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Canada Mortgage and Housing Corporation
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August Brings a Drop in Housing Starts

August 2006 saw year-to-date starts exceed 1,700 units for the third consecutive year in the Winnipeg Census Metropolitan Area (CMA). With eight months of activity having passed, housing starts in 2006 continue to exceed 2005's total housing starts, which include counts for single-detached and multi-family units. So far this year, homebuilders started 1,773 units compared to 1,749 units to the end of August 2005. Although the Winnipeg CMA continues to see year-over-year growth in total housing starts, there were fewer new homes started in the month of August 2006 compared to one year ago. This August, there were 222 homes started, 33 per cent less than the 330 units started in August 2005. Both multi-family and single-detached starts had a hand in the August decrease.

Multi-family activity, which includes semi-detached, row and apartment units, was the main contributor to the lower CMA start activity in August, with a 50.3 per cent drop from the 183 units started in August 2005. A total of 91 multi-family units were started this August, the majority of which were new rental apartment units. This, however, represents the lowest performance for an August in four years. With the slow down in multi-family activity over the past couple of months of 2006, year-to-date starts have dropped by three per cent compared to the first eight months of 2005, for a total of 591 units this year. This being said, there are several other multi-family projects on the horizon which are expected to break ground in the coming months. This will result in 2006 being one of the most active years for multi-family building in recent history.

Along with the multi-family projects yet to be started, Winnipeg CMA currently has 847 multi-family units under construction. This is the highest level of units under construction for the month of August since 1988. Usually, the majority of multi-family units are absorbed at completion, however in August 2006 the total multi-family inventory was at 103 units, the highest level of units complete and unabsorbed witnessed in the last 12 months. The high level of construction coupled with higher inventories could be one contributor to the slow down in starts seen in August.

At the same time, single-detached starts in August 2006 encountered a 10.9 per cent drop over August of last year, representing 16 fewer units in the CMA of Winnipeg. Despite the recent decline in single-detached starts, year-to-date there has been 1,182 single-detached units started, corresponding to an increase of 3.7 per cent over the first eight months of 2005. Fluctuations in activity year-over-year are not uncommon with new home construction and the demand for new single-detached dwellings is still being stimulated by an active resale

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market as well as a strong job market. Single-detached starts are still on pace to post strong results for the year.

Completions of single-detached units were up in August 2006 by 7.4 per cent over last August reducing the number of units under construction to 781 just down slightly from the 783 that were under construction at the end of August 2005. Absorptions in August of this year dropped by 12 per cent compared to last year. Year-to-date absorptions dropped as well, they were down 8.6 per cent for a total of 1,036 single-detached absorbed units. At an average of 145 single-detached units being absorbed per month, builders are maintaining just under seven months supply. With absorption rates being down, there were 229 single-detached units that were completed but not occupied at the end of August this year, up 42.2 per cent from the same period last year. This represents one and a half months of inventory at the current 12-month absorption rate.

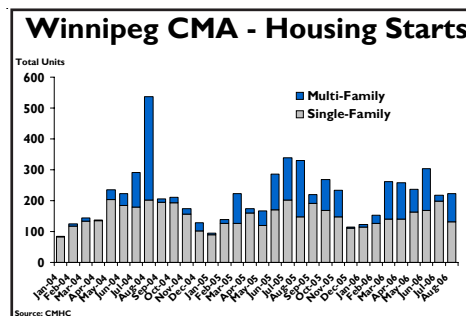


Table IA
STARTS ACTIVITY BY AREA
Winnipeg CMA - August 2006

Area	Single		Multiple			Total		%Chg 2006/2005
	2006	2005	Semi	Row	Apt	2006	2005	
EAST ST. PAUL R.M.	1	5	0	0	0	1	5	-80.0
HEADINGLEY R.M.	8	2	0	0	0	8	2	**
RITCHOT R.M.	8	0	0	0	0	8	0	**
ROSSER R.M.	0	0	0	0	0	0	0	**
ST. CLEMENTS R.M.	6	5	0	0	0	6	5	20.0
ST. FRANCOIS XAVIER R.M.	0	2	0	0	0	0	2	**
SPRINGFIELD R.M.	9	10	0	0	0	9	10	-10.0
TACHE R.M.	4	3	0	0	0	4	3	33.3
WEST ST. PAUL R.M.	7	1	0	0	0	7	1	**
WINNIPEG CITY	88	119	12	0	79	179	302	-40.7
TOTAL	131	147	12	0	79	222	330	-32.7

Table IB
STARTS ACTIVITY BY AREA
Winnipeg CMA - Year to Date 2006

Area	Single		Multiple			Total		%Chg 2006/2005
	2006	2005	Semi	Row	Apt	2006	2005	
EAST ST. PAUL R.M.	15	39	0	0	0	15	39	-61.5
HEADINGLEY R.M.	18	13	0	0	0	18	13	38.5
RITCHOT R.M.	26	14	0	0	0	26	14	85.7
ROSSER R.M.	1	0	0	0	0	1	0	**
ST. CLEMENTS R.M.	33	37	0	0	0	33	37	-10.8
ST. FRANCOIS XAVIER R.M.	3	10	0	0	0	3	10	-70.0
SPRINGFIELD R.M.	57	59	0	0	0	57	59	-3.4
TACHE R.M.	44	33	0	0	0	44	37	18.9
WEST ST. PAUL R.M.	44	10	0	0	0	44	10	**
WINNIPEG CITY	941	925	74	39	478	1,532	1,530	0.1
TOTAL	1,182	1,140	74	39	478	1,773	1,749	1.4

** 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.

Table 2A
HOUSING COMPLETIONS BY AREA
Winnipeg CMA - August 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
EAST ST. PAUL R.M.	2	4	0	0	0	2	4	-50.0
HEADINGLEY R.M.	0	1	0	0	0	0	1	**
RITCHOT R.M.	5	0	0	0	0	5	0	**
ROSSER R.M.	1	0	0	0	0	1	0	**
ST. CLEMENTS R.M.	7	5	0	0	0	7	5	40.0
ST. FRANCOIS XAVIER R.M.	0	1	0	0	0	0	1	**
SPRINGFIELD R.M.	8	11	0	0	0	8	11	-27.3
TACHE R.M.	6	9	0	0	0	6	9	-33.3
WEST ST. PAUL R.M.	6	1	0	0	0	6	1	**
WINNIPEG CITY	154	144	36	0	170	360	144	**
TOTAL	189	176	36	0	170	395	176	**

Table 2B
HOUSING COMPLETIONS BY AREA
Winnipeg CMA - Year to Date 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
EAST ST. PAUL R.M.	22	45	0	0	0	22	45	-51.1
HEADINGLEY R.M.	4	12	0	0	0	4	12	-66.7
RITCHOT R.M.	18	23	0	0	0	18	25	-28.0
ROSSER R.M.	3	1	0	0	0	3	1	**
ST. CLEMENTS R.M.	42	38	0	0	30	72	70	2.9
ST. FRANCOIS XAVIER R.M.	4	6	0	0	0	4	6	-33.3
SPRINGFIELD R.M.	43	65	0	0	0	43	65	-33.8
TACHE R.M.	38	32	0	4	0	42	32	31.3
WEST ST. PAUL R.M.	23	9	0	0	0	23	9	**
WINNIPEG CITY	888	882	82	48	407	1,425	1,346	5.9
TOTAL	1,085	1,126	82	52	437	1,656	1,624	2.0

** Indicates a greater than 100 per cent change

Table 3

HOUSING ACTIVITY SUMMARY

Winnipeg CMA - August 2006

Activity	Ownership					Rental		Grand Total
	Freehold Single ¹	Semi ¹	Row	Condominium Row	Apt	Row	Apt	
Starts								
Current Month	131	12	0	0	0	0	79	222
Previous Year	147	0	0	13	0	0	170	330
Year-To-Date 2006	1,182	74	0	39	263	0	215	1,773
Year-To-Date 2005	1,140	8	0	77	147	4	373	1,749
Under Construction								
2006	783	22	0	59	496	0	270	1,628
2005	795	10	0	89	195	4	432	1,525
Completions								
Current Month	189	36	0	0	0	0	170	395
Previous Year	176	0	0	0	0	0	0	176
Year-To-Date 2006	1,085	82	0	48	37	4	400	1,656
Year-To-Date 2005	1,126	10	0	17	133	0	338	1,624
Completed & Not Absorbed								
August 2006	229	9	0	0	3	0	91	332
August 2005	161	2	0	5	28	0	57	253
Total Supply²								
August 2006	1,012	31	0	59	499	0	361	1,960
August 2005	956	12	0	94	223	4	489	1,778
Absorptions								
Current Month	166	38	0	0	0	0	82	286
Previous Year	190	2	0	0	0	0	11	203
Year-To-Date 2006	1,036	78	0	51	49	4	340	1,558
Year-To-Date 2005	1,134	22	0	12	145	0	289	1,602
3-month Average	187	24	0	5	10	0	55	281
12-month Average	145	7	0	8	5	0	37	202

1 May include units intended for condominium.

2 Sum of units under construction, complete and unoccupied.

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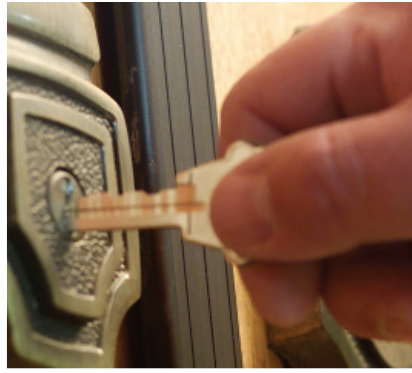
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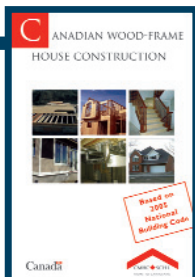
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