Calgary

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

APRIL 2003

Vigorous Pace of Multi-family Starts Continues

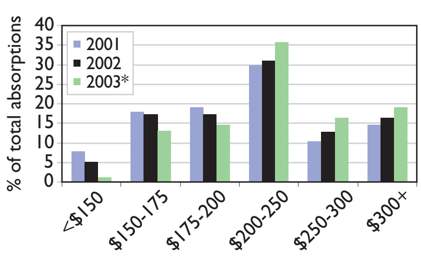
Fuelled by persistent gains in the multi-family market, total housing starts across the Calgary Census Metropolitan Area (CMA) recorded their best April performance since 1981. Work began on 1,417 housing units last month, 17 per cent higher than corresponding levels reported one year earlier. April's starts pushed year-to-date construction to 5,212 units, representing the best four-month start to the year since 1978 for the Calgary CMA.

Following impressive gains in the previous two months, multi-family starts, including semi-detached, row, and apartment units, extended their robust pace in April. To the end of April, multi-family construction is up an impressive 85 per cent, reaching 2,430 units. Construction began on 596 multi-family dwellings in April, almost 90 per cent more than activity reported for April 2002. Apartment starts increased 61 per cent year-over-year, semi-detached homes were up 74 per cent, while row units more than doubled the activity recorded one year earlier. Of April's 596 multi-family starts, 236 were apartments intended for Calgary's rental market. This is the first time in more than a year that there have been rental starts of this magnitude.

Multi-family units under construction reached 5,601 in April, an increase of 37 per cent over April 2002. Not since 1982 have units under construction been above 5,600. Completions increased 39 per cent from April 2002, pulling year-to-date completions up 21 per cent to 1,691. The 237 multi-family units absorbed in April were slightly greater than the number of units completed resulting in a reduction of inventory by 16 units to 499. The spike in multi-family starts has combined with slower absorption rates to push total supply to 6,100 units, 36 per cent higher than the same time last year, a level last seen over 20 years ago. Considering job growth and migration have weakened, while rental vacancies are heading upward, this pace is unlikely to continue through the rest of the year if a healthy market is to be maintained.

Calgary CMA

Single-Family Absorptions by Price Range



Source: CMHC, *YTD

While the multi-family sector continued to shine, single-family starts recorded a weaker performance in April. Builders started 821 single-family homes last month, eight per cent fewer than April of 2002. Despite the decline, builders remain on a record-setting pace. After four months of the year, 2,782 single-family homes have started construction in the Calgary CMA, three per cent more than the corresponding period in 2002. Based on the strength of activity in January and February, this is the best start to any year on record. However, March and April were the first consecutive months in more than two years that builders failed to outperform the previous year. This trend is expected to continue through the duration of the year. Nonetheless, Calgary builders are on pace for a very respectable year by historical standards. Within city limits, total starts increased 12 per cent to 1,238 homes in April. Of the municipalities comprising the CMA, the M.D. of Rockyview recorded the strongest year-over-year gain, up 91 per cent to-date.

Single-family homes under construction remain near 4,000 units, reflecting longer construction periods, which have characterized the market since last summer.

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At 655 homes in April, absorptions fell short of completions pushing inventory up by 18 units to 623 homes (including 211 spec homes and 412 showhomes). Inventory continues to recover from a four-year low in August 2002 when just 528 single-family homes, consisting of 131 spec homes and 397 showhomes, were sitting in inventory.

The average price of new single-family homes has maintained an upward trend, reaching $249,977 in April. This represents a year-over-year increase of nine per cent. Homes priced under $200,000 continue to lose market share while homes under $150,000 fell to one per cent of the market, down from 10 per cent of the market one year ago. The change in distribution does not reflect a shift in consumer preferences. Rather, heightened construction costs are making it increasingly difficult to build a home in the lower price ranges.

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Table 1

CALGARY CMA
STARTS ACTIVITY BY AREA APRIL 2003

AREA	Single 2003	Single 2002	Multiple Semi	Multiple Row	Multiple Apt	Total 2003	Total 2002	% Chg 2003/2002
AIRDRIE	45	42	10	7	0	62	42	47.62
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**699**	**799**	**60**	**99**	**380**	**1238**	**1102**	**12.34**
CHESTERMERE LAKE	29	24	6	0	0	35	24	45.83
COCHRANE	7	14	0	0	23	30	20	50.00
CROSSFIELD	2	2	0	3	0	5	2	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	39	11	4	4	0	47	17	**
TOTAL	**821**	**892**	**80**	**113**	**403**	**1417**	**1207**	**17.40**

Table 1B

CALGARY 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
AIRDRIE	129	136	18	52	36	235	164	43.29
BEISEKER	1	1	0	0	0	1	1	0.00
CALGARY CITY	**2392**	**2343**	**180**	**364**	**1682**	**4618**	**3594**	**28.49**
CHESTERMERE LAKE	80	92	18	0	0	98	92	6.52
COCHRANE	30	51	4	4	23	61	67	-8.96
CROSSFIELD	11	4	0	3	0	14	4	**
IRRICANA	0	0	0	4	0	4	2	**
MD ROCKYVIEW	139	75	34	8	0	181	95	90.53
TOTAL	**2782**	**2702**	**254**	**435**	**1741**	**5212**	**4019**	**29.68**

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

Table 2

CALGARY CMA
HOUSING COMPLETIONS BY AREA APRIL 2003

AREA	Single 2003	Single 2002	Multiple Semi	Multiple Row	Multiple Apt	Total 2003	Total 2002	% Chg 2003/2002
AIRDRIE	36	28	10	18	0	64	30	**
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**566**	**552**	**44**	**68**	**53**	**731**	**707**	**3.39**
CHESTERMERE LAKE	28	12	4	0	0	32	12	**
COCHRANE	17	3	2	0	0	19	5	**
CROSSFIELD	2	0	2	0	0	4	0	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	24	20	16	4	0	44	20	**
TOTAL	**673**	**615**	**78**	**90**	**53**	**894**	**774**	**15.50**

Table 2B

CALGARY 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
AIRDRIE	131	124	30	46	59	266	221	20.36
BEISEKER	0	0	0	0	0	0	2	**
CALGARY CITY	**2275**	**1992**	**188**	**200**	**1092**	**3755**	**3284**	**14.34**
CHESTERMERE LAKE	98	87	6	12	0	116	89	30.34
COCHRANE	47	15	12	18	0	77	19	**
CROSSFIELD	5	2	2	0	0	7	2	**
IRRICANA	1	1	0	0	0	1	1	0.00
MD ROCKYVIEW	130	106	22	4	0	156	110	41.82
TOTAL	**2687**	**2327**	**260**	**280**	**1151**	**4378**	**3728**	**17.44**

** 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										
April	821	80	0	113	164	0	239	0	0	1417
2002	892	32	0	32	251	0	0	0	0	1207
Year-To-Date 2003	2782	254	0	435	1501	0	240	0	0	5212
Year-To-Date 2002	2702	142	0	255	648	0	272	0	0	4019
UNDER CONSTRUCTION										
2003	4070	524	5	1009	3638	0	425	0	0	9671
2002	3366	418	0	696	2297	0	678	0	0	7455
COMPLETIONS										
April	673	78	6	84	53	0	0	0	0	894
2002	615	26	0	42	41	0	50	0	0	774
Year-To-Date 2003	2687	260	39	241	668	0	483	0	0	4378
Year-To-Date 2002	2327	158	0	343	843	0	57	0	0	3728
COMPLETED & NOT ABSORBED										
2003	623	107	4	42	179	0	167	0	0	1122
2002	574	115	0	41	218	0	30	0	0	978
TOTAL SUPPLY										
2003	4693	631	9	1051	3817	0	592	0	0	10793
2002	3940	533	0	737	2515	0	708	0	0	8433
ABSORPTIONS										
April	655	68	14	78	74	0	3	0	0	892
3-month Average	681	56	12	55	149	0	66	0	0	1019
12-month Average	728	62	4	78	187	0	36	0	0	1095