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Canada Mortgage and Housing Corporation
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Housing Starts Surge in December

Edmonton's home building industry ended 2005 on a high note in December. Total housing starts across the Edmonton Census Metropolitan Area (CMA) reached 1,121 units in December for an increase of 31.7 per cent over the last month of 2004. Total starts throughout the region ended the year up 15.7 per cent to 13,294 units, representing the second best year on record. In 2005, Edmonton was one of only five metropolitan areas across Canada to report new housing construction levels above the 10,000 unit mark.

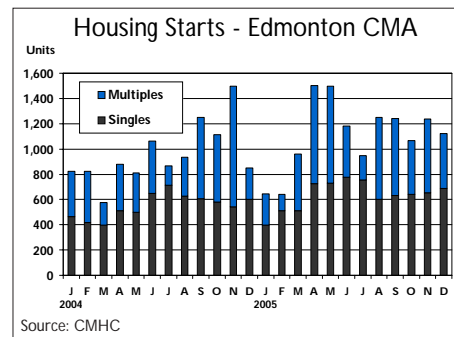
Single-detached starts around Metro rose by 14.3 per cent compared with December 2004 to 689 units. As shown in Table 1A, large increases were reported in Edmonton City, Fort Saskatchewan and Spruce Grove. In contrast, December activity levels for new singles faltered in Beaumont, Devon and the counties of Strathcona and Sturgeon. Single-detached units under construction stood at 3,842 at year end, representing a record high and a 25 per cent increase over the number of units in progress at the end of 2004.

December's performance capped a record-setting year for single-family builders who started an unprecedented 7,623 units, up 15.3 per cent from activity reported in all of 2004. This marks a record fourth consecutive year that

single-detached starts have exceeded 6,000 units across the Edmonton region. A strong economy, continued immigration and bullish consumer sentiment will keep activity close to these high levels in the months ahead.

Single-detached completions increased by 13 per cent year-over-year in December to 573 units. Meanwhile, absorptions rose by a similar margin over last December to 581 units. With absorptions outpacing completions by a slight margin, the inventory of completed and unoccupied units (including show homes) fell by eight units from the previous month to 571 units. Compared with the end of 2004, total single-family inventories were down by 13 per cent. The average price of a new house absorbed during December increased by 8.8 per cent year-over-year to \$297,698.

Following a three-month period of weaker year-over-year activity, December's multi-unit starts across



EDMONTON

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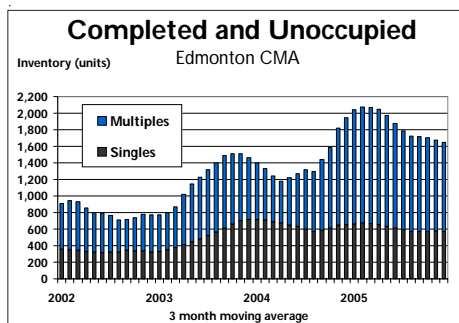
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Edmonton CMA

Greater Edmonton surged by 74.2 per cent over December 2004 to 432 units. The majority of these new dwellings were condominium apartments started in Edmonton, Fort Saskatchewan and Strathcona County. Both row and apartment starts improved substantially over December 2004, while semi-detached activity fell by almost two-thirds from 190 units in December 2004 to 66 units one year later. Total multiple units under construction stood at 6,617 units at year-end, representing a 21 per cent increase over the number of units in progress at the end of 2004. As shown in Table 3, the number of row condo

units under construction was up substantially year-over-year in December 2005 while the number of private row rental units underway was well off the mark from the end of the previous year.

For the year, multiple unit starts exceeded 2004's tally by 16.4 per cent to 5,671 units. Both row and apartment construction experienced double-digit percentage increases for the year while semi-detached starts remained on par with the activity reported during 2004. Large gains were reported for the year in the communities of Beaumont, Spruce Grove and St. Albert as well as the counties of Strathcona and Sturgeon. The largest decline in new multi-unit activity occurred in Leduc City, where total starts dropped by 83 per cent to 39 units compared with 228 multiple dwelling starts in 2004.

Multiple unit completions fell by 74 per cent from December 2004 to 232 units. This caused the absorption count to tumble as well, dropping 56 per cent year-over-year to 270 units. Despite the pullback, inventory levels managed to head downward to 1,053 units. This represented a 22.5 per cent drop from the last month of 2004. The majority of December's inventory was found in apartments, both condominium and rental.



Edmonton's Resale Market Sets Records in 2005

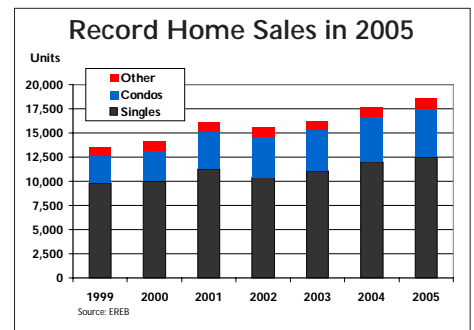
Residential sales reported by the Edmonton Real Estate Board (EREB) set a new benchmark in 2005, following record performances in both 2003 and 2004. Total sales on the MLS® in 2005 reached 18,643 residential units, representing a 5.6 per cent increase

over activity levels reported by EREB during January to December of 2004. The existing housing market took advantage of the same economic and demographic forces that have been driving demand for new homes in the past year. The total value of residential activity reported by the Board reached \$3.61 billion, up 13.9 per cent from the previous record of \$3.17 billion reported in 2004.

Fewer new listings, combined with stronger sales, worked to the advantage of vendors in 2005. The annual average for the sales-to-new-listings ratio increased to 72 per cent in 2005 from 67 per cent in 2004. As a result, resale prices of all unit types combined rose by eight per cent in 2005 to \$193,934. The average residential listing period during the 4th quarter fell by 14.6 per cent year-over-year to 41 days compared with 48 days during the last three months of 2004.

Sales of existing single-family homes also reached a new high in 2005, eclipsing the previous year's record by four per cent to 12,504 units. New listings failed to keep pace with the growth in sales, with the total number of homes listed on the MLS® falling by less than one per cent to 16,682 units. Prices grew by an impressive 9.3 per cent for the year, on average, to \$220,347 – also a record. The proportion of existing single-detached homes that sold for over \$200,000 increased from 41.7 per cent in 2004 to 53.9 per cent in 2005. In contrast, singles selling for under \$150,000 accounted for only 14.5 per cent of sales in 2005, down from 20 per cent in 2004.

Demand for condominium properties was very strong in 2005, with sales growing by 7.7 per cent to 5,020 units. This came despite a three per cent drop in new listings throughout the year. Resale prices increased, on average, by 4.8 per cent to a record \$141,009 for the year. This occurred largely due to fewer sales in the lowest price ranges. Sales of existing condos priced under \$100,000 fell from 24.6 per cent of the market in 2004 to 20.9 per cent in 2005.



Units selling for over \$200,000 captured 10.8 per cent of the market, up about one percentage point from the previous year.

Labour Market Remains Tight

Despite weaker job creation across the Capital Region in 2005, labour market conditions remain very tight. The unemployment rate (unadjusted) averaged 4.1 per cent during the last three months of 2005 compared with 4.7 per cent in the fourth quarter of 2004. The low jobless levels are helping to push wages upward across the region. Average weekly earnings for the year grew by 3.2 per cent to \$725 in 2005. In the goods-producing industries such as manufacturing and construction, weekly earnings increased by 5.7 per cent in 2005 to an average of \$904.

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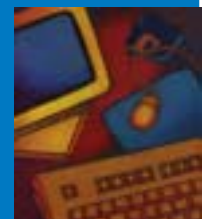


Table 1A
STARTS ACTIVITY BY AREA
 Edmonton CMA - December 2005

Area	Single		Multiple			Total		%Chg 2005/2004
	2005	2004	Semi	Row	Apt	2005	2004	
BEAUMONT TOWN	1	11	0	0	0	1	11	-90.91
CALMARTOWN	2	1	0	3	0	5	1	**
DEVON TOWN	4	11	0	0	0	4	11	-63.64
EDMONTON CITY	470	370	30	78	155	733	552	32.79
FORT SASKATCHEWAN CITY	19	5	2	0	72	93	7	**
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	14	15	10	0	0	24	15	60.00
LEDUC COUNTY	13	11	0	0	0	13	11	18.18
MORINVILLE TOWN	3	5	0	0	0	3	5	-40.00
PARKLAND COUNTY	16	12	2	0	0	18	12	50.00
SPRUCE GROVE CITY	34	13	10	0	0	44	13	**
ST. ALBERT CITY	25	24	0	0	0	25	24	4.17
STONY PLAIN TOWN	9	10	10	0	0	19	12	58.33
STRATHCONA COUNTY	56	98	2	0	54	112	160	-30.00
STURGEON COUNTY	9	14	0	0	0	9	14	-35.71
OTHER CENTRES	14	3	0	0	4	18	3	**
TOTAL	689	603	66	81	285	1,121	851	31.73

Table 1B
STARTS ACTIVITY BY AREA
 Edmonton CMA - Year to Date 2005

Area	Single		Multiple			Total		%Chg 2005/2004
	2005	2004	Semi	Row	Apt	2005	2004	
BEAUMONT TOWN	238	184	4	0	41	283	184	53.80
CALMAR TOWN	9	14	2	3	0	14	14	0.00
DEVON TOWN	56	90	8	0	0	64	102	-37.25
EDMONTON CITY	5,023	4,030	762	702	2,947	9,434	8,159	15.63
FORT SASKATCHEWAN CITY	150	90	24	18	119	311	239	30.13
GIBBONS TOWN	19	6	0	0	4	23	6	**
LEDUC CITY	164	147	18	21	0	203	375	-45.87
LEDUC COUNTY	85	65	0	0	0	85	65	30.77
MORINVILLE TOWN	66	40	0	0	43	109	89	22.47
PARKLAND COUNTY	140	204	10	0	0	150	218	-31.19
SPRUCE GROVE CITY	298	212	58	3	98	457	273	67.40
ST. ALBERT CITY	366	327	64	0	220	650	369	76.15
STONY PLAIN TOWN	135	176	38	0	74	247	188	31.38
STRATHCONA COUNTY	689	830	166	8	212	1,075	1,008	6.65
STURGEON COUNTY	135	153	0	0	0	135	153	-11.76
OTHER CENTRES	50	46	0	0	4	54	46	17.39
TOTAL	7,623	6,614	1,154	755	3,762	13,294	11,488	15.72

** 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 - December 2005

Area	Single		Multiple			Total		%Chg
	2005	2004	Semi	Row	Apt	2005	2004	2005/2004
BEAUMONT TOWN	20	4	0	0	0	20	4	**
CALMARTOWN	0	0	0	0	0	0	0	**
DEVON TOWN	7	2	0	0	0	7	2	**
EDMONTON CITY	352	250	94	16	86	548	1,073	-48.93
FORT SASKATCHEWAN CITY	9	6	0	0	0	9	12	-25.00
GIBBONS TOWN	4	0	0	0	0	4	0	**
LEDUC CITY	15	5	0	0	0	15	42	-64.29
LEDUC COUNTY	12	0	0	0	0	12	0	**
MORINVILLE TOWN	9	1	4	0	0	13	1	**
PARKLAND COUNTY	8	41	0	0	0	8	47	-82.98
SPRUCE GROVE CITY	18	27	2	0	0	20	31	-35.48
ST. ALBERT CITY	33	31	2	0	0	35	31	12.90
STONY PLAIN TOWN	17	34	0	0	0	17	36	-52.78
STRATHCONA COUNTY	52	82	28	0	0	80	96	-16.67
STURGEON COUNTY	14	19	0	0	0	14	19	-26.32
OTHER CENTRES	3	4	0	0	0	3	4	-25.00
TOTAL	573	506	130	16	86	805	1,398	-42.42

Table 2B
HOUSING COMPLETIONS BY AREA
Edmonton CMA - Year to Date 2005

Area	Single		Multiple			Total		%Chg
	2005	2004	Semi	Row	Apt	2005	2004	2005/2004
BEAUMONT TOWN	214	150	0	0	0	214	150	42.67
CALMARTOWN	16	9	0	0	0	16	9	77.78
DEVON TOWN	79	80	14	0	0	93	90	3.33
EDMONTON CITY	4,412	3,811	796	413	2,401	8,022	8,574	-6.44
FORT SASKATCHEWAN CITY	99	80	20	6	208	333	116	**
GIBBONS TOWN	12	7	0	0	0	12	7	71.43
LEDUC CITY	132	144	4	41	110	287	279	2.87
LEDUC COUNTY	81	60	0	0	0	81	60	35.00
MORINVILLE TOWN	49	35	12	0	0	61	63	-3.17
PARKLAND COUNTY	178	197	4	0	0	182	209	-12.92
SPRUCE GROVE CITY	220	207	58	0	0	278	448	-37.95
ST. ALBERT CITY	341	300	42	0	124	507	362	40.06
STONY PLAIN TOWN	127	184	14	0	0	141	295	-52.20
STRATHCONA COUNTY	714	892	174	6	0	894	1,122	-20.32
STURGEON COUNTY	137	137	0	0	0	137	137	0.00
OTHER CENTRES	32	55	0	0	0	32	59	-45.76
TOTAL	6,843	6,348	1,138	466	2,843	11,290	11,980	-5.76

** Indicates a greater than 100 per cent change

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Table 3
HOUSING ACTIVITY SUMMARY
 Edmonton CMA

Activity	Ownership					Rental				Grand Total
	Freehold		Condominium			Private		Assisted		
	Single ¹	Semi ¹	Row	Row	Apt	Row	Apt	Row	Apt	
Starts										
Current Month	689	66	3	78	285	0	0	0	0	1,121
Previous Year	603	190	0	12	46	0	0	0	0	851
Year-To-Date 2005	7,623	1,154	3	690	3,098	6	476	56	188	13,294
Year-To-Date 2004	6,614	1,162	8	369	2,407	101	785	0	42	11,488
Under Construction										
2005	3,842	728	11	637	4,468	8	667	56	42	10,459
2004	3,063	718	12	312	3,571	109	714	0	42	8,541
Completions										
Current Month	573	130	0	16	86	0	0	0	0	805
Previous Year	506	80	12	28	615	0	157	0	0	1,398
Year-To-Date 2005	6,843	1,138	4	351	2,149	111	524	0	170	11,290
Year-To-Date 2004	6,348	1,090	31	440	2,715	57	1,299	0	0	11,980
Completed & Not Absorbed										
2005	571	106	0	33	436	0	478	0	0	1,624
2004	654	155	3	45	491	0	665	0	0	2,013
Total Supply²										
2005	4,413	834	11	670	4,904	8	1,145	56	42	12,083
2004	3,717	873	15	357	4,062	109	1,379	0	42	10,554
Absorptions										
Current Month	581	131	0	18	103	0	18	0	0	851
Previous Year	513	76	9	26	471	0	31	0	0	1,126
Year-To-Date 2005	6,926	1,187	7	363	2,392	111	519	0	186	11,691
Year-To-Date 2004	6,430	1,045	34	418	2,371	57	1,077	0	0	11,432
3-month Average	622	111	0	35	147	0	49	0	24	988
12-month Average	577	99	1	30	199	9	43	0	16	974

1 May include units intended for condominium.

2 Sum of units under construction, complete and unoccupied.

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