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# HOUSING NOW

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Canada Mortgage and Housing Corporation

### Housing Starts Improve in Edmonton

A healthy increase in single-family starts enabled new home construction across Metro Edmonton to post its best September in 29 years. Total housing starts throughout the Capital region reached 1,250 units in September, representing a five per cent advance over the same month last year. September's activity represents the first year-over-year increase in monthly housing starts since February. Nevertheless, with only two of the nine months in 2004 having recorded a better performance than the corresponding months in 2003, total starts to the end of September remained 16 per cent below levels reported during the first nine months of 2003.

Builders started work on 604 single-detached units in September 2004, for a jump of nearly 18 per cent compared to September 2003. Within Edmonton City, single-family starts increased by 29 per cent over September 2003. Other communities showing stronger results included Spruce Grove, St. Albert, Stony Plain and Parkland County. Despite these gains, Table 1 shows that more than half of the areas across Metro saw either no increase or a decline in single-detached starts during September.

Single-family construction has been gaining momentum throughout the year. After the first three months of 2004, single-detached starts were down 10.4 per cent from the

same period a year earlier. At the end of June, the shortfall had narrowed to 4.6 per cent. As a result of strong gains in August and September, year-to-date single-detached starts are now only 0.3 per cent behind 2003's production. Builders began the year cautiously due to the high inventory of unsold spec homes accumulated during 2003. However, solid demand for new homes during the summer months has reduced concerns over inventories.

Single-detached completions reached 488 units in September, representing a 20 per cent decline from the 608 units completed in the same month of 2003. This fall back in completions is indicative of the slowdown in starts that occurred at the beginning of the year. Single-family absorptions fell by 10 per cent from last September but nonetheless surpassed completions by 28 units. As such, the inventory of completed and unoccupied units (including show homes) fell from 579 units in August of this year to 551 units in September. The average price for a new single-detached home absorbed in September increased by 7.3 per cent to \$247,215. This compares with an 8.6 per cent increase in the price of resale homes, for an average of \$202,518.

For the seventh month in a row, multi-family starts failed to match last year's output in September. An increase of 41 per cent for semi-detached units was countered by a 8.5 per cent pullback for row and apartment starts. With row and apartment units accounting for the majority of multi-family starts, construction activity for new semi-detached, row and apartment units combined dropped by 4.6 per cent from September 2003 to 646 units. Improvements in Ft. Saskatchewan, Morinville and St. Albert were countered by year-over-year declines in Spruce Grove, Leduc City and Strathcona County.

On a year-to-date basis, multi-unit starts were one-third lower than activity levels reported in the first nine months of 2003, but most of

### SEPTEMBER 2004

#### IN THIS ISSUE :

Analysis.....	1
STATISTICAL TABLES	
Starts.....	2
Completions .....	3
Activity Summary .....	4

the decline has come in row and apartment starts. Semi-detached starts were up by 9.4 per cent year-to-date in September. Higher prices for new single-detached units have lured many new home buyers into semi-detached homes this year.

Multiple unit completions in September fell by 2.5 per cent from the same month last year to 620 units. Absorptions in September came in at 608 units, also down from the number of units leased or sold in September 2003. Since absorptions failed to keep pace with completions in September, the inventory of unabsorbed multiple units moved up from the previous month of August to a total of 754 units. However, inventories were down from this time last year, when 861 unabsorbed new units were on hand. Rental apartments represent the lion's share of the unoccupied stock but these inventories were down by 30 per cent from September 2003. In contrast, the number of unabsorbed row and apartment condos as well as semi-detached units were up from a year ago.

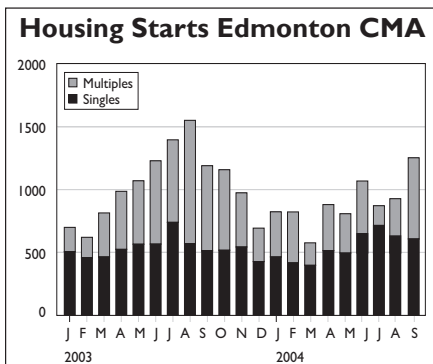


Table I  
EDMONTON CMA  
STARTS ACTIVITY BY AREA SEPTEMBER 2004

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	10	11	0	0	0	10	11	-9.09
CALMAR TOWN	1	2	0	0	0	1	2	-50.00
DEVON TOWN	8	7	0	0	0	8	7	14.29
<b>EDMONTON CITY</b>	<b>374</b>	<b>289</b>	<b>32</b>	<b>100</b>	<b>344</b>	<b>850</b>	<b>758</b>	<b>12.14</b>
FORT SASKATCHEWAN CITY	5	8	2	0	67	74	8	**
GIBBONS TOWN	0	1	0	0	0	0	1	**
LEDUC CITY	1	6	2	0	34	37	54	-31.48
LEDUC COUNTY	9	9	0	0	0	9	9	0.00
MORINVILLE TOWN	6	7	4	7	18	35	7	**
PARKLAND COUNTY	18	14	0	0	0	18	14	28.57
SPRUCE GROVE CITY	35	11	6	0	0	41	143	-71.33
ST.ALBERT CITY	36	28	10	0	0	46	30	53.33
STONY PLAIN TOWN	13	11	4	0	0	17	13	30.77
STRATHCONA COUNTY	71	81	16	0	0	87	105	-17.14
STURGEON COUNTY	15	26	0	0	0	15	26	-42.31
OTHER CENTRES	2	2	0	0	0	2	2	0.00
<b>TOTAL</b>	<b>604</b>	<b>513</b>	<b>76</b>	<b>107</b>	<b>463</b>	<b>1250</b>	<b>1190</b>	<b>5.04</b>

Table IB  
EDMONTON CMA  
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	142	108	0	0	0	142	108	31.48
CALMAR TOWN	10	8	0	0	0	10	8	25.00
DEVON TOWN	58	102	8	0	0	66	110	-40.00
<b>EDMONTON CITY</b>	<b>2991</b>	<b>2943</b>	<b>564</b>	<b>289</b>	<b>1790</b>	<b>5634</b>	<b>6915</b>	<b>-18.52</b>
FORT SASKATCHEWAN CITY	60	56	16	6	123	205	82	**
GIBBONS TOWN	5	12	0	0	0	5	12	-58.33
LEDUC CITY	103	70	4	0	75	182	132	37.88
LEDUC COUNTY	43	43	0	0	0	43	43	0.00
MORINVILLE TOWN	26	29	20	7	18	71	55	29.09
PARKLAND COUNTY	155	163	12	0	0	167	165	1.21
SPRUCE GROVE CITY	170	181	36	15	0	221	438	-49.54
ST.ALBERT CITY	241	256	30	0	0	271	336	-19.35
STONY PLAIN TOWN	147	119	8	0	0	155	256	-39.45
STRATHCONA COUNTY	594	687	116	0	0	710	764	-7.07
STURGEON COUNTY	103	93	0	0	0	103	93	10.75
OTHER CENTRES	39	34	0	0	0	39	38	2.63
<b>TOTAL</b>	<b>4887</b>	<b>4904</b>	<b>814</b>	<b>317</b>	<b>2006</b>	<b>8024</b>	<b>9555</b>	<b>-16.02</b>

\*\* Indicates 100% change or greater



**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 Goatcher in Market Analysis at (780) 423-8729 or by fax at (780) 423-8702.

Table 2  
EDMONTON CMA  
HOUSING COMPLETIONS BY AREA SEPTEMBER 2004

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	2	20	0	0	0	2	20	-90.00
CALMAR TOWN	1	0	0	0	0	1	0	**
DEVON TOWN	9	9	0	0	0	9	9	0.00
<b>EDMONTON CITY</b>	<b>319</b>	<b>370</b>	<b>86</b>	<b>14</b>	<b>373</b>	<b>792</b>	<b>883</b>	<b>-10.31</b>
FORT SASKATCHEWAN CITY	6	15	4	0	0	10	15	-33.33
GIBBONS TOWN	1	3	0	0	0	1	3	-66.67
LEDUC CITY	13	8	4	0	0	17	8	**
LEDUC COUNTY	7	2	0	0	0	7	2	**
MORINVILLE TOWN	2	3	0	0	0	2	3	-33.33
PARKLAND COUNTY	5	19	0	0	0	5	19	-73.68
SPRUCE GROVE CITY	5	10	8	0	51	64	10	**
ST.ALBERT CITY	27	27	6	0	0	33	83	-60.24
STONY PLAIN TOWN	8	20	2	0	54	64	85	-24.71
STRATHCONA COUNTY	71	80	12	6	0	89	82	8.54
STURGEON COUNTY	10	14	0	0	0	10	14	-28.57
OTHER CENTRES	2	8	0	0	0	2	8	-75.00
<b>TOTAL</b>	<b>488</b>	<b>608</b>	<b>122</b>	<b>20</b>	<b>478</b>	<b>1108</b>	<b>1244</b>	<b>-10.93</b>

Table 2B  
EDMONTON CMA  
HOUSING COMPLETIONS BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2004/2003
	2004	2003	Semi	Row	Apt	2004	2003	
BEAUMONT TOWN	83	114	0	0	0	83	114	-27.19
CALMAR TOWN	7	3	0	0	0	7	3	**
DEVON TOWN	42	82	2	8	0	52	82	-36.59
<b>EDMONTON CITY</b>	<b>2780</b>	<b>3138</b>	<b>556</b>	<b>326</b>	<b>1945</b>	<b>5607</b>	<b>6344</b>	<b>-11.62</b>
FORT SASKATCHEWAN CITY	53	77	26	0	0	79	221	-64.25
GIBBONS TOWN	6	6	0	0	0	6	6	0.00
LEDUC CITY	93	78	14	4	32	143	133	7.52
LEDUC COUNTY	45	26	0	0	0	45	26	73.08
MORINVILLE TOWN	26	15	2	0	22	50	30	66.67
PARKLAND COUNTY	114	167	4	0	0	118	167	-29.34
SPRUCE GROVE CITY	129	152	46	33	102	310	216	43.52
ST.ALBERT CITY	221	290	16	0	38	275	431	-36.19
STONY PLAIN TOWN	105	111	8	0	101	214	223	-4.04
STRATHCONA COUNTY	617	584	144	60	0	821	618	32.85
STURGEON COUNTY	98	99	0	0	0	98	99	-1.01
OTHER CENTRES	40	27	4	0	0	44	29	51.72
<b>TOTAL</b>	<b>4459</b>	<b>4969</b>	<b>822</b>	<b>431</b>	<b>2240</b>	<b>7952</b>	<b>8742</b>	<b>-9.04</b>

\*\* Indicates 100% change or greater

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Table 3  
EDMONTON CMA  
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
<b>STARTS</b>										
September 2003	604	76	0	45	369	62	94	0	0	1250
Year-To-Date 2003	513	54	11	109	282	57	164	0	0	1190
Year-To-Date 2004	4887	814	4	251	1473	62	533	0	0	8024
Year-To-Date 2003	4904	744	70	368	2388	118	963	0	0	9555
<b>UNDER CONSTRUCTION</b>										
2004	3225	638	20	279	3945	70	926	0	0	9103
2003	3245	646	39	350	3181	65	1406	0	0	8932
<b>COMPLETIONS</b>										
September 2003	488	122	0	20	427	0	51	0	0	1108
Year-To-Date 2003	608	148	4	7	440	8	29	0	0	1244
Year-To-Date 2004	4459	822	19	355	1405	57	835	0	0	7952
Year-To-Date 2003	4969	710	34	223	1249	71	1486	0	0	8742
<b>COMPLETED &amp; NOT ABSORBED</b>										
2004	551	143	0	44	181	0	386	0	0	1305
2003	601	115	3	24	170	0	549	0	0	1462
<b>TOTAL SUPPLY</b>										
2004	3776	781	20	323	4126	70	1312	0	0	10408
2003	3846	761	42	374	3351	65	1955	0	0	10394
<b>ABSORPTIONS</b>										
September	516	106	1	18	411	0	72	0	0	1124
3-month Average	496	93	4	51	287	3	124	0	0	1058
12-month Average	537	92	3	33	140	6	103	0	0	914

## RESIDENTIAL CONSTRUCTION DIGEST

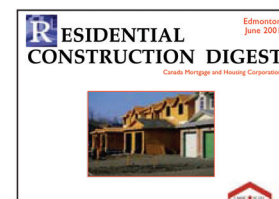
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