HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation
www.cmhc.ca

EDMONTON

DECEMBER 2004

IN THIS ISSUE:

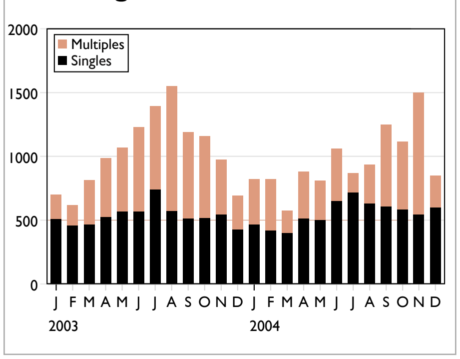
Housing Starts End 2004 on High Note

Home builders in the Edmonton region ended 2004 with a flurry of new housing activity in December. Total housing starts across the Edmonton Census Metropolitan Area (CMA) increased by 23 per cent over December 2003 to 851 units. Despite a strong up-tick in both November and December, total starts at 11,488 units ended the year down seven per cent from the 12,380 homes started in all of 2003.

Single-family home builders were responsible for the overall gains in new housing in December. Single-detached starts across the capital region soared by 41 per cent over December 2003 to 603 units. Along with Edmonton City, other areas reporting strong gains in December included Devon, Leduc City/County, Strathcona County and Sturgeon County. To the end of December, single starts for 2004 totaled 6,614 units, representing the second best year on record and a three per cent increase from 2003. Single-family starts throughout Metro have exceeded 6,000 units for the third year running, an unprecedented performance for the industry. As shown in Table 1, nine of the 15 areas within the region reported showed improved activity over 2003.

Single-detached completions fell by 28 per cent year-over-year in December to 506 units.

Housing Starts Edmonton CMA



Absorptions, meanwhile, fell by 24 per cent from December 2003 to 513 units. With absorptions outpacing completions by a slim margin in December, the inventory of completed and unoccupied units (including show homes) dropped marginally from the previous month. In October and November, inventories had increased due to a growing number of spec homes. Nonetheless, inventory levels in December were down 11 per cent from the 736 units that were on hand at the end of 2003.

The average price of a new single-detached unit absorbed during the month of December increased by 12 per cent (year-over-year) to $256,979. During 2004, the average new house price exceeded the $242,000 mark, representing an eight per cent rise over the price of a typical new house in 2003. Rising costs for labour, materials and serviced land combined to push prices higher.

Following a large increase in November, multi-family starts fell by seven per cent from December 2003 to 248 units. Much of this decline came within the city of Edmonton, where multiple dwelling starts fell by 25 per cent year-over-year. To the end of December, multi-unit starts in 2004 reached 4,874 units, down 19 per cent from the 5,989 semi-detached, row, and apartment units started in 2003. With over 5,500 multiple units started in both 2002 and 2003, supplies of condo and rental apartments have risen across the region, resulting in the slower construction activity reported in 2004. Last year's production nonetheless represents the third best performance for multi-family developers since 1982.

Multiple dwelling completions soared in December to 892 units compared with 283 in December 2003. This brought the year-end total to 5,632 units, representing a twenty per cent increase from the 4,688 multi-family units completed in 2003. Absorptions in December reached 613 units, for a 56 per cent gain over the number of units either leased or sold in December of 2003. For the year, absorptions for semi-detached, row and apartment units combined increased by 13 per cent to 4,992 units. With completions outpacing absorptions by a wide margin in December, the inventory of competed and unoccupied took a large jump from the previous month. At year end, there were 1,359 completed and unoccupied multiple units across Metro, representing an 86 per cent rise from the end of 2003. Rental apartments represented the largest proportion of this unabsorbed stock (49%) followed by apartment condominiums (36%).

Table 3 provides a measure of total supply for all housing types across Metro. CMHC measures supply as the number of units under construction combined with the complete and unoccupied units in inventory. Total multi-unit supply stood at 6,837 units at year-end, largely unchanged from the end of December 2003. The higher inventory component of supply was countered by an 11 per cent drop in units under construction.

Canada

CMHC SCHL
HOME TO CANADIANS

VALUABLE INFORMATION AT THE CLICK OF A MOUSE

Canada Mortgage & Housing Corporation (CMHC) is the Government of Canada's national housing agency; helping Canadians to gain access to a wide choice of quality, affordable homes. For more information visit our website at

www.cmhc.ca

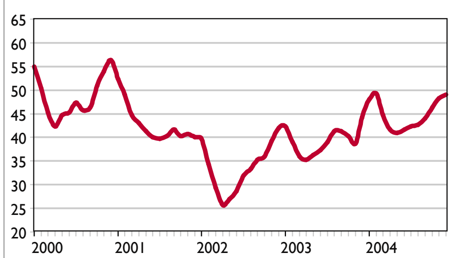
Another Record Year for Resale Housing

Total residential sales across the Greater Edmonton hit a record 17,652 units on the MLS® in 2004, according to the Edmonton Real Estate Board (EREB). Strong job creation and income growth combined with low mortgage rates encouraged many renters to move into home ownership in 2004. Numerous existing home owners also decided to tap into their recent gains in home equity and trade up. While the number of units entering the marketplace increased by 6.3 per cent in 2004, sales grew by a stronger 8.4 per cent. The annual average for the sales-to-new-listings ratio increased slightly to 67 per cent from 65 per cent in 2003. A shortage of listings in the lower price ranges drove the average price for all residential units combined up by 8.5 per cent in 2004 to a record $179,610.

The average residential listing period increased in 2004 as the market moved into a more balanced condition. During the fourth quarter of 2003, a typical home was listed for 39 days in a marketplace that slightly favoured sellers. In the last three months of 2004, the average listing period increased by 23 per cent to 48 days. In Edmonton, balanced resale markets are typically characterized by listing periods of between 40 and 55 days.

Single-detached homes listed on the resale market enjoyed strong demand during 2004. While new listings increased by only 1.7 per cent for the year, total sales rose by an impressive 8.4 per cent to 12,028 units. Following an 8.1 per cent increase in 2003, the average price of an existing single-family home rose by 8.7 per cent in 2004 to $201,622, also a record.

Average Days On The Market
3 month moving average



Source: EREB, December 2004

Condominiums were in strong demand as well in 2004 due to their competitive price point vis-a-vis single-family units. Sales on the MLS® rose by 9.2 per cent to 4,661 units amid an environment of increased supply in both the existing and new condo markets. New listings rose by over 15 per cent in 2004 to 7,515 units, in part due to a large injection of new condos, some of which had been built on spec and moved onto the MLS® upon completion. Despite the added supply, prices continued to rise due to the increased number of listings in higher prices ranges. The average price for a typical condo unit rose by 7.9 per cent in 2004 to $134,503. This follows average price increases of 18 and 13 per cent respectively in 2002 and 2003.

Job Growth Throttles Back in 2004

Job creation across Metro Edmonton moderated in 2004, compared with the previous year, but overall labour market conditions remained fairly robust. The region reported an annual average employment growth rate of 2.4 per cent, for an increase of 12,600 jobs. The good news for the housing sector was that the lion's share of this new employment came in full-time jobs. In 2003, the region experienced a stronger 3.1 per cent job growth, representing a net increase of 16,100 jobs. However, a much larger proportion of these new positions were found in the part-time category.

Unemployment remained very low in Edmonton during December at 4.6 per cent, up marginally from the 4.4 per cent (unadjusted) reported in December 2003. Amongst the key 25-44 age group, the unemployment rate across Metro stood at 3.6 per cent compared with four per cent in December 2003. With unemployment at very low levels, this speaks well for income growth, consumer confidence, and demand for housing going forward this year. On the downside, the tight labour market has translated into shortages of qualified workers in the construction trades that has helped drive up the costs of home construction and renovations.

Table 1A
STARTS ACTIVITY BY AREA
EDMONTON CMA - DECEMBER 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Beaumont Town	11	16	0	0	0	11	16	-31.25
Calmar Town	1	0	0	0	0	1	0	**
Devon Town	11	4	0	0	0	11	4	**
Edmonton City	**370**	**263**	**124**	**12**	**46**	**552**	**507**	**8.88**
Fort Saskatchewan City	5	9	2	0	0	7	15	-53.33
Gibbons Town	0	1	0	0	0	0	1	**
Leduc City	15	2	0	0	0	15	8	87.50
Leduc County	11	4	0	0	0	11	4	**
Morinville Town	5	4	0	0	0	5	4	25.00
Parkland County	12	13	0	0	0	12	13	-7.69
Spruce Grove City	13	14	0	0	0	13	16	-18.75
St. Albert City	24	24	0	0	0	24	24	0.00
Stony Plain Town	10	11	2	0	0	12	11	9.09
Strathcona County	98	47	62	0	0	160	55	**
Sturgeon County	14	9	0	0	0	14	9	55.56
Other Centres	3	6	0	0	0	3	6	-50.00
Total	**603**	**427**	**190**	**12**	**46**	**851**	**693**	**22.80**

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

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Beaumont Town	184	141	0	0	0	184	141	30.50
Calmar Town	14	10	0	0	0	14	10	40.00
Devon Town	90	114	12	0	0	102	122	-16.39
Edmonton City	**4,030**	**3,857**	**810**	**411**	**2,908**	**8,159**	**8,956**	**-8.90**
Fort Saskatchewan City	90	77	20	6	123	239	145	64.83
Gibbons Town	6	14	0	0	0	6	14	-57.14
Leduc City	147	102	4	39	185	375	202	85.64
Leduc County	65	56	0	0	0	65	56	16.07
Morinville Town	40	35	24	7	18	89	67	32.84
Parkland County	204	212	14	0	0	218	214	1.87
Spruce Grove City	212	227	46	15	0	273	502	-45.62
St. Albert City	327	343	42	0	0	369	427	-13.58
Stony Plain Town	176	153	12	0	0	188	337	-44.21
Strathcona County	830	869	178	0	0	1008	1002	0.60
Sturgeon County	153	128	0	0	0	153	128	19.53
Other Centres	46	53	0	0	0	46	57	-19.30
Total	**6,614**	**6,391**	**1,162**	**478**	**3,234**	**11,488**	**12,380**	**-7.21**

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

Table 2A
HOUSING COMPLETIONS BY AREA
EDMONTON CMA - DECEMBER 2004

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Beaumont Town	4	16	0	0	0	4	16	-75.00
Calmar Town	0	2	0	0	0	0	2	**
Devon Town	2	14	0	0	0	2	14	-85.71
Edmonton City	**250**	**333**	**48**	**40**	**735**	**1073**	**582**	**84.36**
Fort Saskatchewan City	6	3	6	0	0	12	3	**
Gibbons Town	0	2	0	0	0	0	2	**
Leduc City	5	4	0	0	37	42	4	**
Leduc County	0	2	0	0	0	0	2	**
Morinville Town	1	6	0	0	0	1	10	-90.00
Parkland County	41	36	6	0	0	47	38	23.68
Spruce Grove City	27	48	4	0	0	31	54	-42.59
St. Albert City	31	32	0	0	0	31	40	-22.50
Stony Plain Town	34	16	2	0	0	36	16	**
Strathcona County	82	173	14	0	0	96	187	-48.66
Sturgeon County	19	10	0	0	0	19	10	90.00
Other Centres	4	3	0	0	0	4	3	33.33
Total	**506**	**700**	**80**	**40**	**772**	**1398**	**983**	**42.22**

Table 2B
HOUSING COMPLETIONS BY AREA
EDMONTON CMA - YEAR TO DATE

	Single		Multiple			Total		% chg
Area	2004	2003	Semi	Row	Apt	2004	2003	2004/ 2003
Beaumont Town	150	175	0	0	0	150	175	-14.29
Calmar Town	9	7	0	0	0	9	7	28.57
Devon Town	80	136	2	8	0	90	136	-33.82
Edmonton City	**3,811**	**4,279**	**758**	**423**	**3,582**	**8,574**	**8,216**	**4.36**
Fort Saskatchewan City	80	92	36	0	0	116	240	-51.67
Gibbons Town	7	11	0	0	0	7	11	-36.36
Leduc City	144	115	14	4	117	279	178	56.74
Leduc County	60	44	0	0	0	60	44	36.36
Morinville Town	35	28	6	0	22	63	51	23.53
Parkland County	197	249	12	0	0	209	251	-16.73
Spruce Grove City	207	226	54	33	154	448	308	45.45
St. Albert City	300	383	24	0	38	362	567	-36.16
Stony Plain Town	184	153	10	0	101	295	348	-15.23
Strathcona County	892	826	170	60	0	1122	878	27.79
Sturgeon County	137	137	0	0	0	137	137	0.00
Other Centres	55	38	4	0	0	59	40	47.50
Total	**6,348**	**6,899**	**1,090**	**528**	**4,014**	**11,980**	**11,587**	**3.39**

** indicates a greater than 100 per cent change

Table 3

HOUSING ACTIVITY SUMMARY

EDMONTON CMA

Activity	Ownership					Rental				Grand Total
	Freehold			Condominium		Private		Assisted		
	Single [1]	Semi [1]	Row	Row	Apt	Row	Apt	Row	Apt	
Starts										
December 2004	603	190	0	12	46	0	0	0	0	851
December 2003	427	118	0	68	80	0	0	0	0	693
Year-to-Date 2004	6,614	1,162	8	369	2,407	101	785	0	42	11,488
Year-to-Date 2003	6,391	1,032	78	481	3,120	118	1,160	0	0	12,380
Under Construction										
December 2004	3,063	718	12	312	3,571	109	714	0	42	8,541
December 2003	2,798	644	35	383	3,861	65	1,130	0	0	8,916
Completions										
December 2004	506	80	12	28	615	0	157	0	0	1,398
December 2003	700	92	0	13	91	0	87	0	0	983
Year-to-Date 2004	6,348	1,090	31	440	2,715	57	1,299	0	0	11,980
Year-to-Date 2003	6,899	1,018	46	283	1,532	82	1,727	0	0	11,587
Completed & Not Absorbed										
December 2004	654	155	3	45	491	0	665	0	0	2,013
December 2003	736	110	6	23	147	0	443	0	0	1,465
Total Supply [2]										
December 2004	3,717	873	15	357	4,062	109	1,379	0	42	10,554
December 2003	3,534	754	41	406	4,008	65	1,573	0	0	10,381
Absorptions										
December 2004	513	76	9	26	471	0	31	0	0	1,126
3-month Average	595	85	3	28	333	0	62	0	0	1,106
12-month Average	536	87	3	35	198	5	90	0	0	954

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