

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Housing Starts Improve in January

Edmonton's home building industry began 2004 on a strong note. Thanks to a surge in new apartment construction, total starts reached a 25-year high for the month of January. New home construction in the Edmonton Census Metropolitan Area (CMA) increased by 18 per cent from January 2003 to 823 units. The inventory buildup for single-family homes caused builders to shift their attention to constructing condominium units. Increases in year-over-year activity were recorded in less than half of the centres within the Edmonton CMA. Higher starts in Strathcona, Edmonton, and Leduc outweighed the declines in the other centres, leading to the up-tick in January activity.

Multi-family construction including semi-detached, row and apartment units is off to a quick start in 2004. Across the region, multiple dwelling starts reached 359 units, representing a gain of 86 per cent from the first month of 2003. Apartment starts increased from 73 units last January to 252 this year, with production focused in the cities of Edmonton and Leduc. The majority of these new apartments (98 per cent)

were condominium units. Semi-detached starts also increased substantially, doubling from 40 units a year ago to 80 this January. New townhouse (row) activity was the only segment of the multi-family sector to see lower numbers in January. Rising new home prices and higher active listings in the resale market has prompted builders to construct competitively priced units, appealing to the first-time and lifestyle buyer.

Multiple unit absorptions outpaced completions in January 2004. As a result, inventories declined for the fifth consecutive month. Despite the monthly decline, January inventories were 52 per cent higher than the same month in the previous year, for a total of 674 units. Meanwhile, robust starts resulted in a large boost in the number of units under construction. In fact, multiple units under construction increased by 27 per cent in January 2004, for a total of 6,286 units. In January 2004, the supply of multi-family units, defined as the sum of units under construction and inventory, sat at 6,960 units, 29 per cent higher than January 2003.

Despite the upsurge in multifamily construction, single-detached starts moderated, falling by 8.3 per cent from January 2003. This was the sixth month in a row that single-family home builders started work on fewer homes than the same time a year earlier. Builders have been scaling back production since the summer due to growing spec home inventories and an improved supply of resale homes. However, there was good news for single-family home builders. Unsold new house inventories, which had been rising throughout 2003, peaked in December with strong absorptions outpacing completions in January.

JANUARY 2004

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Lower levels of starts pushed the number of single-family homes under construction down 15 per cent from 3,282 in January 2003 to 2,788 in January 2004. Meanwhile, single-family absorptions declined by nearly 61 per cent year-over-year, representing the first annual decline in absorptions since January 2002. Completions of single-family homes decreased 11 per cent from 532 dwellings in January 2003 to 474 in January 2004. As absorptions outpaced completions in January 2004, the number of complete and unoccupied single-family homes fell to 706 in January 2004, a 30-unit drop from December 2003. However, despite the monthly improvement, inventories remain more than double the 329 units recorded in January 2003. Of January's unsold inventory, 444 units (63 per cent) were spec homes. This compares with only 141 spec units available this time last year.

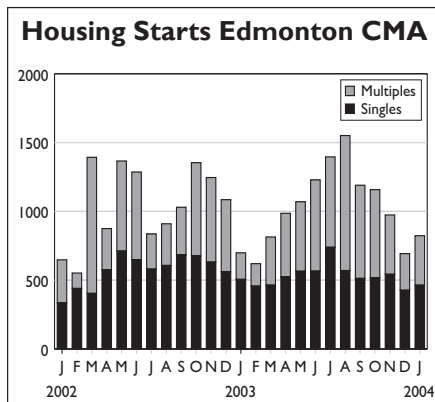


Table I
EDMONTON CMA
STARTS ACTIVITY BY AREA JANUARY 2004

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	1	4	0	0	0	1	4	-75.00
CALMAR TOWN	0	2	0	0	0	0	2	**
DEVON TOWN	8	8	0	0	0	8	8	0.00
EDMONTON CITY	335	360	24	6	211	576	541	6.47
FORT SASKATCHEWAN CITY	5	3	4	6	0	15	5	**
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	15	0	0	0	41	56	8	**
LEDUC COUNTY	0	1	0	0	0	0	1	**
MORINVILLE TOWN	2	0	2	0	0	4	0	**
PARKLAND COUNTY	8	6	0	0	0	8	6	33.33
SPRUCE GROVE CITY	16	19	2	15	0	33	19	73.68
ST.ALBERT CITY	11	32	0	0	0	11	34	-67.65
STONY PLAIN TOWN	3	8	0	0	0	3	8	-62.50
STRATHCONA COUNTY	49	52	48	0	0	97	52	86.54
STURGEON COUNTY	8	8	0	0	0	8	8	0.00
OTHER CENTRES	3	3	0	0	0	3	3	0.00
TOTAL	464	506	80	27	252	823	699	17.74

Table IB
EDMONTON CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	1	4	0	0	0	1	4	-75.00
CALMAR TOWN	0	2	0	0	0	0	2	**
DEVON TOWN	8	8	0	0	0	8	8	0.00
EDMONTON CITY	335	360	24	6	211	576	541	6.47
FORT SASKATCHEWAN CITY	5	3	4	6	0	15	5	**
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	15	0	0	0	41	56	8	**
LEDUC COUNTY	0	1	0	0	0	0	1	**
MORINVILLE TOWN	2	0	2	0	0	4	0	**
PARKLAND COUNTY	8	6	0	0	0	8	6	33.33
SPRUCE GROVE CITY	16	19	2	15	0	33	19	73.68
ST.ALBERT CITY	11	32	0	0	0	11	34	-67.65
STONY PLAIN TOWN	3	8	0	0	0	3	8	-62.50
STRATHCONA COUNTY	49	52	48	0	0	97	52	86.54
STURGEON COUNTY	8	8	0	0	0	8	8	0.00
OTHER CENTRES	3	3	0	0	0	3	3	0.00
TOTAL	464	506	80	27	252	823	699	17.74

** 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 JANUARY 2004

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	4	13	0	0	0	4	13	-69.23
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	6	14	0	0	0	6	14	-57.14
EDMONTON CITY	304	302	96	25	0	425	451	-5.76
FORT SASKATCHEWAN CITY	7	6	4	0	0	11	6	83.33
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	8	15	0	0	0	8	19	-57.89
LEDUC COUNTY	5	2	0	0	0	5	2	**
MORINVILLE TOWN	2	3	0	0	0	2	3	-33.33
PARKLAND COUNTY	19	12	0	0	0	19	12	58.33
SPRUCE GROVE CITY	16	6	0	3	0	19	14	35.71
ST.ALBERT CITY	26	30	2	0	0	28	38	-26.32
STONY PLAIN TOWN	19	2	2	0	47	68	2	**
STRATHCONA COUNTY	44	109	4	6	0	54	109	-50.46
STURGEON COUNTY	10	16	0	0	0	10	16	-37.50
OTHER CENTRES	4	2	2	0	0	6	2	**
TOTAL	474	532	110	34	47	665	701	-5.14

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

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	4	13	0	0	0	4	13	-69.23
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	6	14	0	0	0	6	14	-57.14
EDMONTON CITY	304	302	96	25	0	425	451	-5.76
FORT SASKATCHEWAN CITY	7	6	4	0	0	11	6	83.33
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	8	15	0	0	0	8	19	-57.89
LEDUC COUNTY	5	2	0	0	0	5	2	**
MORINVILLE TOWN	2	3	0	0	0	2	3	-33.33
PARKLAND COUNTY	19	12	0	0	0	19	12	58.33
SPRUCE GROVE CITY	16	6	0	3	0	19	14	35.71
ST.ALBERT CITY	26	30	2	0	0	28	38	-26.32
STONY PLAIN TOWN	19	2	2	0	47	68	2	**
STRATHCONA COUNTY	44	109	4	6	0	54	109	-50.46
STURGEON COUNTY	10	16	0	0	0	10	16	-37.50
OTHER CENTRES	4	2	2	0	0	6	2	**
TOTAL	474	532	110	34	47	665	701	-5.14

** 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										
January 2003	464	80	0	27	248	0	4	0	0	823
Year-To-Date 2004	506	40	28	52	61	0	12	0	0	699
Year-To-Date 2003	464	80	0	27	248	0	4	0	0	823
	506	40	28	52	61	0	12	0	0	699
UNDER CONSTRUCTION										
2004	2788	614	35	376	4109	65	1087	0	0	9074
2003	3282	584	31	237	2294	18	1777	0	0	8223
COMPLETIONS										
January 2003	474	110	0	34	0	0	47	0	0	665
Year-To-Date 2004	532	74	0	20	0	0	75	0	0	701
Year-To-Date 2003	474	110	0	34	0	0	47	0	0	665
	532	74	0	20	0	0	75	0	0	701
COMPLETED & NOT ABSORBED										
2004	706	124	5	26	135	0	384	0	0	1380
2003	329	63	0	13	73	3	291	0	0	772
TOTAL SUPPLY										
2004	3494	738	40	402	4244	65	1471	0	0	10454
2003	3611	647	31	250	2367	21	2068	0	0	8995
ABSORPTIONS										
January	504	96	1	31	12	0	106	0	0	750
3-month Average	556	98	1	19	68	0	124	0	0	866
12-month Average	539	83	3	24	124	7	133	0	0	913

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