

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Single Family Starts Decline in June

JUNE 2003

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Total residential construction in the Edmonton Census Metropolitan Area (CMA) declined by 4.4 per cent in June 2003 over the same month in 2002. Despite higher levels of multi-family activity, total starts were reduced by a decline in the single-family sector. Total new construction reached 1,229 units, bringing the year-to-date total to 5,418 units, nearly a 12 per cent decline over the levels recorded in the first half of the previous year.

Single-family starts in June fell for the third consecutive month in 2003. Construction commenced on 566 single-family units, down 12.5 per cent from June 2002. With the growth in supply of both new and resale homes outpacing demand, builders are scaling back production to more sustainable levels. For the first half of the year, single-family starts declined by 1.1 per cent to 3,082 units, as a higher output of single-family units during the first quarter was countered by a decline in the second quarter. At the midway point of 2003, half of the communities in the Edmonton CMA reported declining levels of starts compared with the first half of the previous year. Single starts declined in Fort Saskatchewan, Leduc City and County, Parkland Country, St. Albert City, Stoney Plain and Strathcona County.

Inventories of completed and unoccupied new single-family homes have risen over the first six months of 2003, as the level of completions has outpaced absorptions. As of June 2003, single-family inventory levels reached 475 units, the highest since June 2001. While the number of show homes Metro-wide has increased by 15 per cent in the past year to 259 units, the stock of unsold spec units has grown to 216 units compared with 96 in June 2002.

Despite the slowdown in starts and the rising inventory, absorptions remain strong and prices for new homes are increasing at a brisk pace. The average price for new single-detached homes absorbed in June stood at \$224,202, representing an increase of nearly nine per cent over the previous year. For the year-to-date, the average new house price has increased by 11 per cent to \$218,942. Increased competition from moderately-priced resale homes has caused builders to shift their product mix more into higher-priced homes, raising the average price for new dwellings. In contrast, resale home price increases have moderated in 2003 as the supply of listings has improved. After increasing by almost 14 per cent in 2002, the average price of a resale home has risen by nearly eight per cent so far this year to \$183,994.

Multi-family housing starts, which include semi-detached, row and apartment construction, reached 663 units in June, an increase of nearly four per cent over June 2002. Despite the monthly increase, at the midpoint of 2003 total multi-family starts amounted to 2,336 units, about 22 per cent lower than the first six months of 2002. Escalating activity for semi-detached and row construction could not outweigh the decline in the level of apartment starts. Nonetheless, the decline should not come as a surprise following the

robust level of multi starts that occurred in 2002. To the end of June, apartment construction dropped by 34 per cent, while semi-detached and row units recorded gains of 16 and five per cent, respectively. New apartment starts in Edmonton City and Stoney Plain made up the lion's share of multiple units started in June.

Multi-family absorptions surpassed the level of completions for the month of June 2003 by a mere 44 units. Absorptions reached 451 units in June, compared with 448 units in the same month last year. However, due to the large number of completions that occurred in May, multi-family inventory levels remain high. As of June 2003, multi-family units that were completed and unoccupied reached 741 units, 47.6 per cent higher than the previous year. Rental apartments make up the majority (61%) of the completed and unoccupied units.

Housing Starts Edmonton CMA

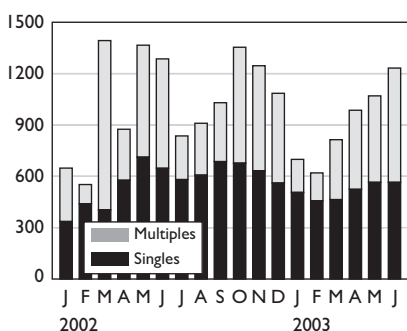


Table I
EDMONTON CMA
STARTS ACTIVITY BY AREA JUNE 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	19	3	0	0	0	19	3	**
CALMAR TOWN	2	0	0	0	0	2	0	**
DEVON TOWN	10	8	0	0	0	10	8	25.00
EDMONTON CITY	305	373	118	29	368	820	837	-2.03
FORT SASKATCHEWAN CITY	9	7	2	0	0	11	50	-78.00
GIBBONS TOWN	1	0	0	0	0	1	0	**
LEDUC CITY	9	24	0	0	0	9	63	-85.71
LEDUC COUNTY	8	7	0	0	0	8	7	14.29
MORINVILLE TOWN	4	1	2	0	0	6	5	20.00
PARKLAND COUNTY	27	40	0	0	0	27	40	-32.50
SPRUCE GROVE CITY	24	10	0	0	0	24	82	-70.73
ST.ALBERT CITY	40	35	0	0	0	40	42	-4.76
STONEY PLAIN TOWN	10	13	8	0	101	119	21	**
STRATHCONA COUNTY	80	113	8	25	0	113	115	-1.74
STURGEON COUNTY	10	13	0	0	0	10	13	-23.08
OTHER CENTRES	8	0	2	0	0	10	0	**
TOTAL	566	647	140	54	469	1229	1286	-4.43

Table IB
EDMONTON CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	75	50	0	0	0	75	50	50.00
CALMAR TOWN	4	2	0	0	0	4	2	**
DEVON TOWN	64	54	0	0	0	64	56	14.29
EDMONTON CITY	1881	1875	474	227	1319	3901	4375	-10.83
FORT SASKATCHEWAN CITY	40	48	26	0	0	66	93	-29.03
GIBBONS TOWN	8	2	0	0	0	8	2	**
LEDUC CITY	42	73	14	0	0	56	118	-52.54
LEDUC COUNTY	21	25	0	0	0	21	25	-16.00
MORINVILLE TOWN	14	14	4	0	0	18	20	-10.00
PARKLAND COUNTY	90	115	0	0	0	90	115	-21.74
SPRUCE GROVE CITY	112	90	6	8	0	126	190	-33.68
ST.ALBERT CITY	169	192	26	0	50	245	436	-43.81
STONEY PLAIN TOWN	71	79	16	18	101	206	111	85.59
STRATHCONA COUNTY	422	458	14	31	0	467	486	-3.91
STURGEON COUNTY	48	32	0	0	0	48	32	50.00
OTHER CENTRES	21	7	0	0	0	23	9	**
TOTAL	3082	3116	582	284	1470	5418	6120	-11.47

** 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 JUNE 2003

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	23	9	0	0	0	23	9	**
CALMAR TOWN	0	0	0	0	0	0	0	**
DEVON TOWN	7	10	0	0	0	7	10	-30.00
EDMONTON CITY	392	291	102	43	229	766	726	5.51
FORT SASKATCHEWAN CITY	8	5	0	0	0	8	5	60.00
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	6	6	0	0	0	6	30	-80.00
LEDUC COUNTY	1	2	0	0	0	1	2	-50.00
MORINVILLE TOWN	1	0	4	0	0	5	0	**
PARKLAND COUNTY	23	27	0	0	0	23	27	-14.81
SPRUCE GROVE CITY	27	12	2	0	0	29	12	**
ST.ALBERT CITY	45	32	18	0	0	63	44	43.18
STONEY PLAIN TOWN	13	9	0	0	0	13	21	-38.10
STRATHCONA COUNTY	36	42	6	3	0	45	50	-10.00
STURGEON COUNTY	11	3	0	0	0	11	3	**
OTHER CENTRES	5	0	0	0	0	5	0	**
TOTAL	598	448	132	46	229	1005	939	7.03

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

AREA	Single		Multiple			Total		% Chg 2003/2002
	2003	2002	Semi	Row	Apt	2003	2002	
BEAUMONT TOWN	88	44	0	0	0	88	44	**
CALMAR TOWN	2	1	0	0	0	2	1	**
DEVON TOWN	50	32	0	0	0	50	40	25.00
EDMONTON CITY	1975	1305	310	168	1486	3939	2491	58.13
FORT SASKATCHEWAN CITY	47	28	0	0	138	185	72	**
GIBBONS TOWN	1	1	0	0	0	1	1	0.00
LEDUC CITY	61	48	4	0	39	104	173	-39.88
LEDUC COUNTY	22	22	0	0	0	22	22	0.00
MORINVILLE TOWN	8	5	4	0	0	12	9	33.33
PARKLAND COUNTY	124	97	0	0	0	124	97	27.84
SPRUCE GROVE CITY	109	67	14	0	48	171	69	**
ST.ALBERT CITY	174	165	48	3	12	237	215	10.23
STONEY PLAIN TOWN	67	53	4	0	35	106	75	41.33
STRATHCONA COUNTY	383	222	16	9	0	408	238	71.43
STURGEON COUNTY	76	40	0	0	0	76	40	90.00
OTHER CENTRES	15	11	0	0	0	15	15	0.00
TOTAL	3202	2141	400	180	1758	5540	3602	53.80

** 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	
STARTS										
June	566	140	0	54	416	0	53	0	0	1229
2002	647	84	0	15	262	76	202	0	0	1286
Year-To-Date 2003	3082	582	59	164	1078	61	392	0	0	5418
Year-To-Date 2002	3116	502	0	184	1066	86	1166	0	0	6120
UNDER CONSTRUCTION										
2003	3189	792	44	238	2595	48	1202	0	0	8108
2002	2790	538	4	209	1616	86	1508	0	0	6751
COMPLETIONS										
June	598	132	3	30	173	13	56	0	0	1005
2002	448	72	0	3	273	0	143	0	0	939
Year-To-Date 2003	3202	400	18	131	734	31	1024	0	0	5540
Year-To-Date 2002	2141	250	8	52	654	10	487	0	0	3602
COMPLETED & NOT ABSORBED										
2003	475	90	1	20	176	0	454	0	0	1216
2002	321	58	0	13	140	0	291	0	0	823
TOTAL SUPPLY										
2003	3664	882	45	258	2771	48	1656	0	0	9324
2002	3111	596	4	222	1756	86	1799	0	0	7574
ABSORPTIONS										
June	573	111	3	19	179	15	124	0	0	1024
3-month Average	502	73	5	23	216	10	216	0	0	1045
12-month Average	523	72	2	25	97	14	115	0	0	848

RESIDENTIAL CONSTRUCTION DIGEST

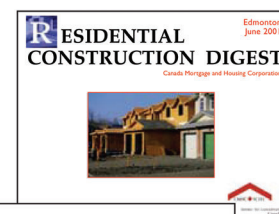
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