HOUSING NOW

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Canada Mortgage and Housing Corporation
www.cmhc.ca

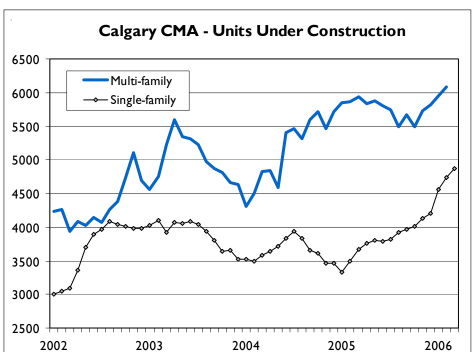
Starts Activity Achieves New Record in March

Total housing starts in the Calgary Census Metropolitan Area (CMA) achieved a new record for the month of March. Local builders started 1,670 units in March, representing an increase of over 68 per cent above the level of activity in March 2005.

Following an impressive year-over-year gain of 39 per cent in February, single-detached starts in March were up 18 per cent over the activity recorded a year earlier. Builders commenced work on 790 units, representing a historical high for the month of March. Year-to-date single-detached starts now stand at 2,487 units, nearly 40 per cent ahead of the pace seen over the first three months of 2005. This is only the second time that single-detached starts in the Calgary CMA have exceeded 2,000 units over the first three months of a year. The last time this happened was in 1998 when 2,089 homes were started over the January to March period. In spite of the high level of activity to date, capacity constraints might make it difficult for the industry to eclipse the annual record of 9,413 units which was achieved in 2002. That said, a new record is a strong possibility, especially if we continue to experience favourable weather conditions.

With the gain in single-family starts to-date, the number of units under construction continues to set a new high. At the end of March, a record 4,873 units were under construction, 33 per cent higher than 2005. Absorptions have also escalated, totaling 1,842 in the first quarter, up 26 per cent from the previous year. Despite this gain, the number of complete and unabsorbed units reported two consecutive increases. Nonetheless, total units in inventory still remain low by historical standards. At the end of March, the number of single-family homes in inventory totaled 537 units, the lowest March total since 1998 and 26 per cent lower than March 2005. Of these, 415 were showhomes.

Meanwhile, as anticipated, a large number of multi-family projects broke ground in March. Multi-family starts, which include semi-detached, row, and apartment units, surged to 880 units, also a new high for the month of March and nearly a three-fold increase over the starts seen in March 2005. Overall multi-family construction was led by a 21-month high for apartment starts, as 772 units broke ground. March's activity brings the year-to-date multi-family total to 1,357 units, about 20 per cent higher than the previous year and represents the fifth strongest January to March total on record. With several large volume projects in the pipeline, multi-family starts are expected to show continued vigor over the coming months.



Source: CMHC

For each month since August 2005, multi-family absorptions have surpassed the number of units completed. As a result, the number of complete and unabsorbed units continued the decline that began in September of 2005. At the end of March, complete and unabsorbed

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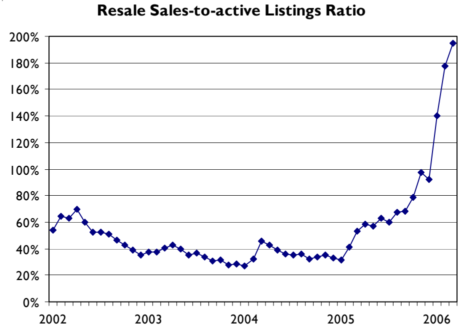
multis totalled only 136 units, 79 per cent lower than the previous year and the lowest monthly total since October 1998. Apartments have been responsible for the steady decline in inventory. At the end of March, only four apartment units were complete and unabsorbed in the entire Calgary CMA, down from 329 one year earlier. However, with a 23-year high of 4,803 apartment units under construction at month-end, expect inventories to rise modestly once a multitude of units reach completion. Nonetheless, overall inventory should remain healthy and low by historical standards.

MLS® Sales on Record-Setting Pace

Despite a severe shortage of active listings, residential sales through the Calgary Real Estate Board (CREB) are on pace for another new record. In the first quarter, the number of residential transactions through CREB totalled 8,965 units, 32 per cent higher than the pace set in 2005. While the market continues to be fuelled by persistently low mortgage rates and strong net migration, anxious buyers are fuelling demand as they rush to get into the market before mortgage rates rise and prices escalate further. To the end of March, single-family sales have totalled 6,431 units, representing a 28 per cent gain over the first quarter of 2005. Condominium sales meanwhile, have reported a 41 per cent increase to-date, reaching 2,534 units.

Total active listings in the first quarter averaged a record-low 1,746 units, 67 per cent lower than the previous year. With the severe shortage of listings and record pace of sales, the sales-to-active listings ratio continued to escalate, reaching a record high of 195 per cent in March. By comparison, the corresponding ratio was 53 per cent one year earlier. This has created an environment of short listing durations, multiple offers, and sales in excess of list price. The end result has been hefty price growth. In the first quarter, the resale price for all units averaged $308,576, an increase of 26 per cent over the previous year. This represents the highest rate of price growth since the first quarter of 1990. Single-family resale homes were the big gainers in the first quarter of 2006, jumping 28 per cent to an average of $343,256. The average condominium in the first quarter increased 23 per cent year-over-year, reaching $220,563.

Resale Sales-to-active Listings Ratio



Job Creation Recovers from 2005's Poor Performance

In 2005, the Calgary CMA recorded the weakest job growth since 1993. A total of 7,150 jobs were created in 2005 as overall job creation was constrained by a record low unemployment rate, high rate of labour force participation, and inadequate additions to the labour force. While not alleviating all of the skilled labour shortages, a recent jump in net migration and subsequent additions to the labour force have enabled employment to expand at a tremendous rate in the first quarter of the year. During the last half of 2005, Alberta recorded 38,758 net migrants, representing a nearly four-fold increase from the previous year. As more than a third of these migrants historically land in the Calgary CMA, it will result in some much-needed additions to Calgary's labour force.

In the first quarter of 2006, the Calgary CMA had 42,200 more people employed than it did in the corresponding period in 2005. As this compares to an uncharacteristically weak period in 2005, observers should not expect the current gain to prevail by year-end. Nonetheless, the increase represents a fabulous start to the year and should contribute to the highest annual gain in job growth in at least six years. As was the case in 2005, all of the gain to-date has been in full-time positions.

Table 1A
STARTS ACTIVITY BY AREA
Calgary CMA - March 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
AIRDRIE	34	36	2	20	0	56	54	3.7
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**694**	**582**	**48**	**29**	**686**	**1,457**	**881**	**65.4**
CHESTERMERE LAKE	37	33	0	5	0	42	35	20.0
COCHRANE	8	4	4	0	86	98	4	**
CROSSFIELD	0	0	0	0	0	0	0	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	17	12	0	0	0	17	18	-5.6
TOTAL	**790**	**667**	**54**	**54**	**772**	**1,670**	**992**	**68.3**

Table 1B
STARTS ACTIVITY BY AREA
Calgary CMA - Year to Date 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
AIRDRIE	160	88	8	55	0	223	132	68.9
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**2,087**	**1,517**	**214**	**93**	**860**	**3,254**	**2,568**	**26.7**
CHESTERMERE LAKE	135	77	24	5	0	164	94	74.5
COCHRANE	36	14	8	0	86	130	14	**
CROSSFIELD	4	1	0	0	0	4	1	**
IRRICANA	2	0	2	0	0	4	2	**
MD ROCKYVIEW	63	82	2	0	0	65	100	-35.0
TOTAL	**2,487**	**1,779**	**258**	**153**	**946**	**3,844**	**2,911**	**32.1**

** 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 Corriveau at (403) 515-3005

Table 2A

HOUSING COMPLETIONS BY AREA

Calgary CMA - March 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
AIRDRIE	31	28	4	38	1	74	34	**
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**584**	**326**	**74**	**115**	**285**	**1,058**	**579**	**82.7**
CHESTERMERE LAKE	20	23	4	0	0	24	25	-4.0
COCHRANE	3	14	2	0	0	5	17	-70.6
CROSSFIELD	1	0	0	0	0	1	0	**
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	13	16	0	0	0	13	16	-18.8
TOTAL	**652**	**407**	**84**	**153**	**286**	**1,175**	**671**	**75.1**

Table 2B

HOUSING COMPLETIONS BY AREA

Calgary CMA - Year to Date 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
AIRDRIE	136	96	12	38	1	187	118	58.5
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	**1,529**	**1,170**	**172**	**151**	**328**	**2,180**	**2,032**	**7.3**
CHESTERMERE LAKE	88	85	14	3	0	105	93	12.9
COCHRANE	13	32	2	0	0	15	39	-61.5
CROSSFIELD	3	4	2	0	0	5	8	-37.5
IRRICANA	2	1	6	0	0	8	5	60.0
MD ROCKYVIEW	44	92	10	0	0	54	106	-49.1
TOTAL	**1,815**	**1,481**	**218**	**192**	**329**	**2,554**	**2,402**	**6.3**

** Indicates a greater than 100 per cent change

Table 3

HOUSING ACTIVITY SUMMARY

Calgary CMA - March 2006

Activity	Ownership					Rental				Grand
	Freehold			Condominium		Private		Assisted		
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	Row	Apt	Total
Starts										
Current Month	790	54	0	54	772	0	0	0	0	1,670
Previous Year	667	78	0	67	180	0	0	0	0	992
Year-To-Date 2006	2,487	258	0	153	946	0	0	0	0	3,844
Year-To-Date 2005	1,779	160	0	281	691	0	0	0	0	2,911
Under Construction										
2006	4,873	744	22	869	4,780	0	2	0	21	11,311
2005	3,760	580	17	677	4,193	0	332	0	132	9,691
Completions										
Current Month	652	84	0	153	283	0	3	0	0	1,175
Previous Year	407	68	3	89	104	0	0	0	0	671
Year-To-Date 2006	1,815	218	0	192	326	0	3	0	0	2,554
Year-To-Date 2005	1,481	228	3	223	467	0	0	0	0	2,402
Completed & Not Absorbed										
2006	537	119	0	13	4	0	0	0	0	673
2005	728	233	0	94	237	0	102	0	0	1,394
Total Supply[2]										
2006	5,410	863	22	882	4,784	0	2	0	21	11,984
2005	4,488	813	17	771	4,430	0	434	0	132	11,085
Absorptions										
Current Month	634	84	0	156	286	0	13	0	0	1,173
Previous Year	417	70	3	92	80	0	4	0	0	666
Year-To-Date 2006	1,842	230	0	213	388	0	106	0	0	2,779
Year-To-Date 2005	1,459	188	3	241	408	0	20	0	0	2,319
3-month Average	614	77	0	71	129	0	35	0	0	926
12-month Average	709	86	1	71	225	2	48	0	0	1,142

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

CMHC – HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years.

Together with other housing stakeholders, we help ensure that Canada maintains one of the best housing systems in the world. We are committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country.

For more information, visit our website at www.cmhc.ca

You can also reach us by phone at 1 800 668-2642 or by fax at 1 800 245-9274.

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