Edmonton

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

JUNE 2004

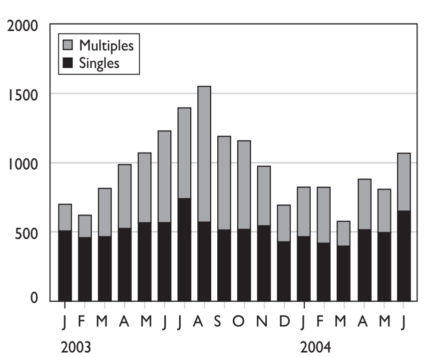
Single-detached Housing Starts Improve in June

Single-family housing starts across the Capital region showed surprising strength in June but weaker multi-family activity pulled the total starts numbers downward. Total housing starts fell by 13.6 per cent to 1,062 units compared with 1,229 starts in June 2003. This follows a 24 per cent year-over-year decline in May.

Single-detached starts within Greater Edmonton rose by almost 15 per cent above June of last year, reaching 650 units. For the region's home builders, this was their first year-over-year increase since last July. With the exception of Calmar, Devon and St.Albert, the majority of communities across Metro reported an increase in new singles. Despite June's improvements, single-family starts were down by 4.6 per cent for the first half of the year, when compared with January to June of 2003. Concerns over higher spec inventories and a large supply of existing homes for sale have generally prompted builders to throttle-back production since last summer.

The average price of a new single-detached home absorbed in the month of June increased by 12.5 per cent from June of last year to a record $252,131. This price gain was skewed by an increase in the number of new homes selling for over $500,000. In comparison, the median price for new houses sold in June rose by under nine per cent to $224,100. On a year-to-date basis, a typical new house in Edmonton has increased in price by 7.5 per cent, on average, to over $235,000. This compares with an eight per cent increase for resale homes during the first half of 2004, to an average price of $198,963.

Housing Starts Edmonton CMA



Single-detached completions reached 600 units in June, largely unchanged from the 598 single-family homes completed across the region in June of last year. Absorptions improved relative to June 2003, increasing by 11.5 per cent to 639 units. With absorptions outpacing completions by 39 units, the inventory of completed and unoccupied fell from the 673 units we reported in May to 634 units in June. Despite these improvements, builders were still carrying one-third more inventory in June, including show homes, than the 475 units that were on-hand in June 2003.

Multiple unit starts across Metro, which include semi-detached, row and apartment units, tumbled by 38 per cent year-over-year in June. This is a continuation of the downtrend which began in March, with concerns about rising apartment vacancies and a looming oversupply of condominium apartments undermining developer sentiment. On a year-to-date basis, multi-family starts have fallen by 13 per cent from the robust performance observed in the first half of 2003.

Apartment starts were down by 42 per cent in June, compared with the same month last year, while new semi-detached construction fell by just under one half. Row unit starts bucked the trend, rising by 24 per cent to 67 units compared with 54 in June 2003. Of the 273 apartment units started in June, just under 60 per cent were condominiums.

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In contrast to the single-family market, absorptions of new multiple units did not outpace completions in June and, as a result, inventories of completed and unoccupied moved up from the previous month. This was particularly so for rental apartments in Edmonton City. The stock of completed and unabsorbed rental apartments increased from 202 units in May to 457 units in June due to a surge in completions in Downtown Edmonton. As shown in Table 3, Metro's inventory of new rental apartments is back up to where it was in June of 2003. However, with rental units under construction down by 28 per cent from last June, we do not anticipate further large increases in the stock of unoccupied new rental apartments. Not so in the condo sector. As we noted last month, the total supply (units under construction plus the completed and unoccupied) of condo units, both row and apartment, are substantially higher than one year ago and an inventory run-up this fall appears to be in the cards.

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Table 1

EDMONTON CMA
STARTS ACTIVITY BY AREA JUNE 2004

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
BEAUMONT TOWN	21	19	0	0	0	21	19	10.53
CALMAR TOWN	1	2	0	0	0	1	2	-50.00
DEVON TOWN	0	10	0	0	0	0	10	**
EDMONTON CITY	**355**	**305**	**34**	**67**	**273**	**729**	**820**	**-11.10**
FORT SASKATCHEWAN CITY	12	9	4	0	0	16	11	45.45
GIBBONS TOWN	1	1	0	0	0	1	1	0.00
LEDUC CITY	13	9	0	0	0	13	9	44.44
LEDUC COUNTY	9	8	0	0	0	9	8	12.50
MORINVILLE TOWN	5	4	2	0	0	7	6	16.67
PARKLAND COUNTY	46	27	4	0	0	50	27	85.19
SPRUCE GROVE CITY	26	24	8	0	0	34	24	41.67
ST. ALBERT CITY	24	40	0	0	0	24	40	-40.00
STONY PLAIN TOWN	26	10	0	0	0	26	119	-78.15
STRATHCONA COUNTY	86	80	20	0	0	106	113	-6.19
STURGEON COUNTY	18	10	0	0	0	18	10	80.00
OTHER CENTRES	7	8	0	0	0	7	10	-30.00
TOTAL	**650**	**566**	**72**	**67**	**273**	**1062**	**1229**	**-13.59**

Table 1B

EDMONTON CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
BEAUMONT TOWN	64	75	0	0	0	64	75	-14.67
CALMAR TOWN	6	4	0	0	0	6	4	50.00
DEVON TOWN	42	64	8	0	0	50	64	-21.88
EDMONTON CITY	**1829**	**1881**	**342**	**170**	**1287**	**3628**	**3901**	**-7.00**
FORT SASKATCHEWAN CITY	32	40	10	6	0	48	66	-27.27
GIBBONS TOWN	4	8	0	0	0	4	8	-50.00
LEDUC CITY	86	42	2	0	41	129	56	**
LEDUC COUNTY	20	21	0	0	0	20	21	-4.76
MORINVILLE TOWN	16	14	14	0	0	30	18	66.67
PARKLAND COUNTY	90	90	12	0	0	102	90	13.33
SPRUCE GROVE CITY	104	112	12	15	0	131	126	3.97
ST. ALBERT CITY	129	169	12	0	0	141	245	-42.45
STONY PLAIN TOWN	94	71	2	0	0	96	206	-53.40
STRATHCONA COUNTY	353	422	98	0	0	451	467	-3.43
STURGEON COUNTY	51	48	0	0	0	51	48	6.25
OTHER CENTRES	20	21	0	0	0	20	23	-13.04
TOTAL	**2940**	**3082**	**512**	**191**	**1328**	**4971**	**5418**	**-8.25**

** Indicates 100% change or greater

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***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 JUNE 2004

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
BEAUMONT TOWN	3	23	0	0	0	3	23	-86.96
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	3	7	0	0	0	3	7	-57.14
EDMONTON CITY	**400**	**392**	**36**	**40**	**324**	**800**	**766**	**4.44**
FORT SASKATCHEWAN CITY	12	8	4	0	0	16	8	**
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	15	6	0	0	0	15	6	**
LEDUC COUNTY	1	1	0	0	0	1	1	0.00
MORINVILLE TOWN	2	1	0	0	0	2	5	-60.00
PARKLAND COUNTY	18	23	0	0	0	18	23	-21.74
SPRUCE GROVE CITY	16	27	6	0	0	22	29	-24.14
ST. ALBERT CITY	26	45	0	0	0	26	63	-58.73
STONY PLAIN TOWN	16	13	0	0	0	16	13	23.08
STRATHCONA COUNTY	78	36	42	0	0	120	45	**
STURGEON COUNTY	10	11	0	0	0	10	11	-9.09
OTHER CENTRES	0	5	0	0	0	0	5	**
TOTAL	**600**	**598**	**88**	**40**	**324**	**1052**	**1005**	**4.68**

Table 2B

EDMONTON CMA
HOUSING COMPLETIONS BY AREA YEAR TO DATE

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
BEAUMONT TOWN	46	88	0	0	0	46	88	-47.73
CALMAR TOWN	5	2	0	0	0	5	2	**
DEVON TOWN	25	50	0	8	0	33	50	-34.00
EDMONTON CITY	**1911**	**1975**	**344**	**186**	**919**	**3360**	**3939**	**-14.70**
FORT SASKATCHEWAN CITY	34	47	20	0	0	54	185	-70.81
GIBBONS TOWN	3	1	0	0	0	3	1	**
LEDUC CITY	63	61	10	4	32	109	104	4.81
LEDUC COUNTY	32	22	0	0	0	32	22	45.45
MORINVILLE TOWN	16	8	2	0	22	40	12	**
PARKLAND COUNTY	92	124	0	0	0	92	124	-25.81
SPRUCE GROVE CITY	88	109	38	18	0	144	171	-15.79
ST. ALBERT CITY	138	174	4	0	0	142	237	-40.08
STONY PLAIN TOWN	69	67	6	0	47	122	106	15.09
STRATHCONA COUNTY	435	383	96	38	0	569	408	39.46
STURGEON COUNTY	68	76	0	0	0	68	76	-10.53
OTHER CENTRES	30	15	4	0	0	34	15	**
TOTAL	**3055**	**3202**	**524**	**254**	**1020**	**4853**	**5540**	**-12.40**

** Indicates 100% change or greater

Table 3
EDMONTON CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	Total
STARTS										
June	650	72	4	63	162	0	111	0	0	1062
2003	566	140	0	54	416	0	53	0	0	1229
Year-To-Date 2004	2940	512	4	187	969	0	359	0	0	4971
Year-To-Date 2003	3082	582	59	164	1078	61	392	0	0	5418
UNDER CONSTRUCTION										
2004	2682	634	23	381	4431	16	868	0	0	9035
2003	3189	792	44	238	2595	48	1202	0	0	8108
COMPLETIONS										
June	600	88	0	32	55	8	269	0	0	1052
2003	598	132	3	30	173	13	56	0	0	1005
Year-To-Date 2004	3055	524	16	189	485	49	535	0	0	4853
Year-To-Date 2003	3202	400	18	131	734	31	1024	0	0	5540
COMPLETED & NOT ABSORBED										
2004	634	123	8	32	121	0	457	0	0	1375
2003	475	90	1	20	176	0	454	0	0	1216
TOTAL SUPPLY										
2004	3316	757	31	413	4552	16	1325	0	0	10410
2003	3664	882	45	258	2771	48	1656	0	0	9324
ABSORPTIONS										
June	639	96	1	35	62	8	14	0	0	855
3-month Average	550	95	3	31	88	14	75	0	0	856
12-month Average	549	92	3	27	109	8	105	0	0	893