

# HOUSING NOW

## YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

### Robust Housing Starts in February

Fueled by a surge in apartment construction, total housing starts in the Edmonton Census Metropolitan Area (CMA) recorded their best February performance since 1983. Edmonton builders commenced work on 822 housing units, 33 per cent higher than corresponding levels reported one year earlier. February starts in the Edmonton CMA, pushed year-to-date construction to 1,645 units, representing the best two-month start to the year in 25 years. In February, increases in year-over-year activity were primarily due to the higher starts in Edmonton city, which recorded a 65 per cent increase over the second month of 2003.

For the second consecutive month improved total starts came from increased multiple unit activity. The boost in multiple-family construction, which includes semi-detached, row and apartment units, came from the upsurge in new apartment and semi-detached activity. A total of 405 multi-family units were started in February, an increase of 149 per cent over February 2003. February's activity was led by 345 apartment starts, where year-to-date apartment construction swelled by 428 per cent over the first two month's of the previous year. Moreover, condominium units accounted for 70 per cent of the new apartments constructed. Meanwhile, to the end of February

semi-detached starts recorded a year-over-year gain of 43 per cent, while row construction declined by 81 per cent. February's performance brings the year-to-date total for Multi-Family units to 764, an increase of 115 per cent over the first two months of 2003. Strong demand for moderately priced units combined with persistently low mortgage rates continue to feed builder optimism. However, as units are completed, it is expected that inventories will rise causing production levels to slow in the second half of the year.

In February, 200 multi-family units were absorbed in the Edmonton CMA, whereas completions amounted to 177 units. As a result, inventories declined for the sixth consecutive month totaling 651 units. While the monthly decline provides optimism for builders, February inventories are 53 per cent higher than the same month in the previous year. As February's 6,514 units under construction reach completion, expect the number of multiple family units in inventory to trend upward. However, the three-month average percentage of multiples absorbed at completion is 74 per cent, representing an improvement over absorption rates recorded in the last ten months. If absorptions continue to improve relative to completions, expect only moderate inventory accumulation throughout 2004. In February 2004, the supply of multi-family units, defined as the sum of units under construction and inventory, sat at 7,165 units, 33 per cent higher than February 2003.

For the seventh month in a row, single-family homebuilders worked on fewer homes year-over-year. A total of 417 single-family homes started, representing a nine per cent decline from February of the previous year. Among other factors, higher inventories in both the new and resale single-family markets have prompted builders to reduce production levels. To the end of February, Edmonton builders started 881

### FEBRUARY 2004

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single-family homes, nearly nine per cent less than the corresponding period in 2003.

At 513 units, single-family absorptions in February increases by nearly two per cent year-over-year, representing the best February performance since 1993. However, completions in February 2004 edged above absorptions leading to the number of complete and unoccupied single-family homes to rise to 711 units, a 5-unit increase from January 2004. At 265 units, the number of showhomes in the Edmonton CMA was 33 per cent higher than the previous year. Meanwhile, at 446 units, spec or non-showhome units in inventory were significantly higher than February 2003's total by 200 per cent. Single-family inventories still remain considerably higher than levels recorded a year ago. However, builders have responded by slowing production to allow for current inventories to be absorbed.

Housing Starts Edmonton CMA

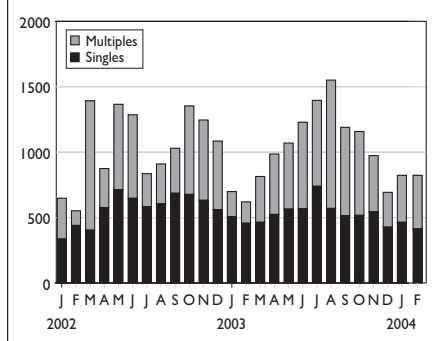


Table I  
EDMONTON CMA  
STARTS ACTIVITY BY AREA FEBRUARY 2004

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	6	11	0	0	0	6	11	-45.45
CALMAR TOWN	1	0	0	0	0	1	0	**
DEVON TOWN	7	11	0	0	0	7	11	-36.36
<b>EDMONTON CITY</b>	<b>310</b>	<b>274</b>	<b>38</b>	<b>0</b>	<b>345</b>	<b>693</b>	<b>419</b>	<b>65.39</b>
FORT SASKATCHEWAN CITY	4	7	0	0	0	4	11	-63.64
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	5	4	0	0	0	5	6	-16.67
LEDUC COUNTY	3	3	0	0	0	3	3	0.00
MORINVILLE TOWN	1	0	2	0	0	3	0	**
PARKLAND COUNTY	6	13	4	0	0	10	13	-23.08
SPRUCE GROVE CITY	2	18	0	0	0	2	20	-90.00
ST.ALBERT CITY	16	29	4	0	0	20	35	-42.86
STONY PLAIN TOWN	6	5	0	0	0	6	7	-14.29
STRATHCONA COUNTY	41	75	12	0	0	53	77	-31.17
STURGEON COUNTY	6	7	0	0	0	6	7	-14.29
OTHER CENTRES	3	0	0	0	0	3	0	**
<b>TOTAL</b>	<b>417</b>	<b>457</b>	<b>60</b>	<b>0</b>	<b>345</b>	<b>822</b>	<b>620</b>	<b>32.58</b>

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	7	15	0	0	0	7	15	-53.33
CALMAR TOWN	1	2	0	0	0	1	2	-50.00
DEVON TOWN	15	19	0	0	0	15	19	-21.05
<b>EDMONTON CITY</b>	<b>645</b>	<b>634</b>	<b>62</b>	<b>6</b>	<b>556</b>	<b>1269</b>	<b>960</b>	<b>32.19</b>
FORT SASKATCHEWAN CITY	9	10	4	6	0	19	16	18.75
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	20	4	0	0	41	61	14	**
LEDUC COUNTY	3	4	0	0	0	3	4	-25.00
MORINVILLE TOWN	3	0	4	0	0	7	0	**
PARKLAND COUNTY	14	19	4	0	0	18	19	-5.26
SPRUCE GROVE CITY	18	37	2	15	0	35	39	-10.26
ST.ALBERT CITY	27	61	4	0	0	31	69	-55.07
STONY PLAIN TOWN	9	13	0	0	0	9	15	-40.00
STRATHCONA COUNTY	90	127	60	0	0	150	129	16.28
STURGEON COUNTY	14	15	0	0	0	14	15	-6.67
OTHER CENTRES	6	3	0	0	0	6	3	**
<b>TOTAL</b>	<b>881</b>	<b>963</b>	<b>140</b>	<b>27</b>	<b>597</b>	<b>1645</b>	<b>1319</b>	<b>24.72</b>

\*\* 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 FEBRUARY 2004

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	12	14	0	0	0	12	14	-14.29
CALMAR TOWN	2	0	0	0	0	2	0	**
DEVON TOWN	1	11	0	0	0	1	11	-90.91
<b>EDMONTON CITY</b>	<b>273</b>	<b>288</b>	<b>20</b>	<b>4</b>	<b>88</b>	<b>385</b>	<b>335</b>	<b>14.93</b>
FORT SASKATCHEWAN CITY	4	10	2	0	0	6	10	-40.00
GIBBONS TOWN	2	1	0	0	0	2	1	**
LEDUC CITY	13	9	0	0	28	41	11	**
LEDUC COUNTY	1	5	0	0	0	1	5	-80.00
MORINVILLE TOWN	4	1	0	0	0	4	1	**
PARKLAND COUNTY	19	20	0	0	0	19	20	-5.00
SPRUCE GROVE CITY	17	22	8	3	0	28	46	-39.13
ST.ALBERT CITY	27	31	0	0	0	27	39	-30.77
STONY PLAIN TOWN	15	12	0	0	0	15	47	-68.09
STRATHCONA COUNTY	106	61	6	16	0	128	72	77.78
STURGEON COUNTY	14	12	0	0	0	14	12	16.67
OTHER CENTRES	8	0	2	0	0	10	0	**
<b>TOTAL</b>	<b>518</b>	<b>497</b>	<b>38</b>	<b>23</b>	<b>116</b>	<b>695</b>	<b>624</b>	<b>11.38</b>

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	16	27	0	0	0	16	27	-40.74
CALMAR TOWN	2	0	0	0	0	2	0	**
DEVON TOWN	7	25	0	0	0	7	25	-72.00
<b>EDMONTON CITY</b>	<b>577</b>	<b>590</b>	<b>116</b>	<b>29</b>	<b>88</b>	<b>810</b>	<b>786</b>	<b>3.05</b>
FORT SASKATCHEWAN CITY	11	16	6	0	0	17	16	6.25
GIBBONS TOWN	2	1	0	0	0	2	1	**
LEDUC CITY	21	24	0	0	28	49	30	63.33
LEDUC COUNTY	6	7	0	0	0	6	7	-14.29
MORINVILLE TOWN	6	4	0	0	0	6	4	50.00
PARKLAND COUNTY	38	32	0	0	0	38	32	18.75
SPRUCE GROVE CITY	33	28	8	6	0	47	60	-21.67
ST.ALBERT CITY	53	61	2	0	0	55	77	-28.57
STONY PLAIN TOWN	34	14	2	0	47	83	49	69.39
STRATHCONA COUNTY	150	170	10	22	0	182	181	0.55
STURGEON COUNTY	24	28	0	0	0	24	28	-14.29
OTHER CENTRES	12	2	4	0	0	16	2	**
<b>TOTAL</b>	<b>992</b>	<b>1029</b>	<b>148</b>	<b>57</b>	<b>163</b>	<b>1360</b>	<b>1325</b>	<b>2.64</b>

\*\* 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	
<b>STARTS</b>										
February 2003	417	60	0	0	243	0	102	0	0	822
Year-To-Date 2004	881	140	0	27	491	0	106	0	0	1645
Year-To-Date 2003	963	98	28	56	101	61	12	0	0	1319
<b>UNDER CONSTRUCTION</b>										
2004	2688	636	35	353	4350	65	1075	0	0	9202
2003	3242	586	31	227	2334	79	1718	0	0	8217
<b>COMPLETIONS</b>										
February 2003	518	38	0	23	88	0	28	0	0	695
Year-To-Date 2004	992	148	0	57	88	0	75	0	0	1360
Year-To-Date 2003	1029	128	0	34	0	0	134	0	0	1325
<b>COMPLETED &amp; NOT ABSORBED</b>										
2004	711	108	5	26	141	0	371	0	0	1362
2003	348	72	0	15	63	3	274	0	0	775
<b>TOTAL SUPPLY</b>										
2004	3399	744	40	379	4491	65	1446	0	0	10564
2003	3590	658	31	242	2397	82	1992	0	0	8992
<b>ABSORPTIONS</b>										
February 2003	513	54	0	23	82	0	41	0	0	713
3-month Average	564	80	0	22	64	0	113	0	0	843
12-month Average	542	84	3	25	130	7	131	0	0	922

## RESIDENTIAL CONSTRUCTION DIGEST

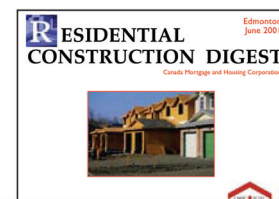
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