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Canada Mortgage and Housing Corporation  
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### Calgary Builders Set 24-year High for New Home Construction

New home construction in May posted the best monthly performance in Calgary since June of 1982 and was the second best on record. Total housing starts in the Calgary Census Metropolitan Area (CMA) reached 2,010 units, an impressive 43 per cent gain over activity in May 2005 and only 26 units shy of the record. The 43 per cent gain in May pushed year-to-date activity to 7,140 units, 30 per cent higher than corresponding levels in 2005.

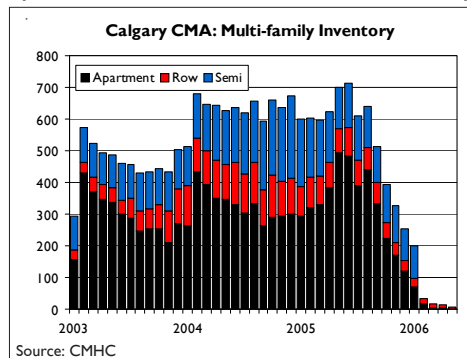
After setting historical highs for each of the first four months of the year, single-detached builders outdid themselves in May by posting the best performance for any month on record. Construction began on 1,166 units, 41 per cent higher than May 2005 and a 139-unit increase over the previous record set in May 1998. May's starts have boosted year-to-date single-detached construction to 4,621 units, up 35 per cent from corresponding levels in 2005. All municipalities except Beiseker and the M.D. of Rockyview have recorded substantial gains to-date. Despite torrid demand across the CMA, the 35 per cent gain after five months is somewhat surprising. Builders have adamantly stated they have been operating at capacity for close to a year now.

While capacity in the single-family market appears to have increased, the record number of units under construction supports the notion that capacity constraints remain prevalent. While year-to-date starts are up 35 per cent, the corresponding gain for units under construction was 52 per cent, reaching

5,777 at the end of May. Meanwhile, completions have fallen since 2005, as the 3,041 units completed in the first five months lag the pace set in 2005 by two per cent. As absorptions are up one per cent over the same period, complete and unabsorbed units have fallen to 492 units, the lowest level since February 1998.

For all single-detached units absorbed to the end of May, the average price was \$327,738, up 7.5 per cent from the previous year. This pales in comparison to the most recent 35 per cent year-over-year gain in the New Home Price Index, pointing to substantial price hikes in the months ahead.

In the multi-family market, which includes semi-detached, row, and apartment units, 844 units started construction in May, 46 per cent more than the previous year. Five large structures broke ground, resulting in an uncharacteristically high number of starts. May's gain boosted the year-to-date total to 2,519 multi-family units, 23 per cent higher than corresponding levels in 2005. The largest increase to-date has occurred in the apartment market, where starts are up



### CALGARY

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Calgary CMA

57 per cent after five months. The gain in apartment construction is definitely warranted, as there are currently no complete and unabsorbed apartment units in the Calgary CMA, the only such occurrence on record. By comparison, 493 apartment units were unabsorbed at the end of May 2005.

While inventory declined in the apartment market, semi-detached and row units enjoyed a similar phenomenon. At the end of May, 101 semi-detached units were complete and unabsorbed, down 53 per cent from the previous year. During the same time, row inventory fell 92 per cent, reaching a 16-year low of only six units. Given a 24-year high of units under construction, it is unlikely the shortages of inventory will persist over the duration of the year. Once many of the 6,710 multi-family units reach completion, expect a modest recovery in complete and unabsorbed units.

Table IA  
**STARTS ACTIVITY BY AREA**  
 Calgary CMA - May 2006

Area	Single		Multiple			Total		%Chg 2006/2005
	2006	2005	Semi	Row	Apt	2006	2005	
AIRDRIE	102	45	2	26	160	290	55	**
BEISEKER	0	0	0	0	0	0	0	**
<b>CALGARY CITY</b>	<b>929</b>	<b>712</b>	<b>84</b>	<b>55</b>	<b>497</b>	<b>1,565</b>	<b>1,264</b>	<b>23.8</b>
CHESTERMERE LAKE	84	37	0	0	0	84	43	95.3
COCHRANE	16	6	2	0	0	18	6	**
CROSSFIELD	4	2	0	0	18	22	4	**
IRRICANA	3	0	0	0	0	3	0	**
MD ROCKYVIEW	28	24	0	0	0	28	32	-12.5
<b>TOTAL</b>	<b>1,166</b>	<b>826</b>	<b>88</b>	<b>81</b>	<b>675</b>	<b>2,010</b>	<b>1,404</b>	<b>43.2</b>

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	332	186	10	106	160	608	249	**
BEISEKER	0	0	0	0	0	0	0	**
<b>CALGARY CITY</b>	<b>3,811</b>	<b>2,942</b>	<b>358</b>	<b>199</b>	<b>1,529</b>	<b>5,897</b>	<b>4,857</b>	<b>21.4</b>
CHESTERMERE LAKE	279	134	24	15	0	318	167	90.4
COCHRANE	62	26	10	0	86	158	26	**
CROSSFIELD	12	4	0	0	18	30	6	**
IRRICANA	5	0	2	0	0	7	2	**
MD ROCKYVIEW	120	143	2	0	0	122	169	-27.8
<b>TOTAL</b>	<b>4,621</b>	<b>3,435</b>	<b>406</b>	<b>320</b>	<b>1,793</b>	<b>7,140</b>	<b>5,476</b>	<b>30.4</b>

\*\* 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.

Table 2A  
**HOUSING COMPLETIONS BY AREA**  
 Calgary CMA - May 2006

Area	Single		Multiple			Total		%Chg 2006/2005
	2006	2005	Semi	Row	Apt	2006	2005	
AIRDRIE	86	32	0	4	0	90	44	**
BEISEKER	0	0	0	0	0	0	0	**
<b>CALGARY CITY</b>	<b>562</b>	<b>674</b>	<b>56</b>	<b>74</b>	<b>411</b>	<b>1,103</b>	<b>1,139</b>	<b>-3.2</b>
CHESTERMERE LAKE	33	24	0	0	0	33	29	13.8
COCHRANE	2	13	0	0	0	2	63	-96.8
CROSSFIELD	0	0	0	0	0	0	2	**
IRRICANA	1	1	0	0	0	1	1	0.0
MD ROCKYVIEW	18	37	0	0	0	18	49	-63.3
<b>TOTAL</b>	<b>702</b>	<b>781</b>	<b>56</b>	<b>78</b>	<b>411</b>	<b>1,247</b>	<b>1,327</b>	<b>-6.0</b>

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	244	184	16	42	1	303	330	-8.2
BEISEKER	0	1	0	0	0	0	1	**
<b>CALGARY CITY</b>	<b>2,572</b>	<b>2,560</b>	<b>262</b>	<b>361</b>	<b>841</b>	<b>4,036</b>	<b>4,187</b>	<b>-3.6</b>
CHESTERMERE LAKE	138	129	20	3	0	161	144	11.8
COCHRANE	15	52	2	0	21	38	109	-65.1
CROSSFIELD	4	6	2	0	0	6	12	-50.0
IRRICANA	3	4	6	0	0	9	10	-10.0
MD ROCKYVIEW	65	160	12	0	0	77	190	-59.5
<b>TOTAL</b>	<b>3,041</b>	<b>3,096</b>	<b>320</b>	<b>406</b>	<b>863</b>	<b>4,630</b>	<b>4,983</b>	<b>-7.1</b>

\*\* Indicates a greater than 100 per cent change

Table 3  
**HOUSING ACTIVITY SUMMARY**  
 Calgary CMA - May 2006

Activity	Ownership					Rental				Grand Total
	Freehold		Condominium			Private		Assisted		
	Single <sup>1</sup>	Semi <sup>1</sup>	Row	Row	Apt	Row	Apt	Row	Apt	
<b>Starts</b>										
Current Month	1,166	88	0	81	674	0	1	0	0	2,010
Previous Year	826	70	9	116	381	0	2	0	0	1,404
Year-To-Date 2006	4,621	406	0	320	1,792	0	1	0	0	7,140
Year-To-Date 2005	3,435	350	9	537	1,143	0	2	0	0	5,476
<b>Under Construction</b>										
2006	5,777	792	19	825	5,071	0	3	0	0	12,487
2005	3,801	580	20	851	4,165	0	124	0	132	9,673
<b>Completions</b>										
Current Month	702	56	0	78	411	0	0	0	0	1,247
Previous Year	781	54	6	54	326	0	106	0	0	1,327
Year-To-Date 2006	3,041	320	3	403	839	0	24	0	0	4,630
Year-To-Date 2005	3,096	416	9	305	947	0	210	0	0	4,983
<b>Completed &amp; Not Absorbed</b>										
2006	492	101	0	6	0	0	0	0	0	599
2005	720	214	0	76	310	0	183	0	0	1,503
<b>Total Supply<sup>2</sup></b>										
2006	6,269	893	19	831	5,071	0	3	0	0	13,086
2005	4,521	794	20	927	4,475	0	307	0	132	11,176
<b>Absorptions</b>										
Current Month	736	53	0	82	415	0	0	0	0	1,286
Previous Year	728	101	0	57	244	0	80	0	0	1,210
Year-To-Date 2006	3,113	350	3	431	905	0	127	0	0	4,929
Year-To-Date 2005	3,082	395	3	341	815	0	149	0	0	4,785
3-month Average	635	68	1	125	268	0	11	0	0	1,108
12-month Average	679	78	1	80	234	2	39	0	0	1,113

1 May include units intended for condominium.

2 Sum of units under construction, complete and unoccupied.

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