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Canada Mortgage and Housing Corporation
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PRAIRIES

DATE RELEASED:
SECOND QUARTER 2006

IN THIS ISSUE:

Housing Starts Show Strongest Performance Since 1979

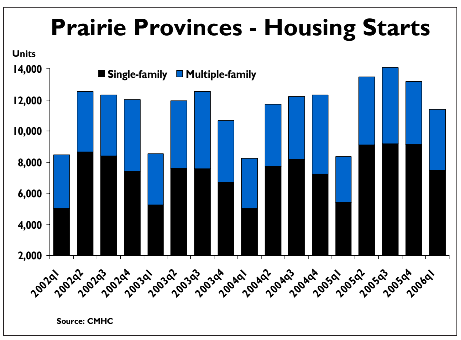
There were 11,370 total housing starts across the three Prairie provinces during the first quarter of 2006. It marks the first time since the first quarter of 1979 that total housing starts across the Prairies exceeded 10,000 units for the first three months of a year. This year's production was also the third best performance for the first quarter in history after the first quarters of 1978 and 1979. On a year-over-year basis, total starts during the first quarter of 2006 were up 35.9 per cent from the same period in 2005.

A large reason behind the high level of overall performance was the strength of the single-detached market. At 7,449 units, single-detached starts across the Prairies posted a new record for first quarter activity. This count was 2,057 units ahead of the previous record which was attained during the first quarter of 2005. In percentage terms, single-detached starts were up 38.1 per cent from the first quarter of 2005 to the first quarter of 2006.

Multi-family housing starts also displayed a solid performance during the first three months of 2006. Total multi-family starts for Alberta, Saskatchewan, and Manitoba increased from 2,976 units in the first quarter of 2005 to 3,921 units during the first quarter of 2006. This was a gain of 31.8 per cent and resulted in the nineth highest first quarter performance in history for multi-family units.

It is not a surprise that the strong performance for the Prairie provinces was underpinned by the activity in Alberta. Overall, Alberta accounted for 88.2 per cent of the total Prairie housing starts during the first quarter of 2006. Alberta's shares of single-detached and multi-family units over the same period were 87.4 and 89.8 per cent, respectively.

The new home construction sector in Alberta is continuing to benefit from a strong job market and continued population gains through inter-provincial and international migration. In March, the seasonally adjusted unemployment rate in Alberta stood at 3.4 per cent compared to the national average of 6.3



per cent. Indeed, due to the relative strength of its job market to other provinces, Alberta has been the top choice of destination of Canadians seeking job opportunities since 1997. In 2005, the province experienced a net gain of 41,707 persons through inter-provincial migration. This was well ahead of British Columbia, which experienced the second highest gain from inter-provincial migration at 4,527 persons.

The rise in population is translating into a rise in the number of households which in turn is boosting the demand for housing in Alberta. As a result, total housing starts in Alberta increased by 37.9 per cent from the first quarter of 2005 to the first quarter of 2006 to reach a record 10,031 units. About 65 per cent or 6,509 of these units were single-detached homes. The first three months of 2006 represented the highest production for single-detached starts on

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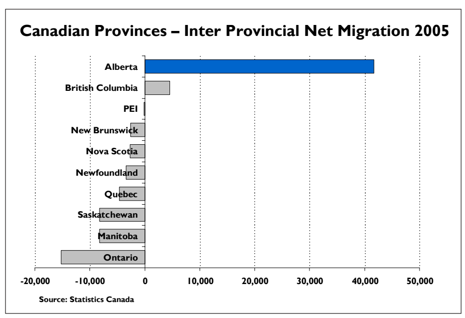
record for the first quarter of a year. Meanwhile, at 3,522 units through the first three months of 2006, multi-family starts which consist of semi-detached, row and apartment units were up 28 per cent from the same period a year earlier.

Higher starts in Alberta have resulted in higher units under construction. At the end of March, total units under construction across all urban centres in Alberta were up 25.6 per cent from a year ago. The increase in units under construction has more than offset the reduction in complete and unabsorbed units. As a result, total supply which is defined as units under construction plus complete and not absorbed units stood at 29,503 units, a rise of 16.3 per cent from March 2005. However, this increase should not be interpreted as a sign of over construction. As mentioned, the increase in supply is a result of more units under construction rather a rise in unabsorbed inventory. About 90.2 per cent of the supply of single-detached units comes from the under construction count. It is anticipated that the vast majority of these units will be absorbed upon completion. The same holds true for the multi-family sector where 93 per cent of the supply is accounted for by units under construction.

Builders in Saskatchewan started work on 485 units during the first three months of 2006, an increase of 26 per cent over the first quarter of 2005. Declines in rural areas were more than off-set by gains in urban centres. The strength in total starts was mostly derived from higher single-detached starts in Regina, Saskatoon, and Lloydminster. All urban centres, with the exception of Saskatoon, reported a decline in multi-family housing starts from the first quarter of 2005 to the first quarter of 2006. Higher single-detached starts in urban areas increased the under construction count for single-detached units from 692 units in March 2005 to 808 units in March 2006. The complete and unabsorbed count for single-detached units over the same period rose by a marginal two units to 67 units, resulting in a total supply of 875 single-detached units. At the prevailing 12 month moving average for absorptions, it will take about eight months to exhaust this supply. This level of duration is unchanged from December 2005. Usually, duration of supply greater than six months is an indication of oversupply. However, as the heightened duration is a result of more units under construction rather than an increase in unabsorbed inventory, such concerns do not apply here. Market intelligence indicates that the vast majority of units under construction will be absorbed upon completion thus reducing the duration of supply. Meanwhile, due to lower starts activity, the duration of supply for multi-family homes in urban areas decreased from about 14 months in December 2005 to 12 months in March 2006.

The new home construction sector in Manitoba continues to be buoyed by the strongest population growth since the mid 1980s. This growth is stemming from a surge in international immigration. In 2005, the province experienced a net increase of 7,189 persons from international immigration. A significant portion of these migrants are locating in rural centres thereby boosting housing starts in these areas.

Total housing starts in Manitoba increased from 708 units during the first quarter of 2005 to 854 units during the



first quarter of 2006. This was a jump of 20.6 per cent and the best performance on record since the first quarter of 1987 when 933 units were started across the province. Through the first three months of 2006, Winnipeg's share of Manitoba's total housing starts was down marginally to 63.3 per cent compared to 64.1 per cent over the same period a year earlier. Meanwhile, the share of rural starts was up from 32.8 per cent to 34.8 per cent. The gain in the rural share can be attributed to higher multi-family starts. From January to March 2006, there were 128 multi-family starts in rural areas compared to three units over the same period in 2005. Among urban centres, Winnipeg was the only one to record multi-family starts during the first three months of this year. Multi-family starts in Winnipeg were up from 112 units during the first quarter of 2005 to 155 units during the first quarter of 2006. Discussions with industry reveal that a significant portion of the multi-family starts in Winnipeg are marked for condominium tenure for empty nester households.

Resale Market Showing Record Setting Pace

Total MLS sales across the Prairies are on pace for another record setting year in 2006. According to the Canadian Real Estate Association, there were 13,041 transactions across the Prairies on the Multiple Listing Service through the first two months of 2006. This was an increase of 33.2 per cent over the same period a year earlier. Alberta accounted for about 81 per cent of the total MLS transactions. The shares for Saskatchewan and Manitoba were eight and 11 per cent, respectively.

Higher transactions are translating into higher prices. The average MLS price for the three Prairie provinces increased from $189,307 in February 2005 to $233,008 in February 2006, a gain of 23.1 per cent. In comparison, the average price for the other seven provinces was up from $248,562 in February 2005 to $276,690 in February 2006, a rise of 11.3 per cent.

Among the Prairie provinces, Alberta continues to show the strongest hikes in the average price. From February 2005 to February 2006, the average MLS price in Alberta jumped 21.7 per cent to reach $256,125. The average MLS price in Saskatchewan over the same period experienced an increase of 4.1 per cent and reached $125,662. Meanwhile, the average MLS price in Manitoba rose by 18 per cent to $142,287.

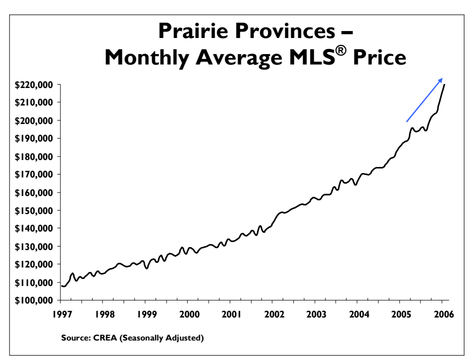


Table 1A
MANITOBA HOUSING STARTS BY AREA
1 st Quarter 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
WINNIPEG CMA	**386**	**342**	**46**	**0**	**109**	**541**	**454**	**19.2**
WINNIPEG CITY	321	289	46	0	109	476	401	18.7
BRANDON CA	10	7	0	0	0	10	7	42.9
PORTAGE LA PRAIRIE CA	1	0	0	0	0	1	0	**
ST. ANDREWS	5	14	0	0	0	5	14	-64.3
THOMPSON CA	0	1	0	0	0	0	1	**
MANITOBA (URBAN)	**402**	**364**	**46**	**0**	**109**	**557**	**476**	**17.0**
MANITOBA (RURAL)	**169**	**229**	**12**	**0**	**116**	**297**	**232**	**28.0**
MANITOBA (TOTAL)	**571**	**593**	**58**	**0**	**225**	**854**	**708**	**20.6**

Table 1B
MANITOBA HOUSING STARTS BY AREA
January to March 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
WINNIPEG CMA	**386**	**342**	**46**	**0**	**109**	**541**	**454**	**19.2**
WINNIPEG CITY	321	289	46	0	109	476	401	18.7
BRANDON CA	10	7	0	0	0	10	7	42.9
PORTAGE LA PRAIRIE CA	1	0	0	0	0	1	0	**
ST. ANDREWS	5	14	0	0	0	5	14	-64.3
THOMPSON CA	0	1	0	0	0	0	1	**
MANITOBA (URBAN)	**402**	**364**	**46**	**0**	**109**	**557**	**476**	**17.0**
MANITOBA (RURAL)	**169**	**229**	**12**	**0**	**116**	**297**	**232**	**28.0**
MANITOBA (TOTAL)	**571**	**593**	**58**	**0**	**225**	**854**	**708**	**20.6**

** Indicates a greater than 100 per cent change

Table 2A

SASKATCHEWAN HOUSING STARTS BY AREA

1st Quarter 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
REGINA CMA	**155**	**84**	**2**	**8**	**0**	**165**	**84**	**96.4**
REGINA CITY	139	64	2	8	0	149	64	***
SASKATOON CMA	**145**	**118**	**10**	**5**	**86**	**246**	**197**	**24.9**
SASKATOON CITY	111	92	10	0	86	207	161	28.6
ESTEVAN CA	1	0	0	0	0	1	11	-90.9
LLOYDMINSTER CA (SK)	23	9	0	0	0	23	9	***
MOOSE JAW CA	5	8	0	3	0	8	24	-66.7
BATTLEFORD CA	0	3	0	0	0	0	3	***
PRINCE ALBERT CA	4	2	0	0	0	4	2	***
SWIFT CURRENT CA	3	4	2	0	0	5	4	25.0
YORKTON CA	0	0	0	0	0	0	0	***
SASKATCHEWAN (URBAN)	**336**	**228**	**14**	**16**	**86**	**452**	**334**	**35.3**
SASKATCHEWAN (RURAL)	**33**	**47**	**0**	**0**	**0**	**33**	**51**	**-35.3**
SASKATCHEWAN (TOTAL)	**369**	**275**	**14**	**16**	**86**	**485**	**385**	**26.0**

Table 2B

SASKATCHEWAN HOUSING STARTS BY AREA

January to March 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
REGINA CMA	**155**	**84**	**2**	**8**	**0**	**165**	**84**	**96.4**
REGINA CITY	139	64	2	8	0	149	64	***
SASKATOON CMA	**145**	**118**	**10**	**5**	**86**	**246**	**197**	**24.9**
SASKATOON CITY	111	92	10	0	86	207	161	28.6
ESTEVAN CA	1	0	0	0	0	1	11	-90.9
LLOYDMINSTER CA (SK)	23	9	0	0	0	23	9	***
MOOSE JAW CA	5	8	0	3	0	8	24	-66.7
BATTLEFORD CA	0	3	0	0	0	0	3	***
PRINCE ALBERT CA	4	2	0	0	0	4	2	***
SWIFT CURRENT CA	3	4	2	0	0	5	4	25.0
YORKTON CA	0	0	0	0	0	0	0	***
SASKATCHEWAN (URBAN)	**336**	**228**	**14**	**16**	**86**	**452**	**334**	**35.3**
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SASKATCHEWAN (TOTAL)	**369**	**275**	**14**	**16**	**86**	**485**	**385**	**26.0**

** Indicates a greater than 100 per cent change

Table 3A

ALBERTA HOUSING STARTS BY AREA

1st Quarter 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
EDMONTON CMA	**2,021**	**1,419**	**456**	**158**	**613**	**3,248**	**2,245**	**44.7**
EDMONTON CITY	1,228	952	336	128	613	2,305	1,645	40.1
CALGARY CMA	**2,487**	**1,779**	**258**	**153**	**946**	**3,844**	**2,911**	**32.1**
CALGARY CITY	2,087	1,517	214	93	860	3,254	2,568	26.7
BROOKS TOWN CA	23	13	0	0	0	23	13	76.9
CAMROSE CA	13	4	2	0	0	15	12	25.0
CANMORE TOWN	9	17	12	25	169	215	107	**
COLD LAKE CA	26	37	0	0	47	73	51	43.1
COLD LAKE TOWN	15	34	0	0	47	62	46	34.8
BONNYVILLE TOWN	2	2	0	0	0	2	4	-50.0
GRANDE PRAIRIE CA	227	124	50	13	0	290	154	88.3
LETHBRIDGE CA	124	91	8	6	0	138	137	0.7
LLOYDMINSTER CA	23	35	0	0	47	70	77	-9.1
MEDICINE HAT CA	125	77	14	39	95	273	110	**
OKOTOKS TOWN	150	94	4	3	0	157	106	48.1
RED DEER CA	246	144	18	40	0	304	209	45.5
WETASKIWIN CA	3	3	0	0	0	3	3	0.0
WOOD BUFFALO CA	74	118	0	41	120	235	415	-43.4
FORT MCMURRAY	62	118	0	23	32	117	415	-71.8
ALBERTA (URBAN)	**5,551**	**3,955**	**822**	**478**	**2,037**	**8,888**	**6,550**	**35.7**
ALBERTA (RURAL)	**958**	**569**	**54**	**88**	**43**	**1,143**	**725**	**57.7**
ALBERTA (TOTAL)	**6,509**	**4,524**	**876**	**566**	**2,080**	**10,031**	**7,275**	**37.9**

Table 3B

ALBERTA HOUSING STARTS BY AREA

January to March 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
EDMONTON CMA	**2,021**	**1,419**	**456**	**158**	**613**	**3,248**	**2,245**	**44.7**
EDMONTON CITY	1,228	952	336	128	613	2,305	1,645	40.1
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CALGARY CITY	2,087	1,517	214	93	860	3,254	2,568	26.7
BROOKS TOWN CA	23	13	0	0	0	23	13	76.9
CAMROSE CA	13	4	2	0	0	15	12	25.0
CANMORE TOWN	9	17	12	25	169	215	107	**
COLD LAKE CA	26	37	0	0	47	73	51	43.1
COLD LAKE TOWN	15	34	0	0	47	62	46	34.8
BONNYVILLE TOWN	2	2	0	0	0	2	4	-50.0
GRANDE PRAIRIE CA	227	124	50	13	0	290	154	88.3
LETHBRIDGE CA	124	91	8	6	0	138	137	0.7
LLOYDMINSTER CA	23	35	0	0	47	70	77	-9.1
MEDICINE HAT CA	125	77	14	39	95	273	110	**
OKOTOKS TOWN	150	94	4	3	0	157	106	48.1
RED DEER CA	246	144	18	40	0	304	209	45.5
WETASKIWIN CA	3	3	0	0	0	3	3	0.0
WOOD BUFFALO CA	74	118	0	41	120	235	415	-43.4
FORT MCMURRAY	62	118	0	23	32	117	415	-71.8
ALBERTA (URBAN)	**5,551**	**3,955**	**822**	**478**	**2,037**	**8,888**	**6,550**	**35.7**
ALBERTA (RURAL)	**958**	**569**	**54**	**88**	**43**	**1,143**	**725**	**57.7**
ALBERTA (TOTAL)	**6,509**	**4,524**	**876**	**566**	**2,080**	**10,031**	**7,275**	**37.9**

** Indicates a greater than 100 per cent change

Table 4

MANITOBA HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population & Over - March 2006

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
First Quarter 2006	402	46	0	0	24	0	85	0	0	557
First Quarter 2005	364	2	0	4	0	0	106	0	0	476
Year-To-Date 2006	402	46	0	0	24	0	85	0	0	557
Year-To-Date 2005	364	2	0	4	0	0	106	0	0	476
Under Construction										
2006	908	70	0	75	302	8	358	0	94	1,815
2005	915	4	0	28	129	12	300	0	0	1,388
Completions										
First Quarter 2006	269	8	0	16	0	4	106	0	0	403
First Quarter 2005	320	10	0	13	28	8	203	0	0	582
Year-To-Date 2006	269	8	0	16	0	4	106	0	0	403
Year-To-Date 2005	320	10	0	13	28	8	203	0	0	582
Completed & Not Absorbed										
2006	139	9	0	3	11	0	53	0	0	215
2005	145	12	0	4	55	0	99	0	0	315
Total Supply[2]										
2006	1,047	79	0	78	313	8	411	0	94	2,030
2005	1,060	16	0	32	184	12	399	0	0	1,703
Absorptions										
First Quarter 2006	263	4	0	8	4	4	84	0	0	367
First Quarter 2005	306	12	0	9	13	3	104	0	0	447
Year-To-Date 2006	263	4	0	8	4	4	84	0	0	367
Year-To-Date 2005	306	12	0	9	13	3	104	0	0	447
3-month Average	88	1	0	3	1	1	28	0	0	122
12-month Average	159	2	0	6	12	3	31	0	0	213

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 Richard Corriveau at (403) 515-3005 or by email: rcorriv@cmhc.ca.

	Ownership					Rental				
Activity	Freehold			Condominium		Private		Assisted		Grand
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
First Quarter 2006	336	14	3	13	86	0	0	0	0	452
First Quarter 2005	228	12	0	9	69	0	0	0	16	334
Year-To-Date 2006	336	14	3	13	86	0	0	0	0	452
Year-To-Date 2005	228	12	0	9	69	0	0	0	16	334
Under Construction										
2006	808	96	3	232	372	4	44	0	0	1,559
2005	692	96	0	318	604	0	3	35	16	1,764
Completions										
First Quarter 2006	381	44	0	49	72	0	0	6	0	552
First Quarter 2005	361	18	0	46	16	4	0	0	0	445
Year-To-Date 2006	381	44	0	49	72	0	0	6	0	552
Year-To-Date 2005	361	18	0	46	16	4	0	0	0	445
Completed & Not Absorbed										
2006	67	9	0	23	92	0	0	0	0	191
2005	65	2	0	38	49	2	7	0	0	163
Total Supply[2]										
2006	875	105	3	255	464	4	44	0	0	1,750
2005	757	98	0	356	653	2	10	35	16	1,927
Absorptions										
First Quarter 2006	263	23	0	26	75	0	0	0	0	387
First Quarter 2005	259	19	0	45	27	2	0	0	0	352
Year-To-Date 2006	263	23	0	26	75	0	0	0	0	387
Year-To-Date 2005	259	19	0	45	27	2	0	0	0	352
3-month Average	88	8	0	9	25	0	0	0	0	130
12-month Average	107	9	0	31	33	0	1	0	0	181

Table 5

SASKATCHEWAN HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population & Over - March 2006

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 - March 2006

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
First Quarter 2006	5,551	822	31	396	1,813	51	204	0	20	8,888
First Quarter 2005	3,955	566	18	556	1,224	19	24	0	188	6,550
Year-To-Date 2006	5,551	822	31	396	1,813	51	204	0	20	8,888
Year-To-Date 2005	3,955	566	18	556	1,224	19	24	0	188	6,550
Under Construction										
2006	11,039	1,924	190	1,950	10,808	75	878	56	224	27,144
2005	8,227	1,660	77	1,540	8,489	87	1,061	39	427	21,607
Completions										
First Quarter 2006	4,418	634	12	362	1,097	20	164	0	42	6,749
First Quarter 2005	3,897	548	40	369	1,019	53	213	0	70	6,209
Year-To-Date 2006	4,418	634	12	362	1,097	20	164	0	42	6,749
Year-To-Date 2005	3,897	548	40	369	1,019	53	213	0	70	6,209
Completed & Not Absorbed										
2006	1,190	319	7	58	404	6	375	0	0	2,359
2005	1,555	412	5	133	1,002	4	652	0	0	3,763
Total Supply[2]										
2006	12,229	2,243	197	2,008	11,212	81	1,253	56	224	29,503
2005	9,782	2,072	82	1,673	9,491	91	1,713	39	427	25,370
Absorptions										
First Quarter 2006	4,125	551	8	370	1,185	13	305	0	0	6,557
First Quarter 2005	3,565	476	39	360	863	56	212	0	0	5,571
Year-To-Date 2006	4,125	551	8	370	1,185	13	305	0	0	6,557
Year-To-Date 2005	3,565	476	39	360	863	56	212	0	0	5,571
3-month Average	1,375	184	3	123	395	4	102	0	0	2,186
12-month Average	1,567	223	9	141	465	10	96	0	0	2,511

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

CMHC – HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years.

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