

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Edmonton's Housing Starts Decline in October

OCTOBER 2003

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

Analysis.....	1
STATISTICAL TABLES	
Starts.....	2
Completions	3
Activity Summary	4

Following three consecutive months of improvement, October housing starts in Edmonton dropped back from activity recorded in October 2002. Total housing starts across Metro Edmonton fell by 14.5 per cent from October of last year to 1,158 units. Despite the fallback, activity on a year-to-date basis remained 4.5 per cent ahead of production levels reported in the first 10 months of 2002.

Builders across the Capital region began construction on 517 single-detached homes in October, representing a 24 per cent drop from the 677 units started in October 2002. Improvements reported in St. Albert and Stony Plain were countered by lower numbers in most other centres across Metro.

So far this year, single-detached starts have reached 5,421 units compared with 5,667 units started in January-to-October of last year, representing a four per cent drop. With two months remaining in 2003, builders will be hard-pressed to match their record-setting performance of last year. We expect that higher inventories of both new and existing (resale) homes will discourage stronger building activity in the months ahead.

Single-detached completions throughout Metro increased by 5.4 per cent in October to 699 units. During the same time there were 632 absorptions, with a resulting 67 units added to the inventory on-hand in October. Absorptions were down by just under two per cent from October 2002 but remained 24 per cent ahead on a year-to-date basis. The average price of a new single-detached home absorbed in October increased by 2.2 per cent from October 2002 to \$217,946.

The stock of completed and unoccupied singles has been on the rise throughout 2003, in response to last year's record-setting starts. The unsold inventory stood at 668 units in October, 87 per cent more than the same month in 2002 and representing the highest level since the second quarter of 1995. Most of the increase in complete and unoccupied new singles has come from higher spec building this year. In October, CMHC counted 403 unabsorbed spec homes, representing an increase of almost 170 per cent from the 151 spec units that were complete and for sale in October 2002. During the same time frame, the number of show homes increased from 207 units in October 2002 to 265 this October, for an increase of 28 per cent.

After four months of back-to-back increases, multiple-unit starts fell by over five per cent in October. Across Metro, 641 multiple dwelling units were started, the majority of which were condominium or rental apartments within the city of Edmonton. In Fort Saskatchewan, Stony Plain and Leduc City, new apartment activity in October reached over 100 units combined.

Despite the overall pullback in October, starts of semi, row and apartment units together remained over 15 per cent ahead

of last year's pace after 10 months. Within the City of Edmonton, multiple starts year-to-date were 25 per cent ahead of last year's count to the end of October. Condominium apartments, particularly in the city's downtown, have contributed to much of this year's increase.

Year-over-year multiple-unit completions fell by 23 per cent in October to 362 units. With absorptions for the month hitting 366 units, this allowed the inventory of unabsorbed multiple units to move down from the previous month. Nonetheless, the inventory was still 93 per cent higher than the 444 units reported in October 2002. With multiple units under construction still 32 per cent above the levels reported in October 2002, we expect inventories to remain high in the months ahead. Of the 857 unabsorbed multiple units on hand in October, 546 (64%) were new rental apartments.

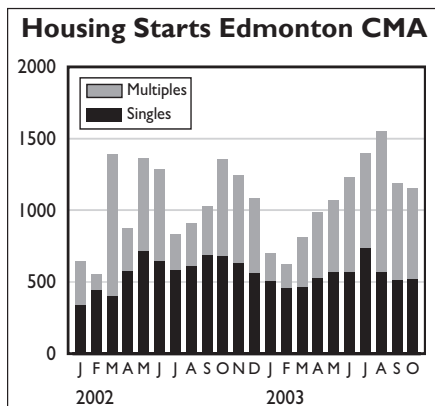


Table I
EDMONTON CMA
STARTS ACTIVITY BY AREA OCTOBER 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	15	25	0	0	0	15	25	-40.00
CALMAR TOWN	1	1	0	0	0	1	1	0.00
DEVON TOWN	2	16	0	0	0	2	16	-87.50
EDMONTON CITY	315	404	50	12	444	821	933	-12.00
FORT SASKATCHEWAN CITY	4	17	2	0	32	38	111	-65.77
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	10	12	4	0	28	42	16	**
LEDUC COUNTY	8	7	0	0	0	8	7	14.29
MORINVILLE TOWN	1	2	2	0	0	3	2	50.00
PARKLAND COUNTY	21	37	0	0	0	21	37	-43.24
SPRUCE GROVE CITY	11	16	6	0	0	17	48	-64.58
ST.ALBERT CITY	35	23	2	0	0	37	23	60.87
STONY PLAIN TOWN	13	8	0	0	47	60	16	**
STRATHCONA COUNTY	58	88	12	0	0	70	98	-28.57
STURGEON COUNTY	15	15	0	0	0	15	15	0.00
OTHER CENTRES	8	6	0	0	0	8	6	33.33
TOTAL	517	677	78	12	551	1158	1354	-14.48

Table IB
EDMONTON CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	123	120	0	0	0	123	120	2.50
CALMAR TOWN	9	5	0	0	0	9	5	80.00
DEVON TOWN	104	91	0	8	0	112	93	20.43
EDMONTON CITY	3258	3372	626	484	3368	7736	6955	11.23
FORT SASKATCHEWAN CITY	60	88	28	0	32	120	229	-47.60
GIBBONS TOWN	12	5	0	0	0	12	5	**
LEDUC CITY	80	114	18	0	76	174	173	0.58
LEDUC COUNTY	51	55	0	0	0	51	55	-7.27
MORINVILLE TOWN	30	25	6	0	22	58	50	16.00
PARKLAND COUNTY	184	233	2	0	0	186	233	-20.17
SPRUCE GROVE CITY	192	161	46	11	206	455	335	35.82
ST.ALBERT CITY	291	343	32	0	50	373	649	-42.53
STONY PLAIN TOWN	132	120	18	18	148	316	268	17.91
STRATHCONA COUNTY	745	793	42	47	0	834	926	-9.94
STURGEON COUNTY	108	108	0	0	0	108	108	0.00
OTHER CENTRES	42	34	0	0	0	46	46	0.00
TOTAL	5421	5667	822	568	3902	10713	10250	4.52

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

Table 2
EDMONTON CMA
HOUSING COMPLETIONS BY AREA OCTOBER 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	33	20	0	0	0	33	20	65.00
CALMAR TOWN	2	1	0	0	0	2	1	**
DEVON TOWN	25	22	0	0	0	25	22	13.64
EDMONTON CITY	437	382	82	41	138	698	766	-8.88
FORT SASKATCHEWAN CITY	7	12	2	0	0	9	12	-25.00
GIBBONS TOWN	2	1	0	0	0	2	1	**
LEDUC CITY	31	29	8	0	0	39	47	-17.02
LEDUC COUNTY	8	8	0	0	0	8	8	0.00
MORINVILLE TOWN	4	3	4	0	0	8	5	60.00
PARKLAND COUNTY	37	28	0	0	0	37	28	32.14
SPRUCE GROVE CITY	17	8	2	0	0	19	26	-26.92
ST.ALBERT CITY	31	27	2	0	0	33	36	-8.33
STONY PLAIN TOWN	17	17	16	18	47	98	23	**
STRATHCONA COUNTY	30	84	2	0	0	32	116	-72.41
STURGEON COUNTY	14	14	0	0	0	14	14	0.00
OTHER CENTRES	4	7	0	0	0	4	7	-42.86
TOTAL	699	663	118	59	185	1061	1132	-6.27

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

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	147	81	0	0	0	147	81	81.48
CALMAR TOWN	5	4	0	0	0	5	4	25.00
DEVON TOWN	107	72	0	0	0	107	84	27.38
EDMONTON CITY	3575	2575	638	339	2490	7042	4485	57.01
FORT SASKATCHEWAN CITY	84	61	8	0	138	230	107	**
GIBBONS TOWN	8	3	0	0	0	8	3	**
LEDUC CITY	109	97	16	8	39	172	246	-30.08
LEDUC COUNTY	34	45	0	0	0	34	45	-24.44
MORINVILLE TOWN	19	12	12	7	0	38	18	**
PARKLAND COUNTY	204	175	0	0	0	204	175	16.57
SPRUCE GROVE CITY	169	125	18	0	48	235	240	-2.08
ST.ALBERT CITY	321	302	80	3	60	464	407	14.00
STONY PLAIN TOWN	128	110	30	18	145	321	221	45.25
STRATHCONA COUNTY	614	509	24	12	0	650	575	13.04
STURGEON COUNTY	113	85	0	0	0	113	85	32.94
OTHER CENTRES	31	27	2	0	0	33	31	6.45
TOTAL	5668	4283	828	387	2920	9803	6807	44.01

** Indicates 100% change or greater

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Table 3
EDMONTON CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
STARTS										
October 2002	517	78	8	4	354	0	197	0	0	1158
Year-To-Date 2003	677	54	0	25	416	0	182	0	0	1354
Year-To-Date 2002	5421	822	78	372	2742	118	1160	0	0	10713
Year-To-Date 2002	5667	886	3	302	1714	148	1530	0	0	10250
UNDER CONSTRUCTION										
2003	3063	620	35	294	3477	65	1476	0	0	9030
2002	3198	558	3	241	1986	54	1667	0	0	7707
COMPLETIONS										
October 2002	699	118	12	36	106	11	79	0	0	1061
Year-To-Date 2003	663	90	0	39	127	34	179	0	0	1132
Year-To-Date 2002	5668	828	46	259	1355	82	1565	0	0	9803
Year-To-Date 2002	4283	614	12	138	943	104	713	0	0	6807
COMPLETED & NOT ABSORBED										
2003	668	119	7	24	161	0	546	0	0	1525
2002	358	58	0	8	67	11	300	0	0	802
TOTAL SUPPLY										
2003	3731	739	42	318	3638	65	2022	0	0	10555
2002	3556	616	3	249	2053	65	1967	0	0	8509
ABSORPTIONS										
October 2002	632	114	8	36	115	11	82	0	0	998
3-month Average	572	111	7	25	183	16	91	0	0	1005
12-month Average	537	75	3	27	117	12	137	0	0	908

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