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Canada Mortgage and Housing Corporation
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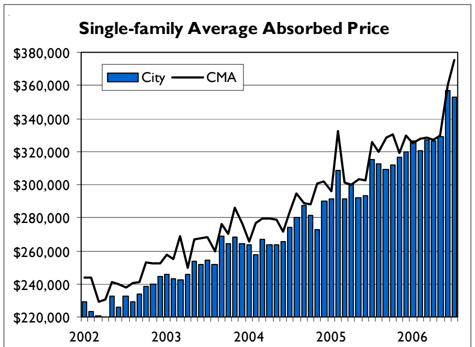
Multi-family Market Leads Gain in New Home Construction

Led by a healthy gain in multi-family construction, total housing starts in July were 10 per cent higher than the previous year. Construction began on 1,412 housing units in the Calgary Census Metropolitan Area (CMA), up from 1,284 in July 2005. Home builders have yet to record a year-over-year decline in housing starts in 2006. The last time that occurred was in December of 2005. July's construction brings the year-to-date total to 10,441 units, 36 per cent higher than corresponding levels in 2005.

For the third month in succession, the strongest gain in housing starts occurred in Calgary's multi-family market. Multi-family starts, which include semi-detached units, rows, and apartments, totalled 572 in July, a 27 per cent gain over the previous year. While all three segments of the multi-family market recorded higher starts in July, apartments have clearly stood out as the top performer to-date. After seven months, apartment starts are nearly double the pace of activity set in 2005. This compares to a year-to-date gain of 25 per cent for semi-detached units and a 20 per cent drop in rows. To the end of July, a total of 4,032 multi-family units have started construction, 50 per cent higher than the previous year. Airdrie recorded a nearly five-fold gain in construction after seven months, while multi-family starts in Cochrane have jumped to 98 units from zero in the first seven months of 2005.

While multi-family starts accelerated in July, the number of completions was comparatively weak. Only 190 units were completed in July, down from 509 in the previous year. Consequently, absorptions were also low in July, reaching only 174 units. Rather than a decline in demand, however, readers can be assured that the lack of absorptions is merely a function of few units being completed. At the end of July, 7,763 multi-family units were under construction, the highest total in 24 years. Once many of these reach completion, absorptions will escalate. Strong completions will also provide an opportunity to replenish inventories. At only 92 units in July, the number of complete and unabsorbed multi-family units was among the lowest in fifteen years.

Single-detached housing starts in the Calgary CMA reached 840 units in July, six units higher than the previous year. While the increase appears negligible, July's construction represents the strongest July for single-detached construction on record. Airdrie and Cochrane recorded the most notable gain in July, each up more than 200 per cent. After seven months, 6,409 single-detached homes have been started in the Calgary CMA, representing an impressive 29 per cent gain over the previous year. However, building permits indicate that this increase will narrow over the balance of 2006. From May to July, single-detached building permits in Calgary were 13 per cent lower than the previous year.



Source: CMHC

CALGARY

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With single-detached starts occurring at record levels, the number of units under construction continues to climb. At the end of July, a record 6,015 units were under construction in the Calgary CMA, a 58 per cent gain over the previous year. This elevated pace of construction continues to strain resources, resulting in significant upward price pressure. Recent gains in the New Home Price Index are finally showing up in the average absorbed price. At a record $375,564 in July, the average absorbed price was 15 per cent higher than the previous year. After seven months, new single-detached units have averaged $341,291, nearly 11 per cent higher than the previous year.

At the end of July, single-detached inventory, which includes spec units and show homes, fell to the lowest level since January of 1998. At 467 units in July, the number of complete and unabsorbed units was 32 per cent lower than the previous year.

Table 1A

STARTS ACTIVITY BY AREA

Calgary CMA - July 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
AIRDRIE	115	37	0	0	0	115	49	**
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**653**	**713**	**86**	**118**	**360**	**1,217**	**1,136**	**7.1**
CHESTERMERE LAKE	34	31	4	0	0	38	44	-13.6
COCHRANE	13	4	2	0	0	15	4	**
CROSSFIELD	3	2	2	0	0	5	2	**
IRRICANA	0	3	0	0	0	0	3	**
MD ROCKYVIEW	22	44	0	0	0	22	46	-52.2
TOTAL	**840**	**834**	**94**	**118**	**360**	**1,412**	**1,284**	**10.0**

Table 1B

STARTS ACTIVITY BY AREA

Calgary CMA - Year to Date 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
AIRDRIE	564	264	20	106	247	937	341	**
BEISEKER	1	0	0	0	0	1	0	**
CALGARY CITY	**5,187**	**4,284**	**560**	**447**	**2,479**	**8,673**	**6,808**	**27.4**
CHESTERMERE LAKE	359	192	32	15	0	406	246	65.0
COCHRANE	95	37	12	0	86	193	37	**
CROSSFIELD	22	7	2	0	18	42	11	**
IRRICANA	8	3	4	0	0	12	5	**
MD ROCKYVIEW	173	198	4	0	0	177	226	-21.7
TOTAL	**6,409**	**4,985**	**634**	**568**	**2,830**	**10,441**	**7,674**	**36.1**

** 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.

Table 2A

HOUSING COMPLETIONS BY AREA

Calgary CMA - July 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
AIRDRIE	50	33	0	0	0	50	58	-13.8
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**671**	**689**	**76**	**74**	**30**	**851**	**1,146**	**-25.7**
CHESTERMERE LAKE	28	26	2	0	0	30	26	15.4
COCHRANE	11	8	2	0	0	13	19	-31.6
CROSSFIELD	5	0	0	0	0	5	0	**
IRRICANA	0	2	0	0	0	0	2	**
MD ROCKYVIEW	47	43	6	0	0	53	59	-10.2
TOTAL	**812**	**801**	**86**	**74**	**30**	**1,002**	**1,310**	**-23.5**

Table 2B

HOUSING COMPLETIONS 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	338	243	18	42	1	399	414	-3.6
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	**3,853**	**3,886**	**404**	**465**	**1,015**	**5,737**	**6,234**	**-8.0**
CHESTERMERE LAKE	201	187	34	3	0	238	204	16.7
COCHRANE	34	70	6	0	21	61	141	-56.7
CROSSFIELD	15	10	2	0	0	17	16	6.3
IRRICANA	4	6	6	0	0	10	12	-16.7
MD ROCKYVIEW	143	228	32	0	0	175	278	-37.1
TOTAL	**4,588**	**4,631**	**502**	**510**	**1,037**	**6,637**	**7,300**	**-9.1**

** Indicates a greater than 100 per cent change

Table 3

HOUSING ACTIVITY SUMMARY

Calgary CMA - July 2006

Activity	Ownership: Freehold Single[1]	Freehold Semi[1]	Freehold Row	Condominium Row	Condominium Apt	Rental Row	Rental Apt	Grand Total
Starts								
Current Month	840	94	0	118	360	0	0	1,412
Previous Year	834	78	0	94	278	0	0	1,284
Year-To-Date 2006	6,409	634	0	568	2,742	0	88	10,441
Year-To-Date 2005	4,985	506	12	694	1,475	0	2	7,674
Under Construction								
July 2006	6,015	838	3	985	5,847	0	90	13,778
July 2005	3,815	590	15	831	4,046	0	256	9,553
Completions								
Current Month	812	86	16	58	30	0	0	1,002
Previous Year	801	90	0	98	321	0	0	1,310
Year-To-Date 2006	4,588	502	19	491	1,013	0	24	6,637
Year-To-Date 2005	4,631	562	17	482	1,398	0	210	7,300
Completed & Not Absorbed								
July 2006	467	86	0	6	0	0	0	559
July 2005	683	175	3	75	226	0	165	1,327
Total Supply[2]								
July 2006	6,482	924	3	991	5,847	0	90	14,337
July 2005	4,498	765	18	906	4,272	0	421	10,880
Absorptions								
Current Month	819	77	16	58	30	0	0	1,000
Previous Year	839	102	2	107	408	0	5	1,463
Year-To-Date 2006	4,685	547	19	519	1,079	0	127	6,976
Year-To-Date 2005	4,654	580	8	519	1,350	0	167	7,278
3-month Average	769	83	5	57	196	0	0	1,110
12-month Average	679	79	2	73	204	2	38	1,077

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

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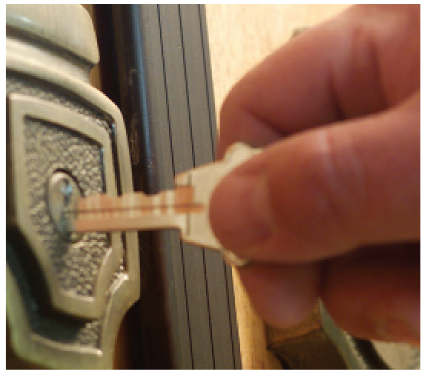


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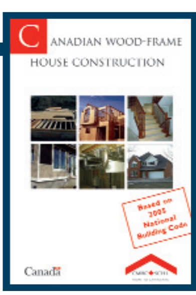

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