

Multi-family Housing Starts Continue to Stumble

MAY 2004

**I N T H I S
I S S U E :**

Analysis 1
STATISTICAL TABLES
 Starts 2
 Completions 3
 Activity Summary 4

Total residential construction in the Calgary Census Metropolitan Area (CMA) fell 22 per cent in May compared to the same month in 2003. For the second month in succession, a hefty drop in multi-family construction overshadowed a modest decline in single-family starts. Total housing starts reached 865 units in May, representing the lowest May total in five years.

For the fifth time in as many months, the number of multi-family starts did not surpass those in the previous year. Multi-family construction, which includes semi-detached units, rows, and apartments, totalled 193 units in May, resulting in a 46 per cent drop from May 2003. The drop in multi-family activity can be attributed to the apartment market, where only 10 units were started. This represents the weakest monthly performance for apartment starts since January 1997. To the end of May, construction has begun on 1,910 multi-family units, down 32 per cent from the first five months of 2003. Semi-detached units after five months have reported a five per cent gain over the same period in 2003, while row units have fallen 25 per cent. Apartments, meanwhile, have recorded a

40 per cent decline to-date. Despite the overall decline, CMHC expects to see a strong comeback in the months ahead. With a record 1,236 multi-family permit approvals by the City of Calgary in March, the summer months should be a busy time for multi-family developers.

Multi-family completions reached 457 units in May, 13 fewer than the number of units absorbed. As a result, multi-family inventories fell for the third consecutive month, reaching a four-month low of 579 units. Despite the decline, the number of complete and unabsorbed units remains 18 per cent higher than May of 2003. At 346, apartments account for the majority of units in inventory, though they are only three per cent higher than the previous year. The number of semi-detached and row units in inventory are comparatively lower at 121 and 112, respectively. However, they surpass the previous year by respective margins of 13 and 149 per cent.

Meanwhile, single-family construction in the Calgary CMA continues to lag last year's pace, though to a lesser extent than multiples. Single-family starts measured 672 units in May, a decrease of 10 per cent from May 2003. May's single-family starts bring the year-to-date total to 3,265 units, almost eight per cent fewer than the first five months of 2003. The pace of single-family construction to-date is right in line with CMHC's forecast for 2004. There does not appear to be any factors on the horizon that would derail our expectations of 7,750 units for the year. Of the municipalities comprising the CMA, Chestermere Lake and Cochrane continue to record the only year-over-year gains, up 33 and 29 per cent, respectively, to the end of May. Of the

centres recording declines, Crossfield was the most notable, down 71 per cent after five months.

Unlike the multi-family market, the number of single-detached completions surpassed those absorbed. In May, 599 single-family homes were completed, 27 more than were absorbed. As a result, the number of complete and unabsorbed units increased for the fourth consecutive month. At 799 units in May, the number of single-family homes in inventory was 23 per cent higher than the previous year and represents the highest total since June 2001. Both spec units and showhomes are responsible for the rise in overall inventory. Despite the second consecutive monthly decline, the 290 spec units in inventory sit 33 per cent higher than the previous year. Showhomes, meanwhile, have increased for the fifth consecutive month to reach a new record high. May's showhome tally totalled 509 units, 18 per cent more than the previous year.

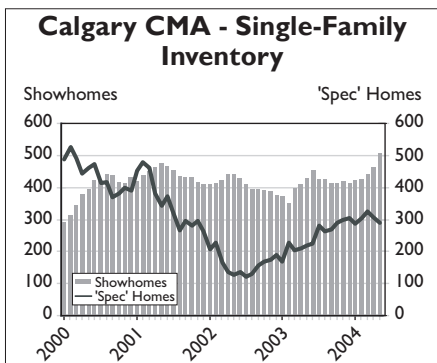


Table I
CALGARY CMA
STARTS ACTIVITY BY AREA MAY 2004

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
AIRDRIE	38	31	4	12	0	54	60	-10.00
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	559	650	66	97	10	732	971	-24.61
CHESTERMERE LAKE	37	27	4	0	0	41	29	41.38
COCHRANE	10	4	0	0	0	10	6	66.67
CROSSFIELD	1	3	0	0	0	1	3	-66.67
IRRICANA	3	0	0	0	0	3	0	**
MD ROCKYVIEW	24	32	0	0	0	24	36	-33.33
TOTAL	672	747	74	109	10	865	1105	-21.72

Table IB
CALGARY CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
AIRDRIE	160	160	10	65	1	236	295	-20.00
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	2797	3042	298	320	1168	4583	5589	-18.00
CHESTERMERE LAKE	142	107	32	0	0	174	127	37.01
COCHRANE	44	34	4	0	0	48	67	-28.36
CROSSFIELD	4	14	0	0	0	4	17	-76.47
IRRICANA	3	0	0	4	0	7	4	75.00
MD ROCKYVIEW	115	171	8	0	0	123	217	-43.32
TOTAL	3265	3529	352	389	1169	5175	6317	-18.08

** 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 MAY 2004

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
AIRDRIE	21	27	2	0	0	23	47	-51.06
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	518	661	54	88	309	969	1091	-11.18
CHESTERMERE LAKE	27	23	4	0	0	31	29	6.90
COCHRANE	9	16	0	0	0	9	22	-59.09
CROSSFIELD	0	4	0	0	0	0	6	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	24	35	0	0	0	24	35	-31.43
TOTAL	599	767	60	88	309	1056	1231	-14.22

Table 2B
CALGARY CMA
HOUSING COMPLETIONS BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
AIRDRIE	150	158	22	28	1	201	313	-35.78
BEISEKER	0	1	0	4	0	4	1	**
CALGARY CITY	2627	2936	218	419	1192	4456	4846	-8.05
CHESTERMERE LAKE	112	121	26	0	0	138	145	-4.83
COCHRANE	31	63	2	0	23	56	99	-43.43
CROSSFIELD	6	9	6	0	0	12	13	-7.69
IRRICANA	4	1	0	4	0	8	1	**
MD ROCKYVIEW	142	165	16	8	0	166	191	-13.09
TOTAL	3072	3454	290	463	1216	5041	5609	-10.13

** Indicates 100% change or greater

The information, analysis and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analysis and opinions shall not be taken as representations for which CMHC or any of its employees shall incur responsibility. HOUSING NOW is published by Canada Mortgage and Housing Corporation. Duplication of this report in whole or in part is strictly prohibited without permission of the authors and/or the Corporation. © 2004 All rights reserved

Table 3
CALGARY CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
STARTS										
May	672	74	0	109	10	0	0	0	0	865
2003	747	82	0	84	192	0	0	0	0	1105
Year-To-Date 2004	3265	352	4	385	705	0	332	0	132	5175
Year-To-Date 2003	3529	336	0	519	1693	0	240	0	0	6317
UNDER CONSTRUCTION										
2004	3717	616	8	802	2699	0	332	0	132	8306
2003	4050	540	0	997	3551	0	250	0	0	9388
COMPLETIONS										
May	599	60	7	81	309	0	0	0	0	1056
2003	767	64	5	96	154	0	145	0	0	1231
Year-To-Date 2004	3072	290	27	432	975	4	241	0	0	5041
Year-To-Date 2003	3454	324	44	337	822	0	628	0	0	5609
COMPLETED & NOT ABSORBED										
2004	799	121	3	109	137	0	209	0	0	1378
2003	648	107	1	44	155	0	182	0	0	1137
TOTAL SUPPLY										
2004	4516	737	11	911	2836	0	541	0	132	9684
2003	4698	647	1	1041	3706	0	432	0	0	10525
ABSORPTIONS										
May	572	60	4	93	307	0	6	0	0	1042
3-month Average	604	50	5	74	195	2	10	0	0	940
12-month Average	703	61	3	104	232	1	19	0	0	1123

RESIDENTIAL CONSTRUCTION DIGEST

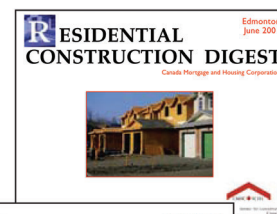
CMHC's monthly **Residential Construction Digest** delivers all the housing statistics you asked for, right down to the local market level! We have designed this product with your input, to meet your needs. You told us you wanted a detailed breakdown each month of housing statistics for single and multi-family markets, broken down by price range and by area of the city.

The Residential Construction Digest delivers!

Each month, over 60 tables reveal the housing market in great detail: Housing trends made crystal clear, to help you identify new opportunities. For added convenience each report is distributed electronically in PDF format with hotlinks allowing you to quickly get the information you need with a click of your mouse.

Each Report is Available for the
Low Annual Price of \$350.00 plus GST

**To subscribe to, or receive a free sample of, the Residential Construction Digest,
please call (877) 722-2642.**



© 2004 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada

Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this

publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.