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# HOUSING NOW

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Canada Mortgage and Housing Corporation  
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## Multi-family Decline Curtails New Home Construction

Calgary home builders started 18 per cent fewer units in February than they did 12 months earlier. Total housing starts in the Calgary Census Metropolitan Area (CMA) reached 1,045 units in February, down from 1,271 in February 2004. A healthy rebound in the single-family market could not compensate for a decline in multi-family activity.

After recording a 19 per cent drop in the first month of the year, single-family builders responded with an impressive February performance. A total of 617 single-family homes began construction in February, representing a 14 per cent jump from the previous year. For the second consecutive month, weather has influenced the pace of single-family construction. While the frigid temperatures in the first two weeks of the year wreaked havoc on January's single-family construction, the warm weather since that time has allowed builders to regain lost ground. February's single-family starts bring the year-to-date total to 1,112 units, four per cent fewer than the first two months of 2004. While the majority of centres comprising the CMA have recorded declines to-date, a few have reported strong increases. To the end of February, single-family starts in the

M.D. of Rockyview are up 94 per cent while Chestermere Lake has recorded a 19 per cent gain during the same period.

A total of 446 single-family units were absorbed in February, representing the weakest absorption performance in almost four years. While this may initially pose a concern for builders, it should be noted that the drop in absorptions was a function of weak completions. Only 443 units were completed in February, a process likely slowed by the early cold weather. As the number of absorptions passed those completed, single-family units in inventory fell from the previous month, albeit by three units. At the end of February, 738 single-family units were complete and unabsorbed, only one per cent more than the previous year. The increase can be attributed to show homes, which, at 461 units in February, sit eight per cent higher than the previous year.

The average absorbed single-family price set a new record for the Calgary CMA in February, reaching \$332,131. This far surpasses the previous record of \$301,713 set in December 2004. While prices have been increasing due to higher production costs, February's jump in average price can largely be attributed to a disproportionate number of high-priced absorptions. For example, 52 single-family homes were absorbed in the M.D. of Rockyview at an average price of \$524,148.

Meanwhile, following an impressive gain in the first month of the year, February's multi-family construction recorded a steep decline. Multi-family starts, which include semi-detached, row, and apartment units, totalled 428 in February, down 41 per cent from the previous year. February's performance underscores the volatile nature of the multi-family market. After one month of activity, the multi-family market was up

### CALGARY

FEBRUARY 2005

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Calgary CMA

120 per cent from the previous year. With February's weaker performance, year-to-date construction has now recorded a 10 per cent decline. To the end of February, 807 multi-family units have begun construction, down from 901 a year earlier. Building permits point to softer activity in the next few months, as multi-family permits for last December and this January were 42 and 82 per cent lower than the previous year, respectively.

A total of 406 multi-family units were completed in February, representing the strongest completion total in three months. In the months ahead, it is likely completions will continue to escalate. At the end of February, a 22-year high of 5,870 units were under construction, 30 per cent more than February 2004. Despite an increase in completions, the number of units absorbed was comparatively weaker at 359 units. As a result, multi-family inventories increased to 651 units, the highest total since February 2004 when 655 units sat empty. With the exception of February 2004, multi-family inventories this February were the highest since August 2001.

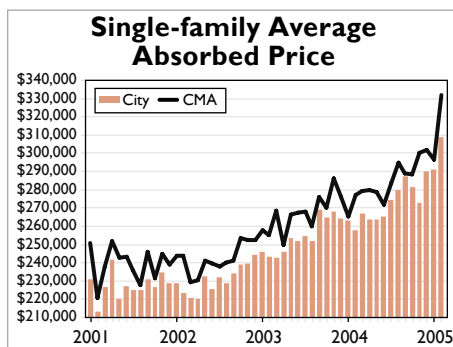


Table IA  
**STARTS ACTIVITY BY AREA**  
 CALGARY CMA - FEBRUARY 2005

Area	Single		Multiple			Total		% chg
	2005	2004	Semi	Row	Apt	2005	2004	2005/ 2004
Airdrie	19	28	0	8	0	27	54	-50.00
Beiseker	0	0	0	0	0	0	0	**
<b>Calgary City</b>	<b>534</b>	<b>475</b>	<b>22</b>	<b>80</b>	<b>304</b>	<b>940</b>	<b>1,167</b>	<b>-19.45</b>
Chestermere Lake	21	13	2	8	0	31	19	63.16
Cochrane	5	9	0	0	0	5	11	-54.55
Crossfield	1	0	0	0	0	1	0	**
Irricana	0	0	0	0	0	0	0	**
Md Rockyview	37	18	4	0	0	41	20	**
<b>Total</b>	<b>617</b>	<b>543</b>	<b>28</b>	<b>96</b>	<b>304</b>	<b>1,045</b>	<b>1,271</b>	<b>-17.78</b>

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

Area	Single		Multiple			Total		% chg
	2005	2004	Semi	Row	Apt	2005	2004	2005/ 2004
Airdrie	52	59	2	24	0	78	92	-15.22
Beiseker	0	0	0	0	0	0	0	**
<b>Calgary City</b>	<b>935</b>	<b>1,001</b>	<b>64</b>	<b>177</b>	<b>511</b>	<b>1,687</b>	<b>1,849</b>	<b>-8.76</b>
Chestermere Lake	44	37	2	13	0	59	49	20.41
Cochrane	10	20	0	0	0	10	22	-54.55
Crossfield	1	2	0	0	0	1	2	-50.00
Irricana	0	0	2	0	0	2	4	-50.00
Md Rockyview	70	36	12	0	0	82	38	**
<b>Total</b>	<b>1,112</b>	<b>1,155</b>	<b>82</b>	<b>214</b>	<b>511</b>	<b>1,919</b>	<b>2,056</b>	<b>-6.66</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 - FEBRUARY 2005

Area	Single		Multiple			Total		% chg
	2005	2004	Semi	Row	Apt	2005	2004	2005/ 2004
Airdrie	19	35	2	6	0	27	42	-35.71
Beiseker	0	0	0	0	0	0	0	**
<b>Calgary City</b>	<b>335</b>	<b>488</b>	<b>70</b>	<b>92</b>	<b>218</b>	<b>715</b>	<b>1,005</b>	<b>-28.86</b>
Chestermere Lake	23	14	4	0	0	27	22	22.73
Cochrane	11	6	0	0	0	11	6	83.33
Crossfield	1	1	0	0	0	1	1	0.00
Irricana	1	0	0	4	0	5	0	**
Md Rockyview	53	32	10	0	0	63	34	85.29
<b>Total</b>	<b>443</b>	<b>576</b>	<b>86</b>	<b>102</b>	<b>218</b>	<b>849</b>	<b>1,110</b>	<b>-23.51</b>

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

Area	Single		Multiple			Total		% chg
	2005	2004	Semi	Row	Apt	2005	2004	2005/ 2004
Airdrie	68	78	4	12	0	84	104	-19.23
Beiseker	1	0	0	0	0	1	4	-75.00
<b>Calgary City</b>	<b>844</b>	<b>995</b>	<b>128</b>	<b>118</b>	<b>363</b>	<b>1,453</b>	<b>1,948</b>	<b>-25.41</b>
Chestermere Lake	62	48	6	0	0	68	60	13.33
Cochrane	18	11	4	0	0	22	34	-35.29
Crossfield	4	1	4	0	0	8	5	60.00
Irricana	1	3	0	4	0	5	3	66.67
Md Rockyview	76	55	14	0	0	90	71	26.76
<b>Total</b>	<b>1,074</b>	<b>1,191</b>	<b>160</b>	<b>134</b>	<b>363</b>	<b>1,731</b>	<b>2,229</b>	<b>-22.34</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>										
February 2005	617	28	0	96	304	0	0	0	0	1,045
February 2004	543	68	0	90	334	0	104	0	132	1,271
Year-to-Date 2005	1,112	82	0	214	511	0	0	0	0	1,919
Year-to-Date 2004	1,155	118	0	152	395	0	104	0	132	2,056
<b>Under Construction</b>										
February 2005	3,500	570	20	699	4,117	0	332	0	132	9,370
February 2004	3,490	538	20	800	2,910	0	105	0	132	7,995
<b>Completions</b>										
February 2005	443	86	0	102	218	0	0	0	0	849
February 2004	576	56	7	52	183	0	236	0	0	1,110
Year-to-Date 2005	1,074	160	0	134	363	0	0	0	0	1,731
Year-to-Date 2004	1,191	136	11	205	446	0	240	0	0	2,229
<b>Completed &amp; Not Absorbed</b>										
February 2005	738	235	0	97	213	0	106	0	0	1,389
February 2004	731	116	2	104	199	1	233	0	0	1,386
<b>Total Supply<sup>2</sup></b>										
February 2005	4,238	805	20	796	4,330	0	438	0	132	10,759
February 2004	4,221	654	22	904	3,109	1	338	0	132	9,381
<b>Absorptions</b>										
February 2005	446	68	0	100	190	0	1	0	0	805
February 2004	553	59	7	70	189	1	63	0	0	942
Year-to-Date 2005	1,042	118	0	149	328	0	16	0	0	1,653
Year-to-Date 2004	1,179	142	10	207	450	3	74	0	0	2,065
3-month Average	596	59	0	84	149	0	6	0	0	894
12-month Average	681	61	2	91	197	1	11	0	0	1,044

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

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

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