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HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Stampede of New Home Construction in July

JULY 2003

Despite the many distractions that come with Stampede, Calgary homebuilders in July recorded a 31 per cent gain in new home construction over the previous year. Total residential construction in the Calgary Census Metropolitan Area (CMA) reached 1,130 units in July, up from 865 recorded in July 2002. This brings the year-to-date total to 8,596 units, 11 per cent ahead of the corresponding period last year.

Local builders started 741 single-family homes in July, up two per cent from production witnessed a year earlier. This represents only the first time in five months that single-family starts in the Calgary CMA outperformed the previous year. While the gain appears promising, it is unlikely the start of another run of increased activity. Single-family building permits in July were 12 per cent lower than the previous year, pointing to weaker activity in coming months. August of last year will be especially difficult to compete with, considering almost 1,000 single-family homes were started at that time. July's single-family starts bring the year-to-date total to 5,107 units, five per cent fewer than the first seven months of 2002. Despite the decline, the single-family home building industry is enjoying the third best year in history,

surpassed only by the first seven months of 1998 and 2002. After seven months, construction within city limits is down four per cent, while Cochrane recorded the largest year-over-year decline among municipalities at 55 per cent.

With the decline in starts to-date, it appears that builders are having an easier time getting clients in their homes. To the end of July, 5,035 homes have been completed, the highest total for any January-July period on record. Single-family absorptions are also on a record-setting pace, with 4,892 units absorbed to the end of July. Despite the surge, inventories have recorded a modest increase in recent months. At the end of July, the number of units in inventory sat at 709 units, 33 per cent higher than the previous year and the highest total since November of 2001. Spec homes are responsible for the majority of the increase to-date. At 282 units in July, the number spec units in inventory outnumber the previous year's total by 161. Buyers in July are enjoying the strongest spec home count since November of 2001.

Meanwhile, multi-family starts continued their strong performance in July, recording a nearly threefold increase over the previous year. Multi-family housing starts, including semi-detached, row, and apartment units, totaled 389 in July, up an impressive 180 per cent from July of 2002. July's performance added to the year-to-date gain, which, to the end of June, sat at 39 per cent. In the first seven months of 2003, construction began on 3,489 multi-family units, boosting the year-to-date gain to 48 per cent. While impressive, a gain of this magnitude is not expected to prevail by year-end. In fact, CMHC expects multi-family construction to moderate in the coming months. With migration cut in half

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from the previous year, job creation down by a similar margin, and resale listings up 50 per cent year-over-year, the market can not continue at this pace without some additions to inventory down the road.

At the end of July, the number of complete and unabsorbed multiples sat at 456 units, 26 per cent above levels reported one year earlier. Semi-detached inventories were nine per cent lower than the previous year, while row and apartment inventories recorded respective increases of 22 and 47 per cent. With 5,229 multi-family units under construction up 28 per cent from July 2002, it is unlikely that all will be absorbed upon completion. Over the last six months, the percentage of units absorbed at completion has been around 80 per cent, pointing to higher inventories in the future.

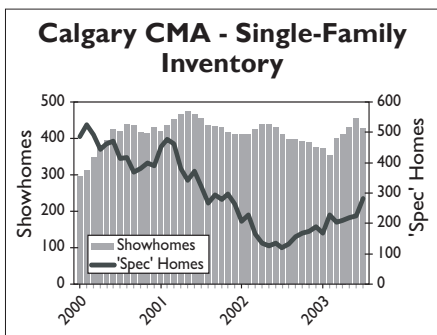


Table I
CALGARY CMA
STARTS ACTIVITY BY AREA JULY 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	49	50	4	9	0	62	62	0.00
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	624	585	30	71	229	954	686	39.07
CHESTERMERE LAKE	20	41	2	0	0	22	54	-59.26
COCHRANE	4	11	0	10	34	48	18	**
CROSSFIELD	5	3	0	0	0	5	3	66.67
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	39	36	0	0	0	39	42	-7.14
TOTAL	741	726	36	90	263	1130	865	30.64

Table IB
CALGARY CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	256	290	38	112	36	442	463	-4.54
BEISEKER	2	1	0	0	0	2	3	-33.33
CALGARY CITY	4373	4575	316	660	2161	7510	6699	12.11
CHESTERMERE LAKE	153	218	22	0	0	175	231	-24.24
COCHRANE	45	99	8	14	57	124	122	1.64
CROSSFIELD	24	7	4	3	0	31	7	**
IRRICANA	2	1	0	4	0	6	5	20.00
MD ROCKYVIEW	252	183	46	8	0	306	209	46.41
TOTAL	5107	5374	434	801	2254	8596	7739	11.07

** 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 Corriveau in Market Analysis at (403) 515-3005 or by fax at (403) 515-3036.

Table 2
CALGARY CMA
HOUSING COMPLETIONS BY AREA JULY 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	41	45	6	30	0	77	71	8.45
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	644	542	30	95	288	1057	644	64.13
CHESTERMERE LAKE	32	26	2	4	0	38	26	46.15
COCHRANE	21	8	2	4	0	27	17	58.82
CROSSFIELD	1	2	4	0	0	5	2	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	40	15	0	0	0	40	25	60.00
TOTAL	779	639	44	133	288	1244	786	58.27

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

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
AIRDRIE	265	246	48	110	59	482	439	9.79
BEISEKER	2	1	0	0	0	2	3	-33.33
CALGARY CITY	4227	3739	302	457	1849	6835	5905	15.75
CHESTERMERE LAKE	174	158	14	20	0	208	162	28.40
COCHRANE	98	57	18	24	0	140	79	77.22
CROSSFIELD	13	5	12	0	0	25	5	**
IRRICANA	1	1	2	0	0	3	1	**
MD ROCKYVIEW	255	181	34	12	0	301	195	54.36
TOTAL	5035	4388	430	623	1908	7996	6789	17.78

** Indicates 100% change or greater

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Table 3
CALGARY CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
STARTS										
July	741	36	10	80	263	0	0	0	0	1130
2002	726	46	0	75	18	0	0	0	0	865
Year-To-Date 2003	5107	434	24	777	2014	0	240	0	0	8596
Year-To-Date 2002	5374	306	0	495	1281	0	283	0	0	7739
UNDER CONSTRUCTION										
2003	4046	536	24	1013	3406	0	250	0	0	9275
2002	3974	396	0	693	2296	0	689	0	0	8048
COMPLETIONS										
July	779	44	0	129	288	4	0	0	0	1244
2002	639	60	0	77	10	0	0	0	0	786
Year-To-Date 2003	5035	430	44	575	1280	4	628	0	0	7996
Year-To-Date 2002	4388	344	0	571	1373	0	113	0	0	6789
COMPLETED & NOT ABSORBED										
2003	709	107	0	61	147	0	141	0	0	1165
2002	533	117	0	50	175	0	21	0	0	896
TOTAL SUPPLY										
2003	4755	643	24	1074	3553	0	391	0	0	10440
2002	4507	513	0	743	2471	0	710	0	0	8944
ABSORPTIONS										
July	750	50	0	114	278	4	21	0	0	1217
3-month Average	754	57	3	105	215	1	57	0	0	1192
12-month Average	741	61	5	86	193	0	45	0	0	1131

RESIDENTIAL CONSTRUCTION DIGEST

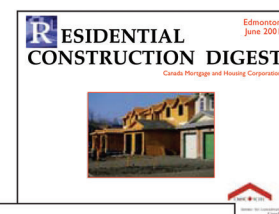
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