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Canada Mortgage and Housing Corporation
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PRAIRIES

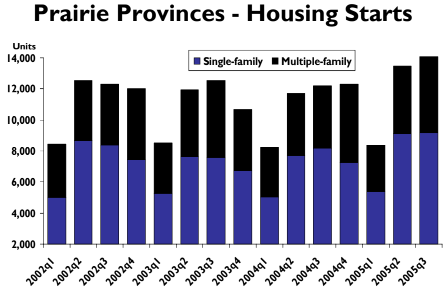
3RD QUARTER 2005

IN THIS ISSUE:

Third quarter 2005 starts in Alberta and Manitoba higher than 2004, lower in Saskatchewan

There were 11,244 housing starts in Alberta during the third quarter of 2005, representing the best performance for the July to September period since 1978. Total starts in urban areas increased nearly 14 per cent over the third quarter of 2004. Declines in Canmore, Cold Lake, Grande Prairie, Lethbridge, and Medicine Hat were off-set by gains in Brooks, Calgary, Edmonton, Lloydminster, Okotoks, Red Deer and Wood Buffalo. Across rural areas, starts activity during the third quarter of 2005 was nearly 38 per cent higher than the third quarter of 2004. Along with higher starts activity, urban centres are also experiencing rising prices. An examination of the absorption data for the seven largest urban centres in Alberta reveals that about 58 per cent of the homes absorbed during the third quarter of 2005 were priced $250,000 or higher. During the third quarter of 2004, this share stood at 43 per cent.

Prairie Provinces - Housing Starts



Source: CMHC

The third quarter results in 2005 for Alberta brought the nine month total for housing starts to 29,790 units compared to 26,014 units over the same period in 2004. About 86 per cent of this activity has taken place in urban centres. Stronger starts activity has resulted in a higher count for units under construction and units completed and not absorbed. As a result, the total supply of units in urban areas at the end of September 2005 stood at 26,689 units, an increase of about eight per cent from September 2004. Multi-family units account for about 60 per cent of the supply. At the prevailing 12 month moving average for absorptions, it would take about seven months to deplete the supply of single-detached homes. On the multi-family side, the duration of supply ranges from a low of three months for rental row units to a high of 19 months for condominium apartment units. The duration of supply for rental apartments is slightly lower at 16 months.

Builders in Saskatchewan started 1,186 units during the third quarter of 2005, representing a gain of 20 per cent over the third quarter of 2004. The rise in starts stemmed from greater activity in the rural areas of the province. Total starts in urban areas were down from 848 units during the third quarter of 2004 to 761 units during the third quarter of 2005. Meanwhile, starts in rural areas jumped from 140 units to 425 units over the same period.

Stronger rural starts represent a rebound from a weak third quarter in 2004. Rural starts during the third quarter of 2004 represented the lowest July to September performance since the third quarter of 1993. Rural starts during the third quarter of 2005 represent the strongest July to September performance since 1981. Nevertheless, the resurgence in rural starts was not enough to counter the impact of weaker urban starts through the first nine months of 2005. As a result, year-to-date total starts in Saskatchewan are down nearly seven per cent from a year ago.

Despite the decline in urban starts, the number of units under construction was virtually unchanged from 1,853 units at the end of September 2004 to 1,836 units at the end of September 2005. However, due to a rise of 90 units in the completed and unoccupied inventory, the total supply of units jumped from 1,957 units to 2,030 units. The existing supply of units is almost evenly divided between single-detached and multi-family units. At the prevailing 12 month moving average for absorptions, the duration of supply for single-detached and multi-family units stands at nine and 16 months, respectively.

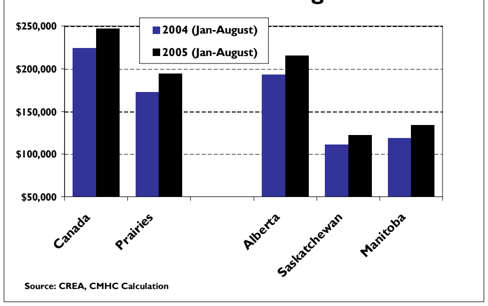
In Manitoba, total housing starts declined by nearly three per cent from the third quarter of 2004 to the third quarter of 2005. A jump of about 25 per cent in rural starts was countered by a decrease of about 14 per cent in urban starts. Indeed, starts in several rural centres exceeded those of larger urban areas during the third quarter. At 72 units, starts in Steinbach surpassed the 68 units recorded in Brandon. There were more starts in Winkler, Lac Du Bonnet and Hanover than in St. Andrews. As a result of stronger activity in the rural centres, total starts in Manitoba through the first nine months of the year are nearly three per cent ahead of the pace of 2004.

Lower urban starts have translated into a lower of supply of units in urban areas. The supply of units is down slightly from 1,847 units at the end of September 2004 to 1,807 units at the end of September 2005. At the current 12 month moving average for absorptions, it will take approximately six months to deplete this supply, while the duration of supply for multi-family units stands at fourteen months.

Resale transactions are up in all three Prairie Provinces

Through the first eight months of the year, total MLS sales for the three provinces were up nearly 10 per cent compared to the same period a year earlier. In comparison, sales in the other seven provinces were higher by two per cent. The average price has moved in tandem with sales. At the end of August, the average price for the Prairie provinces was about $174,000, a gain of about 13 per cent from a year earlier. The average price for the seven other provinces was about $262,000 a jump of nearly 10 per cent from a year earlier.

Prairie Provinces – Average MLS® Price



A closer examination of the data reveals that of all the five Census Metropolitan Areas across the Prairies (Winnipeg, Regina, Saskatoon, Edmonton and Calgary), only the average MLS price in Calgary is close to the national average. At the end of August, the year-to-date average MLS price for Canada was $246,595 compared to $246,365 for Calgary. Two other Prairie urban centres also reported an average MLS price above the national average; Canmore and Fort McMurray. The average MLS price in Canmore is being driven upward through the demand for vacation properties, while Fort McMurray's resale market is benefiting from the influx of workers seeking opportunities in the oil sands sector. At the end of August, the average MLS price was about $413,000 in Canmore and $330,000 in Fort McMurray.

Population growth and job market indicators remain favourable for housing markets

The performance of the housing market is being sustained through population and household growth and a strong job market.

From July 1, 2004 to July 1, 2005, Alberta experienced the strongest population growth among provinces due to gains from inter-provincial and international migration. The 1.6 per cent increase in Alberta's population was above Canada's growth rate of 0.9 per cent. Over the same period, Manitoba's population increased by 0.6 per cent. This was the fifth highest growth rate among the provinces representing a continued gain through international migration but a slip for the fourth highest growth rate among the provinces from estimates released three months earlier. The slippage was due an increase in the net loss from inter-provincial migration. This was a surprising result as the strong job market in Manitoba should result in less of an incentive for Manitobans to migrate to other provinces in search of job opportunities. In Saskatchewan, the overall population level on July 1, 2005 was unchanged from July 1, 2004.

Latest labour force statistics indicate that the unemployment rate across all three Prairie provinces continues to be below the national average. In September, the seasonally adjusted unemployment rate in Alberta was 4.1 per cent compared to 6.7 per cent for Canada as a whole. The seasonally adjusted unemployment rates in September for Saskatchewan and Manitoba were six and 4.8 per cent, respectively.

Canadian Provinces – Population Growth

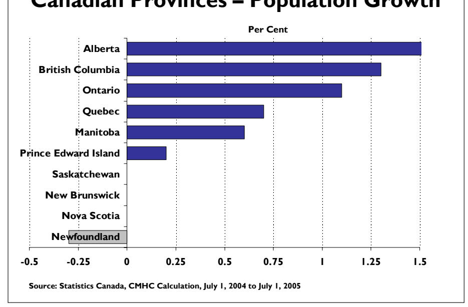


Table 1A
MANITOBA HOUSING STARTS BY AREA
3rd Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
WINNIPEG CMA	**540**	**576**	**14**	**63**	**272**	**889**	**1,032**	**-13.9**
WINNIPEG CITY	406	427	14	59	272	751	883	-14.9
BRANDON CA	28	41	4	24	12	68	68	0.0
PORTAGE LA PRAIRIE CA	3	16	0	0	0	3	16	-81.3
ST.ANDREWS	16	26	0	0	0	16	26	-38.5
THOMPSON CA	7	2	0	0	0	7	2	**
MANITOBA (URBAN)	**594**	**661**	**18**	**87**	**284**	**983**	**1,144**	**-14.1**
MANITOBA (RURAL)	**545**	**417**	**38**	**0**	**10**	**593**	**474**	**25.1**
MANITOBA (TOTAL)	**1,139**	**1,078**	**56**	**87**	**294**	**1,576**	**1,618**	**-2.6**

Table 1B
MANITOBA HOUSING STARTS BY AREA
January to September 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
WINNIPEG CMA	**1,331**	**1,431**	**18**	**100**	**520**	**1,969**	**1,978**	**-0.5**
WINNIPEG CITY	1,062	1,100	18	96	520	1,696	1,613	5.1
BRANDON CA	87	89	6	32	12	137	237	-42.2
PORTAGE LA PRAIRIE CA	8	30	0	6	0	14	30	-53.3
ST.ANDREWS	44	50	0	0	0	44	50	-12.0
THOMPSON CA	8	4	0	0	0	8	4	**
MANITOBA (URBAN)	**1,478**	**1,604**	**24**	**138**	**532**	**2,172**	**2,299**	**-5.5**
MANITOBA (RURAL)	**1,272**	**1,003**	**67**	**0**	**10**	**1,349**	**1,127**	**19.7**
MANITOBA (TOTAL)	**2,750**	**2,607**	**91**	**138**	**542**	**3,521**	**3,426**	**2.8**

** Indicates a greater than 100 per cent change

Table 2A
SASKATCHEWAN HOUSING STARTS BY AREA
3rd Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
REGINA CMA	**169**	**217**	**10**	**86**	**46**	**311**	**457**	**-32**
REGINA CITY	137	177	6	86	46	275	417	-34
SASKATOON CMA	**186**	**237**	**42**	**0**	**31**	**259**	**265**	**-2**
SASKATOON CITY	99	147	36	0	27	162	167	-3
ESTEVAN CA	7	7	26	0	0	33	13	***
LLOYDMINSTER CA (SK)	23	37	0	49	4	76	37	***
MOOSE JAW CA	19	27	2	0	0	21	27	-22
BATTLEFORD CA	1	3	0	0	0	1	3	-67
PRINCE ALBERT CA	30	26	2	0	0	32	26	23
SWIFT CURRENT CA	13	7	8	0	0	21	11	91
YORKTON CA	7	9	0	0	0	7	9	-22
TOTAL URBAN	**455**	**570**	**90**	**135**	**81**	**761**	**848**	**-10**
TOTAL RURAL	**356**	**137**	**21**	**3**	**45**	**425**	**140**	***
TOTAL	**811**	**707**	**111**	**138**	**126**	**1,186**	**988**	**20**

Table 2B
SASKATCHEWAN HOUSING STARTS BY AREA
January to September 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
REGINA CMA	**427**	**450**	**20**	**125**	**85**	**657**	**939**	**-30**
REGINA CITY	329	361	16	125	84	554	850	-35
SASKATOON CMA	**544**	**596**	**74**	**0**	**201**	**819**	**1,126**	**-27**
SASKATOON CITY	341	377	58	0	191	590	885	-33
ESTEVAN CA	11	12	33	9	22	75	18	***
LLOYDMINSTER CA (SK)	51	52	0	49	4	104	52	***
MOOSE JAW CA	43	60	2	0	16	61	60	2
BATTLEFORD CA	8	12	0	10	0	18	17	6
PRINCE ALBERT CA	77	64	8	0	0	85	64	33
SWIFT CURRENT CA	26	15	22	0	0	48	25	92
YORKTON CA	22	24	2	0	0	24	26	-8
TOTAL URBAN	**1,209**	**1,285**	**161**	**193**	**328**	**1,891**	**2,327**	**-19**
TOTAL RURAL	**562**	**332**	**25**	**14**	**46**	**647**	**397**	**63**
TOTAL	**1,771**	**1,617**	**186**	**207**	**374**	**2,538**	**2,724**	**-7**

** Indicates a greater than 100 per cent change

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Table 3A

ALBERTA HOUSING STARTS BY AREA

3rd Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
EDMONTON CMA	**1,990**	**1,947**	**252**	**346**	**853**	**3,441**	**3,053**	**12.7**
EDMONTON CITY	1,265	1,162	170	309	698	2,442	2,006	21.7
CALGARY CMA	**2,342**	**2,188**	**286**	**281**	**1,073**	**3,982**	**3,384**	**17.7**
CALGARY CITY	1,979	1,850	230	222	1,052	3,483	2,930	18.9
BROOKS TOWN CA	20	18	4	0	0	24	18	33.3
CAMROSE CA	25	26	10	18	24	77	36	**
CANMORE TOWN	10	30	4	17	30	61	107	-43.0
COLD LAKE CA	59	89	4	0	0	63	101	-37.6
COLD LAKE TOWN	4	5	0	0	0	4	5	-20.0
BONNYVILLE TOWN	5	14	4	0	0	9	18	-50.0
GRANDE PRAIRIE CA	214	210	34	26	8	282	306	-7.8
LETHBRIDGE CA	161	153	12	17	4	194	260	-25.4
LLOYDMINSTER CA	32	50	22	0	24	78	50	56.0
MEDICINE HAT CA	115	138	50	7	58	230	333	-30.9
OKOTOKS TOWN	133	88	10	0	48	191	96	99.0
RED DEER CA	273	226	28	28	16	345	280	23.2
WETASKIWIN CA	8	6	0	0	0	8	14	-42.9
WOOD BUFFALO CA	172	126	36	117	134	459	250	83.6
FORT MCMURRAY	169	115	36	117	134	456	239	90.8
ALBERTA URBAN	**5,554**	**5,295**	**752**	**857**	**2,272**	**9,435**	**8,288**	**13.8**
ALBERTA RURAL	**1,669**	**1,101**	**74**	**65**	**1**	**1,809**	**1,312**	**37.9**
TOTAL	**7,223**	**6,396**	**826**	**922**	**2,273**	**11,244**	**9,600**	**17.1**

Table 3B

ALBERTA HOUSING STARTS BY AREA

January to September 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
EDMONTON CMA	**5,640**	**4,887**	**882**	**511**	**2,836**	**9,869**	**8,024**	**23.0**
EDMONTON CITY	3,727	2,991	598	472	2,352	7,149	5,634	26.9
CALGARY CMA	**6,493**	**6,216**	**714**	**893**	**2,272**	**10,372**	**10,391**	**-0.2**
CALGARY CITY	5,550	5,273	590	764	2,251	9,155	9,068	1.0
BROOKS TOWN CA	53	49	8	4	59	124	88	40.9
CAMROSE CA	53	66	14	26	24	117	116	0.9
CANMORE TOWN	47	72	14	25	186	272	234	16.2
COLD LAKE CA	168	231	8	4	32	212	245	-13.5
COLD LAKE TOWN	34	42	0	0	8	42	44	-4.5
BONNYVILLE TOWN	14	22	8	0	0	22	26	-15.4
GRANDE PRAIRIE CA	590	500	74	58	8	730	691	5.6
LETHBRIDGE CA	392	421	50	66	74	582	647	-10.0
LLOYDMINSTER CA	123	154	22	0	68	213	154	38.3
MEDICINE HAT CA	330	372	82	64	147	623	644	-3.3
OKOTOKS TOWN	356	245	32	6	48	442	281	57.3
RED DEER CA	646	592	120	85	20	871	986	-11.7
WETASKIWIN CA	21	11	2	4	0	27	19	42.1
WOOD BUFFALO CA	500	364	80	244	311	1,135	567	**
FORT MCMURRAY	490	341	80	244	311	1,125	544	**
ALBERTA URBAN	**15,412**	**14,180**	**2,102**	**1,990**	**6,085**	**25,589**	**23,087**	**10.8**
ALBERTA RURAL	**3,751**	**2,516**	**161**	**148**	**141**	**4,201**	**2,927**	**43.5**
TOTAL	**19,163**	**16,696**	**2,263**	**2,138**	**6,226**	**29,790**	**26,014**	**14.5**

** Indicates a greater than 100 per cent change

Table 4
MANITOBA HOUSING ACTIVITY SUMMARY
Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	594	18	0	75	99	12	185	0	0	983
Previous Year	661	18	0	13	48	0	404	0	0	1,144
Year-To-Date 2005	1,478	24	0	118	147	20	291	0	94	2,172
Year-To-Date 2004	1,604	44	0	22	104	4	444	0	77	2,299
Under Construction										
2005	849	20	0	126	195	12	279	0	94	1,575
2004	966	26	0	19	166	4	408	0	47	1,636
Completions										
Current Quarter	626	8	0	4	0	8	71	0	0	717
Previous Year	624	32	0	4	115	0	219	0	0	994
Year-To-Date 2005	1,499	18	0	29	133	28	409	0	0	2,116
Year-To-Date 2004	1,341	38	0	17	245	4	387	0	30	2,062
Completed & Not Absorbed										
2005	161	5	0	0	20	0	46	0	0	232
2004	149	17	0	1	36	4	4	0	0	211
Total Supply[2]										
2005	1,010	25	0	126	215	12	325	0	94	1,807
2004	1,115	43	0	20	202	8	412	0	47	1,847
Absorptions										
Current Quarter	629	5	0	9	31	4	97	0	0	775
Previous Year	573	17	0	11	111	0	319	0	0	1,031
Year-To-Date 2005	1,435	25	0	31	153	25	372	0	0	56
Year-To-Date 2004	1,266	24	0	19	217	0	441	0	0	19
3-month Average	210	2	0	3	10	1	32	0	0	4
12-month Average	166	4	0	3	15	3	33	0	0	224

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied.

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 Vinay Bhardwaj at (403) 515-3004 or by email: vinay.bhardwaj@cmhc.ca.

Table 5

SASKATCHEWAN HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	455	90	0	129	73	0	8	6	0	761
Previous Year	570	34	0	49	156	4	0	35	0	848
Year-To-Date 2005	1,209	161	0	187	265	0	47	6	16	1,891
Year-To-Date 2004	1,285	100	0	347	550	10	0	35	0	2,327
Under Construction										
2005	855	152	0	327	448	0	48	6	0	1,836
2004	874	64	0	218	651	10	1	35	0	1,853
Completions										
Current Quarter	468	69	0	101	253	35	0	0	16	942
Previous Year	427	36	4	182	57	0	0	0	0	706
Year-To-Date 2005	1,180	111	0	235	325	39	0	0	16	1,906
Year-To-Date 2004	1,031	90	7	310	315	10	1	0	0	1,764
Completed & Not Absorbed										
2005	59	5	0	28	102	0	0	0	0	194
2004	46	6	0	24	21	0	7	0	0	104
Total Supply[2]										
2005	914	157	0	355	550	0	48	6	0	2,030
2004	920	70	0	242	672	10	8	35	0	1,957
Absorptions										
Current Quarter	370	32	0	99	142	0	7	0	0	650
Previous Year	360	33	0	185	84	0	77	0	0	739
Year-To-Date 2005	927	67	0	240	232	4	7	0	0	244
Year-To-Date 2004	846	82	0	306	355	10	133	0	0	316
3-month Average	123	11	0	33	47	0	2	0	0	33
12-month Average	104	8	0	29	34	0	1	0	0	176

1 May include units intended for condominium.

2 Sum of units under construction, complete and unoccupied.

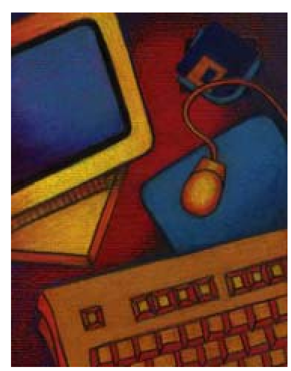

Table 6

ALBERTA HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	5,554	752	81	703	2,160	17	67	56	45	9,435
Previous Year	5,295	744	32	455	1,344	93	255	0	70	8,288
Year-To-Date 2005	15,412	2,102	171	1,698	5,411	65	441	56	233	25,589
Year-To-Date 2004	14,180	1,892	111	1,269	4,049	169	1,111	39	267	23,087
Under Construction										
2005	9,461	1,762	181	1,723	9,421	50	837	72	105	23,612
2004	8,537	1,516	88	1,314	8,406	136	1,467	39	267	21,770
Completions										
Current Quarter	5,250	728	26	580	1,663	28	463	0	173	8,911
Previous Year	4,859	670	38	561	1,533	73	530	0	0	8,264
Year-To-Date 2005	14,118	1,982	92	1,283	4,188	155	950	39	305	23,112
Year-To-Date 2004	13,369	1,834	135	1,515	3,399	212	1,456	0	0	21,920
Completed & Not Absorbed										
2005	1,339	279	4	124	669	0	662	0	0	3,077
2004	1,407	343	8	159	367	9	572	0	0	2,865
Total Supply[2]										
2005	10,800	2,041	185	1,847	10,090	50	1,499	72	105	26,689
2004	9,944	1,859	96	1,473	8,773	145	2,039	39	267	24,635
Absorptions										
Current Quarter	5,044	760	28	613	1,876	22	272	0	0	8,615
Previous Year	4,678	586	45	553	1,445	76	614	0	0	7,997
Year-To-Date 2005	13,443	1,944	86	1,255	4,185	156	777	0	0	1,497
Year-To-Date 2004	12,824	1,662	138	1,407	3,200	196	1,374	0	0	1,741
3-month Average	1,681	253	9	204	625	7	91	0	0	220
12-month Average	1,525	207	11	141	530	16	93	0	0	2,523

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied.

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