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Canada Mortgage and Housing Corporation
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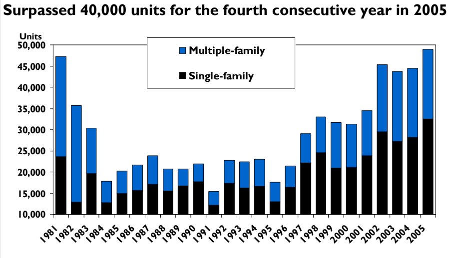
Housing Starts Show Solid Performance Across the Prairies

Buoyed by the strongest population growth since the mid 1980s, total annual housing starts in Manitoba have exceeded the 4,000 unit level since 2002. With 4,731 units started in 2005, total housing starts in Manitoba recorded their best performance since 1988. At 3,709 units, single-family starts registered a 6.5 per cent gain over 2004. A decline of about eight per cent in urban single-family starts was off-set by a jump of nearly 30 per cent in rural single-detached starts. As a result, the rural share of single-family starts increased from about 39 per cent in 2004 to 47 per cent in 2005. It should be noted that the decline in single-detached starts was the not result of a reduction in demand but rather a temporary lack of serviced lots in Winnipeg. Efforts are underway in that centre to address this issue. In the meantime, lower starts caused the supply of single-detached homes in urban centres to decline from 1,040 units in December 2004 to 933 units in December 2005. It will take about six months to absorb this supply at the current twelve month moving average absorption rate of 163 units per month. At the end of 2004, the duration of supply stood at eight months.

Prairie Provinces - Housing Starts

Surpassed 40,000 units for the fourth consecutive year in 2005



Multi-family starts in Manitoba increased from 956 units in 2004 to 1,022 units in 2005 representing the second time in three years that multi-family starts have eclipsed the 1,000-unit level. Over 80 per cent of the multi-family starts in 2005 occurred in Winnipeg. A significant portion of the demand for multi-family homes in Winnipeg originated from the move-up adult lifestyle buyers wishing to live in homes where they do not have to spend a significant amount of time doing household maintenance activities.

Builders in Saskatchewan started work on 3,437 units in 2005, a decrease of 9.1 per cent from 2004. After posting a 17-year high for starts in 2004, multi-family builders in Saskatoon and Regina scaled back activity in 2005 to avoid the possibility of an undue build-up in inventory of condominium units. As a result, multi-family starts across the province were reduced from 1,588 units in 2004 to 1,012 units in 2005. Single-detached starts on the other hand increased from 2,193 units in 2004 to 2,425 units in 2005. The gain in activity was concentrated in rural areas which saw their share of single-detached starts increase from about 25 per cent in 2004 to 32 per cent in 2005. Despite the lower level of single-detached starts in urban centres in 2005, the overall supply of single-detached homes across these centres increased from 872 units in December 2004 to 906 units in December 2005. At the prevailing rates of absorption, it will take about eight months to exhaust this supply. This level of duration is unchanged from

PRAIRIES

4TH QUARTER 2005

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December 2004. Meanwhile, despite lower starts activity, the duration of supply for multi-family homes in urban areas in December 2005 was about 14 months compared to 11 months in December 2004.

The new home construction sector in Alberta continues to benefit from a strong labour market and continued population gains through inter-provincial and international migration. As a result, total housing starts increased by 12.6 per cent from 2004 to 2005 reaching 40,847 units. About 65 per cent or 26,684 of these units were single-detached homes. Overall, 2005 was the second best year for homebuilders on record after 1978 when foundations were poured for 47,925 units, of which nearly 60 per cent were multi-family dwellings.

An examination of activity across the province reveals that declines in Calgary, Lethbridge, Medicine Hat and Red Deer were countered by gains in Edmonton, Grande Prairie, Wood Buffalo and rural areas. In terms of overall share, Calgary and Edmonton each accounted for about one-third of the starts in the province while other urban centres' share was about 18 per cent. The share of rural starts was 16 per cent. At the end of the year, higher starts had resulted in higher units under construction. Across all urban centres, the increase in units under construction had more than offset the reduction in complete and unabsorbed units. Single-family units under construction were up from 8,180 units in December 2004 to 9,912 units in December 2005. Over the same period, the count of units completed and unabsorbed decreased from 1,482 units to 1,227 units. As a result, total supply of single-family homes in Alberta's urban centres stood at 11,139 units at the end of December 2005. At the prevailing rate of absorption, there is a seven month supply of single-family homes in Alberta's urban markets.

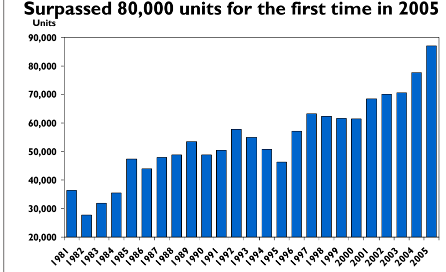
Alberta's multi-family builders also experienced a solid year in 2005. Multi-family starts increased from 13,783 units in 2004 to 14,163 in 2005, a rise of 2.8 per cent. This represented the third time in the last four years that multi-family starts surpassed the 14,000-unit level. As was the case in 2004, about 95 per cent of these starts occurred in urban centres. Continued high levels of starts means that it will take about 18 months to exhaust the existing supply of multi-family ownership homes in urban centres. At the end of 2004, the duration of supply for these units stood at 16 months. Despite the decline in rental starts in 2005, the duration of supply for multi-family rental units was unchanged from 16 months in December 2004 to 16 months in December 2005.

MLS® Dollar Volumes Reach New Heights in 2005

When all transactions in the resale market are accounted for across the Prairie Provinces, the tally is expected to show overall MLS® dollar volumes of close to $17 billion, an increase of about 24 per cent over the activity in 2004. About 84 per cent of the dollar volumes will be accounted for by Alberta, about 10 per cent by Manitoba and the remainder by Saskatchewan. Overall, nearly 88,000 units are expected to be sold on the MLS® across the three Prairie Provinces with the shares for Alberta, Saskatchewan and Manitoba expected to be 75 percent, 10 per cent and 15 per cent, respectively. However, Alberta's share of MLS® dollar volumes is greater than the number of units sold. The average MLS® price in Alberta is expected to be about $84,000 higher than Manitoba's average of $135,000 and about $96,000 above Saskatchewan's average of $122,000.

Prairie Provinces – MLS® Sales

Surpassed 80,000 units for the first time in 2005

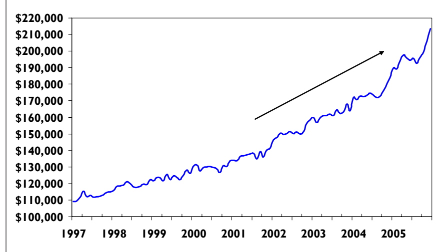


Source: CREA

On a geographic basis, nearly 80 per cent of the transactions during 2005 will have taken place in the five largest urban centres of the Prairie Provinces. Calgary and Edmonton accounted for about 36 and 21 per cent, respectively, of the MLS® sales in the region. Winnipeg's share is anticipated to be around 13 per cent while Saskatoon and Regina combined will constitute about nine per cent of total sales. Based on data available at the time of writing this publication, the average MLS® price for the three Prairie Provinces in 2005 is expected to be close to $193,000, an increase of about 10 per cent from 2004. However, as stated earlier, price levels vary significantly across the three provinces. Amongst the five largest urban centres, the average MLS® price in 2005 ranged from a high of $250,789 in Calgary to a low of $123,600 in Regina.

Prairie Provinces – Monthly Average MLS® Price

Has been on an upward trend over the past few years



Source: CREA, CMHC Calculation

Table 1A
MANITOBA HOUSING STARTS BY AREA
4th Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
WINNIPEG CMA	**425**	**451**	**16**	**4**	**172**	**617**	**511**	**20.7**
WINNIPEG CITY	338	340	14	4	142	498	400	24.5
BRANDON CA	36	42	0	19	14	69	70	-1.4
PORTAGE LA PRAIRIE CA	7	5	0	0	0	7	5	40.0
ST. ANDREWS	13	26	0	0	0	13	26	-50.0
THOMPSON CA	1	7	0	0	0	1	7	-85.7
MANITOBA (URBAN)	**482**	**531**	**16**	**23**	**186**	**707**	**619**	**14.2**
MANITOBA (RURAL)	**477**	**346**	**26**	**0**	**0**	**503**	**395**	**27.3**
MANITOBA (TOTAL)	**959**	**877**	**42**	**23**	**186**	**1,210**	**1,014**	**19.3**

Table 1B
MANITOBA HOUSING STARTS BY AREA
January to December 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
WINNIPEG CMA	**1,756**	**1,882**	**34**	**104**	**692**	**2,586**	**2,489**	**3.9**
WINNIPEG CITY	1,400	1,440	32	100	662	2,194	2,013	9.0
BRANDON CA	123	131	6	51	26	206	307	-32.9
PORTAGE LA PRAIRIE CA	15	35	0	6	0	21	35	-40.0
ST. ANDREWS	57	76	0	0	0	57	76	-25.0
THOMPSON CA	9	11	0	0	0	9	11	-18.2
MANITOBA (URBAN)	**1,960**	**2,135**	**40**	**161**	**718**	**2,879**	**2,918**	**-1.3**
MANITOBA (RURAL)	**1,749**	**1,349**	**93**	**0**	**10**	**1,852**	**1,522**	**21.7**
MANITOBA (TOTAL)	**3,709**	**3,484**	**133**	**161**	**728**	**4,731**	**4,440**	**6.6**

** Indicates a greater than 100 per cent change

Table 2A **SASKATCHEWAN HOUSING STARTS BY AREA** 4th Quarter 2005								
	Single		**Multiple**			**Total**		**%Chg**
Area	2005	2004	Semi	Row	Apt	2005	2004	2005/2004
REGINA CMA	**145**	**155**	**14**	**48**	**24**	**231**	**303**	**-23.8**
REGINA CITY	120	133	12	44	24	200	281	-28.8
SASKATOON CMA	**207**	**157**	**28**	**8**	**0**	**243**	**452**	**-46.2**
SASKATOON CITY	110	104	26	0	0	136	387	-64.9
ESTEVAN CA	4	3	0	0	0	4	3	33.3
LLOYDMINSTER CA (SK)	45	7	2	21	0	68	7	**
MOOSE JAW CA	19	19	2	11	0	32	19	68.4
BATTLEFORD CA	2	1	0	0	0	2	1	**
PRINCE ALBERT CA	15	15	4	0	0	19	15	26.7
SWIFT CURRENT CA	4	7	0	0	0	4	15	-73.3
YORKTON CA	8	2	0	0	0	8	2	**
TOTAL URBAN	**449**	**366**	**50**	**88**	**24**	**611**	**817**	**-25.2**
TOTAL RURAL	**205**	**210**	**0**	**83**	**0**	**288**	**240**	**20.0**
TOTAL	**654**	**576**	**50**	**171**	**24**	**899**	**1,057**	**-14.9**

Table 2B **SASKATCHEWAN HOUSING STARTS BY AREA** January to December 2005								
	Single		**Multiple**			**Total**		**%Chg**
Area	2005	2004	Semi	Row	Apt	2005	2004	2005/2004
REGINA CMA	**572**	**605**	**34**	**173**	**109**	**888**	**1,242**	**-28.5**
REGINA CITY	449	494	28	169	108	754	1,131	-33.3
SASKATOON CMA	**751**	**753**	**102**	**8**	**201**	**1,062**	**1,578**	**-32.7**
SASKATOON CITY	451	481	84	0	191	726	1,272	-42.9
ESTEVAN CA	15	15	33	9	22	79	21	**
LLOYDMINSTER CA (SK)	96	59	2	70	4	172	59	**
MOOSE JAW CA	62	79	4	11	16	93	79	17.7
BATTLEFORD CA	10	13	0	10	0	20	18	11.1
PRINCE ALBERT CA	92	79	12	0	0	104	79	31.6
SWIFT CURRENT CA	30	22	22	0	0	52	40	30.0
YORKTON CA	30	26	2	0	0	32	28	14.3
TOTAL URBAN	**1,658**	**1,651**	**211**	**281**	**352**	**2,502**	**3,144**	**-20.4**
TOTAL RURAL	**767**	**542**	**25**	**97**	**46**	**935**	**637**	**46.8**
TOTAL	**2,425**	**2,193**	**236**	**378**	**398**	**3,437**	**3,781**	**-9.1**

** Indicates a greater than 100 per cent change

Table 3A

ALBERTA HOUSING STARTS BY AREA

4th Quarter 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
EDMONTON CMA	**1,983**	**1,727**	**272**	**244**	**926**	**3,425**	**3,464**	**-1.1**
EDMONTON CITY	1,296	1,039	164	230	595	2,285	2,525	-9.5
CALGARY CMA	**2,226**	**2,017**	**274**	**262**	**533**	**3,295**	**3,617**	**-8.9**
CALGARY CITY	1,943	1,709	246	220	478	2,887	3,126	-7.6
BROOKS TOWN CA	15	20	2	0	0	17	20	-15.0
CAMROSE CA	24	21	6	0	0	30	31	-3.2
CANMORE TOWN	11	44	10	14	8	43	84	-48.8
COLD LAKE CA	93	37	6	0	0	99	39	**
COLD LAKE TOWN	46	10	0	0	0	46	12	**
BONNYVILLE TOWN	10	4	6	0	0	16	4	**
GRANDE PRAIRIE CA	225	205	26	20	91	362	268	35.1
LETHBRIDGE CA	134	133	4	47	1	186	173	7.5
LLOYDMINSTER CA	29	39	0	0	60	89	149	-40.3
MEDICINE HAT CA	120	141	48	34	6	208	421	-50.6
OKOTOKS TOWN	136	53	8	9	68	221	176	25.6
RED DEER CA	240	197	24	8	127	399	357	11.8
WETASKIWIN CA	4	8	6	0	0	10	8	25.0
WOOD BUFFALO CA	167	226	0	51	110	328	294	11.6
FORT MCMURRAY	160	224	0	51	110	321	292	9.9
ALBERTA URBAN	**5,407**	**4,868**	**686**	**689**	**1,930**	**8,712**	**9,101**	**-4.3**
ALBERTA RURAL	**2,114**	**923**	**63**	**124**	**44**	**2,345**	**1,155**	**
TOTAL	**7,521**	**5,791**	**749**	**813**	**1,974**	**11,057**	**10,256**	**7.8**

Table 3B

ALBERTA HOUSING STARTS BY AREA

January to December 2005

Area	Single 2005	Single 2004	Multiple Semi	Multiple Row	Multiple Apt	Total 2005	Total 2004	%Chg 2005/2004
EDMONTON CMA	**7,623**	**6,614**	**1,154**	**755**	**3,762**	**13,294**	**11,488**	**15.7**
EDMONTON CITY	5,023	4,030	762	702	2,947	9,434	8,159	15.6
CALGARY CMA	**8,719**	**8,233**	**988**	**1,155**	**2,805**	**13,667**	**14,008**	**-2.4**
CALGARY CITY	7,493	6,982	836	984	2,729	12,042	12,194	-1.2
BROOKS TOWN CA	68	69	10	4	59	141	108	30.6
CAMROSE CA	77	87	20	26	24	147	147	0.0
CANMORE TOWN	58	116	24	39	194	315	318	-0.9
COLD LAKE CA	261	268	14	4	32	311	284	9.5
COLD LAKE TOWN	147	94	0	4	32	183	106	72.6
BONNYVILLE TOWN	24	26	14	0	0	38	30	26.7
GRANDE PRAIRIE CA	815	705	100	78	99	1,092	959	13.9
LETHBRIDGE CA	526	554	54	113	75	768	820	-6.3
LLOYDMINSTER CA	152	193	22	0	128	302	303	-0.3
MEDICINE HAT CA	450	513	130	98	153	831	1,065	-22.0
OKOTOKS TOWN	492	298	40	15	116	663	457	45.1
RED DEER CA	886	789	144	93	147	1,270	1,343	-5.4
WETASKIWIN CA	25	19	8	4	0	37	27	37.0
WOOD BUFFALO CA	667	590	80	295	421	1,463	861	69.9
FORT MCMURRAY	650	565	80	295	421	1,446	836	73.0
ALBERTA URBAN	**20,819**	**19,048**	**2,788**	**2,679**	**8,015**	**34,301**	**32,188**	**6.6**
ALBERTA RURAL	**5,865**	**3,439**	**224**	**272**	**185**	**6,546**	**4,082**	**60.4**
TOTAL	**26,684**	**22,487**	**3,012**	**2,951**	**8,200**	**40,847**	**36,270**	**12.6**

** Indicates a greater than 100 per cent change

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Table 4

MANITOBA HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	482	16	0	15	83	8	103	0	0	707
Previous Year	531	6	0	25	24	20	13	0	0	619
Year-To-Date 2005	1,960	40	0	133	230	28	394	0	94	2,879
Year-To-Date 2004	2,135	50	0	47	128	24	457	0	77	2,918
Under Construction										
2005	752	30	0	91	278	12	379	0	94	1,636
2004	871	12	0	37	157	20	397	0	0	1,494
Completions										
Current Quarter	579	6	0	50	0	8	3	0	0	646
Previous Year	626	20	0	7	33	4	24	0	47	761
Year-To-Date 2005	2,078	24	0	79	133	36	412	0	0	2,762
Year-To-Date 2004	1,967	58	0	24	278	8	411	0	77	2,823
Completed & Not Absorbed										
2005	181	5	0	3	15	0	31	0	0	235
2004	169	14	0	0	40	0	0	0	0	223
Total Supply[2]										
2005	933	35	0	94	293	12	410	0	94	1,871
2004	1,040	26	0	37	197	20	397	0	0	1,717
Absorptions										
Current Quarter	520	6	0	41	5	8	18	0	0	598
Previous Year	551	24	0	1	29	7	27	0	0	639
Year-To-Date 2005	1,955	31	0	72	158	33	390	0	0	2,639
Year-To-Date 2004	1,817	48	0	20	246	7	468	0	0	2,606
3-month Average	173	2	0	14	2	3	6	0	0	200
12-month Average	163	3	0	6	13	3	33	0	0	221

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

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 Vinay Bhardwaj at (403) 515-3004 or by email: vinay.bhardwaj@cmhc.ca.

Table 5

SASKATCHEWAN HOUSING ACTIVITY SUMMARY

Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	449	50	0	80	24	8	0	0	0	611
Previous Year	366	76	0	262	111	0	2	0	0	817
Year-To-Date 2005	1,658	211	0	267	289	8	47	6	16	2,502
Year-To-Date 2004	1,651	176	0	609	661	10	2	35	0	3,144
Under Construction										
2005	853	126	0	268	358	4	44	6	0	1,659
2004	826	102	0	355	551	4	3	35	0	1,876
Completions										
Current Quarter	448	76	0	149	131	0	4	0	0	808
Previous Year	416	38	0	131	211	0	0	0	0	796
Year-To-Date 2005	1,628	187	0	384	456	39	4	0	16	2,714
Year-To-Date 2004	1,447	128	7	441	526	10	1	0	0	2,560
Completed & Not Absorbed										
2005	53	8	0	30	117	0	0	0	0	208
2004	46	5	0	46	60	0	7	0	0	164
Total Supply[2]										
2005	906	134	0	298	475	4	44	6	0	1,867
2004	872	107	0	401	611	4	10	35	0	2,040
Absorptions										
Current Quarter	358	35	0	147	116	0	4	0	0	660
Previous Year	326	31	0	109	172	0	0	0	0	638
Year-To-Date 2005	1,285	102	0	387	348	4	11	0	0	2,137
Year-To-Date 2004	1,172	113	0	415	527	10	133	0	0	2,370
3-month Average	119	12	0	49	39	0	1	0	0	220
12-month Average	107	9	0	32	29	0	1	0	0	178

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

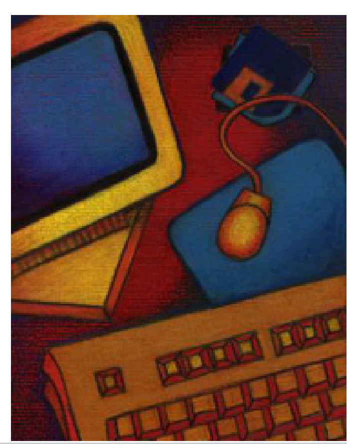

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Table 6
ALBERTA HOUSING ACTIVITY SUMMARY
Centres of 10,000 Population & Over

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Quarter	5,407	686	50	631	1,651	8	169	0	110	8,712
Previous Year	4,868	738	30	537	2,462	59	365	0	42	9,101
Year-To-Date 2005	20,819	2,788	221	2,329	7,062	73	610	56	343	34,301
Year-To-Date 2004	19,048	2,630	141	1,806	6,511	228	1,476	39	309	32,188
Under Construction										
2005	9,912	1,738	171	1,943	10,065	44	851	56	197	24,977
2004	8,180	1,650	81	1,351	8,284	153	1,240	39	309	21,287
Completions										
Current Quarter	4,957	708	54	418	1,061	26	168	0	0	7,392
Previous Year	5,223	610	44	495	2,586	42	592	0	0	9,592
Year-To-Date 2005	19,075	2,690	146	1,701	5,249	181	1,118	39	305	30,504
Year-To-Date 2004	18,592	2,444	179	2,010	5,985	254	2,048	0	0	31,512
Completed & Not Absorbed										
2005	1,227	281	8	86	520	3	536	0	0	2,661
2004	1,482	378	4	161	714	10	843	0	0	3,592
Total Supply[2]										
2005	11,139	2,019	179	2,029	10,585	47	1,387	56	197	27,638
2004	9,662	2,028	85	1,512	8,998	163	2,083	39	309	24,879
Absorptions										
Current Quarter	4,795	660	47	423	1,076	7	285	0	0	7,293
Previous Year	4,856	539	44	433	2,174	41	336	0	0	8,423
Year-To-Date 2005	18,238	2,604	133	1,678	5,261	163	1,062	0	0	29,139
Year-To-Date 2004	17,680	2,201	182	1,840	5,374	237	1,710	0	0	29,224
3-month Average	1,598	220	16	141	359	2	95	0	0	2,431
12-month Average	1,520	217	11	140	438	14	89	0	0	2,429

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