HOUSING NOW

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Canada Mortgage and Housing Corporation
www.cmhc.ca

Housing Starts Maintain Vigorous Pace in June

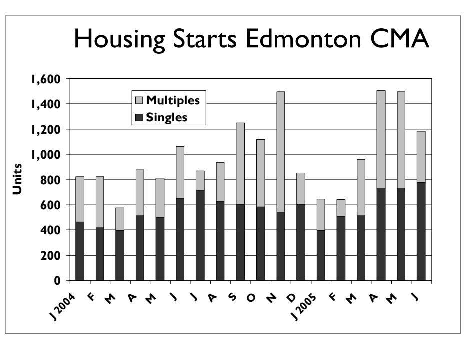
Edmonton's home building industry continued its sizzling pace in June. Total housing starts across the Edmonton Census Metropolitan Area (CMA) increased by 11 per cent to 1,183 units compared with 1,062 starts in June 2004. This marked the fourth consecutive year-over-year increase in monthly new home construction within Metro. For the year-to-date, total starts have risen by 29 per cent over activity reported during the first half of 2004.

Single-detached home builders maintained their vigorous pace in June with production across the region up by 19 per cent over June '04 to 776 units. June represented the fifth month in a row that single-family home builders have enjoyed a strong year-over-year increase. This is shaping up as the best year ever for new single-family builders, with activity levels so far in 2005 on track to surpass the previous record set in 2002. This robust level of activity in the new housing market is being supported by low mortgage rates and a tightening resale market. Along with Edmonton City, other areas experiencing significant gains in June include Beaumont, Morinville and St. Albert City. To the end of the second quarter, single-detached starts have increased by 24 per cent over construction levels reported during the first six months of last year.

Single-detached completions decreased slightly by four per cent year-over-year in June to 578 units. Absorptions declined by a similar percentage from June 2004 to 610 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 613 single-detached dwellings. Compared with this time last year, inventories are down across the region by 3.3 per cent.

CMHC measures supply as the number of units under construction combined with the complete and unoccupied units in inventory. Due to a large increase in the number of units under construction, the supply of single-detached dwellings is now at an all-time high of 4,219 units, 27 per cent higher than one year prior. Total multi-unit supply stood at 7,164 units in June, one per cent more than June 2004.

Multi-family starts were also strong in June but fell short of last year's numbers by a slim margin. Semi-detached starts



were well ahead of last June's levels but these gains were erased by a weak performance in row unit construction. Apartment starts in June reached 275 units, up marginally from last June's tally of 273 units. The lion's share of the new multi-family units were apartments located in Edmonton City, Spruce Grove City and Strathcona County. Spruce Grove City went from only eight units in June 2004 to 102 this June, thanks to 94 new rental apartments. Although there was a decline in the number of multiple starts in Edmonton City, we still can find more than half of the region's multiple starts in this area. In Strathcona County, the 34 multiple unit starts almost doubled June 2004's 20 units. On a year-to-date basis, total multiple unit starts were 37 per cent higher than the volumes recorded during the first half of 2004.

Multiple dwelling completions lowered

EDMONTON

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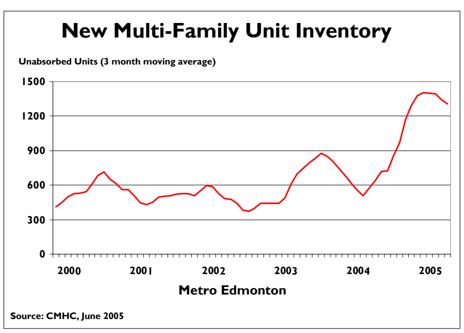
to 279 units in June compared with 452 in June 2004. Even with that decline in June, this brought the year-to-date total to 2,362 units, representing a 31 per cent increase from the 1,798 multi-family units completed during the same period in 2004. Absorptions in June reached 337 units, 56 per cent more than the number of units either leased or sold in June of 2004. Since the beginning of the year, absorptions for semi-detached, row and apartment units combined increased by 38 per cent to 2,457 units. As completions have outpaced absorptions for 10 of the last 14 months, the inventory of completed and unoccupied reached a record level earlier this year. As of June, the 1,276 completed and unoccupied multiple units across Metro are almost twice as much as the inventory in June '04. Condo apartments have accounted for the biggest component of the gains in inventory in the past 12 months, with the unoccupied new stock rising from 121 units in June 2004 to 641 units at mid-year 2005. Condo townhouses are also more plentiful, with the tally of completed and unoccupied doubling last June's total to 65 units this June. Rental apartment inventories, while still high, have inched lower year-over-year to 444 units compared with 457 June of last year.



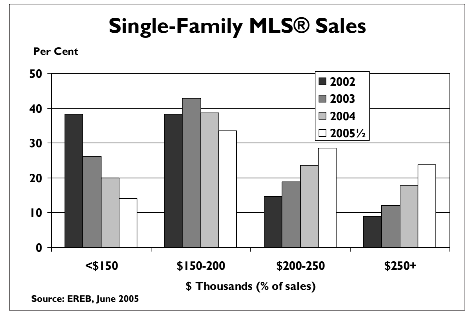
Resale Market Continues to Set Records

Similar to the pace of activity we have reported for new single-family housing, Edmonton's resale market has also established a number of new benchmarks this year. Total residential sales on the MLS® reached 9,857 units during the first six months of 2005, eclipsing last year's high for sales at mid-year by three per cent. The month of June was particularly active, setting an all-time record for monthly sales at 2,134 residential units, representing a gain of 8.1 per cent over June 2004. Meanwhile, the supply of active listings has dropped by 5.6 per cent from June 2004 and the sales-to-active-listings ratio in June was at the highest level since April 2003.

Homes are generally selling faster and combined residential resale prices year-to-date have increased by 7.6 per cent. The average listing period fell to 38 days in June, the lowest level since November 2003 and a 9.5 per cent drop from June of last year. Low unemployment and positive wage gains continue to bolster consumer sentiment. With Edmontonians feeling bullish about their prospects, the low mortgage rates and sufficient resale inventories have combined to create this year's banner resale market performance.

Growing demand and a slowdown in new listings has worked to the advantage of people looking to sell their single-family home. During the first six months of 2005, sales inched above last year's levels while the number of existing homes entering the market place has fallen. June was a stand-out month, with sales rising by nine per cent year-over-year while new listings dropped by four per cent from June 2004. As a result, active listings at month-end were four per cent below the same time last year. If we compare sales levels against the number of active listings, June represented the time since July 2002 that supply levels have fallen below two months. The sales-to-active listings ratio for single-family homes stood at 55 per cent in June, up from 49 per cent in June 2004.

With sellers holding the advantage, prices have continued to rise briskly. In June, the average price of an existing single-family home sold in Edmonton increased by 10 per cent over June of last year to a record $225,077. So far this year, single-family home prices have risen by 9.5 per cent. Homes priced over $200,000 now account for over 50 per cent of existing home sales compared with 42 per cent during 2004



and 31 per cent in 2003. On the flip side, houses priced under $150,000 are getting increasingly hard to find and this is fuelling demand for condominium properties.

Condominium sales on the MLS® have outpaced the overall resale market as many buyers seek affordable alternatives to single-family homes. To mid-year, condo sales were up 5.6 per cent despite a 2.5 per cent decline in new listings during the same time frame. Thanks to a large supply of recently-completed new condo apartments, the market overall is more balanced than the single-family market and price gains have moderated as a result. The sales-to-active listings ratio stood at 36 per cent in June, up from 33 per cent in June 2004. To the end of June, the average resale price for a typical condo in Greater Edmonton was up by 2.5 per cent to $137,918. The lion's share (45%) of condos in Edmonton sell between $100,000 and $150,000 and this has remained fairly constant since 2003. Just under 20 per cent of resale condos were purchased so far this year for over $200,000 - similar to 2004.

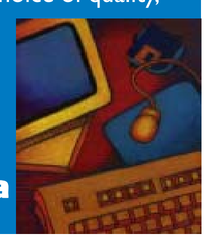


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Table 1A
STARTS ACTIVITY BY AREA
Edmonton CMA - June 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
BEAUMONT TOWN	40	21	0	0	0	40	21	90.48
CALMAR TOWN	1	1	0	0	0	1	1	0.00
DEVON TOWN	3	0	0	0	0	3	0	**
EDMONTON CITY	**509**	**355**	**82**	**0**	**181**	**772**	**729**	**5.90**
FORT SASKATCHEWAN CITY	14	12	0	0	0	14	16	-12.50
GIBBONS TOWN	1	1	0	0	0	1	1	0.00
LEDUC CITY	14	13	0	0	0	14	13	7.69
LEDUC COUNTY	6	9	0	0	0	6	9	-33.33
MORINVILLE TOWN	9	5	0	0	0	9	7	28.57
PARKLAND COUNTY	21	46	2	0	0	23	50	-54.00
SPRUCE GROVE CITY	27	26	8	0	94	129	34	**
ST. ALBERT CITY	32	24	2	0	0	34	24	41.67
STONY PLAIN TOWN	11	26	4	0	0	15	26	-42.31
STRATHCONA COUNTY	76	86	34	0	0	110	106	3.77
STURGEON COUNTY	10	18	0	0	0	10	18	-44.44
OTHER CENTRES	**2**	**7**	**0**	**0**	**0**	**2**	**7**	**-71.43**
TOTAL	**776**	**650**	**132**	**0**	**275**	**1183**	**1062**	**11.39**

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	138	64	0	0	0	138	64	**
CALMAR TOWN	6	6	0	0	0	6	6	0.00
DEVON TOWN	32	42	6	0	0	38	50	-24.00
EDMONTON CITY	**2462**	**1829**	**428**	**163**	**1654**	**4707**	**3628**	**29.74**
FORT SASKATCHEWAN CITY	60	32	12	0	47	119	48	**
GIBBONS TOWN	6	4	0	0	0	6	4	50.00
LEDUC CITY	65	86	2	2	0	69	129	-46.51
LEDUC COUNTY	28	20	0	0	0	28	20	40.00
MORINVILLE TOWN	24	16	0	0	0	24	30	-20.00
PARKLAND COUNTY	65	90	4	0	0	69	102	-32.35
SPRUCE GROVE CITY	121	104	24	0	94	239	131	82.44
ST. ALBERT CITY	160	129	22	0	30	212	141	50.35
STONY PLAIN TOWN	65	94	12	0	0	77	96	-19.79
STRATHCONA COUNTY	365	353	120	0	158	643	451	42.57
STURGEON COUNTY	45	51	0	0	0	45	51	-11.76
OTHER CENTRES	**8**	**20**	**0**	**0**	**0**	**8**	**20**	**-60.00**
TOTAL	**3650**	**2940**	**630**	**165**	**1983**	**6428**	**4971**	**29.31**

** 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 Goatcher at (780) 423-8729

Table 2A
HOUSING COMPLETIONS BY AREA
Edmonton CMA - June 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
BEAUMONT TOWN	23	3	0	0	0	23	3	**
CALMAR TOWN	2	0	0	0	0	2	0	**
DEVON TOWN	1	3	2	0	0	3	3	0.00
EDMONTON CITY	**372**	**400**	**76**	**36**	**56**	**540**	**800**	**-32.50**
FORT SASKATCHEWAN CITY	10	12	6	0	67	83	16	**
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	10	15	0	0	0	10	15	-33.33
LEDUC COUNTY	2	1	0	0	0	2	1	**
MORINVILLE TOWN	4	2	2	0	0	6	2	**
PARKLAND COUNTY	12	18	2	0	0	14	18	-22.22
SPRUCE GROVE CITY	10	16	0	0	0	10	22	-54.55
ST. ALBERT CITY	25	26	0	0	0	25	26	-3.85
STONY PLAIN TOWN	5	16	6	0	0	11	16	-31.25
STRATHCONA COUNTY	89	78	26	0	0	115	120	-4.17
STURGEON COUNTY	10	10	0	0	0	10	10	0.00
OTHER CENTRES	**3**	**0**	**0**	**0**	**0**	**3**	**0**	**
TOTAL	**578**	**600**	**120**	**36**	**123**	**857**	**1052**	**-18.54**

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	94	46	0	0	0	94	46	**
CALMAR TOWN	9	5	0	0	0	9	5	80.00
DEVON TOWN	39	25	8	0	0	47	33	42.42
EDMONTON CITY	**1972**	**1911**	**342**	**201**	**1273**	**3788**	**3360**	**12.74**
FORT SASKATCHEWAN CITY	41	34	8	0	105	154	54	**
GIBBONS TOWN	4	3	0	0	0	4	3	33.33
LEDUC CITY	58	63	0	41	110	209	109	91.74
LEDUC COUNTY	32	32	0	0	0	32	32	0.00
MORINVILLE TOWN	18	16	4	0	0	22	40	-45.00
PARKLAND COUNTY	110	92	2	0	0	112	92	21.74
SPRUCE GROVE CITY	94	88	34	0	0	128	144	-11.11
ST. ALBERT CITY	156	138	22	0	124	302	142	**
STONY PLAIN TOWN	53	69	8	0	0	61	122	-50.00
STRATHCONA COUNTY	322	435	74	6	0	402	569	-29.35
STURGEON COUNTY	80	68	0	0	0	80	68	17.65
OTHER CENTRES	**24**	**30**	**0**	**0**	**0**	**24**	**34**	**-29.41**
TOTAL	**3106**	**3055**	**502**	**248**	**1612**	**5468**	**4853**	**12.67**

** Indicates a greater than 100 per cent change

Table 3

HOUSING ACTIVITY SUMMARY

Edmonton CMA

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Month	776	132	0	0	181	0	94	0	0	1183
Previous Year	650	72	4	63	162	0	111	0	0	1062
Year-To-Date 2005	3650	630	0	159	1453	6	342	0	188	6428
Year-To-Date 2004	2940	512	4	187	969	0	359	0	0	4971
Under Construction										
2005	3606	840	8	330	3742	12	788	0	168	9494
2004	2682	634	23	381	4431	16	868	0	0	9035
Completions										
Current Month	578	120	0	4	123	32	0	0	0	857
Previous Year	600	88	0	32	55	8	269	0	0	1052
Year-To-Date 2005	3106	502	4	137	1282	107	268	0	62	5468
Year-To-Date 2004	3055	524	16	189	485	49	535	0	0	4853
Completed & Not Absorbed										
2005	613	126	0	65	641	0	444	0	0	1889
2004	634	123	8	32	121	0	457	0	0	1375
Total Supply[2]										
2005	4219	966	8	395	4383	12	1232	0	168	11383
2004	3316	757	31	413	4552	16	1325	0	0	10410
Absorptions										
Current Month	610	117	0	8	180	32	0	0	0	947
Previous Year	639	96	1	35	62	8	14	0	0	855
Year-To-Date 2005	3147	531	7	117	1320	107	297	0	78	5604
Year-To-Date 2004	3157	511	14	180	511	49	521	0	0	4943
3-month Average	554	99	1	25	294	21	45	0	26	1065
12-month Average	535	89	2	30	265	10	71	0	7	1009

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