HOUSING NOW

Edmonton

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

FEBRUARY 2003

Housing Starts Maintain Vigorous Pace in February

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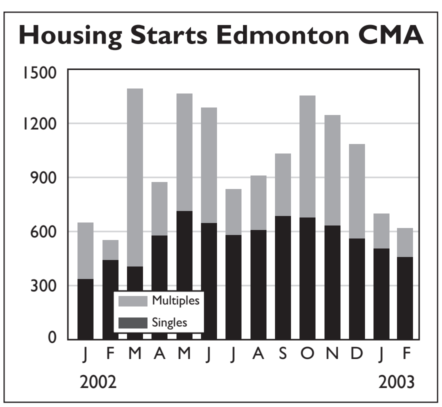
Edmonton's home building industry shows no sign of slowing down this winter. Total housing starts across the Capital Region increased by 12 per cent over February 2002 to 620 units. February's gains represent 19 consecutive months of year-over-year improvements in total new housing activity.

Single-detached starts increased by just under four per cent to 457 units in February. Low standing inventories and strong absorptions continue to feed builder optimism and activity is expected to remain brisk into the peak spring season. Large increases were reported in Spruce Grove, St. Albert and Strathcona County while activity pulled back by five per cent in Edmonton City.

After two months, single starts were 24 per cent above 2002's record-setting pace. However, with mortgage rates on the rise, production levels should throttle-back in the second half of the year. Edmonton's resale market has also shown signs of a slowdown in the first two months of 2003, with sales off by 10 per cent and active listings in February up by 73 per cent from last years very low levels.

New home prices continue to climb in Edmonton. On the heels of a 12 per cent gain year-over year in January, the average price of a typical new single-detached home absorbed in February increased by 9.5 per cent over the same month in 2002 to $215,458.



Single-detached completions surged in February, up 48 per cent over the second month of 2002 to 497 units. While absorptions were also up year-over-year, they failed to match completions - so the inventory of completed and unoccupied moved up from January. There were 348 completed and unoccupied single-detached units available across Metro, 19 more than the previous month but still three units less than the same time last year. However, when show homes are removed from the count a different picture emerges. In February 2002, the inventory of 352 units consisted of 236 show homes and 116 spec units. This February, the number of show homes was down by 15 per cent to 200 units while the number of spec homes for sale increased by 28 per cent from last February to 148 units.

Multi-unit starts increased by 45 per cent in February compared with the same month last year but remain down on a year-to-date basis due to weakness in January. While semi-detached and apartment condominiums dominated February's multiple starts, a 60+ unit rental townhouse project also got underway in Edmonton's northwest.

Completions remained low in February, down 68 per cent from the same month last year to 127 units. With absorptions exceeding this number by 16 units, February's inventory of completed and unoccupied dropped to 427 units from 443 units in January. This compares with a total of 648 unabsorbed multiples counted across the region in February 2002.

Readers should be mindful that 4,975 multiple units were under construction across Metro in February, more than double the number in progress during the same time last year. Multi-unit completions in the first two months of the year lagged January and February of 2002 by 47 per cent. We expect this situation will turn around rapidly in the months ahead. Developers will be keenly watching to see how well absorptions keep pace with the supply of new units being completed. CMHC expects inventories to move higher this spring, causing multi-unit starts to remain below last year's levels.

As shown in Table 3, the lion's share of multi-unit inventories remains in the rental apartment category, the majority of which are found in downtown Edmonton City. While the number of newly-completed and unabsorbed apartments was down from last February, so were completion levels. Considering the large number of apartment rentals in progress, we expect the total supply tally for new apartments to remain high this year.

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Table 1

EDMONTON CMA
STARTS ACTIVITY BY AREA FEBRUARY 2003

AREA	Single 2003	Single 2002	Multiple Semi	Multiple Row	Multiple Apt	Total 2003	Total 2002	% Chg 2003/2002
BEAUMONT TOWN	11	6	0	0	0	11	6	83.33
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	11	10	0	0	0	11	10	10.00
EDMONTON CITY	**274**	**288**	**40**	**65**	**40**	**419**	**368**	**13.86**
FORT SASKATCHEWAN CITY	7	9	4	0	0	11	9	22.22
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	4	8	2	0	0	6	8	-25.00
LEDUC COUNTY	3	2	0	0	0	3	2	50.00
MORINVILLE TOWN	0	0	0	0	0	0	0	**
PARKLAND COUNTY	13	12	0	0	0	13	12	8.33
SPRUCE GROVE CITY	18	13	2	0	0	20	13	53.85
ST. ALBERT CITY	29	22	6	0	0	35	44	-20.45
STONEY PLAIN TOWN	5	6	2	0	0	7	14	-50.00
STRATHCONA COUNTY	75	62	2	0	0	77	64	20.31
STURGEON COUNTY	7	1	0	0	0	7	1	**
OTHER CENTRES	0	1	0	0	0	0	1	**
TOTAL	**457**	**440**	**58**	**65**	**40**	**620**	**552**	**12.32**

Table 1B

EDMONTON CMA
STARTS ACTIVITY 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	15	11	0	0	0	15	11	36.36
CALMAR TOWN	2	0	0	0	0	2	0	**
DEVON TOWN	19	13	0	0	0	19	13	46.15
EDMONTON CITY	**634**	**517**	**68**	**145**	**113**	**960**	**890**	**7.87**
FORT SASKATCHEWAN CITY	10	12	6	0	0	16	12	33.33
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	4	15	10	0	0	14	19	-26.32
LEDUC COUNTY	4	5	0	0	0	4	5	-20.00
MORINVILLE TOWN	0	6	0	0	0	0	6	**
PARKLAND COUNTY	19	18	0	0	0	19	18	5.56
SPRUCE GROVE CITY	37	22	2	0	0	39	24	62.50
ST. ALBERT CITY	61	38	8	0	0	69	63	9.52
STONEY PLAIN TOWN	13	13	2	0	0	15	21	-28.57
STRATHCONA COUNTY	127	101	2	0	0	129	113	14.16
STURGEON COUNTY	15	4	0	0	0	15	4	**
OTHER CENTRES	3	1	0	0	0	3	1	**
TOTAL	**963**	**776**	**98**	**145**	**113**	**1319**	**1200**	**9.92**

** 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 FEBRUARY 2003

AREA	Single 2003	Single 2002	Multiple Semi	Multiple Row	Multiple Apt	Total 2003	Total 2002	% Chg 2003/2002
BEAUMONT TOWN	14	2	0	0	0	14	2	**
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	11	7	0	0	0	11	15	-26.67
EDMONTON CITY	**288**	**195**	**36**	**11**	**0**	**335**	**481**	**-30.35**
FORT SASKATCHEWAN CITY	10	1	0	0	0	10	1	**
GIBBONS TOWN	1	0	0	0	0	1	0	**
LEDUC CITY	9	6	2	0	0	11	99	-88.89
LEDUC COUNTY	5	1	0	0	0	5	1	**
MORINVILLE TOWN	1	0	0	0	0	1	0	**
PARKLAND COUNTY	20	12	0	0	0	20	12	66.67
SPRUCE GROVE CITY	22	6	0	0	24	46	6	**
ST. ALBERT CITY	31	29	8	0	0	39	33	18.18
STONEY PLAIN TOWN	12	3	0	0	35	47	3	**
STRATHCONA COUNTY	61	53	8	3	0	72	57	26.32
STURGEON COUNTY	12	14	0	0	0	12	14	-14.29
OTHER CENTRES	0	6	0	0	0	0	6	**
TOTAL	**497**	**335**	**54**	**14**	**59**	**624**	**730**	**-14.52**

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	27	17	0	0	0	27	17	58.82
CALMAR TOWN	0	1	0	0	0	0	1	**
DEVON TOWN	25	8	0	0	0	25	16	56.25
EDMONTON CITY	**590**	**339**	**94**	**31**	**71**	**786**	**775**	**1.42**
FORT SASKATCHEWAN CITY	16	5	0	0	0	16	5	**
GIBBONS TOWN	1	0	0	0	0	1	0	**
LEDUC CITY	24	12	2	0	4	30	113	-73.45
LEDUC COUNTY	7	4	0	0	0	7	4	75.00
MORINVILLE TOWN	4	0	0	0	0	4	4	0.00
PARKLAND COUNTY	32	29	0	0	0	32	29	10.34
SPRUCE GROVE CITY	28	20	8	0	24	60	20	**
ST. ALBERT CITY	61	49	16	0	0	77	53	45.28
STONEY PLAIN TOWN	14	8	0	0	35	49	8	**
STRATHCONA COUNTY	170	87	8	3	0	181	91	98.90
STURGEON COUNTY	28	21	0	0	0	28	21	33.33
OTHER CENTRES	2	8	0	0	0	2	8	-75.00
TOTAL	**1029**	**608**	**128**	**34**	**134**	**1325**	**1165**	**13.73**

** 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										
February	457	58	0	4	40	61	0	0	0	620
2002	440	88	0	3	0	0	21	0	0	552
Year-To-Date 2003	963	98	28	56	101	61	12	0	0	1319
Year-To-Date 2002	776	150	0	34	69	0	171	0	0	1200
UNDER CONSTRUCTION										
2003	3242	586	31	227	2334	79	1718	0	0	8217
2002	1984	370	8	107	1099	0	701	0	0	4269
COMPLETIONS										
February	497	54	0	14	0	0	59	0	0	624
2002	335	34	0	0	91	0	270	0	0	730
Year-To-Date 2003	1029	128	0	34	0	0	134	0	0	1325
Year-To-Date 2002	608	66	4	4	174	10	299	0	0	1165
COMPLETED & NOT ABSORBED										
2003	348	72	0	15	63	3	274	0	0	775
2002	351	68	1	19	234	0	326	0	0	999
TOTAL SUPPLY										
2003	3590	658	31	242	2397	82	1992	0	0	8992
2002	2335	438	9	126	1333	0	1027	0	0	5268
ABSORPTIONS										
February	478	45	0	12	10	0	76	0	0	621
3-month Average	515	53	0	15	29	7	129	0	0	748
12-month Average	482	67	1	22	89	11	77	0	0	749