

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Edmonton's Housing Starts Weaken in May

MAY 2003

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Metro Edmonton's new housing activity declined in May from the robust levels reported in May of last year. Total housing starts across the Capital region fell by 21.7 per cent to 1,070 units compared with 1,366 units tallied in May 2002. For the year-to-date, total starts have fallen by over 13 per cent, in large part due to a slow down in multi-unit housing.

Following a strong performance in the first quarter, single-detached starts fell for the second consecutive month in May, dropping 20.6 per cent from May 2002 to 565 units. Most communities across the region reported weaker numbers in April, with Beaumont, Gibbons and Sturgeon County bucking the trend.

To the end of May, single-detached starts remain slightly ahead of activity levels observed in the first five months of 2002 but the gap has narrowed in the second quarter. With rising inventories of unsold spec homes and more houses on the resale market this year, builders are having to retrench from 2002's record-setting pace.

With completions having outpaced absorptions, the inventory of completed and unoccupied new singles has been rising

throughout 2003. In May the inventory stood at 450 units, the highest level since July 2001. While the number of show homes Metro-wide has increased by just under eight per cent in the past year to 248 units, the number of unsold spec units has grown to 202 units compared with 81 in May 2002.

Despite the slowdown in starts and the rising inventory, absorptions remain strong and prices for new homes are increasing at a brisk pace. The average price for new single-detached homes absorbed in May stood at \$224,803, representing an increase of 18 per cent over the previous year. For the year-to-date, the average new house price has increased by 12 per cent to \$217,723, in large part to a shift in product mix toward higher-priced units. In contrast, resale home price increases have moderated in 2003 as the supply of listings has improved. After increasing by almost 14 per cent in 2002, the average price of a resale home has risen by just over eight per cent so far this year to \$183,107.

After a resurgence in April, multiple-unit starts across the region also moved lower in May. New construction for semi-detached, row and apartment units fell by 22.8 per cent from May of last year to 505 units. New condo apartments in Edmonton City and St. Albert made up the lion's share of multiple units started in May.

Throughout Metro, multi-unit starts have dropped by over 29 per cent this year. With newly-completed and unoccupied units on the rise and higher numbers of condominiums on the resale market, CMHC expects multi-unit activity this year to remain below the strong numbers reported in 2002.

Multi-unit completions soared in May, with a total of 1,088 units finishing construction

compared with only 177 in May 2002. As a result, both absorption and inventory numbers moved substantially higher as well. Absorptions reached 886 units in May compared with 203 in the same month last year. Of the 886, 746 (84%) were absorbed at completion with the balance moving from the existing inventory.

With completions exceeding total absorptions by 202 units, the unoccupied multi-unit inventory increased from 574 units in April to 776 unabsorbed units in May. This represents an increase of 69 per cent over May of 2002, and the inventory is now at the highest level recorded since October 1996. Rental apartments make up the majority (72%) of the completed and unoccupied multiples, half of which are found in Central Edmonton - north of the river.

Housing Starts Edmonton CMA

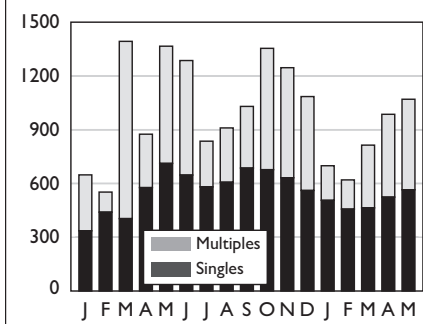


Table I
EDMONTON CMA
STARTS ACTIVITY BY AREA MAY 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	23	22	0	0	0	23	22	4.55
CALMAR TOWN	0	2	0	0	0	0	2	**
DEVON TOWN	10	21	0	0	0	10	21	-52.38
EDMONTON CITY	323	394	86	28	297	734	880	-16.59
FORT SASKATCHEWAN CITY	8	11	4	0	0	12	13	-7.69
GIBBONS TOWN	3	1	0	0	0	3	1	**
LEDUC CITY	14	17	2	0	0	16	17	-5.88
LEDUC COUNTY	3	6	0	0	0	3	6	-50.00
MORINVILLE TOWN	2	4	0	0	0	2	6	-66.67
PARKLAND COUNTY	20	30	0	0	0	20	30	-33.33
SPRUCE GROVE CITY	17	33	4	8	0	29	51	-43.14
ST.ALBERT CITY	23	44	8	0	38	69	172	-59.88
STONEY PLAIN TOWN	20	28	6	18	0	44	36	22.22
STRATHCONA COUNTY	82	86	0	6	0	88	96	-8.33
STURGEON COUNTY	11	9	0	0	0	11	9	22.22
OTHER CENTRES	6	4	0	0	0	6	4	50.00
TOTAL	565	712	110	60	335	1070	1366	-21.67

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	56	47	0	0	0	56	47	19.15
CALMAR TOWN	2	2	0	0	0	2	2	0.00
DEVON TOWN	54	46	0	0	0	54	48	12.50
EDMONTON CITY	1576	1502	356	198	951	3081	3538	-12.92
FORT SASKATCHEWAN CITY	31	41	24	0	0	55	43	27.91
GIBBONS TOWN	7	2	0	0	0	7	2	**
LEDUC CITY	33	49	14	0	0	47	55	-14.55
LEDUC COUNTY	13	18	0	0	0	13	18	-27.78
MORINVILLE TOWN	10	13	2	0	0	12	15	-20.00
PARKLAND COUNTY	63	75	0	0	0	63	75	-16.00
SPRUCE GROVE CITY	88	80	6	8	0	102	108	-5.56
ST.ALBERT CITY	129	157	26	0	50	205	394	-47.97
STONEY PLAIN TOWN	61	66	8	18	0	87	90	-3.33
STRATHCONA COUNTY	342	345	6	6	0	354	371	-4.58
STURGEON COUNTY	38	19	0	0	0	38	19	**
OTHER CENTRES	13	7	0	0	0	13	9	44.44
TOTAL	2516	2469	442	230	1001	4189	4834	-13.34

** 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 MAY 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	5	7	0	0	0	5	7	-28.57
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	6	2	0	0	0	6	2	**
EDMONTON CITY	291	268	22	35	982	1330	393	**
FORT SASKATCHEWAN CITY	12	3	0	0	0	12	47	-74.47
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	9	8	0	0	35	44	8	**
LEDUC COUNTY	1	1	0	0	0	1	1	0.00
MORINVILLE TOWN	2	1	0	0	0	2	1	**
PARKLAND COUNTY	36	22	0	0	0	36	22	63.64
SPRUCE GROVE CITY	24	12	2	0	0	26	12	**
ST.ALBERT CITY	21	23	4	3	0	28	29	-3.45
STONEY PLAIN TOWN	6	21	0	0	0	6	21	-71.43
STRATHCONA COUNTY	58	23	2	3	0	63	25	**
STURGEON COUNTY	12	3	0	0	0	12	3	**
OTHER CENTRES	0	0	0	0	0	0	0	**
TOTAL	483	394	30	41	1017	1571	571	**

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	65	35	0	0	0	65	35	85.71
CALMAR TOWN	2	1	0	0	0	2	1	**
DEVON TOWN	43	22	0	0	0	43	30	43.33
EDMONTON CITY	1583	1014	208	125	1257	3173	1765	79.77
FORT SASKATCHEWAN CITY	39	23	0	0	138	177	67	**
GIBBONS TOWN	1	1	0	0	0	1	1	0.00
LEDUC CITY	55	42	4	0	39	98	143	-31.47
LEDUC COUNTY	21	20	0	0	0	21	20	5.00
MORINVILLE TOWN	7	5	0	0	0	7	9	-22.22
PARKLAND COUNTY	101	70	0	0	0	101	70	44.29
SPRUCE GROVE CITY	82	55	12	0	48	142	57	**
ST.ALBERT CITY	129	133	30	3	12	174	171	1.75
STONEY PLAIN TOWN	54	44	4	0	35	93	54	72.22
STRATHCONA COUNTY	347	180	10	6	0	363	188	93.09
STURGEON COUNTY	65	37	0	0	0	65	37	75.68
OTHER CENTRES	10	11	0	0	0	10	15	-33.33
TOTAL	2604	1693	268	134	1529	4535	2663	70.30

** 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										
May 2002	565	110	16	44	328	0	7	0	0	1070
Year-To-Date 2003	2516	442	59	110	662	61	339	0	0	4189
Year-To-Date 2002	2469	418	0	169	804	10	964	0	0	4834
UNDER CONSTRUCTION										
2003	3221	784	47	214	2346	61	1205	0	0	7878
2002	2591	526	4	197	1627	10	1449	0	0	6404
COMPLETIONS										
May 2002	483	30	7	26	470	8	547	0	0	1571
Year-To-Date 2003	2604	268	15	101	561	18	968	0	0	4535
Year-To-Date 2002	1693	178	8	49	381	10	344	0	0	2663
COMPLETED & NOT ABSORBED										
2003	450	69	1	9	138	2	557	0	0	1226
2002	311	55	0	17	143	0	244	0	0	770
TOTAL SUPPLY										
2003	3671	853	48	223	2484	63	1762	0	0	9104
2002	2902	581	4	214	1770	10	1693	0	0	7174
ABSORPTIONS										
May 2002	446	39	7	28	378	6	428	0	0	1332
3-month Average	491	48	5	24	162	6	184	0	0	920
12-month Average	512	69	2	24	105	13	113	0	0	838

RESIDENTIAL CONSTRUCTION DIGEST

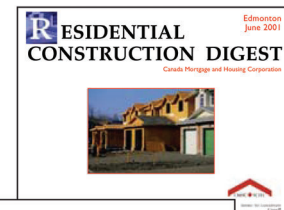
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JUNE 2001		Metropolitan Area	
Single Family Housing Starts by Zone and Price Type for the Current Month			
Zone	Price Type	Starts	Value
Central	Single	1,234	\$123,456,789
Central	Multi	567	\$56,789,012
Central	Total	1,801	\$180,245,801
North	Single	987	\$98,765,432
North	Multi	321	\$32,109,876
North	Total	1,308	\$130,875,308
South	Single	654	\$65,432,109
South	Multi	123	\$12,345,678
South	Total	777	\$77,777,787
Total		3,886	\$388,888,888

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