HOUSING NOW

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Canada Mortgage and Housing Corporation

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Fifth Consecutive Year of Growth for Winnipeg Housing Starts

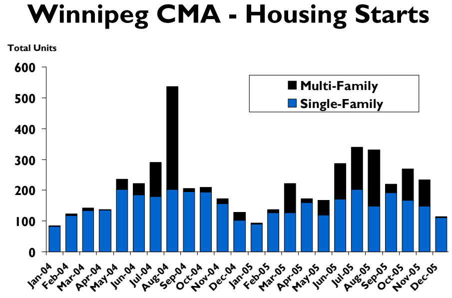
WINNIPEG

DECEMBER 2005

IN THIS ISSUE:

Thanks to the multiple-family sector, housing starts in the Winnipeg Census Metropolitan Area (CMA) were able to post a fifth consecutive year of growth and the best total in 16 years. There were 114 housing starts of all types in the Winnipeg CMA during the month of December, 11 per cent fewer than the number of units that were started in December of 2004, but thanks to strong numbers in previous months, the total number of starts for 2005 hit 2,586 units, four per cent more than in 2004.

Single-family starts saw a slight surge of activity last month as construction began on 110 units, eight per cent more than in December of 2004. It was not enough, however, to allow the year's starts to catch up to the numbers posted in 2004. By the end of 2005 there were 1,756 single-family homes started in the Winnipeg CMA, seven per cent fewer than in 2004. Single-family starts were down more sharply in the rural parts of the CMA where the year-end total was down 20 per cent compared to a three per cent drop within the city. While the number of single-family starts was not as high as in 2004, this was still a solid performance and the second-best year for single-family starts since 1990.



Winnipeg CMA - Housing Starts

There were 144 new single-family homes absorbed in December 2005, almost eight percent more than in December 2004. The 12-month average rate of absorption at the end of 2005 was 153 units per month, up six per cent from the 2004 average of 144 units per month. This is evidence that demand remains strong as absorptions have kept pace with an increase in completions which were also up five percent in 2005 compared to 2004. The inventory of complete and unoccupied homes at the end of the year numbered 181 units, up seven percent from the previous year. At the current rate of absorption, this supply would be exhausted in about one month. With fewer starts in the latter part of 2005, the number of homes under construction has declined by about 12 per cent and, with absorptions remaining relatively high, the total supply of homes would be exhausted in less than six months, down from a high of over seven months earlier in the year.

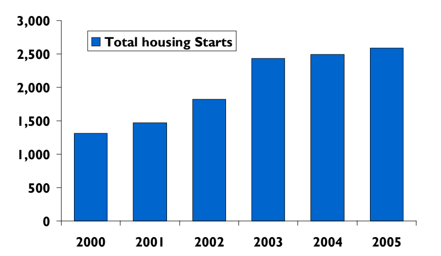
December was a quiet month for multiple-family starts with construction getting under way on only four units compared to 26 one year earlier. However, 2005 was a strong year for this sector as foundations were laid for 830 multiple-family units, outperforming 2004 by 37 per cent and setting a 17-year record. Demand for new multiple-family units is coming from several fronts in both the ownership and rental markets. Ownership starts in 2005 were up 70 per cent over 2004, while rental starts were up 19 per cent.

Row housing has seen a noteworthy increase in activity in 2005 with 104 starts, more than three times the number started last year and the highest level of activity for this type of dwelling since 1994. Absorption of these units has also been brisk, as, out of 61 completions in 2005, 58 have been absorbed, leaving only three units in the complete and unoccupied inventory at the end of the year. Condominium apartment starts saw the next greatest increase in activity in 2005 with 73 per cent more starts in 2005 compared to 2004. Absorption of these units has also been strong, as the complete and unoccupied inventory at the end of the year was only 15 units, less than half of what it was at the end of 2004. Rental starts saw higher numbers in 2005, buoyed by activity in the senior's market. As a result, the total supply of rental units under construction and complete and unoccupied at the end of the year was 23 per cent greater than it was as the end of the previous year.

MLS® Sales Fed by New Supply

According to statistics from the Canadian Real Estate Association, by the end of November 2005, residential MLS® sales were more than five per cent ahead of where they were at the end of November 2004 and year-over-year gains were recorded in all but two months of 2005. In a recent press release, the Winnipeg Real Estate Board reported that MLS® sales activity for all property types in the Winnipeg region topped 12,000 units in 2005, nearly six per cent more than 2004 and a record in its 102 year history. These strong sales were fed by an increase in active listings. After 11 months of activity the average number of new listings per month in 2005 was 1,236 units, up six per cent over the average for the same period of 2004. The average number of active listings was up 20 per cent in the same time period. The rebound in active listings has improved selection for potential buyers, however demand remains strong, and with sales rising, the number of months of supply in market, at one and one half months, remains low by historical standards.

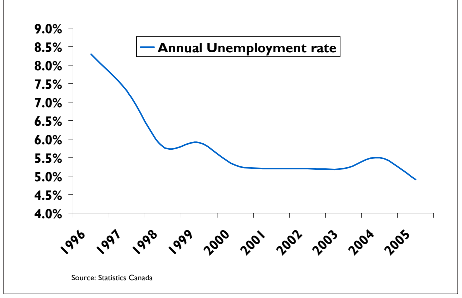
Five Consecutive Years of Growth



Source: CMHC

Population and household growth, and favourable borrowing conditions, continue to bolster demand for home-ownership in Winnipeg while the supply of listings remains relatively low. As a result, prices continued to be pushed upward in 2005, by the end of November, the year-to-date average price reached $136,808, a year-over-year increase of over 12 per cent. The Winnipeg Real Estate Board reports that properties continue to sell quickly with almost half the properties selling at or above list price. The Board also reports that while properties between $130,000 and $160,000 garner the greatest market share, more expensive properties are gaining ground. Homes over $300,000 saw their market share double in 2005 to four per cent of single-detached sales.

Unemployment Rate Dips in '05



Source: Statistics Canada

Unemployment Rate Fell Again in 2005

In December 2005 the unadjusted unemployment rate in Winnipeg dipped to 3.9 per cent and the annual average unemployment rate for 2005 was 4.9 per cent, down from 5.5 per cent recorded in 2004. The average number of persons employed in 2005, however was down slightly by an estimated 410 persons. The drop in the unemployment rate was the result of a contraction in the labour force being greater than the contraction in employment. According to Statistics Canada estimates, Winnipeg's labour force aged 15+ in Winnipeg fell by 2,800 persons 2005, while at the same time the entire population aged 15+ was up by 5,500 persons. This translates to a decline in the participation rate. In 2005 the average labour force participation rate for Winnipeg was estimated at 69.3 per cent, down more than one full percentage point from 70.5 per cent one year ago.

Employment losses were felt more in the Goods producing sector in 2005 with the Manufacturing sector taking the brunt of the 3,000 job losses while there were slight gains in Construction and Forestry, Fishing, Mining, Oil and Gas sectors. In the Service-producing sector there was a net gain of over 2,600 jobs with the Finance, Insurance and Real Estate, and Education sectors recording the greatest gains while losses were felt in the Public Administration as well as Health Care and Social Assistance sectors. Average Weekly Earnings were on the rise again in 2005 recording a gain of 1.5 per cent over 2004. This gain however was more modest than the annual increase of 4.8 per cent recorded in the previous year.

Table 1A

STARTS ACTIVITY BY AREA

Winnipeg CMA - December 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
BROKENHEAD	0	2	0	0	0	0	2	**
EAST ST. PAUL R.M.	2	3	0	0	0	2	3	-33.33
HEADINGLEY R.M.	0	4	0	0	0	0	4	**
RITCHOT R.M.	2	0	0	0	0	2	0	**
ROSSER R.M.	0	0	0	0	0	0	0	**
ST. CLEMENTS R.M.	3	6	0	0	0	3	6	-50.00
ST. FRANCOIS XAVIER R.M.	0	1	0	0	0	0	1	**
SPRINGFIELD R.M.	6	7	0	0	0	6	7	-14.29
TACHE R.M.	8	3	0	0	0	8	3	**
WEST ST. PAUL R.M.	5	0	0	0	0	5	0	**
WINNIPEG CITY	**84**	**76**	**4**	**0**	**0**	**88**	**102**	**-13.73**
TOTAL	**110**	**102**	**4**	**0**	**0**	**114**	**128**	**-10.94**

Table 1B

STARTS ACTIVITY BY AREA

Winnipeg CMA - Year to Date 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
BROKENHEAD	0	46	0	0	0	0	46	**
EAST ST. PAUL R.M.	54	93	0	0	0	54	93	-41.94
HEADINGLEY R.M.	16	27	0	0	0	16	27	-40.74
RITCHOT R.M.	27	27	2	0	0	29	29	0.00
ROSSER R.M.	2	5	0	0	0	2	5	-60.00
ST. CLEMENTS R.M.	70	55	0	0	30	100	87	14.94
ST. FRANCOIS XAVIER R.M.	14	10	0	0	0	14	10	40.00
SPRINGFIELD R.M.	91	90	0	0	0	91	90	1.11
TACHE R.M.	60	69	0	4	0	64	69	-7.25
WEST ST. PAUL R.M.	22	20	0	0	0	22	20	10.00
WINNIPEG CITY	**1,400**	**1,440**	**32**	**100**	**662**	**2,194**	**2,013**	**8.99**
TOTAL	**1,756**	**1,882**	**34**	**104**	**692**	**2,586**	**2,489**	**3.90**

** Indicates a greater than 100 per cent change

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 Dianne Himbeault at (204) 983-5648

Table 2A

HOUSING COMPLETIONS BY AREA

Winnipeg CMA - December 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
BROKENHEAD	0	7	0	0	0	0	7	**
EAST ST. PAUL R.M.	1	4	0	0	0	1	4	-75.00
HEADINGLEY R.M.	2	0	0	0	0	2	0	**
RITCHOT R.M.	3	0	0	0	0	3	0	**
ROSSER R.M.	0	0	0	0	0	0	0	**
ST. CLEMENTS R.M.	6	5	0	0	0	6	5	20.00
ST. FRANCOIS XAVIER R.M.	1	1	0	0	0	1	1	0.00
SPRINGFIELD R.M.	7	9	0	0	0	7	9	-22.22
TACHE R.M.	10	24	0	0	0	10	24	-58.33
WEST ST. PAUL R.M.	0	0	0	0	0	0	0	**
WINNIPEG CITY	**76**	**69**	**0**	**5**	**3**	**84**	**114**	**-26.32**
TOTAL	**106**	**119**	**0**	**5**	**3**	**114**	**164**	**-30.49**

Table 2B

HOUSING COMPLETIONS BY AREA

Winnipeg CMA - Year to Date 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
BROKENHEAD	14	40	0	0	0	14	40	-65.00
EAST ST. PAUL R.M.	63	101	0	0	0	63	101	-37.62
HEADINGLEY R.M.	27	27	0	0	0	27	27	0.00
RITCHOT R.M.	32	16	2	0	0	34	16	**
ROSSER R.M.	1	6	0	0	0	1	6	-83.33
ST. CLEMENTS R.M.	68	60	0	0	32	100	60	66.67
ST. FRANCOIS XAVIER R.M.	14	8	0	0	0	14	8	75.00
SPRINGFIELD R.M.	99	71	0	0	0	99	71	39.44
TACHE R.M.	59	70	0	0	0	59	74	-20.27
WEST ST. PAUL R.M.	18	19	0	0	0	18	19	-5.26
WINNIPEG CITY	**1,452**	**1,344**	**20**	**61**	**513**	**2,046**	**2,046**	**0.00**
TOTAL	**1,847**	**1,762**	**22**	**61**	**545**	**2,475**	**2,468**	**0.28**

** Indicates a greater than 100 per cent change

Table 3

HOUSING ACTIVITY SUMMARY

Winnipeg CMA

Activity	Ownership					Rental				Grand Total
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	
Starts										
Current Month	110	4	0	0	0	0	0	0	0	114
Previous Year	102	2	0	0	24	0	0	0	0	128
Year-To-Date 2005	1756	34	0	100	222	4	376	0	94	2,586
Year-To-Date 2004	1,882	50	0	32	128	0	397	0	0	2,489
Under Construction										
2005	689	26	0	68	270	4	361	0	94	1,512
2004	781	12	0	29	157	0	397	0	0	1,376
Completions										
Current Month	106	0	0	5	0	0	3	0	0	114
Previous Year	119	12	0	0	33	0	0	0	0	164
Year-To-Date 2005	1,847	22	0	61	133	0	412	0	0	2,475
Year-To-Date 2004	1,762	56	0	17	278	4	351	0	0	2,468
Completed & Not Absorbed										
2005	181	5	0	3	15	0	31	0	0	235
2004	169	14	0	0	40	0	0	0	0	223
Total Supply[2]										
2005	870	31	0	71	285	4	392	0	94	1,747
2004	950	26	0	29	197	0	397	0	0	1,599
Absorptions										
Current Month	144	0	0	5	4	0	9	0	0	162
Previous Year	134	8	0	0	9	0	0	0	0	151
Year-To-Date 2005	1,835	31	0	58	158	0	389	0	0	2,471
Year-To-Date 2004	1,722	46	0	20	246	4	413	0	0	2,451
3-month Average	164	2	0	12	2	0	6	0	0	186
12-month Average	153	3	0	5	13	0	32	0	0	206

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