in total housing starts was led by a surge in multi-family activity. To the end of November, 12,749 housing units have been started, representing a two per cent gain over the previous year. While the increase appears modest, it is a welcome and substantial improvement since May when year-to-date housing starts were down almost 20 per cent.

Multi-family housing starts, which include semi-detached homes, rows, and apartments, reached 404 units in November, up an impressive 71 per cent from November 2003. November's construction brings the year-to-date performance to 5,224 units, an increase of 14 per cent over the first 11 months of 2003. With one month to go in 2004, multi-family housing starts have already established a 22-year high. This is an impressive feat which required a strong rebound from earlier in the year, as the first five months recorded weaker activity than 2003. Since May, however, the pace of multi-family construction has been relentless, as five of the following six months surpassed

the previous year's activity by strong margins. At 846 units, semi-detached starts to the end of November have already set a 23-year high and are on track to reach the highest level since 1980. Apartment construction, meanwhile, has posted a 22-year high after eleven months, and a record for ownership units. Conversely, row-unit construction will fail to surpass the previous year, as starts to-date are down 31 per cent.

At 668 units, multi-family completions in November were the strongest of the year thus far. As a result, absorptions were also impressive, matching the number of units completed. In fact, November's absorptions were the strongest in over 20 years. This comes as welcome news for market observers, given the multi-family market had recently reached a 22-year high for units under construction. Despite the strong completions in November, however, the number of units under construction remains 17 per cent higher than the previous year. This will likely give rise to higher inventories moving forward, a concern considering the number of complete and unabsorbed units in November was 42 per cent higher than the previous year.

While multi-family starts continued to shine in November, the single-family market recorded a weaker performance. Local builders started 639 single-family homes in November, 11 per cent fewer than the corresponding month in 2003. This represents the second strongest decline of 2004, next to the 31 per cent year-over-year drop in February. After 11 months, 7,525 single-family homes have started construction in the Calgary CMA, five per cent fewer than the corresponding period of 2003. Despite the decline to-date, Calgary's single-family market remains on pace for the fifth best year on record. Meanwhile, a number of municipalities comprising the CMA are on pace to outperform 2003. Single-family starts in

### CALGARY NOVEMBER 2004

#### IN THIS ISSUE:

#### ANALYSIS

- 1 Multi-family Starts Reach 22-Year High with One Month to Go

#### STATISTICAL TABLES

- 2 Starts  
Starts Activity By Area
- 3 Completions  
Housing Completions by Area
- 4 Housing Activity Summary  
Calgary CMA

Cochrane are up 50 per cent after 11 months, while activity in Chestermere Lake is up 19 per cent during the same period.

Similar to the multi-family market, single-family completions in November were also strong, up 12 per cent from the previous year. As a result, absorptions in November posted a year-over-year increase of the same magnitude. While the absorption total did not set any records in November, the average price at which they were absorbed did. At \$300,436 in November, the average single-family price surpassed the \$300,000 barrier for the first time in history.

As single-family completions in November surpassed the number of units absorbed, inventories increased over the previous month reaching a six-month high of 746 units. Of these, 284 were spec, or non-showhome, units. While this represents the highest monthly total in six months, the number of spec units in November was five per cent lower than the previous year.

Single-family Average Absorbed Price

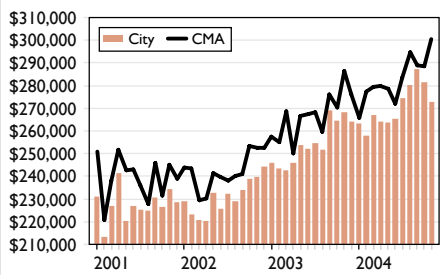


Table IA  
**STARTS ACTIVITY BY AREA**  
 CALGARY CMA - NOVEMBER 2004

Area	Single		Multiple			Total		% chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Airdrie	33	46	0	0	0	33	105	-68.57
Beiseker	0	0	0	0	0	0	0	**
<b>Calgary City</b>	<b>548</b>	<b>596</b>	<b>64</b>	<b>39</b>	<b>201</b>	<b>852</b>	<b>755</b>	<b>12.85</b>
Chestermere Lake	24	26	0	0	96	120	30	**
Cochrane	6	10	0	0	0	6	10	-40.00
Crossfield	1	1	0	0	0	1	5	-80.00
Irricana	0	0	0	0	0	0	0	**
Md Rockyview	27	35	4	0	0	31	45	-31.11
<b>Total</b>	<b>639</b>	<b>714</b>	<b>68</b>	<b>39</b>	<b>297</b>	<b>1,043</b>	<b>950</b>	<b>9.79</b>

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	399	394	20	99	113	631	689	-8.42
Beiseker	2	2	0	0	0	2	6	-66.67
<b>Calgary City</b>	<b>6,387</b>	<b>6725</b>	<b>698</b>	<b>712</b>	<b>3,289</b>	<b>11,086</b>	<b>10,795</b>	<b>2.70</b>
Chestermere Lake	291	244	64	0	96	451	286	57.69
Cochrane	108	72	8	15	50	181	157	15.29
Crossfield	17	32	2	0	0	19	47	-59.57
Irricana	5	3	8	4	0	17	9	88.89
Md Rockyview	316	412	46	0	0	362	482	-24.90
<b>Total</b>	<b>7,525</b>	<b>7,884</b>	<b>846</b>	<b>830</b>	<b>3,548</b>	<b>12,749</b>	<b>12,471</b>	<b>2.23</b>

\*\* 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 Corriveau at 403-515-3005 or fax 403-515-3036.

Table 2A  
**HOUSING COMPLETIONS BY AREA**  
 CALGARY CMA - NOVEMBER 2004

Area	Single		Multiple			Total		% chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Airdrie	51	46	6	24	0	81	84	-3.57
Beiseker	1	0	0	0	0	1	0	**
<b>Calgary City</b>	<b>651</b>	<b>552</b>	<b>70</b>	<b>47</b>	<b>505</b>	<b>1,273</b>	<b>889</b>	<b>43.19</b>
Chestermere Lake	28	34	16	0	0	44	38	15.79
Cochrane	8	7	0	0	0	8	21	-61.90
Crossfield	1	5	0	0	0	1	5	-80.00
Irricana	0	0	0	0	0	0	0	**
Md Rockyview	49	62	0	0	0	49	72	-31.94
<b>Total</b>	<b>789</b>	<b>706</b>	<b>92</b>	<b>71</b>	<b>505</b>	<b>1,457</b>	<b>1,109</b>	<b>31.38</b>

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	378	428	32	109	56	575	773	-25.61
Beiseker	2	4	0	4	0	6	4	50.00
<b>Calgary City</b>	<b>6,519</b>	<b>6,936</b>	<b>612</b>	<b>960</b>	<b>2,458</b>	<b>10,549</b>	<b>11,162</b>	<b>-5.49</b>
Chestermere Lake	269	278	80	0	0	349	328	6.40
Cochrane	83	130	12	0	57	152	188	-19.15
Crossfield	16	29	8	0	0	24	44	-45.45
Irricana	4	1	2	4	0	10	3	**
Md Rockyview	313	400	28	8	0	349	468	-25.43
<b>Total</b>	<b>7,584</b>	<b>8,206</b>	<b>774</b>	<b>1,085</b>	<b>2,571</b>	<b>12,014</b>	<b>12,970</b>	<b>-7.37</b>

\*\* 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 <sup>1</sup>	Semi <sup>1</sup>	Row	Row	Apt	Row	Apt	Row	Apt	
<b>Starts</b>										
November 2004	639	68	0	39	297	0	0	0	0	1,043
November 2003	714	70	0	103	63	0	0	0	0	950
Year-to-Date 2004	7,525	846	17	813	3,084	0	332	0	132	12,749
Year-to-Date 2003	7,884	730	45	1,159	2,413	0	240	0	0	12,471
<b>Under Construction</b>										
November 2004	3,461	634	20	608	3,733	0	332	0	132	8,920
November 2003	3,651	584	41	899	2,895	0	241	0	0	8311
<b>Completions</b>										
November 2004	789	92	0	71	505	0	0	0	0	1,457
November 2003	706	60	0	139	204	0	0	0	0	1,109
Year-to-Date 2004	7,584	774	35	1,046	2,330	4	241	0	0	12,014
Year-to-Date 2003	8,206	680	51	1,081	2,310	4	638	0	0	12,970
<b>Completed &amp; Not Absorbed</b>										
November 2004	746	194	0	111	167	0	125	0	0	1,343
November 2003	719	109	1	101	133	0	76	0	0	1,139
<b>Total Supply<sup>2</sup></b>										
November 2004	4,207	828	20	719	3,900	0	457	0	132	10,263
November 2003	4,370	693	42	1,000	3,028	0	317	0	0	9,450
<b>Absorptions</b>										
November 2004	764	70	3	91	497	0	7	0	0	1,432
3-month Average	766	69	2	82	312	0	19	0	0	1,250
12-month Average	694	66	4	97	216	1	17	0	0	1,095

<sup>1</sup> May include units intended for condominium.

<sup>2</sup> Sum of units under construction, complete and unoccupied

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