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Canada Mortgage and Housing Corporation
www.cmhc.ca

CALGARY

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IN THIS ISSUE:

Single-family Starts Set Another Record in February

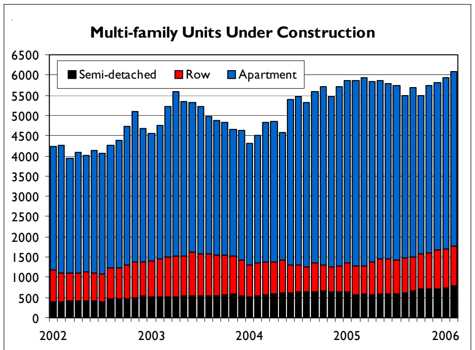
On the heels of a solid January performance, housing starts in the Calgary Census Metropolitan Area (CMA) continued to impress in February. Local builders started construction on 1,088 units of all types in February, four per cent higher than the previous year. As was the case in January, strong single-family starts compensated for a decline in the multi-family market.

Warm temperatures during the first half of February helped single-family builders post a new starts record for February. A total of 859 single-family units began construction in February, 39 per cent more than the previous year. To the end of February, 1,697 single-family units have been started, nearly 53 per cent higher than the previous year and the best January to February performance on record. While this raises expectations for a new single-family starts record in 2006, capacity constraints still cast some doubt whether this will actually be achieved. Nonetheless, the surge should come as welcome news for both buyers and builders. Building permits have surpassed starts for much of the last 12 months, so the industry has a lot of catching up to satisfy demand.

Calgary's single-family builders also appear to be having an easier time completing homes in 2006. Helped by favourable weather, single-family completions to the end of February are up eight per cent year-over-year. However, units under construction continue to set new records, reaching 4,738 units in February, 35 per cent more than the previous year.

Capacity constraints will maintain a high number of units under construction moving forward, in turn pushing back possession dates for buyers. Combined with a severe shortage of active resale listings, they will also ensure that complete and unabsorbed units remain low. At 519 units in February, inventory including showhomes is among the lowest level in eight years.

Meanwhile, multi-family starts, which include semi-detached, row, and apartment units, recorded a sharp decline for the third month in succession. Multi-family starts totalled 229 in February, down 47 per cent year-over-year. February's activity brings the year-to-date total to 477 units, 41 per cent lower than the previous year and the slowest start to any year since 2001. Semi-detached starts have increased 149 per cent after two months, whereas row and apartment construction has fallen 54 and 66 per cent, respectively. By no means do we expect the overall decline to prevail by year-end. A number of large-volume projects are anticipated to start in the coming months, resulting in a strong comeback for multi-family starts.



Source: CMHC

Unlike the single-family market, multi-family developers have been slow to complete units in 2006. To the end of February, only 216 units have been completed, one third of the level one year earlier. With a 24-year high of 6,083 units under construction, the market should see some healthy completion numbers in the months ahead. As a result, absorptions will escalate as well, while the number of units in inventory should experience a welcome, albeit temporary, increase. At the end of February, only 152 units were in inventory, 77 per cent lower than the previous year. Buyers seeking a quick occupancy will quickly snap up any additions to inventory, as low vacancies and active resale listings are offering buyers few options, especially for new migrants.

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Table 1A

STARTS ACTIVITY BY AREA

Calgary CMA - February 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
AIRDRIE	88	19	2	29	0	119	27	**
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**659**	**534**	**90**	**33**	**51**	**833**	**940**	**-11.4**
CHESTERMERE LAKE	52	21	16	0	0	68	31	**
COCHRANE	28	5	4	0	0	32	5	**
CROSSFIELD	4	1	0	0	0	4	1	**
IRRICANA	2	0	2	0	0	4	0	**
MD ROCKYVIEW	26	37	2	0	0	28	41	-31.7
TOTAL	**859**	**617**	**116**	**62**	**51**	**1,088**	**1,045**	**4.1**

Table 1B

STARTS ACTIVITY BY AREA

Calgary CMA - Year to Date 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
AIRDRIE	126	52	6	35	0	167	78	**
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**1,393**	**935**	**166**	**64**	**174**	**1,797**	**1,687**	**6.5**
CHESTERMERE LAKE	98	44	24	0	0	122	59	**
COCHRANE	28	10	4	0	0	32	10	**
CROSSFIELD	4	1	0	0	0	4	1	**
IRRICANA	2	0	2	0	0	4	2	**
MD ROCKYVIEW	46	70	2	0	0	48	82	-41.5
TOTAL	**1,697**	**1,112**	**204**	**99**	**174**	**2,174**	**1,919**	**13.3**

** 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 - February 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
AIRDRIE	65	19	4	0	0	69	27	**
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**533**	**335**	**50**	**8**	**3**	**594**	**715**	**-16.9**
CHESTERMERE LAKE	38	23	6	3	0	47	27	74.1
COCHRANE	10	11	0	0	0	10	11	-9.1
CROSSFIELD	2	1	2	0	0	4	1	**
IRRICANA	2	1	6	0	0	8	5	60.0
MD ROCKYVIEW	25	53	10	0	0	35	63	-44.4
TOTAL	**675**	**443**	**78**	**11**	**3**	**767**	**849**	**-9.7**

Table 2B

HOUSING COMPLETIONS BY AREA

Calgary CMA - Year to Date 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
AIRDRIE	105	68	8	0	0	113	84	34.5
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	**945**	**844**	**98**	**36**	**43**	**1,122**	**1,453**	**-22.8**
CHESTERMERE LAKE	68	62	10	3	0	81	68	19.1
COCHRANE	10	18	0	0	0	10	22	-54.5
CROSSFIELD	2	4	2	0	0	4	8	-50.0
IRRICANA	2	1	6	0	0	8	5	60.0
MD ROCKYVIEW	31	76	10	0	0	41	90	-54.4
TOTAL	**1,163**	**1,074**	**134**	**39**	**43**	**1,379**	**1,731**	**-20.3**

** Indicates a greater than 100 per cent change

Table 3

HOUSING ACTIVITY SUMMARY

Calgary CMA

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Month	859	116	0	62	51	0	0	0	0	1,088
Previous Year	617	28	0	96	304	0	0	0	0	1,045
Year-To-Date 2006	1,697	204	0	99	174	0	0	0	0	2,174
Year-To-Date 2005	1,112	82	0	214	511	0	0	0	0	1,919
Under Construction										
2006	4,738	776	22	980	4,279	0	5	0	21	10,821
2005	3,500	570	20	699	4,117	0	332	0	132	9,370
Completions										
Current Month	675	78	0	11	3	0	0	0	0	767
Previous Year	443	86	0	102	218	0	0	0	0	849
Year-To-Date 2006	1,163	134	0	39	43	0	0	0	0	1,379
Year-To-Date 2005	1,074	160	0	134	363	0	0	0	0	1,731
Completed & Not Absorbed										
2006	519	119	0	16	7	0	10	0	0	671
2005	738	235	0	97	213	0	106	0	0	1,389
Total Supply[2]										
2006	5,257	895	22	996	4,286	0	15	0	21	11,492
2005	4,238	805	20	796	4,330	0	438	0	132	10,759
Absorptions										
Current Month	674	73	0	24	25	0	70	0	0	866
Previous Year	446	68	0	100	190	0	1	0	0	805
Year-To-Date 2006	1,208	146	0	57	102	0	93	0	0	1,606
Year-To-Date 2005	1,042	118	0	149	328	0	16	0	0	1,653
3-month Average	611	74	0	27	81	0	38	0	0	831
12-month Average	690	85	1	65	208	2	47	0	0	1,098

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