HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation
www.cmhc.ca

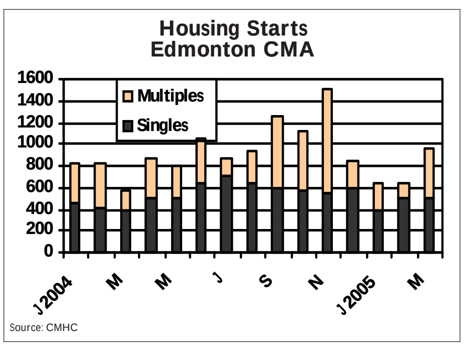
EDMONTON

MARCH 2005

IN THIS ISSUE:

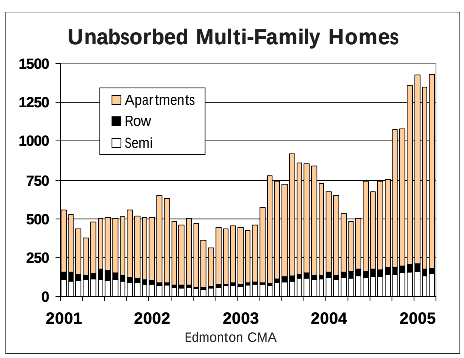
Housing Starts Bounce Back in March

Following weaker activity in January and February, total housing starts improved year-over-year in March across Greater Edmonton. Total housing starts throughout the Edmonton Census Metropolitan Area (CMA) increased by nearly 67 per cent over March of last year to 960 units. With the large gains recorded in March, the year-to-date totals now exceed the activity levels witnessed during January to March of last year. For the first three months of 2005 total starts were up 1.1 per cent compared with the first quarter of 2004.



The big improvement in new housing activity in March came predominantly on the multi-family side of the industry. Following a combined 51 per cent drop during January and February semi-detached, row, and apartment unit starts surged last month to more than double the number reported in March of 2004. The lion's share of the new units were condominium apartments located in Edmonton City and Fort Saskatchewan. In Edmonton City, the 338 multiple unit starts more than doubled March 2004's 157 units. Fort Saskatchewan went from no starts of this type in March 2004 to 47 last month. Strathcona County, St-Albert and Spruce Grove City also contributed to the increase, with respectively 30, 16 and 4 more multiple unit starts than in March of 2004. So far this year, multiple unit starts Metro-wide remain 12 per cent below the number of units started in the first quarter of last year.

Multiple dwelling completions jumped to 502 units in March compared with 307 in March 2004. This brought the year-to date total to 1,003 units, representing a 49 per cent increase from the 675 multi-family units completed during the same period in 2004. Absorptions in March reached 418 units, six units less than the number of units either leased or sold in March of 2004. Since the beginning of the year, absorptions for semi-detached, row and apartment units combined increased by 6.6 per cent to 927 units. With completions outpacing absorptions in March for the eight times in nine months, the inventory of completed and unoccupied reached a record level, with 1,433 completed and unoccupied multiple units across Metro, almost three time as much as the inventory in March 2003.



Single-family home builders also enjoyed a banner month in March. Coming off the strongest performance ever for the month of February, single-detached starts in March increased by nearly 29 per cent compared with the third month of 2004. This robust level of activity in the new housing market is being supported by low mortgage rates and a strong labour market. Along with Edmonton City, other areas experiencing significant gains in March include Strathcona County, St. Albert City and Fort Saskatchewan City. To the end of the first quarter, single-detached starts have increased by 11 per cent over construction

... continued on page 2

continued from page 1 ...

levels reported during the first three months of last year.

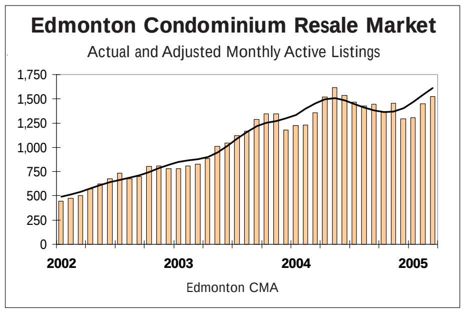
Single-detached completions increased slightly by one per cent year-over-year in March to 500 units. Absorptions, meanwhile, fell by 1.5 per cent from March 2004 to 506 units. With absorptions outpacing completions by a slim margin, the inventory of completed and unoccupied units (including show homes) dropped marginally from the previous month to 681 single detached dwellings.

Table 3 provides a measure of total supply for all housing types across Metro. CMHC measures supply as the number of units under construction combined with the complete and unoccupied units in inventory. Total multi-unit supply stood at 6,726 units in March, down three per cent from March 2004. The decline in number of multifamily starts throughout 2004 is now creating a drop in units under construction, while the inventory is now reaching record levels. The supply of single-detached dwellings remains practically unchanged from the previous month, but is reaching 10 per cent higher than one year prior, at 3,651 units.

High supply of resale condos

Total residential sales on the MLS® reached 3,823 units across Greater Edmonton in the first quarter of 2005, according to the Edmonton Real Estate Board (EREB). This level of activity is on pace with the 3,830 sales registered during the same period in 2004. Strong job creation and income growth combined with low mortgage rates have encouraged many renters to move into home ownership. As well, numerous existing home owners have decided to tap into their recent gains in home equity and trade up. Meanwhile, the number of units entering the marketplace decreased to 6,459 total listings during in the first quarter of 2005, down by 4.6 per cent from the same period in 2004. The first quarter sales-to-new-listings ratio increased to 59 per cent from 57 per cent last year (2004Q1). Fewer listings in the lower price ranges drove the average price for all residential units combined up by 6.0 per cent to a record $185,438 in the first quarter.

The single-detached resale market has slowed down in the recent months. New listings decreased by 7.3 per cent for the first three months of the year, while total sales declined by 2.1 per cent to 2,582 units. With the decline in active listings, pressure remains strong on prices, which increased by 7.6 per cent in the first quarter, compared to the same period in 2004. The average price of an existing single-family home has reached $210,188 so far this year.



With the increasing price of single-family housing, many households are turning to condominiums due to their competitive price point. Sales on the MLS® rose by 2.7 per cent in 2005Q1 to 1,024 units amid an environment of increased supply in both the existing and new condo markets. Active listings exceeded 1,500 units in March, up 12 per cent from one year prior, in part due to a large injection of new condos, some of which had been built on spec and moved onto the MLS® upon completion. New listings rose by 4.2 per cent in the first quarter to 1,942 units. The higher supply limits the pressure on prices, which increased in 2005Q1 by a mere 1.6 per cent over the previous year. The average price for a typical condo unit was $133,792 during the period from January to March.

Pause in job creation in March

The labour market took a pause across Metro Edmonton in March 2005. Following sixty-nine months of continuous year-over-year growth, the number of persons employed diminished by 1,900 to 543,400, representing a 0.3 per cent drop from March 2004. However, overall labour market conditions remained fairly robust, as the number of employed people remained above 540,000 for the fourteenth consecutive month.

The decline comes essentially from full time employment, while part-time jobs have instead been growing by six per cent. As a result, for the first time since 2001 more than one out of five employed persons in Metro Edmonton is working part-time.

Thanks to a decline in the labour force, the unemployment rate lowered to 4.8 per cent, significantly less than the peak 5.4 per cent (unadjusted) reported in March 2004.

The key 25-44 age group was affected the most by the March slowdown. While employment rose in all other age groups, it declined by 8.7 per cent in this category. Nonetheless, the unemployment rate for the 25-44 years old across Metro remains low at 4.1 per cent compared with 4.5 per cent in March 2004. With unemployment at very low levels, this speaks well for income growth, consumer confidence, and demand for housing going forward this year. On the downside, the tight labour market has translated into shortages of qualified workers in the construction trades that has helped drive up the costs of home construction and renovations.

Table 1A

STARTS ACTIVITY BY AREA

Edmonton CMA - March 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
BEAUMONT TOWN	13	15	0	0	0	13	15	-13.33
CALMAR TOWN	2	1	0	0	0	2	1	**
DEVON TOWN	7	10	2	0	0	9	18	-50.00
EDMONTON CITY	**318**	**225**	**92**	**54**	**192**	**656**	**382**	**71.73**
FORT SASKATCHEWAN CITY	14	4	0	0	47	61	4	**
GIBBONS TOWN	0	1	0	0	0	0	1	**
LEDUC CITY	6	11	0	0	0	6	11	-45.45
LEDUC COUNTY	2	2	0	0	0	2	2	0.00
MORINVILLE TOWN	1	0	0	0	0	1	2	-50.00
PARKLAND COUNTY	10	9	0	0	0	10	9	11.11
SPRUCE GROVE CITY	22	22	4	0	0	26	22	18.18
ST. ALBERT CITY	31	21	20	0	0	51	25	**
STONY PLAIN TOWN	16	16	0	0	0	16	16	0.00
STRATHCONA COUNTY	65	53	38	0	0	103	61	68.85
STURGEON COUNTY	4	6	0	0	0	4	6	-33.33
OTHER CENTRES	0	1	0	0	0	0	1	**
TOTAL	**511**	**397**	**156**	**54**	**239**	**960**	**576**	**66.67**

Table 1B

STARTS ACTIVITY BY AREA

Edmonton CMA - Year to Date 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
BEAUMONT TOWN	51	22	0	0	0	51	22	**
CALMAR TOWN	3	2	0	0	0	3	2	50.00
DEVON TOWN	14	25	4	0	0	18	33	-45.45
EDMONTON CITY	**952**	**870**	**186**	**124**	**383**	**1,645**	**1,651**	**-0.36**
FORT SASKATCHEWAN CITY	23	13	8	0	47	78	23	**
GIBBONS TOWN	1	1	0	0	0	1	1	0.00
LEDUC CITY	23	31	0	2	0	25	72	-65.28
LEDUC COUNTY	8	5	0	0	0	8	5	60.00
MORINVILLE TOWN	6	3	0	0	0	6	9	-33.33
PARKLAND COUNTY	27	23	2	0	0	29	27	7.41
SPRUCE GROVE CITY	50	40	4	0	0	54	57	-5.26
ST. ALBERT CITY	60	48	20	0	0	80	56	42.86
STONY PLAIN TOWN	34	25	0	0	0	34	25	36.00
STRATHCONA COUNTY	146	143	46	0	0	192	211	-9.00
STURGEON COUNTY	17	20	0	0	0	17	20	-15.00
OTHER CENTRES	4	7	0	0	0	4	7	-42.86
TOTAL	**1,419**	**1,278**	**270**	**126**	**430**	**2,245**	**2,221**	**1.08**

** Indicates a greater than 100 per cent change

HOUSING NOW provides an overview of a survey conducted montly by CMHC.
These surveys deal with Housing Starts, Completions and Absorptions for all CMA's across Canada.

For more information please contact Richard Goatcher at (780) 423-8729

Table 2A

HOUSING COMPLETIONS BY AREA

Edmonton CMA - March 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
BEAUMONT TOWN	12	9	0	0	0	12	9	33.33
CALMAR TOWN	2	0	0	0	0	2	0	**
DEVON TOWN	5	7	0	0	0	5	7	-28.57
EDMONTON CITY	**340**	**306**	**74**	**4**	**257**	**675**	**573**	**17.80**
FORT SASKATCHEWAN CITY	5	6	2	0	0	7	6	16.67
GIBBONS TOWN	2	0	0	0	0	2	0	**
LEDUC CITY	14	11	0	10	0	24	19	26.32
LEDUC COUNTY	12	17	0	0	0	12	17	-29.41
MORINVILLE TOWN	2	1	2	0	0	4	3	33.33
PARKLAND COUNTY	12	9	0	0	0	12	9	33.33
SPRUCE GROVE CITY	9	6	10	0	0	19	22	-13.64
ST. ALBERT CITY	21	28	10	0	124	155	28	**
STONY PLAIN TOWN	4	1	0	0	0	4	3	33.33
STRATHCONA COUNTY	39	73	6	3	0	48	85	-43.53
STURGEON COUNTY	15	13	0	0	0	15	13	15.38
OTHER CENTRES	6	6	0	0	0	6	6	0.00
TOTAL	**500**	**493**	**104**	**17**	**381**	**1,002**	**800**	**25.25**

Table 2B

HOUSING COMPLETIONS BY AREA

Edmonton CMA - Year to Date 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
BEAUMONT TOWN	40	25	0	0	0	40	25	60.00
CALMAR TOWN	7	2	0	0	0	7	2	**
DEVON TOWN	24	14	4	0	0	28	14	**
EDMONTON CITY	**995**	**883**	**160**	**33**	**480**	**1,668**	**1,383**	**20.61**
FORT SASKATCHEWAN CITY	18	17	2	0	38	58	23	**
GIBBONS TOWN	3	2	0	0	0	3	2	50.00
LEDUC CITY	29	32	0	41	55	125	68	83.82
LEDUC COUNTY	21	23	0	0	0	21	23	-8.70
MORINVILLE TOWN	6	7	2	0	0	8	9	-11.11
PARKLAND COUNTY	56	47	0	0	0	56	47	19.15
SPRUCE GROVE CITY	46	39	26	0	0	72	69	4.35
ST. ALBERT CITY	78	81	22	0	124	224	83	**
STONY PLAIN TOWN	24	35	0	0	0	24	86	-72.09
STRATHCONA COUNTY	105	223	10	6	0	121	267	-54.68
STURGEON COUNTY	46	37	0	0	0	46	37	24.32
OTHER CENTRES	13	18	0	0	0	13	22	-40.91
TOTAL	**1,511**	**1,485**	**226**	**80**	**697**	**2,514**	**2,160**	**16.39**

** Indicates a greater than 100 per cent change

Table 3

HOUSING ACTIVITY SUMMARY

Calgary CMA

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Month	511	156	0	54	221	0	0	0	18	960
Previous Year	397	112	0	15	44	0	8	0	0	576
Year-To-Date 2005	1419	270	0	120	242	6	0	0	188	2245
Year-To-Date 2004	1278	252	0	42	535	0	114	0	0	2221
Under Construction										
2005	2970	754	8	397	3329	74	501	0	230	8263
2004	2591	658	31	332	4259	57	1049	0	0	8977
Completions										
Current Month	500	104	0	7	268	10	113	0	0	1002
Previous Year	493	90	4	36	135	8	34	0	0	800
Year-To-Date 2005	1511	226	4	31	484	45	213	0	0	2514
Year-To-Date 2004	1485	238	4	93	223	8	109	0	0	2160
Completed & Not Absorbed										
2005	681	145	2	33	728	0	525	0	0	2114
2004	715	121	4	30	123	0	256	0	0	1249
Total Supply[2]										
2005	3651	899	10	430	4057	74	1026	0	230	10377
2004	3306	779	35	362	4382	57	1305	0	0	10226
Absorptions										
Current Month	506	93	1	13	243	11	57	0	0	924
Previous Year	489	77	5	32	153	8	149	0	0	913
Year-To-Date 2005	1484	234	5	43	439	45	161	0	0	2411
Year-To-Date 2004	1506	227	6	86	247	8	296	0	0	2376
3-month Average	495	78	2	14	146	15	54	0	0	804
12-month Average	534	88	3	31	214	8	79	0	0	957

1 May include units intended for condominium.
2 Sum of units under construction, complete and unoccupied.