Calgary

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Calgary Housing Starts Continue to Push Forward

OCTOBER 2002

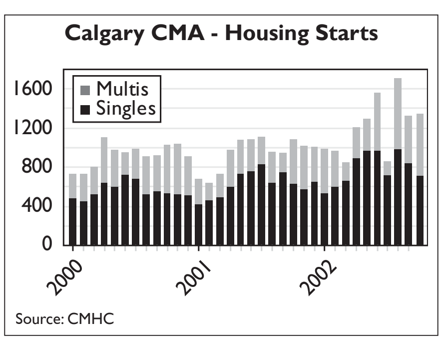
IN THIS ISSUE:

New home starts in the Calgary Census Metropolitan Area (CMA) continue to record substantial gains. October housing starts reached 1,342 units, 22 per cent above levels reported one year ago. October's construction pushed year-to-date total to 12,124 units, 30 per cent more than the first ten months of 2001. With two months left to go in 2002, single- and multi-family starts have already surpassed last year's entire annual performances.

Following a record September for single-family construction, Calgary builders started work on another 712 homes in October, an increase of 13 per cent from the previous year. This also represents the best October performance ever recorded for single-family construction. October's activity propelled the year-to-date total to 7,912 units, 25 per cent ahead of the pace set last year. If Calgary's builders average 655 starts per month over the duration of the year, a new annual record for single-family starts will be achieved. Considering our homebuilders have averaged almost 800 units per month thus far, such a prospect seems highly probable. To the end of October, Cochrane continues to record the largest gains among municipalities with starts up 78 per cent. All others with the exception of Irricana and M.D. Rockyview have outperformed year-to-date construction in the previous year. Within City limits, year-to-date starts are up 24 per cent.

Single-family absorptions (sales) during the August to October period have been the strongest in four years. During that three-month period, absorptions averaged 826 units per month, 25 per cent higher than the corresponding period in 2001. Despite heavy demand and continued upward pressure on wages, material, and land prices, the average price gains have been nonexistent to-date as buyers focus on more modestly priced units. To the end of September, the average single-detached price was $238,596, down 0.4 per cent from the previous year. October's absorptions, however, are looking to reverse this trend, with the average price setting a new monthly record. Of all homes absorbed in October, the average price was $253,350, almost $14,000 higher than the average recorded in all of 2001. Nonetheless, the overall price gain to-date remains modest. At $240,162, the average price to the end of October is only 0.3 per cent higher than the previous year.

Meanwhile, multi-family construction, which includes semi-detached, row, and apartment units, recorded another impressive performance in October. Multi-family starts reached 630 units last month, more than 36 per cent above levels reported one year earlier. To put the gain into perspective, October 2001 was last year's strongest month for multi-family construction. The fact that this October surpassed it by such a healthy margin speaks volumes of the current state of multi-family demand. To the end of October, work has begun on 4,212 units, 41 per cent ahead of the pace set last year. Apartment construction continues to lead the charge, with year-to-date starts up 64 per cent over the first ten months of 2001. During the same time, row (townhouse) construction is up 25 per cent, while semi-detached starts have recorded a one per cent gain. By tenure, the majority of starts continue to be home-ownership (freehold or condominium), as only 293 units have been started for rental tenure so far this year.



Multi-family absorptions in October recorded one of the weakest performances of the year. At 295 units, October's absorptions were 22 per cent lower than average absorptions during the first nine months of 2002. Year-to-date absorptions continue to lag the previous year. At 3,695 units to the end of October, multi-family absorptions sit 0.4 per cent lower than the first 10 months of 2002. Despite the decline, the number of complete and unabsorbed units continues to fall. At the end of October, multi-family inventories reached 327 units, the lowest in 37 months and 41 per cent lower than October 2001.

CMHC SCHL

HOME TO CANADIANS
Canada

Table 1

CALGARY CMA
STARTS ACTIVITY BY AREA OCTOBER 2002

	Single		Multiple			Total		% Chg
AREA	2002	2001	Semi	Row	Apt	2002	2001	2002/2001
AIRDRIE	37	37	10	9	0	56	101	-44.55
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**603**	**528**	**58**	**74**	**439**	**1174**	**924**	**27.06**
CHESTERMERE LAKE	19	28	2	24	0	45	28	60.71
COCHRANE	15	5	4	0	0	19	5	**
CROSSFIELD	3	0	0	0	0	3	0	**
IRRICANA	2	1	0	0	0	2	1	**
MD ROCKYVIEW	33	31	6	4	0	43	33	30.30
TOTAL	**712**	**630**	**80**	**111**	**439**	**1342**	**1092**	**22.89**

Table 1B

CALGARY CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

	Single		Multiple			Total		% Chg
AREA	2002	2001	Semi	Row	Apt	2002	2001	2002/2001
AIRDRIE	434	293	56	98	114	702	506	38.74
BEISEKER	4	1	2	0	0	6	3	**
CALGARY CITY	**6707**	**5422**	**446**	**790**	**2538**	**10481**	**8076**	**29.78**
CHESTERMERE LAKE	305	213	8	50	0	363	231	57.14
COCHRANE	142	80	26	22	0	190	120	58.33
CROSSFIELD	12	10	0	0	0	12	18	-33.33
IRRICANA	3	8	4	0	0	7	8	-12.50
MD ROCKYVIEW	305	309	38	20	0	363	353	2.83
TOTAL	**7912**	**6336**	**580**	**980**	**2652**	**12124**	**9315**	**30.16**

** 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 Corriveau in Market Analysis at (403) 515-3005 or by fax at (403) 515-3036.*

Table 2

CALGARY CMA
HOUSING COMPLETIONS BY AREA OCTOBER 2002

AREA	Single		Multiple			Total		% Chg
	2002	2001	Semi	Row	Apt	2002	2001	2002/2001
AIRDRIE	38	37	6	4	62	110	48	**
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	**650**	**563**	**60**	**44**	**105**	**859**	**721**	**19.14**
CHESTERMERE LAKE	19	11	0	7	0	26	13	**
COCHRANE	11	3	0	0	0	11	7	57.14
CROSSFIELD	0	3	0	0	0	0	3	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	31	24	0	0	0	31	30	3.33
TOTAL	**749**	**642**	**66**	**55**	**167**	**1037**	**823**	**26.00**

Table 2B

CALGARY CMA
HOUSING COMPLETIONS BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg
	2002	2001	Semi	Row	Apt	2002	2001	2002/2001
AIRDRIE	382	235	38	67	231	718	366	96.17
BEISEKER	1	2	2	0	0	3	2	50.00
CALGARY CITY	**5886**	**4787**	**462**	**791**	**1910**	**9049**	**8315**	**8.83**
CHESTERMERE LAKE	245	148	4	20	0	269	176	52.84
COCHRANE	99	99	16	10	0	125	136	-8.09
CROSSFIELD	8	14	0	0	0	8	22	-63.64
IRRICANA	3	12	0	0	0	3	12	-75.00
MD ROCKYVIEW	270	296	18	4	0	292	362	-19.34
TOTAL	**6894**	**5593**	**540**	**892**	**2141**	**10467**	**9391**	**11.46**

** Indicates 100% change or greater

Table 3

CALGARY CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	Total
STARTS										
October	712	80	16	95	439	0	0	0	0	1342
2001	630	48	0	56	183	0	175	0	0	1092
Year-To-Date 2002	7912	580	22	958	2359	0	293	0	0	12124
Year-To-Date 2001	6336	572	4	783	1445	0	175	0	0	9315
UNDER CONSTRUCTION										
2002	4005	476	22	800	2755	0	677	0	0	8735
2001	2967	460	3	810	2386	0	187	0	0	6813
COMPLETIONS										
October	749	66	3	52	151	0	16	0	0	1037
2001	642	48	0	42	91	0	0	0	0	823
Year-To-Date 2002	6894	540	9	883	2000	0	141	0	0	10467
Year-To-Date 2001	5593	594	0	714	2478	0	12	0	0	9391
COMPLETED & NOT ABSORBED										
2002	560	99	2	35	169	0	22	0	0	887
2001	710	141	0	55	357	0	0	0	0	1263
TOTAL SUPPLY										
2002	4565	575	24	835	2924	0	699	0	0	9622
2001	3677	601	3	865	2743	0	187	0	0	8076
ABSORPTIONS										
October	743	73	3	59	156	0	4	0	0	1038
3-month Average	826	71	3	109	211	0	9	0	0	1229
12-month Average	684	57	1	91	198	0	10	0	0	1041