Edmonton

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Fewer Housing Starts in December

DECEMBER 2003

For the third month in a row, housing starts across the Capital region fell in December compared with the same month in 2002. Total housing starts in the Edmonton Census Metropolitan Area (CMA) dropped by 36 per cent from December 2002 to 693 units. Despite the slower fourth quarter, total starts for the year reached 12,380 units, down by a mere 1.6 per cent from 2002 when Edmonton's home building industry marked the best performance since the record year of 1978.

The decline in 2003 total starts did not occur in all regions within the Edmonton CMA. In fact, total starts increased in nine of the 16 communities within the census metropolitan area. The higher activity in areas such as Edmonton City, Leduc City, Spruce Grove, and Stony Plain was not enough to compensate for the declines that occurred in most other districts.

Rising unsold inventories and improved selection of existing (resale) homes prompted builders to reduce single-detached starts in December 2003. In fact, single starts fell by 24 per cent from last December to 427 units. This was the fifth consecutive month that single-family starts failed to match the record-setting performance observed in 2002, and represent the lowest monthly total recorded since March 2002. By year-end 2003, single-detached starts totaled 6,391 units, representing a decline of nearly seven per cent from last year's record high of 6,860 units.

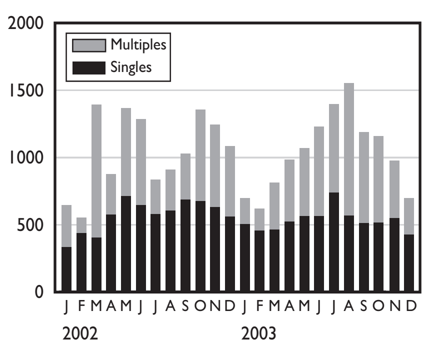
Robust single-family starts activity in 2002, resulted in a record level of completions for 2003. In fact, year to date completions increased by nearly 35 per cent over the previous year for a total of 11,587 units. Meanwhile, single-family absorptions in December increased by 24 per cent over the previous year, reaching their highest level in 10 years. Nonetheless, completions continued to outpace absorptions resulting in the accumulation of new homes in inventory. With 675 units absorbed in December 2003, and 700 single-family homes completed in the same month, the unabsorbed inventory increased to 736 units compared to 711 units in November 2003 and only 318 units in December 2002. Of December's unsold inventory, 458 units (62%) were spec homes. This compares with only 121 spec units available this time last year.

Multiple unit starts dropped to 266 units in December 2003, one half of the previous years tally. Despite December's retreat, multiple dwelling starts for the year reached 5,989 units, surpassing last year's count by 4.7 per cent and representing the best year since 1982. Going forward, we expect multi-unit activity to moderate in the months ahead, in response to a rising stock of unoccupied new units and greater competition from the existing rental and condominium markets.

December's retreat was primarily caused by the 79 per cent decline in apartment activity. However, despite the monthly decline, apartment and row starts for the year were up by four and three per cent respectively, while semi-detached starts were down by nearly five per cent from 2002. Of the total multiple units constructed in 2003, condominiums represented 60 per cent of the total. This is a significant increase over the previous year in which only 43 per cent of the multiple units constructed were intended for the condominium market.

Multiple-unit completions in December fell by 28 per cent year-over-year to 283 units. Meanwhile, December absorptions were up by four per cent from the same month last year, reaching 393 units. As absorptions outpaced completions, unoccupied inventories were prevented from moving higher. Nonetheless, the stock of unabsorbed new multiples stood at 729 units in December, representing a 61 per cent increase over the same time last year. Overall the total supply of new multiples, which cosists of units under construction and units in inventory (see Table 3), stood at 6,847 units in December 2003, nearly 30 per cent higher than a year ago. For condomnium apartments, supply levels have increase by nearly 75 per cent from 2002. If absorption rates do not record significant gains over the next few months, inventories are expected to swell in the first half of 2004.

Housing Starts Edmonton CMA



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Canada

Table 1
EDMONTON CMA
STARTS ACTIVITY BY AREA DECEMBER 2003

	Single		Multiple			Total		% Chg
AREA	2003	2002	Semi	Row	Apt	2003	2002	2003/2002
BEAUMONT TOWN	16	8	0	0	0	16	8	**
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	4	5	0	0	0	4	5	-20.00
EDMONTON CITY	**263**	**381**	**106**	**64**	**74**	**507**	**864**	**-41.32**
FORT SASKATCHEWAN CITY	9	8	0	0	6	15	8	87.50
GIBBONS TOWN	1	0	0	0	0	1	0	**
LEDUC CITY	2	11	2	4	0	8	15	-46.67
LEDUC COUNTY	4	2	0	0	0	4	2	**
MORINVILLE TOWN	4	1	0	0	0	4	3	33.33
PARKLAND COUNTY	13	22	0	0	0	13	22	-40.91
SPRUCE GROVE CITY	14	16	2	0	0	16	19	-15.79
ST. ALBERT CITY	24	27	0	0	0	24	55	-56.36
STONY PLAIN TOWN	11	14	0	0	0	11	18	-38.89
STRATHCONA COUNTY	47	52	8	0	0	55	52	5.77
STURGEON COUNTY	9	13	0	0	0	9	13	-30.77
OTHER CENTRES	6	1	0	0	0	6	1	**
TOTAL	**427**	**561**	**118**	**68**	**80**	**693**	**1085**	**-36.13**

Table 1B
EDMONTON CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

	Single		Multiple			Total		% Chg
AREA	2003	2002	Semi	Row	Apt	2003	2002	2003/2002
BEAUMONT TOWN	141	142	0	0	0	141	142	-0.70
CALMAR TOWN	10	5	0	0	0	10	5	**
DEVON TOWN	114	103	0	8	0	122	105	16.19
EDMONTON CITY	**3857**	**4157**	**790**	**569**	**3740**	**8956**	**8821**	**1.53**
FORT SASKATCHEWAN CITY	77	105	30	0	38	145	248	-41.53
GIBBONS TOWN	14	5	0	0	0	14	5	**
LEDUC CITY	102	135	20	4	76	202	198	2.02
LEDUC COUNTY	56	59	0	0	0	56	59	-5.08
MORINVILLE TOWN	35	27	10	0	22	67	54	24.07
PARKLAND COUNTY	212	290	2	0	0	214	290	-26.21
SPRUCE GROVE CITY	227	194	54	15	206	502	377	33.16
ST. ALBERT CITY	343	402	34	0	50	427	740	-42.30
STONY PLAIN TOWN	153	153	18	18	148	337	309	9.06
STRATHCONA COUNTY	869	912	70	63	0	1002	1045	-4.11
STURGEON COUNTY	128	136	0	0	0	128	136	-5.88
OTHER CENTRES	53	35	0	0	0	57	47	21.28
TOTAL	**6391**	**6860**	**1032**	**677**	**4280**	**12380**	**12581**	**-1.60**

** 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 Goatcher in Market Analysis at (780) 423-8729 or by fax at (780) 423-8702.*

Table 2

EDMONTON CMA
HOUSING COMPLETIONS BY AREA DECEMBER 2003

AREA	Single 2003	Single 2002	Multiple Semi	Multiple Row	Multiple Apt	Total 2003	Total 2002	% Chg 2003/2002
BEAUMONT TOWN	16	2	0	0	0	16	2	**
CALMAR TOWN	2	0	0	0	0	2	0	**
DEVON TOWN	14	5	0	0	0	14	5	**
EDMONTON CITY	**333**	**277**	**64**	**7**	**178**	**582**	**629**	**-7.47**
FORT SASKATCHEWAN CITY	3	12	0	0	0	3	12	-75.00
GIBBONS TOWN	2	1	0	0	0	2	1	**
LEDUC CITY	4	8	0	0	0	4	16	-75.00
LEDUC COUNTY	2	6	0	0	0	2	6	-66.67
MORINVILLE TOWN	6	2	4	0	0	10	4	**
PARKLAND COUNTY	36	20	2	0	0	38	20	90.00
SPRUCE GROVE CITY	48	16	6	0	0	54	16	**
ST. ALBERT CITY	32	28	8	0	0	40	30	33.33
STONY PLAIN TOWN	16	13	0	0	0	16	13	23.08
STRATHCONA COUNTY	173	128	8	6	0	187	154	21.43
STURGEON COUNTY	10	12	0	0	0	10	12	-16.67
OTHER CENTRES	3	6	0	0	0	3	10	-70.00
TOTAL	**700**	**536**	**92**	**13**	**178**	**983**	**930**	**5.70**

Table 2B

EDMONTON CMA
HOUSING COMPLETIONS BY AREA YEAR TO DATE

AREA	Single 2003	Single 2002	Multiple Semi	Multiple Row	Multiple Apt	Total 2003	Total 2002	% Chg 2003/2002
BEAUMONT TOWN	175	95	0	0	0	175	95	84.21
CALMAR TOWN	7	4	0	0	0	7	4	75.00
DEVON TOWN	136	86	0	0	0	136	98	38.78
EDMONTON CITY	**4279**	**3152**	**786**	**349**	**2802**	**8216**	**5702**	**44.09**
FORT SASKATCHEWAN CITY	92	77	10	0	138	240	123	95.12
GIBBONS TOWN	11	5	0	0	0	11	5	**
LEDUC CITY	115	111	16	8	39	178	268	-33.58
LEDUC COUNTY	44	56	0	0	0	44	56	-21.43
MORINVILLE TOWN	28	17	16	7	0	51	29	75.86
PARKLAND COUNTY	249	233	2	0	0	251	233	7.73
SPRUCE GROVE CITY	226	155	26	8	48	308	292	5.48
ST. ALBERT CITY	383	370	94	3	87	567	485	16.91
STONY PLAIN TOWN	153	134	32	18	145	348	251	38.65
STRATHCONA COUNTY	826	733	34	18	0	878	825	6.42
STURGEON COUNTY	137	104	0	0	0	137	104	31.73
OTHER CENTRES	38	34	2	0	0	40	44	-9.09
TOTAL	**6899**	**5366**	**1018**	**411**	**3259**	**11587**	**8614**	**34.51**

** Indicates 100% change or greater

Table 3
EDMONTON CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	Total
STARTS										
December	427	118	0	68	80	0	0	0	0	693
2002	561	140	0	10	88	0	286	0	0	1085
Year-To-Date 2003	6391	1032	78	481	3120	118	1160	0	0	12380
Year-To-Date 2002	6860	1082	3	352	2096	158	2030	0	0	12581
UNDER CONSTRUCTION										
2003	2798	644	35	383	3861	65	1130	0	0	8916
2002	3308	618	3	205	2233	18	1840	0	0	8225
COMPLETIONS										
December	700	92	0	13	91	0	87	0	0	983
2002	536	34	0	21	89	22	228	0	0	930
Year-To-Date 2003	6899	1018	46	283	1532	82	1727	0	0	11587
Year-To-Date 2002	5366	750	12	224	1072	150	1040	0	0	8614
COMPLETED & NOT ABSORBED										
2003	736	110	6	23	147	0	443	0	0	1465
2002	318	68	0	13	82	7	283	0	0	771
TOTAL SUPPLY										
2003	3534	754	41	406	4008	65	1573	0	0	10381
2002	3626	686	3	218	2315	25	2123	0	0	8996
ABSORPTIONS										
December	675	90	0	13	98	0	192	0	0	1068
3-month Average	598	104	3	20	102	4	116	0	0	947
12-month Average	540	81	3	23	123	7	130	0	0	907