

## YOUR LINK TO THE HOUSING MARKET

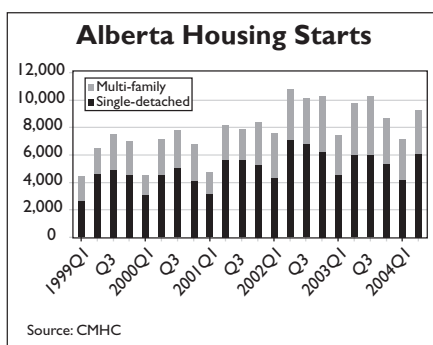
Canada Mortgage and Housing Corporation

**New Home Market****Housing Starts Weaken In Second Quarter**

New housing activity continued to weaken in Alberta during the second quarter of 2004, with total starts falling more than five per cent from the same three month period last year. This follows a four per cent drop year-over-year during the first three months of 2004. Total starts in the second quarter reached 9,259 units compared with 9,780 last year. While construction of new single-detached homes remained on par with the output recorded in the second quarter of last year, a 15 per cent drop in new multi-family housing caused the overall numbers to slide.

Declines in new housing activity were more severe in rural areas than in urban centres over 10,000 population. In fact, on a year-to-date basis, total starts have fallen by over 12 per cent in rural communities compared with a 3.8 per cent drop in cities. The continued impact of BSE on the province's cattle export industry has undercut incomes and consumer confidence in many smaller communities. This said, Alberta continues to be a leader in job creation with the rate of employment growth forecast to lead the nation in 2004. Lofty oil and gas prices are generating enormous cash flows and profits for producers. The entire energy sector is bolstering capital budgets - good news for a host of industries such as refiners, drillers, fabricators and oil field service suppliers.

Despite the problems in the livestock sector, overall wages are climbing on a year-over-year basis with the average weekly wage rate breaking through the \$700 mark in May of this year. Both employment and income gains will fuel future consumer spending and housing demand. Strong growth in retail sales points to a confident consumer and manufacturing shipments have now posted eight consecutive months of growth. High energy royalties are also swelling the Alberta government's coffers. This has spawned much speculation about the eradication of the provincial debt and where the government might spend the fiscal dividend. Political rhetoric aside, the province is rapidly moving



toward the status of being Canada's only debt-free province, which provides additional lift to both business and consumer sentiment.

Mortgage rates have crept higher since bottoming out in March, but remain very low in historical terms and continue to drive housing markets. Resale markets across Alberta have responded to the low mortgage rates by posting a record setting pace and the new home market also remains strong. Along with job creation and mortgage rates, net migration also has a strong influence on housing demand. While total net migration into Alberta fell by almost 25 per cent in 2003, the situation improved year-over-year during the final quarter of last year and these gains have continued into the first quarter of this year. In the first three months of 2004, net migration into the province increased to 6,947 persons, representing an increase of 36 per cent from January-to-March of 2003.

Table 1 shows starts activity by area for the second quarter and the first half of the year, compared with the same time frames in 2003. Looking at the Alberta's larger centres, starts were up by double digit levels year-over year during the second quarter in Lethbridge, Medicine Hat, Red Deer and Fort McMurray while the Calgary CMA managed a modest gain of just over two per cent. These improvements were countered by weaker numbers in Edmonton and Grande Prairie, along with big declines in smaller centres such as Canmore and Okotoks.

## SECOND QUARTER 2004

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**Single-Detached Starts Show Modest Improvement**

Single-family home builders posted modest gains in the second quarter, with overall activity rising by just under one per cent to 6,087 units. This represented the first year-over-year quarterly increase since the first three months of 2003. A strong labour market, continued low mortgage rates and



improved in-migration helped to sustain builders' confidence levels. A strong resale market showing large gains in dollar volumes for most real estate boards kept the news positive as well. On a year-to-date basis, single starts were down province-wide by 2.4 per cent at the end of June, a result of the weaker performance in the first quarter. Urban areas outperformed rural communities in the second quarter. In centres over 10,000 population, builders began work on 1.2 per cent more homes than the same time last year. In contrast, 1.3 per cent fewer houses were started in rural areas.

Single-detached starts improved in the majority of urban areas during the second quarter, but a 7.5 per cent retreat in the Calgary CMA held back the province-wide numbers. Edmonton's builders managed to inch ahead of last year's second quarter performance but only by seven units (+0.4%). Among the larger CAs, double-digit increases were reported year-over-year in Grande Prairie, Medicine Hat, Red Deer and Wood Buffalo (Fort McMurray). In addition to the rural areas and Calgary, lower second quarter single starts numbers were also recorded in Canmore, Bonnyville and Wetaskiwin.

## New Homes More Expensive

As we reported in our First Quarter 2004 edition, new house prices continue to increase at a steady pace due to rising input costs such as land, building materials, development charges, lot levies and builder's insurance. As shown in Table 3, 70 per cent of the new homes purchased in Alberta's five largest cities between April 1st and June 30th sold for over \$200,000, up from 61 per cent in the second quarter of 2003. Conversely, fewer than two per cent of units sold for under \$140,000 in the second quarter compared with just over three per cent during the same period last year. On a year-to-date basis, a typical new house in Edmonton has increased in price by 7.5 per cent, on average, to over \$235,000. In

the Calgary CMA, the average new home sold for \$269,439 during the first half of 2004. While price gains during the first half have been more moderate in Calgary than witnessed in Edmonton, this has occurred largely due to fewer sales at the extreme upper-end of the price scale and less erosion of market share at the lower end.

## Single-Detached Inventories Turn Corner

Following five consecutive quarterly increases, unsold new home inventories have turned the corner. The stock of newly completed and unoccupied single-family homes in the province's five largest cities stood at 1,530 units in June, down four per cent from the 1,596 reported in March of this year. However, as shown in Table 4b, inventories overall remain well above the levels tallied in June of last year. Of the five cities reporting on completed and unoccupied stock (including show homes), only Red Deer indicated fewer units than in June 2003. Medicine Hat's inventory was up by 63 per cent from a year ago and also double what it was in March of this year. While Calgary's inventory was also higher than the same time last year, it was down by 26 units from March. Edmonton has seen a slight improvement from the first quarter report but was still one third higher than a year ago.

As shown in Table 4, single-detached units under construction were down by almost five per cent at the end of June compared with midway through 2003. Going forward, we expect inventories to remain on the down slope this fall relative to earlier in the year as builders trim spec inventories heading into the winter months.

## Fewer Multi-Unit Starts

Multiple-unit starts across Alberta fell by 15 per cent in the second quarter, representing a drop of 570 units from the 3,742 new semi-detached, row and apartment units started in the second quarter of 2003. Improvements in Calgary, Brooks, Camrose and Medicine Hat were countered by weaker numbers in Edmonton, Canmore, Grande Prairie, Okotoks and the rural areas. On a year-to-date basis, total multi-family activity has declined by eight per cent from the first six months of 2003. Concerns about rising apartment vacancies in a number of centres and large supply of new condominium apartments in the downtown areas of both Calgary and Edmonton have deterred further increases in multi-family development this year. After hitting a 21-year high in 2003, multiple units starts are expected to

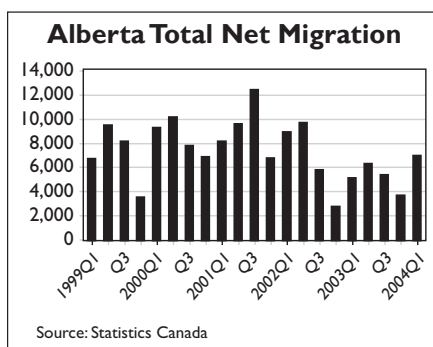
throttle-back throughout the year to more sustainable levels.

Multi-unit completions fell by 23 per cent year-over-year during the second quarter, with higher output in Grande Prairie, Lethbridge and Medicine Hat undermined by lower completions in the two CMAs as well as Red Deer and Fort McMurray. After six months, completion levels were 14 per cent below the same period last year. The reduction in second quarter completions also had a negative impact on multi-family absorptions, which dropped by 23 per cent year-over-year in urban areas. As shown in Table 5, fewer condo and rental apartment completions in the second quarter undercut absorptions for these unit types when compared with the same quarter last year. In contrast, higher completions of condo and rental row units, as well as semi-detached homes, helped to bolster absorptions of these unit types during the same time frame.

## Multi-Unit Supplies Head Higher

Despite the slowdown this year, multiple-unit starts have nonetheless exceeded completions in Alberta, both year-over-year in the second quarter and on a year-to-date basis. As such, units under construction were up by 13 per cent to 13,929 units province-wide in June. The overall supply number, which consists of units under construction and units in inventory, stood at 14,984 in June, representing a 15 per cent increase over the same number in June 2003. These numbers will shift downward in the months ahead, as a large number of units under construction in Edmonton and Calgary reach completion. Almost 60 per cent of the total multiple unit supply consists of condominium apartments, the majority of which are located in Calgary and Edmonton.

Table 4b provides a break-out of semi, row and apartment units completed and not occupied in Alberta's five largest cities. Total multi-unit inventories stood at 1,455 units in June, compared with 1,258 units in March and 1,327 unabsorbed units in June of last year. At 741 units, Edmonton's multiple unit inventory was unchanged from the same month last year and accounted for just over half of the total unabsorbed new multiples on hand in all five centres in June. While Calgary's inventory was down from the end of the March, the overall stock of unabsorbed new units was 32 per cent above the same period last year. Inventories were much higher in Lethbridge but the overall numbers were low. In Medicine Hat and Red Deer, inventories were down year-over-year by 22 and 26 per cent, respectively.



**Table I**  
**ALBERTA STARTS ACTIVITY BY AREA - 2ND QUARTER 2004**

AREA	Single		Multiple			Total		Chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
<b>EDMONTON CMA</b>	<b>1662</b>	<b>1655</b>	<b>260</b>	<b>149</b>	<b>679</b>	<b>2750</b>	<b>3285</b>	<b>-16.29</b>
EDMONTON CITY	959	955	190	149	679	1977	2333	-15.26
<b>CALGARY CMA</b>	<b>2224</b>	<b>2405</b>	<b>232</b>	<b>232</b>	<b>1066</b>	<b>3754</b>	<b>3671</b>	<b>2.26</b>
CALGARY CITY	1871	2056	198	212	954	3235	3176	1.86
BROOKSTOWN CA	20	17	0	39	0	59	21	**
CAMROSE CA	24	18	2	0	24	50	26	92.31
CANMORE CA	22	33	8	29	30	89	194	-54.12
COLD LAKE CA	97	78	2	0	0	99	82	20.73
COLD LAKE TOWN	28	8	2	0	0	30	8	**
BONNYVILLE TOWN	8	13	0	0	0	8	13	-38.46
GRANDE PRAIRIE CA	212	147	10	16	0	238	261	-8.81
LETHBRIDGE CA	159	155	14	55	0	228	205	11.22
LLOYDMINSTER CA	81	48	0	0	0	81	48	68.75
MEDICINE HAT CA	152	131	28	4	8	192	163	17.79
OKOTOKS CA	91	81	12	6	0	109	142	-23.24
RED DEER CA	224	186	16	35	110	385	341	12.90
WETASKIWIN CA	2	8	0	0	0	2	8	-75.00
WOOD BUFFALO CA	169	116	4	0	0	173	122	41.80
WOOD BUFFALO USA (Fort McMurray)	162	116	4	0	0	166	122	36.07
<b>ALBERTA URBAN</b>	<b>5139</b>	<b>5078</b>	<b>588</b>	<b>565</b>	<b>1917</b>	<b>8209</b>	<b>8569</b>	<b>-4.20</b>
<b>ALBERTA RURAL</b>	<b>948</b>	<b>960</b>	<b>54</b>	<b>38</b>	<b>10</b>	<b>1050</b>	<b>1211</b>	<b>-13.29</b>
<b>TOTAL</b>	<b>6087</b>	<b>6038</b>	<b>642</b>	<b>603</b>	<b>1927</b>	<b>9259</b>	<b>9780</b>	<b>-5.33</b>

**Table Ib**  
**PROVINCE OF ALBERTA STARTS ACTIVITY BY AREA - YEAR TO DATE**

AREA	Single		Multiple			Total		Chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
<b>EDMONTON CMA</b>	<b>2940</b>	<b>3082</b>	<b>512</b>	<b>191</b>	<b>1328</b>	<b>4971</b>	<b>5418</b>	<b>-8.25</b>
EDMONTON CITY	1829	1881	342	170	1287	3628	3901	-7.00
<b>CALGARY CMA</b>	<b>4028</b>	<b>4366</b>	<b>424</b>	<b>439</b>	<b>2116</b>	<b>7007</b>	<b>7466</b>	<b>-6.15</b>
CALGARY CITY	3423	3749	350	362	2003	6138	6556	-6.38
BROOKSTOWN CA	31	32	0	39	0	70	76	-7.89
CAMROSE CA	40	25	16	0	24	80	37	**
CANMORE CA	42	42	12	29	44	127	255	-50.20
COLD LAKE CA	142	120	2	0	0	144	128	12.50
COLD LAKE TOWN	37	13	2	0	0	39	13	**
BONNYVILLE TOWN	8	16	0	0	0	8	16	-50.00
GRANDE PRAIRIE CA	290	201	16	32	47	385	331	16.31
LETHBRIDGE CA	268	242	26	85	8	387	314	23.25
LLOYDMINSTER CA	104	77	0	0	0	104	77	35.06
MEDICINE HAT CA	234	199	44	16	17	311	239	30.13
OKOTOKS CA	157	134	16	12	0	185	215	-13.95
RED DEER CA	366	359	46	120	174	706	540	30.74
WETASKIWIN CA	5	10	0	0	0	5	20	-75.00
WOOD BUFFALO CA	238	229	34	45	0	317	260	21.92
WOOD BUFFALO USA (Fort McMurray)	226	227	34	45	0	305	258	18.22
<b>ALBERTA URBAN</b>	<b>8885</b>	<b>9118</b>	<b>1148</b>	<b>1008</b>	<b>3758</b>	<b>14799</b>	<b>15376</b>	<b>-3.75</b>
<b>ALBERTA RURAL</b>	<b>1415</b>	<b>1437</b>	<b>128</b>	<b>62</b>	<b>10</b>	<b>1615</b>	<b>1840</b>	<b>-12.23</b>
<b>TOTAL</b>	<b>10300</b>	<b>10555</b>	<b>1276</b>	<b>1070</b>	<b>3768</b>	<b>16414</b>	<b>17216</b>	<b>-4.66</b>

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

**Table 2**  
**ALBERTA HOUSING COMPLETIONS BY AREA - 2ND QUARTER 2004**

AREA	Single		Multiple			Total		Chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
<b>EDMONTON CMA</b>	<b>1570</b>	<b>1600</b>	<b>286</b>	<b>149</b>	<b>688</b>	<b>2693</b>	<b>3501</b>	<b>-23.08</b>
EDMONTON CITY	1028	1038	166	121	662	1977	2740	-27.85
<b>CALGARY CMA</b>	<b>1970</b>	<b>2242</b>	<b>192</b>	<b>347</b>	<b>440</b>	<b>2949</b>	<b>3268</b>	<b>-9.76</b>
CALGARY CITY	1707	1874	156	324	439	2626	2754	-4.65
BROOKS TOWN CA	18	20	0	8	0	26	26	0.00
CAMROSE CA	15	14	12	0	0	27	14	92.86
CANMORE CA	17	19	10	29	57	113	38	**
COLD LAKE CA	70	51	2	0	26	98	51	92.16
<i>COLD LAKE TOWN</i>	17	10	0	0	8	25	10	**
<i>BONNYVILLE TOWN</i>	6	3	2	0	18	26	3	**
GRANDE PRAIRIE CA	126	64	14	27	0	167	90	85.56
LETHBRIDGE CA	199	165	14	31	66	310	185	67.57
LLOYDMINSTER CA	48	35	0	0	0	48	35	37.14
MEDICINE HAT CA	148	120	30	33	14	225	158	42.41
OKOTOKS CA	63	90	2	0	12	77	122	-36.89
RED DEER CA	134	193	42	19	0	195	367	-46.87
WETASKIWIN CA	8	7	0	0	0	8	13	-38.46
WOOD BUFFALO CA	113	104	36	4	48	201	229	-12.23
<i>WOOD BUFFALO USA (Fort McMurray)</i>	110	104	36	4	48	198	229	-13.54
<b>ALBERTA URBAN</b>	<b>4499</b>	<b>4724</b>	<b>640</b>	<b>647</b>	<b>1351</b>	<b>7137</b>	<b>8097</b>	<b>-11.86</b>
<b>ALBERTA RURAL</b>	<b>636</b>	<b>633</b>	<b>69</b>	<b>74</b>	<b>0</b>	<b>779</b>	<b>880</b>	<b>-11.48</b>
<b>TOTAL</b>	<b>5135</b>	<b>5357</b>	<b>709</b>	<b>721</b>	<b>1351</b>	<b>7916</b>	<b>8977</b>	<b>-11.82</b>

**Table 2b**  
**ALBERTA HOUSING COMPLETIONS BY AREA - YEAR TO DATE**

AREA	Single		Multiple			Total		Chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
<b>EDMONTON CMA</b>	<b>3055</b>	<b>3202</b>	<b>524</b>	<b>254</b>	<b>1020</b>	<b>4853</b>	<b>5540</b>	<b>-12.40</b>
EDMONTON CITY	1911	1975	344	186	919	3360	3939	-14.70
<b>CALGARY CMA</b>	<b>3719</b>	<b>4256</b>	<b>366</b>	<b>641</b>	<b>1235</b>	<b>5961</b>	<b>6752</b>	<b>-11.72</b>
CALGARY CITY	3184	3583	278	592	1211	5265	5778	-8.88
BROOKS TOWN CA	34	42	2	12	24	72	62	16.13
CAMROSE CA	31	42	24	8	16	79	46	71.74
CANMORE CA	45	89	14	57	57	173	154	12.34
COLD LAKE CA	143	117	2	12	26	183	119	53.78
<i>COLD LAKE TOWN</i>	30	18	0	0	8	38	18	**
<i>BONNYVILLE TOWN</i>	11	10	2	12	18	43	10	**
GRANDE PRAIRIE CA	266	201	34	31	25	356	253	40.71
LETHBRIDGE CA	262	251	30	42	72	406	291	39.52
LLOYDMINSTER CA	84	86	0	0	0	84	86	-2.33
MEDICINE HAT CA	210	198	46	41	14	311	277	12.27
OKOTOKS CA	124	149	4	11	148	287	201	42.79
RED DEER CA	354	406	72	47	0	473	925	-48.86
WETASKIWIN CA	12	12	6	8	8	34	30	13.33
WOOD BUFFALO CA	171	272	40	26	147	384	508	-24.41
<i>WOOD BUFFALO USA (Fort McMurray)</i>	162	267	40	26	147	375	503	-25.45
<b>ALBERTA URBAN</b>	<b>8510</b>	<b>9323</b>	<b>1164</b>	<b>1190</b>	<b>2792</b>	<b>13656</b>	<b>15244</b>	<b>-10.42</b>
<b>ALBERTA RURAL</b>	<b>1433</b>	<b>1497</b>	<b>141</b>	<b>105</b>	<b>30</b>	<b>1709</b>	<b>1848</b>	<b>-7.52</b>
<b>TOTAL</b>	<b>9943</b>	<b>10820</b>	<b>1305</b>	<b>1295</b>	<b>2822</b>	<b>15365</b>	<b>17092</b>	<b>-10.10</b>

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

**Table 3  
ALBERTA - CENTRES OF 50,000 POPULATION AND OVER  
SINGLE FAMILY HOMES - ABSORBED BY PRICE RANGE - 2ND QUARTER**

	< \$110,000	\$110,000 -139,999	\$140,000 -169,999	\$170,000 -199,999	\$200,000 -249,999	\$250,000 +	Total
<b>EDMONTON CMA</b>	<b>5</b>	<b>29</b>	<b>205</b>	<b>333</b>	<b>568</b>	<b>511</b>	<b>1651</b>
<b>CALGARY CMA</b>	<b>0</b>	<b>0</b>	<b>120</b>	<b>290</b>	<b>670</b>	<b>916</b>	<b>1996</b>
LETHBRIDGE CA	0	27	68	32	26	20	173
MEDICINE HAT CA	0	9	26	14	53	15	117
RED DEER CA	0	3	41	30	50	26	150
<b>TOTAL</b>	<b>5</b>	<b>68</b>	<b>460</b>	<b>699</b>	<b>1367</b>	<b>1488</b>	<b>4087</b>

**Table 3b  
ALBERTA - CENTRES OF 50,000 POPULATION AND OVER  
SINGLE FAMILY HOMES - ABSORBED BY PRICE RANGE - 2003**

	< \$110,000	\$110,000 -139,999	\$140,000 -169,999	\$170,000 -199,999	\$200,000 -249,999	\$250,000 +	Total
<b>EDMONTON CMA</b>	<b>13</b>	<b>33</b>	<b>259</b>	<b>379</b>	<b>476</b>	<b>346</b>	<b>1506</b>
<b>CALGARY CMA</b>	<b>0</b>	<b>4</b>	<b>217</b>	<b>379</b>	<b>769</b>	<b>798</b>	<b>2167</b>
LETHBRIDGE CA	1	39	56	27	23	9	155
MEDICINE HAT CA	0	15	34	31	26	16	122
RED DEER CA	0	22	61	38	32	28	181
<b>TOTAL</b>	<b>14</b>	<b>113</b>	<b>627</b>	<b>854</b>	<b>1326</b>	<b>1197</b>	<b>4131</b>

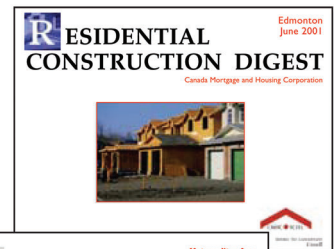
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Zone	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Edmonton	100	120	150	180	200	220	240	260	280	300	320	340	360	380	400	420	440	460	480	500	520	540	560	580	600	620	640
Calgary	100	120	150	180	200	220	240	260	280	300	320	340	360	380	400	420	440	460	480	500	520	540	560	580	600	620	640
Lethbridge	100	120	150	180	200	220	240	260	280	300	320	340	360	380	400	420	440	460	480	500	520	540	560	580	600	620	640
Medicine Hat	100	120	150	180	200	220	240	260	280	300	320	340	360	380	400	420	440	460	480	500	520	540	560	580	600	620	640
Red Deer	100	120	150	180	200	220	240	260	280	300	320	340	360	380	400	420	440	460	480	500	520	540	560	580	600	620	640
<b>Total</b>	<b>500</b>	<b>600</b>	<b>750</b>	<b>900</b>	<b>1000</b>	<b>1100</b>	<b>1200</b>	<b>1300</b>	<b>1400</b>	<b>1500</b>	<b>1600</b>	<b>1700</b>	<b>1800</b>	<b>1900</b>	<b>2000</b>	<b>2100</b>	<b>2200</b>	<b>2300</b>	<b>2400</b>	<b>2500</b>	<b>2600</b>	<b>2700</b>	<b>2800</b>	<b>2900</b>	<b>3000</b>	<b>3100</b>	<b>3200</b>

**Table 4**  
**PROVINCE OF ALBERTA**  
**UNDER CONSTRUCTION - JUNE 2004**

AREA	Single		Multiple			Total		Chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
<b>EDMONTON CMA</b>	<b>2,682</b>	<b>3,189</b>	<b>634</b>	<b>420</b>	<b>5,299</b>	<b>9,035</b>	<b>8,108</b>	<b>11.43</b>
EDMONTON CITY	1,535	1,949	444	371	4,754	7,104	6,163	15.27
<b>CALGARY CMA</b>	<b>3,832</b>	<b>4,084</b>	<b>614</b>	<b>682</b>	<b>4,101</b>	<b>9,229</b>	<b>9,395</b>	<b>-1.77</b>
CALGARY CITY	3,150	3,395	506	582	3,899	8,137	8,367	-2.75
BROOKS TOWN CA	16	15	0	39	0	55	65	-15.38
CAMROSE CA	24	18	2	0	24	50	62	-19.35
CANMORE CA	22	21	10	111	231	374	341	**
COLD LAKE CA	86	75	2	0	0	88	81	8.64
COLD LAKE TOWN	46	14	2	0	0	48	20	**
BONNYVILLE TOWN	6	16	0	0	0	6	16	-62.50
GRANDE PRAIRIE CA	198	135	12	20	47	277	251	10.36
LETHBRIDGE CA	282	248	38	122	32	474	450	5.33
LLOYDMINSTER CA	62	49	0	0	0	62	49	26.53
MEDICINE HAT CA	244	186	40	20	90	394	234	68.38
OKOTOKS CA	94	76	16	12	12	134	147	**
RED DEER CA	301	279	46	141	337	825	641	28.71
WETASKIWIN CA	1	6	2	0	0	3	12	-75.00
WOOD BUFFALO CA	259	128	24	102	247	632	390	62.05
WOOD BUFFALO USA (Fort McMurray)	259	128	24	102	247	632	390	62.05
<b>ALBERTA URBAN</b>	<b>8,103</b>	<b>8,509</b>	<b>1,440</b>	<b>1,669</b>	<b>10,420</b>	<b>21,632</b>	<b>20,226</b>	<b>6.95</b>
<b>ALBERTA RURAL</b>	<b>1,091</b>	<b>1,164</b>	<b>189</b>	<b>165</b>	<b>46</b>	<b>1,491</b>	<b>1,740</b>	<b>-14.31</b>
<b>TOTAL</b>	<b>9,194</b>	<b>9,673</b>	<b>1,629</b>	<b>1,834</b>	<b>10,466</b>	<b>23,123</b>	<b>21,966</b>	<b>5.27</b>

**Table 4b**  
**PROVINCE OF ALBERTA**  
**COMPLETE AND NOT OCCUPIED - JUNE 2004**

AREA	Single		Multiple			Total		Chg
	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
<b>EDMONTON CMA</b>	<b>634</b>	<b>475</b>	<b>123</b>	<b>40</b>	<b>578</b>	<b>1375</b>	<b>1216</b>	<b>13.08</b>
<b>CALGARY CMA</b>	<b>737</b>	<b>680</b>	<b>140</b>	<b>135</b>	<b>330</b>	<b>1342</b>	<b>1138</b>	<b>17.93</b>
LETHBRIDGE CA	50	40	4	3	11	68	47	44.68
MEDICINE HAT CA	62	38	19	13	0	94	79	18.99
RED DEER CA	47	62	10	3	46	106	142	-25.35
<b>Total</b>	<b>1530</b>	<b>1295</b>	<b>296</b>	<b>194</b>	<b>965</b>	<b>2985</b>	<b>2622</b>	<b>13.84</b>

N/A: not available

\*\* indicates greater than 100 per cent change

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**Table 5  
ALBERTA  
HOUSING ACTIVITY SUMMARY**

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single <sup>1</sup>	Semi <sup>1</sup>	Row	Row	Apt	Row	Apt	Row	Apt	
<b>STARTS</b>										
Second Quarter	5139	588	34	436	1562	56	290	39	65	8209
Previous Year	5078	724	48	590	1650	26	453	0	0	8569
Year-To-Date 2004	8885	1148	79	814	2705	76	856	39	197	14799
Year-To-Date 2003	9118	1140	105	1027	3147	114	725	0	0	15376
<b>UNDER CONSTRUCTION</b>										
2004	8103	1440	93	1420	8665	117	1558	39	197	21632
2003	8509	1550	110	1551	6760	126	1620	0	0	20226
<b>COMPLETIONS</b>										
Second Quarter	4499	640	54	482	920	111	431	0	0	7137
Previous Year	4724	564	25	455	1224	50	1055	0	0	8097
Year-To-Date 2004	8510	1164	97	954	1866	139	926	0	0	13656
Year-To-Date 2003	9323	1038	69	743	2204	85	1782	0	0	15244
<b>COMPLETED &amp; NOT ABSORBED<sup>2</sup></b>										
2004	1530	296	15	167	302	12	663	0	0	2985
2003	1295	233	4	68	353	16	653	0	0	2622
<b>TOTAL SUPPLY<sup>3</sup></b>										
2004	9633	1736	108	1587	8967	129	2221	39	197	24617
2003	9804	1783	114	1619	7113	142	2273	0	0	22848
<b>ABSORPTIONS<sup>2</sup></b>										
Second Quarter	4303	584	46	431	886	98	250	0	0	6598
Previous Year	4141	476	43	361	1225	41	830	0	0	7117
12 month Average	1456	186	13	146	356	17	146	0	0	2320

<sup>1</sup> May include units intended for condominium.

<sup>2</sup> Centres of 50,000 population and over.

<sup>3</sup> Sum of units under construction, complete and unoccupied



## HOUSING NOW

Monthly HOUSING NOW CMA reports include topical analysis of economic and demographic developments affecting local housing markets and statistics for starts, completions, under construction, absorptions and supply by tenure. This concise report will give you a monthly analysis of the latest local data.

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# DEFINITIONS AND BACKGROUND NOTES



## Starts and Completions Survey

The purpose of this survey is to measure new residential construction activity. The common unit of measurement is the “dwelling unit” (as opposed to value).

The Starts and Completion Survey enumerates dwelling units in new structures only; such units being designed for non-transient and year-round occupancy. Thus, excluded from the survey are conversions, vacation homes, cottages and collective type dwellings.

**Starts** - refer to units where construction has advanced to the footing or foundation stage and in the case of multiples, a start applies to the individual unit.

**Under Construction** - refers to units that have started but are not complete (i.e. units under construction from the previous month plus starts for the current month minus completions during the current month plus/minus any adjustments to units under construction which may include cancellations of projects, re-initiations of projects and/or changes in tenure status).

**Completions** - refer to units where all proposed construction work has been performed or in some cases where ninety percent of all construction work is completed and the structure is fit for occupancy.

**Completed and Unoccupied** - refers to completed units of new construction which have never been occupied or sold (i.e. completed and unoccupied units from the previous month plus completions during the current month minus absorptions for the current month).

**Total Supply** - refers to the total supply of new units and includes, units under construction and units that are completed but not occupied (i.e. under construction plus completed and unoccupied for the current month).

**Absorptions** - refers to newly completed units which have been sold or rented. The number of absorptions is obtained from a survey initiated when the structure is completed. Units pre-sold or pre-leased are not included until the completion stage (i.e. completed and unoccupied units from the previous month plus completions for the current month minus completed and unoccupied units for the current month).

Dwelling units have been divided into four categories:

The definition of types of dwellings used are in accordance with those used in the Census.

**Single-Detached** - This type is commonly called a “single-house”. It comprises only one-dwelling unit which is completely separate on all sides from any other dwelling or structure including linked homes which are attached below ground.

**Semi-Detached** - In this category each one of two dwellings are located side-by-side in a building and are separated by a common wall extending from ground to roof or by a garage.

**Row** - This category comprises a one-family dwelling unit in a row of three or more dwellings separated by common or party walls extending from ground to roof.

**Apartment and Other** - This category includes all dwelling units other than those described above. It includes structures such as: duplexes, double-duplexes, triplexes, row-duplexes, apartments proper and dwellings over or behind a store or other nonresidential structure. In accordance with the definition, single-detached units with legal secondary suites are included in this category.

Geographical coverage of the survey includes all metropolitan areas, census agglomerations and urban centres of 10,000 population and over, as defined by the Census. These areas are enumerated completely each month. The remainder of the branch territory is covered on a sample basis four times a year in March, June, September and December.

## Market Absorption Survey

The purpose of this survey is to provide an indication of the short-term demand for home ownership and rental dwellings. The survey is designed to measure the rate at which units are sold or rented after they are completed.

The geographical coverage of the Market Absorption Survey is all metropolitan areas and all urban centres of 50,000 population and over. In the Market Absorption Survey, certain dwellings are excluded for various reasons. These are: dwellings financed by CMHC or NHA Section 6, Non-profit Public and Private initiated housing, which are not subject to normal market criteria and dwellings constructed for model purposes.

Absorption in this report is defined as take up monitored at completions plus those from inventory. For the short term, absorptions are a function of actual completions and inventory levels.

## 1996 Census Definitions

A **Census Metropolitan Area** refers to the main labour market area of an urbanized core having 100,000 or more population. The Edmonton CMA includes 35 municipalities and Calgary CMA includes nine. *Note: Wood Buffalo USA includes Fort McMurray City and Wood Buffalo includes Ft. McMurray CA*

A **Census Agglomeration** refers to the region labour market area of an urbanized core housing between 10,000 and 99,999 population. CMA's and CA's are created by Statistics Canada and are usually known by the name of the urban area forming their urbanized core. They contain whole municipalities (or census subdivisions) and are comprised of:

1. Municipalities if (a) at least 40% of the employed labour force living in the municipalities work in the urbanized core or (b) at 25% of the employed labour force working in the municipality live in the urbanized core.
2. Other municipalities if (a) at least 40% of the employed labour force living in the municipality work in the urbanized core or (b) at 25% of the employed labour force working in the municipality live in the urbanized core.