HOUSING NOW

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Canada Mortgage and Housing Corporation
www.cmhc.ca

PRAIRIES
2ND QUARTER 2005

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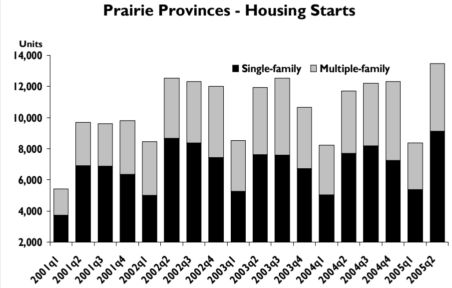
Second Quarter Housing Starts Record Best Performance Since 1981

There were 13,475 total housing starts in the three Prairie Provinces during the second quarter of 2005. This was an increase of about 15 per cent from second quarter of 2004 and the best April to June performance since 1981. After six months in 2005, 21,843 new units have been started in the three provinces, a gain of 9.4 per cent from the six months of 2004.

Builders in Alberta started 11,271 units during the second quarter of 2005, representing the strongest April to June period for new home construction since 1981. Total starts during the second quarter were 2,012 units higher than the same period in 2004. Single-detached starts increased by 1,329 units to reach 7,416 units. Multi-family starts were up by 683 units to 3,855 units. This was also the first time since 1993 that housing starts in Edmonton exceeded those of Calgary during the second quarter of a year. However, with multi-family starts in Edmonton having peaked for the year and with Calgary's peak expected to occur later in the year, CMHC is projecting total starts in Calgary will finish ahead of Edmonton in 2005.

Prairie Provinces - Housing Starts



Source: CMHC

Due to the strong second quarter, year-to-date total housing starts in Alberta are nearly 13 per cent ahead of last year's levels. Overall activity has been split between urban and rural areas at 87 and 13 per cent respectively. At the end of June, total supply of single-family homes in Alberta's urban areas stood at 10,608 units, an increase of 10.1 per cent from June 2004. At the current twelve month rate of absorption, it would take about seven months to deplete this supply. The supply of multi-family units at the end of June was 16,175 units, an increase of nearly eight per cent from June 2004. At the current twelve month rate of absorption, it would take about 17 months to exhaust the existing supply of multi-family units.

With 967 units started during the second quarter, total starts activity in Saskatchewan was about 23 per cent lower than the same period a year earlier. While single-detached starts registered an increase of about eight percent from the second quarter of 2004 to the second quarter of 2005, multi-family starts declined by 55 per cent. The declines in multi-family starts were concentrated in Regina and Saskatoon. In 2004, multi-family starts in Regina posted their best performance since 1983. Multi-family starts in Saskatoon during 2004 were at their highest point since 1985. The surge in starts activity in 2004 in these centres has led to an elevated number of units under construction, causing builders to pull back activity. With absorptions maintaining a steady pace, it is anticipated that multi-family starts in both cities will pick up during the second half of 2005.

Through the first six months of 2005, total starts across Saskatchewan are 22.1 per cent behind last year's pace. Starts in urban areas trail last year's pace by 23.6 per cent, while activity in rural areas lags 2004's pace by 13.6 per cent. Due to the high level of starts last year, the number of multi-family units under construction in urban areas increased by nearly 20 per cent from June 2004 to June 2005 and now stands at 1,172 units. Over the same period, the rising pace of absorptions lowered the completed and unoccupied count for multi-family units from 176 units to 79 units. At the current twelve month moving absorption rate of 79 units per month, it would take nearly 16 months to exhaust the current level of units under construction and completed and unoccupied. However, this calculation is likely overstated as the absorption rate is expected to pick up when many of the units that are currently under construction reach completion. The current duration of supply of single-family units under construction and completed and unoccupied is about nine months at the prevailing absorption rate.

During the second quarter, builders in Manitoba poured foundations for 1,237 units, an increase of 2.7 per cent from the same period a year earlier. A gain of 15.4 per cent in rural areas was countered by a decline in urban areas of 4.9 per cent. Activity in all urban areas except for the Winnipeg Census Metropolitan Area was lower than the previous year. Rural areas accounted for about 42 per cent of the province's housing starts.

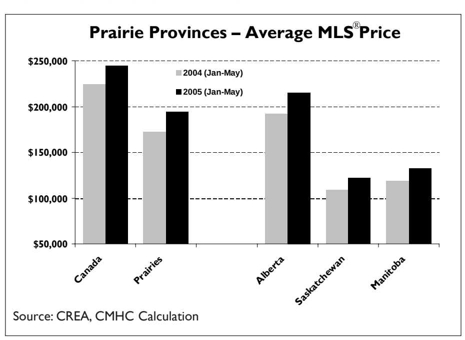
Of the 219 multi-family starts during the second quarter of 2005, nearly 81 per cent took place in the city of Winnipeg. The remainder were scattered through Brandon, Portage La Prairie and rural areas. In contrast, of the 214 multi-family units started during the second quarter of 2004, only 34 per cent were with the city of Winnipeg. The remaining activity was in the rural municipalities around Winnipeg, Brandon, and various rural areas. At the current twelve month rate of absorption, it will take about 6.5 months to deplete the current supply of multi-family units in the province.

Single-detached starts in Manitoba increased from 990 units in the second quarter of 2004 to 1,018 units in the second quarter of 2005. About 51 per cent of this activity occurred in four urban areas; Winnipeg, Brandon, Portage La Prairie and St. Andrews. At the end of June 2005, total supply of new single-detached homes in urban areas stood at 1,063 units, virtually unchanged from the 1,060 units at the end of June 2004. At the current twelve month rate of absorption, it would take 6.6 months to exhaust the existing supply.

Resale Transactions on Track for another Record Year

Total MLS sales across the Prairies are on pace for another record setting year in 2005. Through the first five months of the year, total MLS sales for the three provinces were up 7.2 per cent compared to the same period a year earlier. In comparison, sales in the other seven provinces were lower by two per cent. The average price has moved in tandem with sales. At the end of May, the average price for the Prairie Provinces was about $195,000, a gain of nearly 13 per cent from a year earlier. The average price for the seven other provinces was about $255,000, a jump of about 8.7 per cent from a year earlier.

A closer examination of the data reveals a variation in performance among the three Prairie Provinces. In Alberta, sales and the average price were up 8.8 and 12.1 per cent, respectively from a year ago. In Saskatchewan, year-to-date sales through May were down about 0.9 per cent. However, with higher priced units capturing a greater market share, the average price in Saskatchewan was up by 12 per cent. In Manitoba, total sales and the average price were up 5.2 and 11.4 per cent, respectively through the first five months of 2005.

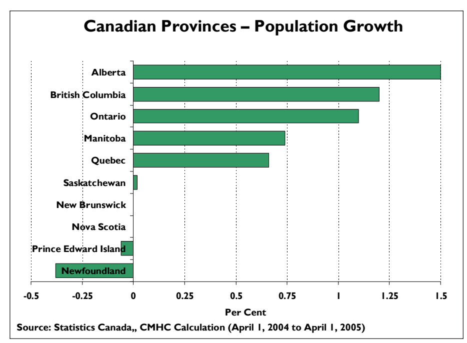


Demographic and Economic Indicators are Favourable for Housing Markets

The performance of the housing market is being sustained through population and household growth and a strong job market.

From April 1, 2004 to April 1, 2005, Alberta experienced the strongest population growth among provinces due to gains from inter-provincial and international migration. The 1.5 per cent increase in Alberta's population was above Canada's growth rate of 0.9 per cent. Over the same period, Manitoba's population increased by 0.7 per cent. This was the fourth highest growth rate among the provinces resulting from gains through international migration. Lower outflows of individuals from the province enabled Saskatchewan to post a marginal 0.02 per cent increase in population from April 1, 2004 to April 1, 2005.

Migration flows that add to the available pool of workers are welcome news for three provinces that are experiencing a shortage of skilled labour. The unemployment rates in the three provinces are well below the national average. In June, the seasonally adjusted unemployment rate for Alberta was 3.8



per cent. Both Saskatchewan and Manitoba registered a seasonally adjusted unemployment rate of 4.8 per cent over the same period. Nearly 81 per cent of the jobs in Manitoba and Saskatchewan were full-time jobs. In Alberta, this figure was 83 per cent. This is a positive for home ownership as having access to a full-time job makes it easier for households to obtain the required financing to buy a home.

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Table 1A
MANITOBA HOUSING STARTS BY AREA
2nd Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
WINNIPEG CMA	449	522	2	33	142	626	594	5.4
WINNIPEG CITY	**367**	**380**	**2**	**33**	**142**	**544**	**418**	**30.1**
BRANDON CA	52	36	2	8	0	62	123	-49.6
PORTAGE LA PRAIRIE CA	5	14	0	6	0	11	14	-21.4
ST.ANDREWS	14	17	0	0	0	14	17	-17.6
THOMPSON CA	0	2	0	0	0	0	2	**
MANITOBA (URBAN)	**520**	**591**	**4**	**47**	**142**	**713**	**750**	**-4.9**
MANITOBA (RURAL)	**498**	**399**	**26**	**0**	**0**	**524**	**454**	**15.4**
MANITOBA (TOTAL)	**1,018**	**990**	**30**	**47**	**142**	**1,237**	**1,204**	**2.7**

Table 1B
MANITOBA HOUSING STARTS BY AREA
January to June 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
WINNIPEG CMA	791	855	4	37	248	1,080	946	14.2
WINNIPEG CITY	**656**	**673**	**4**	**37**	**248**	**945**	**730**	**29.5**
BRANDON CA	59	48	2	8	0	69	169	-59.2
PORTAGE LA PRAIRIE CA	5	14	0	6	0	11	14	-21.4
ST.ANDREWS	28	24	0	0	0	28	24	16.7
THOMPSON CA	1	2	0	0	0	1	2	-50.0
MANITOBA (URBAN)	**884**	**943**	**6**	**51**	**248**	**1,189**	**1,155**	**2.9**
MANITOBA (RURAL)	**727**	**586**	**29**	**0**	**0**	**756**	**653**	**15.8**
MANITOBA (TOTAL)	**1,611**	**1,529**	**35**	**51**	**248**	**1,945**	**1,808**	**7.6**

** Indicates a greater than 100 per cent change

Table 2A
SASKATCHEWAN HOUSING STARTS BY AREA
2nd Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
REGINA CMA	174	160	10	39	39	262	302	-13.2
REGINA CITY	**128**	**131**	**10**	**39**	**38**	**215**	**273**	**-21.2**
SASKATOON CMA	240	248	22	0	101	363	658	-44.8
SASKATOON CITY	**150**	**149**	**16**	**0**	**101**	**267**	**547**	**-51.2**
ESTEVAN CA	4	4	5	0	22	31	4	***
LLOYDMINSTER CA (SK)	19	10	0	0	0	19	10	90.0
MOOSE JAW CA	16	26	0	0	0	16	26	-38.5
BATTLEFORD CA	4	9	0	10	0	14	14	0.0
PRINCE ALBERT CA	45	33	6	0	0	51	33	54.5
SWIFT CURRENT CA	9	5	14	0	0	23	11	***
YORKTON CA	15	15	2	0	0	17	17	0.0
TOTAL URBAN	**526**	**510**	**59**	**49**	**162**	**796**	**1,075**	**-26.0**
TOTAL RURAL	**159**	**124**	**4**	**7**	**1**	**171**	**186**	**-8.1**
TOTAL	**685**	**634**	**63**	**56**	**163**	**967**	**1,261**	**-23.3**

Table 2B
SASKATCHEWAN HOUSING STARTS BY AREA
January to June 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
REGINA CMA	258	233	10	39	39	346	482	-28.2
REGINA CITY	**192**	**184**	**10**	**39**	**38**	**279**	**433**	**-35.6**
SASKATOON CMA	358	359	32	0	170	560	861	-35.0
SASKATOON CITY	**242**	**230**	**22**	**0**	**164**	**428**	**718**	**-40.4**
ESTEVAN CA	4	5	7	9	22	42	5	***
LLOYDMINSTER CA (SK)	28	15	0	0	0	28	15	86.7
MOOSE JAW CA	24	33	0	0	16	40	33	21.2
BATTLEFORD CA	7	9	0	10	0	17	14	21.4
PRINCE ALBERT CA	47	38	6	0	0	53	38	39.5
SWIFT CURRENT CA	13	8	14	0	0	27	14	92.9
YORKTON CA	15	15	2	0	0	17	17	0.0
TOTAL URBAN	**754**	**715**	**71**	**58**	**247**	**1,130**	**1,479**	**-23.6**
TOTAL RURAL	**206**	**195**	**4**	**11**	**1**	**222**	**257**	**-13.6**
TOTAL	**960**	**910**	**75**	**69**	**248**	**1,352**	**1,736**	**-22.1**

** Indicates a greater than 100 per cent change

Table 3A

ALBERTA HOUSING STARTS BY AREA

2nd Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
EDMONTON CMA	2,231	1,662	360	39	1,553	4,183	2,750	52.1
EDMONTON CITY	**1,510**	**959**	**242**	**39**	**1,271**	**3,062**	**1,977**	**54.9**
CALGARY CMA	2,372	2,224	268	331	508	3,479	3,754	-7.3
CALGARY CITY	**2,054**	**1,871**	**228**	**314**	**508**	**3,104**	**3,235**	**-4.0**
BROOKS TOWN CA	20	20	4	4	59	87	59	47.5
CAMROSE CA	24	24	4	0	0	28	50	-44.0
CANMORE TOWN	20	22	8	8	68	104	89	16.9
COLD LAKE CA	72	97	2	0	24	98	99	-1.0
COLD LAKE TOWN	18	28	0	0	0	18	30	-40.0
BONNYVILLE TOWN	7	8	2	0	0	9	8	12.5
GRANDE PRAIRIE CA	252	212	16	26	0	294	238	23.5
LETHBRIDGE CA	140	159	16	25	70	251	228	10.1
LLOYDMINSTER CA	56	81	0	0	2	58	81	-28.4
MEDICINE HAT CA	138	152	22	34	89	283	192	47.4
OKOTOKS TOWN	129	91	10	6	0	145	109	33.0
RED DEER CA	229	224	48	36	4	317	385	-17.7
WETASKIWIN CA	10	2	2	4	0	16	2	**
WOOD BUFFALO CA	210	169	24	27	0	261	173	50.9
FORT MCMURRAY	203	162	24	27	0	254	166	53.0
ALBERTA URBAN	**5,903**	**5,139**	**784**	**540**	**2,377**	**9,604**	**8,209**	**17.0**
ALBERTA RURAL	**1,513**	**948**	**46**	**32**	**76**	**1,667**	**1,050**	**58.8**
TOTAL	**7,416**	**6,087**	**830**	**572**	**2,453**	**11,271**	**9,259**	**21.7**

Table 3B

ALBERTA HOUSING STARTS BY AREA

January to June 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
EDMONTON CMA	3,650	2,940	630	165	1,983	6,428	4,971	29.3
EDMONTON CITY	**2,462**	**1,829**	**428**	**163**	**1,654**	**4,707**	**3,628**	**29.7**
CALGARY CMA	4,151	4,028	428	612	1,199	6,390	7,007	-8.8
CALGARY CITY	**3,571**	**3,423**	**360**	**542**	**1,199**	**5,672**	**6,138**	**-7.6**
BROOKS TOWN CA	33	31	4	4	59	100	70	42.9
CAMROSE CA	28	40	4	8	0	40	80	-50.0
CANMORE TOWN	37	42	10	8	156	211	127	66.1
COLD LAKE CA	109	142	4	4	32	149	144	3.5
COLD LAKE TOWN	30	37	0	0	8	38	39	-2.6
BONNYVILLE TOWN	9	8	4	0	0	13	8	62.5
GRANDE PRAIRIE CA	376	290	40	32	0	448	385	16.4
LETHBRIDGE CA	231	268	38	49	70	388	387	0.3
LLOYDMINSTER CA	91	104	0	0	44	135	104	29.8
MEDICINE HAT CA	215	234	32	57	89	393	311	26.4
OKOTOKS TOWN	223	157	22	6	0	251	185	35.7
RED DEER CA	373	366	92	57	4	526	706	-25.5
WETASKIWIN CA	13	5	2	4	0	19	5	**
WOOD BUFFALO CA	328	238	44	127	177	676	317	**
WOOD BUFFALO USA	321	226	44	127	177	669	305	**
ALBERTA URBAN	**9,858**	**8,885**	**1,350**	**1,133**	**3,813**	**16,154**	**14,799**	**9.2**
ALBERTA RURAL	**2,082**	**1,415**	**87**	**83**	**140**	**2,392**	**1,615**	**48.1**
TOTAL	**11,940**	**10,300**	**1,437**	**1,216**	**3,953**	**18,546**	**16,414**	**13.0**

** Indicates a greater than 100 per cent change

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Table 4

MANITOBA HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	520	4	0	39	48	8	0	0	94	713
Previous Year	591	10	0	6	56	4	36	0	47	750
Year-To-Date 2005	884	6	0	43	48	8	106	0	94	1,189
Year-To-Date 2004	943	26	0	9	56	4	40	0	77	1,155
Under Construction										
2005	882	8	0	55	96	8	165	0	94	1,308
2004	929	40	0	10	233	4	223	0	47	1,486
Completions										
Current Quarter	553	0	0	12	105	12	135	0	0	817
Previous Year	538	4	0	4	130	4	51	0	30	761
Year-To-Date 2005	873	10	0	25	133	20	338	0	0	1,399
Year-To-Date 2004	717	6	0	13	130	4	168	0	30	1,068
Completed & Not Absorbed										
2005	181	4	0	5	51	0	63	0	0	304
2004	131	3	0	8	32	4	104	0	0	282
Total Supply[2]										
2005	1,063	12	0	60	147	8	228	0	94	1,612
2004	1,060	43	0	18	265	8	327	0	47	1,768
Absorptions										
Current Quarter	500	8	0	13	109	18	171	0	0	819
Previous Year	467	7	0	1	102	0	44	0	0	621
Year-To-Date 2005	806	20	0	22	122	21	275	0	0	1,266
Year-To-Date 2004	693	7	0	8	106	0	122	0	0	936
3-month Average	167	3	0	4	36	6	57	0	0	273
12-month Average	161	5	0	3	22	2	52	0	0	245

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied.

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 Vinay Bhardwaj at (403) 515-3004 or by email: vinay.bhardwaj@cmhc.ca.

Table 5

SASKATCHEWAN HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	526	59	0	49	123	0	39	0	0	796
Previous Year	510	58	0	217	284	6	0	0	0	1,075
Year-To-Date 2005	754	71	0	58	192	0	39	0	16	1,130
Year-To-Date 2004	715	66	0	298	394	6	0	0	0	1,479
Under Construction										
2005	868	131	0	279	671	0	40	35	16	2,040
2004	729	66	4	351	552	6	1	0	0	1,709
Completions										
Current Quarter	351	24	0	88	56	0	0	0	0	519
Previous Year	310	30	3	75	193	10	1	0	0	622
Year-To-Date 2005	712	42	0	134	72	4	0	0	0	964
Year-To-Date 2004	604	54	3	128	258	10	1	0	0	1,058
Completed & Not Absorbed										
2005	57	0	0	30	42	0	7	0	0	136
2004	66	9	0	35	48	0	84	0	0	242
Total Supply[2]										
2005	925	131	0	309	713	0	47	35	16	2,176
2004	795	75	4	386	600	6	85	0	0	1,951
Absorptions										
Current Quarter	298	16	0	96	63	2	0	0	0	475
Previous Year	247	25	0	56	205	10	28	0	0	571
Year-To-Date 2005	557	35	0	141	90	4	0	0	0	827
Year-To-Date 2004	486	49	0	121	271	10	56	0	0	993
3-month Average	99	5	0	32	21	1	0	0	0	158
12-month Average	104	8	0	36	29	0	6	0	0	183

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied.

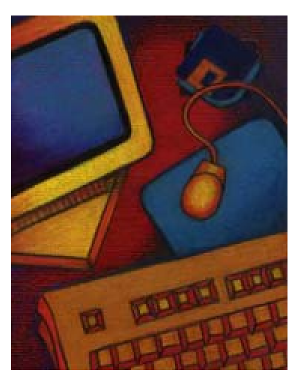

Table 6
ALBERTA HOUSING ACTIVITY SUMMARY
Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	5,903	784	72	439	2,027	29	350	0	0	9,604
Previous Year	5,139	588	34	436	1,562	56	290	39	65	8,209
Year-To-Date 2005	9,858	1,350	90	995	3,251	48	374	0	188	16,154
Year-To-Date 2004	8,885	1,148	79	814	2,705	76	856	39	197	14,799
Under Construction										
2005	9,159	1,738	124	1,640	9,040	51	1,101	0	365	23,218
2004	8,103	1,440	93	1,420	8,665	117	1,558	39	197	21,632
Completions										
Current Quarter	4,971	706	26	334	1,506	74	274	39	62	7,992
Previous Year	4,499	640	54	482	920	111	431	0	0	7,137
Year-To-Date 2005	8,868	1,254	66	703	2,525	127	487	39	132	14,201
Year-To-Date 2004	8,510	1,164	97	954	1,866	139	926	0	0	13,656
Completed & Not Absorbed										
2005	1,449	345	6	164	968	0	633	0	0	3,565
2004	1,530	296	15	167	302	12	663	0	0	2,985
Total Supply[2]										
2005	10,608	2,083	130	1,804	10,008	51	1,734	0	365	26,783
2004	9,633	1,736	108	1,587	8,967	129	2,221	39	197	24,617
Absorptions										
Current Quarter	4,834	708	19	282	1,446	78	293	0	0	7,660
Previous Year	4,303	580	46	431	886	98	242	0	0	6,586
Year-To-Date 2005	8,399	1,184	58	642	2,309	134	505	0	0	13,231
Year-To-Date 2004	8,146	1,076	93	854	1,755	120	760	0	0	12,804
3-month Average	1,611	236	6	94	482	26	98	0	0	2,553
12-month Average	1,494	192	12	136	494	21	121	0	0	2,470

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied.