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HOUSING NOW

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Canada Mortgage and Housing Corporation
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Warm Weather Heats Up New Home Construction

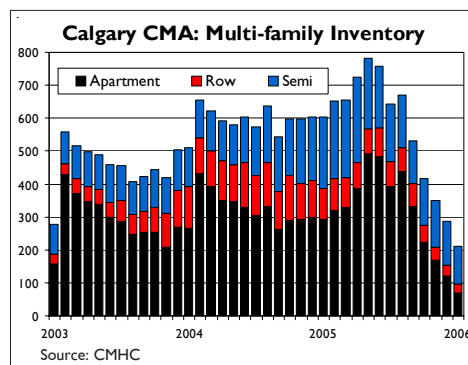
New home construction in 2006 got off to an impressive start. Total housing starts in the Calgary Census Metropolitan Area (CMA) reached 1,086 units in January, a 24 per cent increase over the previous year. Overall construction was led by a substantial gain in the single-family market.

Calgary home builders took advantage of January's unseasonably warm temperatures by starting 838 single-family units, a 69 per cent gain over the previous year. This represents a record performance for the month of January. Moreover, the year-over-year gain was also the strongest for any month in almost nine years. Indeed, January's warm weather came at an opportune time for local builders, as they have been experiencing difficulty satisfying demand. Recall that 2005's single-family construction was hampered early by frigid temperatures and then by record rainfall over the summer. As a result, capacity constraints quickly developed and a lot of unsatisfied demand had to be pushed forward into 2006.

Despite the gain in single-family starts in January, capacity constraints will still persist moving forward. Evidence comes from January's impressive number of building permits, which, at 755 units within city limits, are the highest for any January on record and 48 per cent higher than the previous year. Additional confirmation of capacity constraints comes from an

escalating number of units under construction. At the end of January, a record 4,555 units were under construction in the Calgary CMA, 37 per cent higher than the previous year. Meanwhile, for the fourth consecutive month the number of absorptions surpassed completions. As a result, the number of units in inventory continued to fall to 518 units in January, the lowest monthly total since March 1998.

While the single-family market was red-hot in January, multi-family starts, which include semi-detached, row, and apartment units, recorded a cooler performance. A total of 248 units began construction in January, 35 per cent below activity reported one year earlier. Row or town home construction was responsible for most of January's decline. Only 37 row units were started in January, a 69 per cent drop from January 2005 and the weakest monthly performance in almost four years. Though overall multi-family starts recorded the



CALGARY

JANUARY 2006

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Calgary CMA

fourth successive year-over-year decline, one can not conclude the market is softening. Multi-family starts should post some strong gains in the months ahead.

Mirroring single-family homes, the multi-family market also experienced an increase in units under construction and sharp inventory declines. At 5,946 units in January, the number of units under construction was the highest since 1982. Meanwhile, the number of complete and unabsorbed units recorded a dramatic decline from the preceding 12 months. After climbing to a 23-year high of 783 units last May, the number of complete and unabsorbed multis have fallen to 212 units in January, 65 per cent lower than the previous year and the lowest total since August 1999. Factors contributing to such a decline include higher levels of net migration, a declining rental vacancy rate, and severe shortage of active listings in the resale market.

Table IA
STARTS ACTIVITY BY AREA
 Calgary CMA - January 2006

Area	Single		Multiple			Total		%Chg 2006/2005
	2006	2005	Semi	Row	Apt	2006	2005	
AIRDRIE	38	33	4	6	0	48	51	-5.9
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	734	401	76	31	123	964	747	29.0
CHESTERMERE LAKE	46	23	8	0	0	54	28	92.9
COCHRANE	0	5	0	0	0	0	5	**
CROSSFIELD	0	0	0	0	0	0	0	**
IRRICANA	0	0	0	0	0	0	2	**
MD ROCKYVIEW	20	33	0	0	0	20	41	-51.2
TOTAL	838	495	88	37	123	1,086	874	24.3

Table IB
STARTS ACTIVITY BY AREA
 Calgary CMA - Year to Date 2006

Area	Single		Multiple			Total		%Chg 2006/2005
	2006	2005	Semi	Row	Apt	2006	2005	
AIRDRIE	38	33	4	6	0	48	51	-5.9
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	734	401	76	31	123	964	747	29.0
CHESTERMERE LAKE	46	23	8	0	0	54	28	92.9
COCHRANE	0	5	0	0	0	0	5	**
CROSSFIELD	0	0	0	0	0	0	0	**
IRRICANA	0	0	0	0	0	0	2	**
MD ROCKYVIEW	20	33	0	0	0	20	41	-51.2
TOTAL	838	495	88	37	123	1,086	874	24.3

** Indicates a greater than 100 per cent change

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

Table 2A
HOUSING COMPLETIONS BY AREA
 Calgary CMA - January 2006

Area	Single		Multiple			Total		%Chg 2006/2005
	2006	2005	Semi	Row	Apt	2006	2005	
AIRDRIE	40	49	4	0	0	44	57	-22.8
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	412	509	48	28	40	528	738	-28.5
CHESTERMERE LAKE	30	39	4	0	0	34	41	-17.1
COCHRANE	0	7	0	0	0	0	11	**
CROSSFIELD	0	3	0	0	0	0	7	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	6	23	0	0	0	6	27	-77.8
TOTAL	488	631	56	28	40	612	882	-30.6

Table 2B
HOUSING COMPLETIONS BY AREA
 Calgary CMA - Year to Date 2006

Area	Single		Multiple			Total		%Chg 2006/2005
	2006	2005	Semi	Row	Apt	2006	2005	
AIRDRIE	40	49	4	0	0	44	57	-22.8
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	412	509	48	28	40	528	738	-28.5
CHESTERMERE LAKE	30	39	4	0	0	34	41	-17.1
COCHRANE	0	7	0	0	0	0	11	**
CROSSFIELD	0	3	0	0	0	0	7	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	6	23	0	0	0	6	27	-77.8
TOTAL	488	631	56	28	40	612	882	-30.6

** Indicates a greater than 100 per cent change

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Table 3
HOUSING ACTIVITY SUMMARY
Calgary CMA

Activity	Ownership					Rental				Grand Total
	Freehold		Row	Condominium		Private		Assisted		
	Single ¹	Semi ¹			Row	Apt	Row	Apt	Row	Apt
Starts										
Current Month	838	88	0	37	123	0	0	0	0	1,086
Previous Year	495	54	0	118	207	0	0	0	0	874
Year-To-Date 2006	838	88	0	37	123	0	0	0	0	1,086
Year-To-Date 2005	495	54	0	118	207	0	0	0	0	874
Under Construction										
2006	4,555	738	22	932	4,228	0	5	0	21	10,501
2005	3,326	628	20	705	4,031	0	332	0	132	9,174
Completions										
Current Month	488	56	0	28	40	0	0	0	0	612
Previous Year	631	74	0	32	145	0	0	0	0	882
Year-To-Date 2006	488	56	0	28	40	0	0	0	0	612
Year-To-Date 2005	631	74	0	32	145	0	0	0	0	882
Completed & Not Absorbed										
2006	518	114	0	29	29	0	40	0	0	730
2005	741	217	0	95	185	0	107	0	0	1,345
Total Supply²										
2006	5,073	852	22	961	4,257	0	45	0	21	11,231
2005	4,067	845	20	800	4,216	0	439	0	132	10,519
Absorptions										
Current Month	534	73	0	33	77	0	23	0	0	740
Previous Year	596	50	0	49	138	0	15	0	0	848
Year-To-Date 2006	534	73	0	33	77	0	23	0	0	740
Year-To-Date 2005	596	50	0	49	138	0	15	0	0	848
3-month Average	597	73	1	35	89	0	30	0	0	825
12-month Average	671	84	1	72	221	2	42	0	0	1,093

1 May include units intended for condominium.

2 Sum of units under construction, complete and unoccupied.

RESIDENTIAL CONSTRUCTION DIGEST

CMHC's monthly Residential Construction Digest delivers all the housing statistics you asked for, right down to the local market level! We have designed this product with your input, to meet your needs. You told us you wanted a detailed breakdown each month of housing statistics for single and multi-family markets, broken down by price range and by area of the city.

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