

HOUSING NOW

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Canada Mortgage and Housing Corporation

Calgary Housing Starts Skyrocket in February

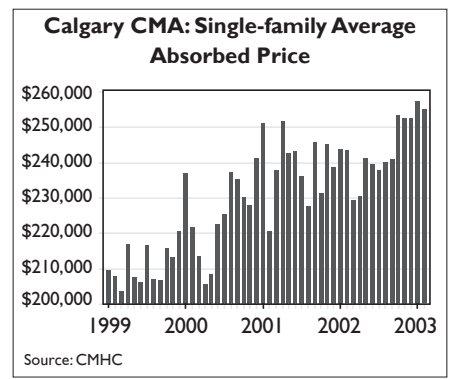
Fuelled by a surge in apartment construction, total housing starts in the Calgary Census Metropolitan Area (CMA) skyrocketed in February. Calgary builders started work on 1,731 housing units, more than double January's production and 79 per cent above the corresponding period one year earlier. February's starts also represent the best monthly performance since June 1982 when 2,036 units began construction.

Following one of the weakest months in years, multi-family construction, including semi-detached units, rows, and apartments, rebounded sharply in February with the best monthly performance since June 1982. A total of 945 multi-family units were started in February, representing a 162 per cent increase over the previous year. February's performance brings the year-to-date total for multi-family units to 1,147, an increase of 41 per cent over the previous year. Any fears that multi-family construction would be weak in 2003 were quickly put to rest by February's strong performance. February's activity was led by 772 apartment starts, pushing year-to-date apartment construction 33 per cent ahead of the previous year. Meanwhile, semi-detached and row construction to the end of February have recorded gains of 97 and 51 per cent, respectively.

In February, 526 multi-family units were absorbed in the Calgary CMA, 39 per cent more than the previous year. During the same time, multi-family completions reached a lofty 799 units, resulting in a healthy increase to the number of complete and unabsorbed units. Multi-family inventories in February jumped by 282 units from the previous month and at 559 units, currently sit 42 per cent higher than the previous year. The majority of the increase can be

attributed to apartments, which have jumped by 115 per cent year-over-year. However, the increase must be viewed with caution as over half of apartment inventories are for rental tenure. This is due to the recent completion of a rental project that was not fully absorbed upon completion. Expect these to be absorbed in a short time period resulting in a corresponding drop in inventory.

While the multi-family sector stood out as the strongest performer in February, single-family construction in the Calgary CMA also excelled. A total of 786 single-family homes were started in February, representing the second best February on record and a 30 per cent gain over February of last year. The surge in construction represents the strong carry-over of demand from 2002. Buyers want to ensure their new homes get in the pipeline before they are faced with higher mortgage rates and additional price increases. To the end of February, Calgary builders have started 1,398 single-family homes. This represents a 22 per cent gain over the corresponding period last year as well as the strongest start to the year on record. Thus far, single-family starts are up 78 per cent in M.D. Rockyview, the largest gain



FEBRUARY 2003

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among municipalities comprising the Calgary CMA. Within City limits, starts in Calgary are up 27 per cent to the end of February.

At 676 units, single-family absorptions in February increased by 12 per cent from the previous year, the best performance recorded for any February. While absorptions reached a new February record, the number of completed and unabsorbed units declined by nine per cent from February 2002. Nonetheless, at 581 units the number of singles in inventory is 40 units higher than the previous month and the strongest total in nearly a year. Builders are anticipating that a further surge in buying before mortgage rates rise, and thus are attempting to replenish their inventories for those seeking a quick occupancy.



Table I
CALGARY CMA
STARTS ACTIVITY BY AREA FEBRUARY 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	25	41	0	13	1	39	52	-25.00
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	688	500	30	98	771	1587	844	88.03
CHESTERMERE LAKE	23	27	4	0	0	27	27	0.00
COCHRANE	5	13	2	4	0	11	13	-15.38
CROSSFIELD	4	0	0	0	0	4	0	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	41	23	18	4	0	63	29	**
TOTAL	786	604	54	119	772	1731	965	79.38

Table IB
CALGARY CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	62	70	4	29	1	96	86	11.63
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	1201	948	82	166	813	2262	1730	30.75
CHESTERMERE LAKE	37	49	6	0	0	43	49	-12.24
COCHRANE	13	27	4	4	0	21	33	-36.36
CROSSFIELD	7	1	0	0	0	7	1	**
IRRICANA	0	0	0	4	0	4	0	**
MD ROCKYVIEW	78	48	30	4	0	112	58	93.10
TOTAL	1398	1143	126	207	814	2545	1957	30.05

** Indicates 100% change or greater



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 in Market Analysis at (403) 515-3005 or by fax at (403) 515-3036.

Table 2
CALGARY CMA
HOUSING COMPLETIONS BY AREA FEBRUARY 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	38	31	12	14	59	123	107	14.95
BEISEKER	0	0	0	0	0	0	2	**
CALGARY CITY	609	446	48	32	622	1311	700	87.29
CHESTERMERE LAKE	26	37	2	0	0	28	39	-28.21
COCHRANE	14	6	4	6	0	24	6	**
CROSSFIELD	2	1	0	0	0	2	1	**
IRRICANA	1	0	0	0	0	1	0	**
MD ROCKYVIEW	26	42	0	0	0	26	42	-38.10
TOTAL	716	563	66	52	681	1515	897	68.90

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

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	69	76	14	17	59	159	171	-7.02
BEISEKER	0	0	0	0	0	0	2	**
CALGARY CITY	1084	881	114	79	940	2217	1510	46.82
CHESTERMERE LAKE	51	49	2	12	0	65	51	27.45
COCHRANE	23	11	10	6	0	39	13	**
CROSSFIELD	2	2	0	0	0	2	2	0.00
IRRICANA	1	1	0	0	0	1	1	0.00
MD ROCKYVIEW	48	73	2	0	0	50	73	-31.51
TOTAL	1278	1093	142	114	999	2533	1823	38.95

** Indicates 100% change or greater

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Table 3
CALGARY CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
STARTS										
February	786	54	0	119	771	0	1	0	0	1731
2002	604	34	0	82	245	0	0	0	0	965
Year-To-Date 2003	1398	126	0	207	813	0	1	0	0	2545
Year-To-Date 2002	1143	64	0	137	347	0	266	0	0	1957
UNDER CONSTRUCTION										
2003	4098	514	9	939	3102	0	190	0	0	8852
2002	3041	392	0	713	2430	0	722	0	0	7298
COMPLETIONS										
February	716	66	9	43	340	0	341	0	0	1515
2002	563	40	0	156	135	0	3	0	0	897
Year-To-Date 2003	1278	142	9	105	522	0	477	0	0	2533
Year-To-Date 2002	1093	106	0	220	397	0	7	0	0	1823
COMPLETED & NOT ABSORBED										
2003	581	97	0	32	208	0	222	0	0	1140
2002	641	140	0	53	200	0	0	0	0	1034
TOTAL SUPPLY										
2003	4679	611	9	971	3310	0	412	0	0	9992
2002	3682	532	0	766	2630	0	722	0	0	8332
ABSORPTIONS										
February	676	59	10	40	272	0	136	0	0	1193
3-month Average	657	63	5	63	280	0	90	0	0	1158
12-month Average	720	59	2	79	208	0	33	0	0	1101

RESIDENTIAL CONSTRUCTION DIGEST

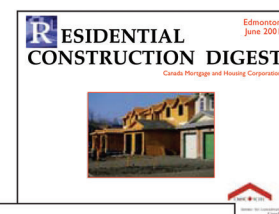
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