

H

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation
www.cmhc.ca

Calgary Housing Starts Surprise on the Downside

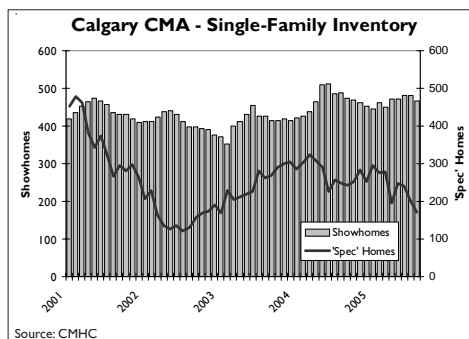
Hindered by declines in both the single- and multi-family markets, total housing starts in the Calgary Census Metropolitan Area (CMA) fell in August, the second such decline in the previous three months. A total of 1,029 units began construction, 11 per cent less than August of 2004. Undoubtedly, August's construction represents a surprising lull in activity. Recent building permits pointed to an imminent surge for both markets, and builders still have a lot of catching up to do from the rain-soaked June.

Following the best July performance on record, single-family housing starts stumbled with the weakest August for construction in four years. Local builders started work on 695 units in August, a decline of 15 per cent from activity reported in the previous year. Indeed, last August was difficult to compete with considering it was the best month for single-family construction of 2004. Despite the decline, year-to-date single-family construction remains ahead of last year's pace. With 5,680 single-family starts to the end of August, Calgary construction is two per cent ahead of 2004. Given overall market conditions and the state of permits over the last few months, the two per cent increase in single-family construction should

be extended moving forward. From May to July, single-family building permits are approximately 10 per cent above the level of housing starts which followed from June to August.

A total of 592 single-family homes were completed in August, down 35 per cent from the previous year. Correspondingly, absorptions also declined from August 2004, but by a smaller magnitude. In fact, single-family absorptions surpassed the number of completions by 45 units, the second such occurrence in as many months. As a result, the number of complete and unabsorbed single-family homes fell to a 29-month low of 638 in August, down 13 per cent from the previous year. Spec units, or non-showhomes, have been responsible for most of the decline in inventory lately. At 172 units, the number of spec units is 30 per cent lower than August 2004 and the lowest total since January 2003. Showhomes, meanwhile, are five per cent lower than the previous year, reaching 466 units at the end of August.

Meanwhile, multi-family construction, which includes semi-detached, row, and apartment units, also fell in August albeit by a slim margin. A total of 334 multi-family units began construction in the Calgary CMA in August, down less than four per cent from the 347 units recorded in 2004. As a result, the year-to-date decline was cut to 17.6 per cent for all units, reaching 3,023 units in the first eight months of the year. Apartments are responsible for the majority of the decline. So far in 2005, the apartment market has seen a reversal from last year's strong performance. After reaching a 22-year high of 3,915 units in 2004, the apartment market has recorded a 34 per cent decline to-date.



CALGARY

AUGUST 2005

IN THIS ISSUE:

ANALYSIS

1 Calgary Housing Starts Surprise on the Downside

STATISTICAL TABLES

2 Starts

Starts Activity by Area

3 Completions

Housing Completions by Area

4 Housing Activity Summary

Calgary CMA

With all of the projects currently in the pipeline, it is likely apartment starts will bounce back heavily in the coming months.

A total of 578 multi-family completions were recorded in August, the strongest monthly total of the year. The surge was led by the completion of 253 rental apartments, a rare occurrence considering only 490 rental units were completed in the preceding 24 months. In August, however, less than half of the completed rental apartments were absorbed, adding to Calgary's total of complete and unoccupied units. At the end of August, a total of 669 multi-family units sat in inventory, five per cent more than the previous year. Of these, 217 units were for rental tenure while the remaining 452 were for ownership/condominium. Though ownership units in inventory are on par with the previous year, complete and unoccupied apartment condominiums have recorded a 47 per cent gain over August 2004. Despite this, condominium apartment inventories remain in a relatively healthy position. They equal those for rental tenure, though their starts in 2004 were more than seven times those of rentals.

Table IA
STARTS ACTIVITY BY AREA
 Calgary CMA - August 2005

Area	Single		Multiple			Total		%Chg 2005/2004
	2005	2004	Semi	Row	Apt	2005	2004	
AIRDRIE	58	21	8	7	0	73	23	**
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	569	692	64	79	149	861	1022	-15.75
CHESTERMERE LAKE	34	39	6	5	0	45	47	-4.26
COCHRANE	5	9	4	0	0	9	16	-43.75
CROSSFIELD	0	4	0	0	0	0	4	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	29	48	12	0	0	41	48	-14.58
TOTAL	695	813	94	91	149	1029	1160	-11.29

Table IB
STARTS ACTIVITY BY AREA
 Calgary CMA - Year to Date 2005

Area	Single		Multiple			Total		%Chg 2005/2004
	2005	2004	Semi	Row	Apt	2005	2004	
AIRDRIE	322	299	22	70	0	414	507	-18.34
BEISEKER	0	2	0	0	0	0	2	**
CALGARY CITY	4853	4731	494	696	1626	7669	8026	-4.45
CHESTERMERE LAKE	226	231	34	31	0	291	293	-0.68
COCHRANE	42	75	4	0	0	46	139	-66.91
CROSSFIELD	7	14	4	0	0	11	14	-21.43
IRRICANA	3	4	2	0	0	5	16	-68.75
MD ROCKYVIEW	227	237	40	0	0	267	263	1.52
TOTAL	5680	5593	600	797	1626	8703	9260	-6.02

** 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 - August 2005

Area	Single		Multiple			Total		%Chg 2005/2004
	2005	2004	Semi	Row	Apt	2005	2004	
AIRDRIE	35	53	0	9	0	44	87	-49.43
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	487	762	62	50	385	984	1180	-16.61
CHESTERMERE LAKE	35	47	8	12	48	103	53	94.34
COCHRANE	3	6	0	0	0	3	48	-93.75
CROSSFIELD	1	1	0	0	0	1	1	0.00
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	31	39	4	0	0	35	45	-22.22
TOTAL	592	908	74	71	433	1170	1414	-17.26

Table 2B
HOUSING COMPLETIONS BY AREA
 Calgary CMA - Year to Date 2005

Area	Single		Multiple			Total		%Chg 2005/2004
	2005	2004	Semi	Row	Apt	2005	2004	
AIRDRIE	278	261	4	64	112	458	414	10.63
BEISEKER	1	1	0	0	0	1	5	-80.00
CALGARY CITY	4373	4516	550	464	1831	7218	7219	-0.01
CHESTERMERE LAKE	222	199	20	17	48	307	245	25.31
COCHRANE	73	58	4	17	50	144	125	15.20
CROSSFIELD	11	11	6	0	0	17	17	0.00
IRRICANA	6	4	2	4	0	12	10	20.00
MD ROCKYVIEW	259	225	50	4	0	313	259	20.85
TOTAL	5223	5275	636	570	2041	8470	8294	2.12

** Indicates a greater than 100 per cent change

The information, analysis and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analysis and opinions shall not be taken as representations for which CMHC or any of its employees shall incur responsibility. HOUSING NOW is published by Canada Mortgage and Housing Corporation. Duplication of this report in whole or in part is strictly prohibited without permission of the authors and/or the Corporation.

Table 3
HOUSING ACTIVITY SUMMARY
 Calgary CMA

Activity	Ownership					Rental				Grand Total
	Freehold		Condominium			Private		Assisted		
	Single ¹	Semi ¹	Row	Row	Apt	Row	Apt	Row	Apt	
Starts										
Current Month	695	94	3	88	147	0	2	0	0	1029
Previous Year	813	94	3	76	174	0	0	0	0	1160
Year-To-Date 2005	5680	600	15	782	1622	0	4	0	0	8703
Year-To-Date 2004	5593	624	17	568	1994	0	332	0	132	9260
Under Construction										
2005	3918	610	18	826	4013	0	5	22	0	9412
2004	3839	636	17	599	3594	0	332	0	132	9149
Completions										
Current Month	592	74	0	71	180	0	253	0	0	1170
Previous Year	908	106	0	116	284	0	0	0	0	1414
Year-To-Date 2005	5223	636	17	553	1578	0	463	0	0	8470
Year-To-Date 2004	5275	546	31	818	1379	4	241	0	0	8294
Completed & Not Absorbed										
2005	638	160	3	67	222	0	217	0	0	1307
2004	736	172	3	130	151	0	181	0	0	1373
Total Supply ²										
2005	4556	770	21	893	4235	0	222	22	0	10719
2004	4575	808	20	729	3745	0	513	0	132	10522
Absorptions										
Current Month	637	89	0	79	184	0	102	0	0	1091
Previous Year	915	80	0	106	243	0	13	0	0	1357
Year-To-Date 2005	5291	669	8	598	1534	0	269	0	0	8369
Year-To-Date 2004	5258	496	28	794	1425	9	133	0	0	8143
3-month Average	736	91	2	86	240	0	40	0	0	1195
12-month Average	695	78	1	79	216	0	27	0	0	1096

1 May include units intended for condominium.

2 Sum of units under construction, complete and unoccupied.

RESIDENTIAL CONSTRUCTION DIGEST

CMHC's monthly Residential Construction Digest delivers all the housing statistics you asked for, right down to the local market level! We have designed this product with your input, to meet your needs. You told us you wanted a detailed breakdown each month of housing statistics for single and multi-family markets, broken down by price range and by area of the city.

The Residential Construction Digest delivers!

Each month, over 60 tables reveal the housing market in great detail: Housing trends made crystal clear, to help you identify new opportunities. For added convenience each report is distributed electronically in PDF format allowing you to quickly get the information you need.

Each report is available for the **LOW ANNUAL PRICE of \$350.00 plus GST**

To subscribe to or receive a FREE sample of the Residential Construction Digest, please call (877) 722-2642

