HOUSING MARKET OUTLOOK

Canada Mortgage and Housing Corporation

EDMONTON
FALL 2002

Housing Market Overview

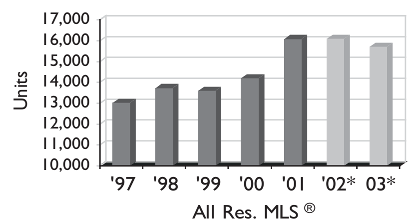
Markets Throttle-Back in 2003

When the dust settles in late December, 2002 will end as the best year for the new housing industry in two decades. Thanks to a combination of low mortgage rates, a positive investment climate, and reduced new and resale inventories, Metro's total housing starts will exceed the 11,000 unit mark this year - the best performance since 1981. A growing local economy, tight rental markets, strong consumer confidence and a downstream surge from the high job growth in 2001 also helped feed demand for new housing this year. As was the case in the previous boom, total starts numbers were boosted by high levels of multi-unit development which augmented a robust performance by single-detached builders. In 2003, production will pull back to more sustainable levels but will still represent the second-best year since 1982.

Edmonton's resale market has also enjoyed another banner year in 2002. However, sales have failed to eclipse the benchmarks set a year earlier due to a shortage of listings and affordability constraints associated with soaring prices and rising mortgage rates. During the first four months of the year, sales remained close last year's levels but tight inventories led to double-digit increases from last year's record-setting prices for both single-family and condominium units. With mortgage rates inching upward, affordability constraints began to take a bite out of sales. In 2003, sales will drift lower as rising mortgage rates and higher prices lift carrying costs beyond the reach of a growing number of potential buyers.

Chart 1

Sales Remain Strong, But Below Record Levels



Source: EREB
*Forecast: CMHC

Chronically low vacancy rates and strong demand arising from job growth and in-migration have resulted in large rental rate increases across the region in recent years. The good news is that landlords have better cash flow, spawning a surge in renovation activity. As well, investors are pouring millions of dollars into new rental buildings, helping to bolster the supply of housing for rent throughout Metro. The downside for renters continues to be affordability, with rents for existing units climbing rapidly and most new suites priced well above the average commanded by existing units. While we expect modest increases in vacancies into 2003, rents will remain on the upswing albeit at a slightly slower pace due to the added competition from new buildings.

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Resale Market

Sales Inch Lower in 2003

Low mortgage rates and the lagged impact of strong job creation last year combined with depleted inventory levels to produce market conditions which strongly favoured sellers in the early months of 2002. The EREB's sales-to-active listings ratio averaged in excess of 70 per cent during the first five months of the year, before a softening of demand relative to the new supply coming on stream dropped the ratio to the mid-fifties range in June, July and August. Active residential listings were off by 25 per cent at mid-year, but the downward trend was easing in the summer months as sales slowed in relation to new listings entering the market.

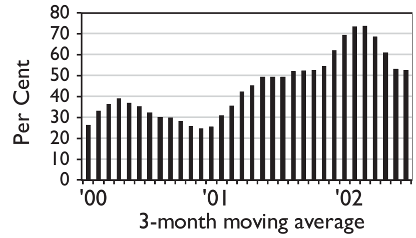
This year's shortage of inventory means homes are selling quickly and at premium prices. Buyers have fewer alternatives, with little standing inventory in the new home market and extended construction periods for those prepared to wait for a new home to be built. Finding rental accommodation has been hampered by low vacancies. As such, buyers have been quick to pounce on good-quality listings, with the average (MLS®) days on the market hitting a record-low of 25 days in May. While the typical listing period increased during the summer it was still 20 per cent below the average recorded for June-though-August of 2001.

On the heels of a 13 per cent gain in 2001, residential sales will retreat this year due to chronic inventory shortages and affordability constraints associated with surging prices. Sales of single-detached homes on the MLS® were down by six per cent to the end of August - a slump that began in March. New listings entering the market have been slow to pick up. At mid-year, new MLS® listings of singles were off by 13 per cent, although July and August numbers showed improvements. Active listings should record welcome additions this fall but sellers will maintain the upper hand. With higher mortgage rates expected in 2003, sales will inch lower but remain high compared with the late 1990s.

Despite fewer sales, supply shortages have created a feeling of urgency among buyers and house prices have continued to accelerate through the summer. Trade-up activity has been strong as many owners decided to reap their recent equity growth. During the first eight months of 2002, the average price for a typical single-family home sold on the MLS® (compared with January-to-August 2001) rose by 15 per cent to $171,554. While Edmonton's Central area contains the most affordable single-detached housing available across Metro (Table 1), relative price growth in this district has rapidly outpaced the regional average as supplies of moderately-priced homes have dwindled. In 2003, average price increases across the region will move back into single-digit terrain as the supply of listings improves, relative to sales, and the typical listing period moves higher.

Chart 2

Sales-To-Active Listings Ratio



Source: EREB, Aug. '02

Chart 3 highlights the shift in sale prices on the MLS® by comparing single-detached sales by price range in the past two years against year-to-date July 2002. Units priced under $120,000 accounted for only 16 per cent of sales so far this year compared with 26 per cent in 2001 and 36 per cent in 2000. Similarly, units priced over $150,000 have captured 61 per cent of sales this year compared with only 34 per cent two years earlier.

Table 1

MLS® Single-Detached Units

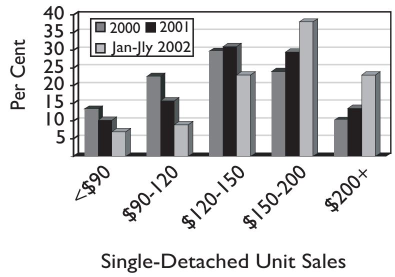
January - July (% chg 2001/2002)

	Sales			Average Price ($)			Median Price ($)		
	2001	2002	%chg	2001	2002	%chg	2001	2002	%chg
Northwest	270	244	-9.6	118,399	142,386	20.3	117,750	139,950	18.9
North Central	896	797	-11.0	140,426	164,711	17.3	136,500	159,000	16.5
Northeast	390	361	-7.4	121,646	135,432	11.3	122,250	136,000	11.2
Central	371	369	-0.5	84,184	105,028	24.8	79,000	97,000	22.8
West	675	689	2.1	182,955	203,076	11.0	165,000	182,000	10.3
Southwest	797	720	-9.7	202,157	235,470	16.5	187,000	214,250	14.6
Southeast	1,023	938	-8.3	138,559	161,608	16.6	134,000	157,000	17.2
St. Albert	596	502	-15.8	180,795	208,935	15.6	170,475	194,950	14.4
Sherwood Park	600	500	-16.7	178,052	201,095	12.9	166,700	190,750	14.4
Leduc	158	151	-4.4	137,514	163,548	18.9	129,900	155,900	20.0
Spruce Grove	199	172	-13.6	136,947	158,650	15.8	131,000	154,000	17.6
Ft. Saskatchewan	112	105	-6.3	135,954	152,539	12.2	128,000	146,200	14.2
All EREB areas	**7,025**	**6,587**	**-6.2**	**149,258**	**171,288**	**14.8**	**140,000**	**162,000**	**15.7**

Source: EREB

Chart 3

Higher-Priced Houses Gain Market Share



Source: EREB, July '02

Condo Market Remains Strong

Sales of existing condominiums have bucked the weaker sales trend seen in single-detached housing this year. With rents soaring across the region, resale condos provide an affordable ownership option and sales were up by 13 per cent to the end of August. In contrast to singles, condo listings entering the market were closer to last year's levels after eight months. Nonetheless, the supply of moderately-priced units available for sale has dropped substantially from last year, resulting in a steep surge in average sale prices. For example, a typical condo on the MLS® sold for just over $107,800 during the first eight months of 2002. This represented an increase in average price of over $16,000 over the same period last year.

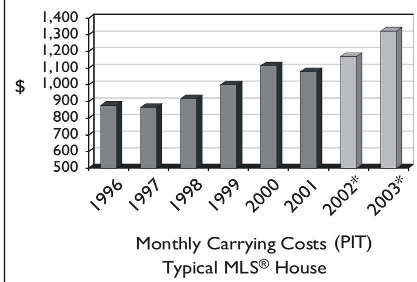
EREB's sales by price range data show how buyers have shifted into higher-priced condos. Units selling for under $80,000 accounted for only 25 per cent of sales so far this year, compared with 45 per cent last year and 52 per cent in 2000. In contrast, sales of units priced over $100,000 have captured 45 per cent of the market this year compared with 31 per cent in 2001. With higher mortgage rates on the horizon, sales growth will flatten out in 2003 and price increases will move closer to levels seen in 2001.

Affordability Suffers in 2003

Last year, falling mortgage rates helped to counter the affordability constraints that buyers typically face when house prices rise. Despite an eight per cent gain in house prices, monthly carrying costs fell in 2001, on average, from levels seen in 2000. Buyers have not been so lucky this year as double-digit price increases have nullified the moderating impacts of lower financing charges. The carrying costs (PIT) on a "typical" MLS® house have increased this year by over eight per cent, with little relief seen on the horizon. While house price increases are expected to moderate in 2003, rising mortgage rates will cause a further 13 per cent jump in the monthly fees needed to purchase an average resale single-family home. As was the case this year, affordability erosion will constrict demand as growing numbers of potential buyers can no longer qualify.

Chart 4

Higher Mortgage Rates & Rising Prices Boost Carrying Costs



Source: EREB/CMHC
*Forecast: CMHC

New Home Market

2002 Best Year in Two Decades

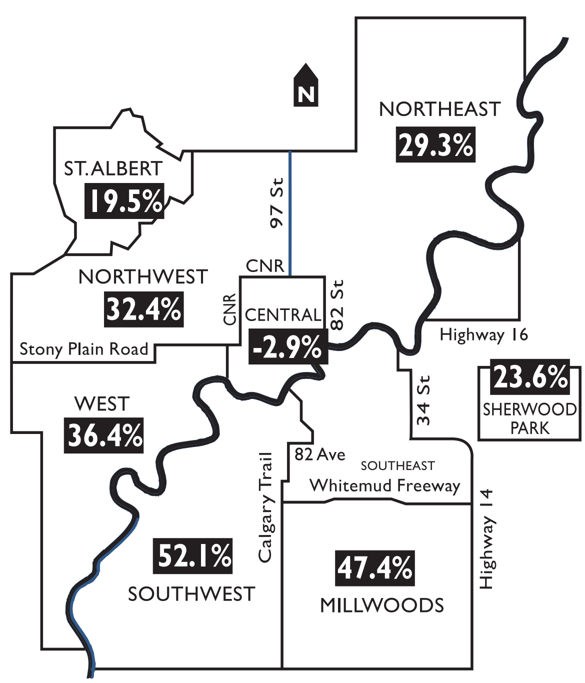
After eight months of building activity, 2002 is shaping up to be the best year for new home construction across Metro since 1982 when 9,738 dwelling units were initiated. Builders are buoyed by brisk traffic in their show homes, confirming a strong sense of optimism pervasive across the region. Total new housing activity in August was the 14th consecutive month of a year-over-year increase in total starts across the Capital region.

Single-detached home builders began the year with full order books and little standing inventory. From January-through-August, single starts across Metro were up nearly 37 per cent over the same period in 2001. With low interest rates bolstering demand and resale homes in short supply, households in Edmonton turned in large numbers to the new home market for their housing needs. If current production levels are maintained to year-end, single-detached starts will hit a new record, surpassing the previous benchmark of 6,202 units set in 1978. This pace will moderate in 2003 to more sustainable levels as completions, particularly multiple units, outpace absorptions and inventories are replenished.

Looking across the region, Edmonton City garnered 58 per cent of Metro's single-detached starts to the end of July - largely unchanged from the first seven months of last year. The Northwest and Southwest also maintained their dominant positions as the most popular locations

SINGLE STARTS SURGE IN 2001

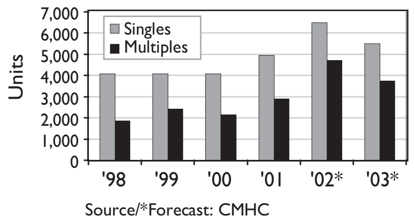
January - July (% chg 2001/2002)



Source: CMHC

Chart 5

Fewer Housing Starts in 2003



within the city, with Strathcona County capturing the lion's share of activity within the so-called rural municipalities. Growth over last year has been high in Edmonton's South Central and Southwest, as well as in Parkland County and Spruce Grove.

Higher New House Prices

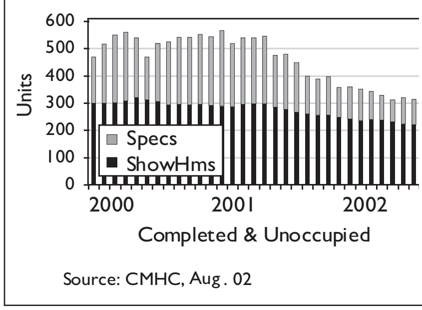
The average price for a typical new single-detached home, including lot and GST, increased by just under six per cent (to $198,374) during the first eight months of 2002 compared with the same time frame last year. Quarterly CMHC data on house size suggest that price increases were muted by a move to smaller homes. The typical house size fell to just under 1,700 square feet for units absorbed during January to June compared to an average of 1,756 feet during the first half of 2001. However, the Statistics Canada Hew House Price Index - which measures contractor's selling prices - was up by 7.7 per cent in June from the same month in 2001. Higher costs for land, materials and labour, such as framers, are responsible for the higher prices. While the industry is expected to throttle-back from this year's torrid pace, these price pressures will remain in 2003.

Meanwhile, builder cost increases combined with strong demand mean that lower-priced new units are becoming harder to find. Last year, to the end of July, new singles priced under $140,000 captured 17 per cent of sales. In 2002, this price range saw its market share fall to under 11 per cent. Meanwhile, new singles priced over $200,000 advanced from 31 per cent to 36 per cent of the market. As shown in Table 2, the highest price new homes were found in the Edmonton's South Central and South West districts and in St. Albert. New homes were most affordable in Spruce Grove, Parkland County (both high growth areas this year) and Edmonton's Northeast.

The number of completed and unoccupied singles stood at 334 units in August, down from 449 a year earlier. When show homes were deducted from August's inventory, there were only 128 spec units available compared with 182 specs for sale in August of last year. Nonetheless, this was the first time since March that spec units stood above the 100 unit mark. The number of show homes, in contrast, has tailed off steadily over the past year. Builders have commonly displayed about 300 show homes across Metro, but this number has been falling since last summer and stood at 212 units in August.

Chart 6

Low Single-Detached Inventory



Land Supply Tighter

The high volume of single-detached construction this year has eroded the supply of building lots across Metro. According to the Doesburg Report, produced quarterly for Edmonton Urban Development Institute (UDI), there were 4,091 vacant single-family lots across the Capital region at the end of the second quarter, representing a 13.4 per cent decline from the 4,724 vacant lots reported in June 2001. Developers got off to slow start this year due to a late spring. Meanwhile, rising demand has outstripped developer capacity resulting

Table 2

New Single-Family Absorptions by Area

January - July (% chg 2001/2002)

	Sales			Average Price ($)			Median Price ($)		
	2001	**2002**	**%chg**	**2001**	**2002**	**%chg**	**2001**	**2002**	**%chg**
North Central	81	77	-4.9	163,934	183,881	12.2	160,800	157,500	-2.1
Northeast	98	155	58.2	169,247	171,852	1.5	162,950	163,900	0.6
Northwest	342	471	37.7	184,481	181,718	-1.5	175,500	173,500	-1.1
South Central	13	19	46.2	275,737	262,726	-4.7	243,250	229,500	-5.7
Southeast	212	247	16.5	175,676	188,102	7.1	166,650	171,600	3.0
Southwest	322	363	12.7	221,071	233,577	5.7	205,005	216,300	5.5
West	194	307	58.2	190,172	205,054	7.8	175,850	184,400	4.9
Total Edmonton City	**1,262**	**1,639**	**29.9**	**191,651**	**198,612**	**3.6**	**178,100**	**179,900**	**1.0**
Fort Saskatchewan City	28	38	35.7	184,464	203,573	10.4	173,750	193,050	11.1
Leduc City	38	55	44.7	172,294	178,718	3.7	167,000	179,900	7.7
Parkland County	89	112	25.8	131,596	161,344	22.6	126,213	145,228	15.1
Spruce Grove City	75	86	14.7	136,837	152,009	11.1	134,544	143,922	7.0
St. Albert City	212	191	-9.9	211,297	237,401	12.4	202,950	213,200	5.1
Strathcona County	367	293	-20.2	206,136	211,284	2.5	185,000	199,000	7.6
Total Rural	**1,032**	**1,042**	**1.0**	**182,911**	**193,379**	**5.7**	**169,000**	**181,000**	**7.1**
Edmonton CMA	**2,294**	**2,681**	**16.9**	**187,719**	**196,575**	**4.7**	**175,000**	**180,000**	**2.9**

Source: EREB

in an erosion of the cushion carried by the industry in recent years. At current absorption rates of close to 450 units per month, this inventory (not including lots under construction) translates into a 9.1 month supply, which is down from the 13.5 month inventory estimated in our Fall 2001 report.

During the first six months of 2002, a typical new single-detached home included a lot price of $56,415, up five per cent from $53,717 recorded for lot price on absorbed homes in the first half of 2001. Similar increases were observed in our Fall 2001 report. As such, lot prices have increased by approximately 10 per cent in the past two years, for a gain of close to $5,200 for a typical new home. Readers should be cautioned that a shift by builders to smaller homes - noted above - softens this price trend and a standard lot has, according to UDI sources, increased by closer to 10 per cent in the past year.

The industry is running close to full capacity and, assuming good weather this fall and next spring, a decline in housing starts next year should help to rebuild inventories. Nonetheless, tighter supplies in some districts combined with rising prices for replacement land, labour and materials such as concrete will result in price increases over the next 12 months of near 10 per cent for a typical single-detached lot.

Multi-Unit Starts Throttle-Back in 2003

Multi-unit starts to the end of August across the Capital region were more than double the volume seen in the first eight months of a very active 2001. Big increases have occurred this year on the rental apartment side, with over 1,500 units in progress during the month of August compared with 569 under construction a year earlier. The rising new rental activity has been driven by the chronically low vacancy rates across the region and the accompanying surge in average rents. As well, investment capital has been easier to find this year thanks to the week performance in North American equity markets. Real Estate Investment Trusts (Reits) and large pension funds view Edmonton's real estate market in a positive light due to the longer-term outlook for the local economy.

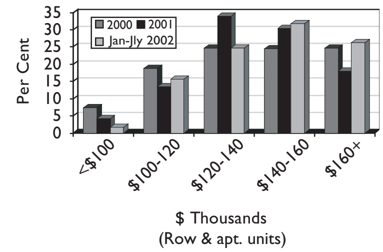
Semi-detached activity has also been very strong, with young first-time buyers looking for an affordable alternative to existing or new single-detached homes. At the current pace to the end of August, multi-unit starts are on-track to put on the best performance since 1982 when 7,534 units were initiated. But can this level of output be sustained going into 2003?

Compared with last year, the inventory of unabsorbed new multiples in August was down by twenty-eight per cent. While both multiple unit absorptions and completions lagging last year's pace after eight months, units under construction this summer were substantially higher than a year ago. Inventory levels could start to rise if absorptions fail to keep pace with the expected surge in completions this fall. With multi-unit absorptions currently averaging near 300 units/month, the market should be able to clear close to 3,600 units on an annual basis. As of August, there were 4,138 units in progress. Although many of these units have been pre-sold or leased prior to completion, inventory levels should begin to rise this fall and this will put a damper on new construction in 2003.

New Condos Remain Hot

New condominiums are a hot commodity in 2002. Younger buyers are seeking affordable home ownership options in a market heavily weighted in the seller's advantage. Meanwhile, a growing number of aging boomers are taking the equity from the family home seeking a more carefree lifestyle in the Central city. With existing condo apartments seeing price increases unimaginable just a few years ago, developers have been scrambling to bring more product to market this year. After eight months, starts for row and apartment condos were almost double the levels seen in January-to-August 2001.

Chart 7
New Condo Absorptions
By Price Range



Source: CMHC

Absoprtions have kept pace with completions throughout the year such that inventory levels in August for newly completed condos were very low compared with last summer. Looking at apartments, sales have been strong in all price segments although new units priced under $100,000 remain a scarce commodity due to soaring development costs. Apartment inventory on hand in July was typically a one-bedroom unit priced between $100-120,000 or a two-bed unit between $120-140,000 located mostly in St. Albert or south of the river in Edmonton. Future activity will continue to focus on the downtown market, where young professionals and empty nesters seek better-quality product in favourable locations.

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Rental Market

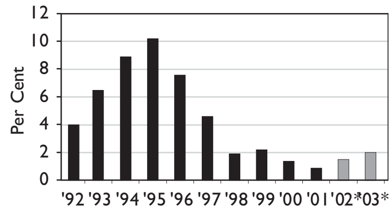
Vacancies Rise on New Supply

This year's surge in new multi-rental construction will help to ease the shortage of apartment and row units available for rent across Metro. Demand for rental units will remain firm going into 2003 thanks to a growing economy, in-migration and the rising costs of home ownership and, as such, vacancies will remain low by historic standards. However, rising completion levels will inject more units into the rental market - both new units built as rentals and some condominiums that have been purchased by investors and subsequently injected into the rental market. This second group would include office and warehouse conversion units in the downtown.

In the 2001 CMHC Rental Market Survey conducted in the first two weeks of October, apartment vacancies across the region were pegged at 0.9 per cent, the lowest level recorded since 1978. This vacancy rate represented 576 vacant apartments out of a total supply of 64,216 privately-owned apartment units. A year earlier, the vacancy rate stood at 1.4 per cent, representing just under 900 units vacant. The annual mid-year survey by CB Richard Ellis, performed in late May 2002, found a vacancy rate across Metro of 1.1 per cent. CMHC expects to find vacancies of near 1.5 per cent across the region from its upcoming October 2002 survey with rates rising to around 2.0 per cent twelve months later in response to increased supplies. The story in the rental townhouse market will be similar although the rate of increase will be more moderate due to a lower influx of new product.

Chart 8

Apartment Vacancies Tight



Source*Forecast : CMHC

Rent Increases Moderate in 2003

The slight increase in competition combined with a moderation in the price trend for ownership housing will place modest restraints on rent increases next year. Between October 2000 and October 2001, rents for apartment units increased by 9.3 per cent or $54/month, on average. Landlords reaped the benefits of the tight markets but also raised rents to cover rising operating costs and to pay for repairs and renovations. Home ownership costs have been surging in 2002 and this has again allowed landlords seek another round of large rent hikes.

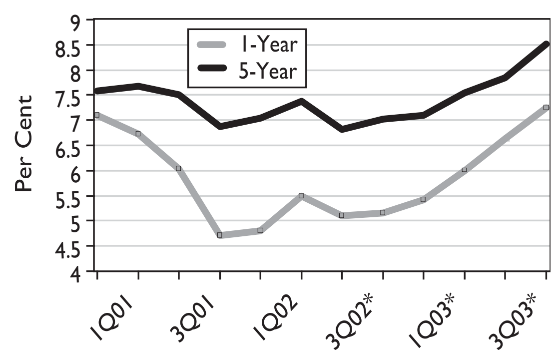
CMHC's 2002 survey expects to find that rents have increased, on average, by another 8.5 per cent across the region compared with rents that were in place during October 2001. However, as we move into 2003, rent increases should moderate to the six per cent range as rising vacancies and slower price growth in existing ownership housing put pressure on landlords to temper their expectations. This said, new apartments entering the market tend to be priced well above the average for existing units so the impact of the new competitors on rents will be muted. Costs for renovations and other improvements are also expected to remain high and utility costs will also rise next year, so rent increases will still be well above general inflation.

Mortgage Rate Outlook

While open and variable rate mortgages generally track lenders' prime rate, fixed rate mortgages move in tandem with the bond market. As the prime rate, money market and short-term bond yields are expected to increase, so should short-term mortgage rates. Given the continued economic growth and the concern on the part of financial markets regarding inflation and expected monetary tightening, bond and mortgage rates should also trend upward. In 2003, a one-year mortgage will average near 6.3 per cent for the year compared with an average of 5.2 per cent for the current year. Five-year mortgages will begin 2003 near 7.1 per cent and end the year close to 8.5 per cent, for an annual average of 7.75 per cent. This compares with an average of 7.1 per cent in 2002 for five-year mortgages.

Chart 9

Higher Mortgage Rates In 2003



Source/*Forecast CMHC

Economic Overview

Job Creation Picks up in 2003

Alberta's economic growth has slowed in 2002 due to declines in capital investment, reduced government spending, and a slowdown in energy and non-residential construction. While strong income and employment growth have maintained the expansion, lower natural gas prices have eroded exports and undermined drilling activity and capital spending. The forestry sector has also been weakened by punitive American softwood duties and agriculture has been hit hard by a severe drought. Still, the provincial economy is expected to do well in 2003 due to improved exports and capital investment.

Net migration into Alberta exceeded 35,000 people in both 2000 and 2001 thanks to favourable job market conditions compared with other parts of Canada. Migration into the province will end 2002 close to levels seen in the previous two years but will throttle back in 2003 as economic growth improves in neighbouring provinces. Migration into the Capital region will remain above the levels seen in the mid-90s. However, the majority of the province's in-migrants will continue to head for Calgary where the number of new jobs created each year remains higher.

The Edmonton Capital region, while heavily influenced by government activities, is also the principal supply, service and staging area for the province's energy sector. As such, the spin-off benefits from the massive expansions in heavy oil and oilsands activity in Alberta's northeast have been substantial in recent years, helping to boost in-migration and pump-up the demand for housing. Shell Canada and it's partners in the Albion oilsand venture have poured billions of dollars into the region's economy building an upgrader at Scotford and modifying the nearby refinery. The new Corridor pipeline will link Albion's Muskeg oilsands mine in the Wood Buffalo region with the Scotford processing plant.

Future developments in the Wood Buffalo area, including new or expanded bitumen recovery operations and the needed additional pipeline capacity, could range from a low of $25 billion to a high of $62 billion over the next 5-10 years. The likelihood of these ventures will depend on commodity prices, operating and capital costs, stakeholder and investor support, and regulatory approval - amongst other factors. Another unknown is how the federal government decisions on green house gas emissions (Kyoto Protocol) will affect the energy intensive oilsands business.

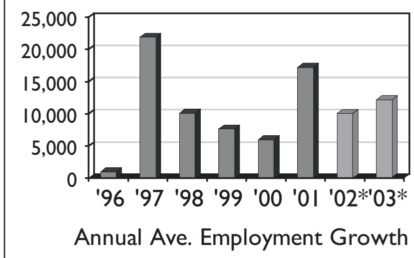
Much of Edmonton's manufacturing and service industries are focused on supporting energy exploration activities. Drilling in 2002 has decelerated from last year's ramped-up pace in reaction to weaker financial markets and softer natural gas prices in North America. The industry reports a sense of optimism for 2003 as drilling activity is expected to pick up to meet U.S. industry's increasing demand for both oil and natural gas.

Our Spring 2002 report raised concerns about the impacts of fiscal retrenchment by the provincial government, largely due to lower resource revenues. While natural gas prices have remained in the doldrums, world oil prices have been bolstered by international events. As such, government coffers have not suffered as feared earlier in the year. Meanwhile, the service sector is being bolstered by expanding firms such as Convergys, the call centre giant, which is in the process of hiring over 750 people for its two Edmonton locations.

According to Statistics Canada, job creation was exceptionally strong across Metro during the first nine months of 2001 but tailed-off in the fourth quarter. This year, employment growth has lagged 2001 during the first eight months but will nonetheless end the year up by an average of 10,000 jobs, representing a 2.0 per cent gain. While last year witnessed a relatively even split between new jobs in both the goods and services sectors, in 2002 services have provided the lion's share of new employment, particularly in health care, education and retail trade. With an improved investment climate in 2003, expect more jobs to return in oil and gas extraction, manufacturing, and non-residential construction.

Chart 10

Fewer New Jobs in 2002



Source: Statistics Canada
*Forecast: CMHC

While the new housing industry has outperformed 2001 on all fronts this year, employment in the construction sector has remained relatively flat due to a shortage of skilled workers and some retrenchment in non-residential spending, particularly within the City of Edmonton. In 2003, a slower year in residential construction be countered by moderate gains in non-residential spending. The Albian (Shell) bitumen upgrader will move from construction to production phase in 2003, freeing up heavy industrial construction labour for other projects starting up in the oilsands. Home builders will, however, continue to dogged by rising labour costs due to chronic shortages of skilled trades.

FORECAST SUMMARY

EDMONTON HOUSING MARKET OUTLOOK

SEPTEMBER 2002

	2000	2001	% Chg	2002*	% Chg	2003*	% Chg
RESALE MARKET							
MLS®(1) active listings (June)	4,119	3,378	-18.0%	2,519	-25.4%	2,700	7.2%
MLS® Sales							
Single-family	9,978	11,258	12.8%	10,800	-4.1%	10,500	-2.8%
Condominium	3,173	3,792	19.5%	4,300	13.4%	4,200	-2.3%
Total	14,189	16,079	13.3%	16,100	0.1%	15,700	-2.5%
MLS® Price							
Single-family	139,966	150,874	7.8%	172,000	14.0%	182,000	5.8%
Condominium	87,762	92,592	5.5%	108,000	16.6%	115,000	6.5%
Average	124,203	133,441	7.4%	152,000	13.9%	161,000	5.9%
NEW HOME MARKET							
Complete and unoccupied (Dec)							
Single-family	554	370	-33.2%	335	-9.5%	400	19.4%
Multiple-family(semi,row,apt)	594	507	-14.6%	550	8.5%	600	9.1%
Start							
Single-family	4,072	4,959	21.8%	6,500	31.1%	5,500	-15.4%
Multiple-family	2,156	2,896	34.3%	4,700	62.3%	3,750	-20.2%
Total	6,228	7,855	26.1%	11,200	42.6%	9,250	-17.4%
Average New House Price							
Single-family	183,512	188,821	2.9%	200,000	5.9%	212,000	6.0%
RENTAL MARKET							
Vacancy rate (Oct)	1.4	0.9		1.5		2.0	
Rental rate, 2 bdrm(yr/yr % chg)	5.0	9.3		8.5		6.0	
FORECAST ASSUMPTIONS							
Mortgage rate (3 yr term)	8.17	6.88	-1.3	6.36		7.22	0.9
Mortgage rate (5 yr term)	8.35	7.41	-0.9	7.07	-0.3	7.75	0.7
Employed	487,950	505,150	3.5%	515,150	2.0%	527,150	2.3%
Employment growth (# jobs)	6,000	17,200		10,000		12,000	
Unemployment rate	5.3	4.9		5.3		5.0	
Net-migration (May 1-April 30)	8,409	8,154		10,500		9,000	

** CMHC Forecast*

Source: CMHC, Statistics Canada, Edmonton Real Estate Board

1 Multiple Listing Service (MLS®) is a registered certification mark owned by the Canadian Real Estate Association.