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Canada Mortgage and Housing Corporation
www.cmhc.ca

EDMONTON

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IN THIS ISSUE:

New Home Construction Maintains Sizzling Pace in June

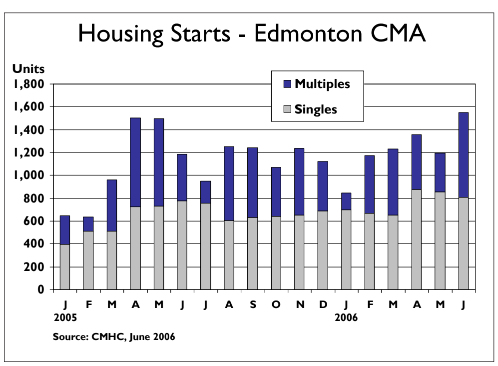
Total residential housing starts across the Capital region achieved their best June performance since 1982. Total housing starts in the Edmonton Census Metropolitan Area (CMA) increased 31 per cent from 1,183 units in June 2005 to 1,547 units in June 2006. Six months into the year, total new home construction is 14 per cent ahead of activity reported during the first half of 2005.

Single-detached home builders recorded their third consecutive month of starts in excess of 800 units in June. Across the Capital region, work began on 807 single-detached units, which is an increase of four per cent from June 2005. As shown in Table 1, improvements were not uniform across the region. Stronger activity in areas such as Ft. Saskatchewan, Leduc City/County, Spruce Grove and Stony Plain was undermined by lower output in Beamont, St. Albert and Strathcona County.

The year-to-date tally of single-detached starts stands at 4,562 units, 25 per cent more than 2005's record setting performance. Strong economic fundamentals including employment growth and net-migration, combined with low inventory of new and existing homes, have put single-detached housing starts well on their way to a new annual starts record. Each of the first six months of 2006 has set a monthly starts record. In June, the region posted another record for single-detached homes under construction, at 4,981 units.

Single-detached completions increased by 12 per cent year-over-year in June to 649 units. Meanwhile, absorptions rose by a larger margin to a record high of 713 units, resulting in a further reduction in the standing inventory. The total combined inventory of show homes and spec units stood at 453 units in June, representing the lowest level since May 2003 and a 26 per cent drop from June of last year. The number of show homes has remained close to the 300 unit mark in the second quarter, which is close to the longer-term average for the region. In contrast, the volume of spec homes on hand has declined considerably from the same time last year.

The trend of relatively weak apartment starts through the first five months of 2006 was reversed in June when apartment starts jumped to a 13-month high of 532 units. The surge in apartment construction pushed total multi-family starts, which also includes semi-detached and row units, up to a 14-month high of 740 units.



Thanks to the rebound of multi-family starts in June, the multi-family market is back on track to meet CMHC's 2006 forecast. Work has commenced on 2,784 multi-family units through the first six months of this year. These volumes are on par with the first six months of 2005. A strong performance by semi-detached home builders has helped counter a slower performance so far this year by row and apartment developers. Semi-detached units continue to gain popularity due to their price points vis-à-vis single-detached units. In the month of June, for example, the median price for semi-

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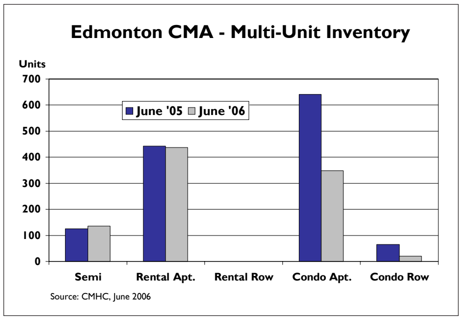
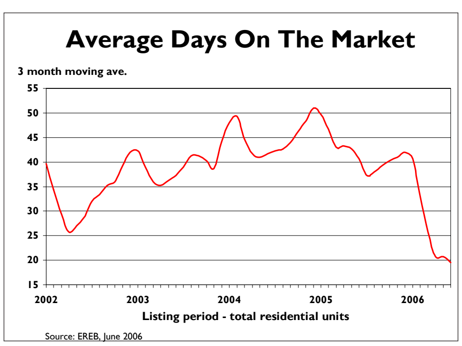


detached units absorbed across the region was $212,000 compared with close to $275,000 for a new single-detached home.

Multi-unit completions jumped substantially in June due to a surge in the number of condominiums finishing construction. However, absorptions exceeded completions by a margin of over 40 units resulting in a reduction of standing inventory. The total inventory of completed and unoccupied multiples stood at 943 units, representing a 26 per cent year-over-year decline. Most (83%) of the unabsorbed multi-family units were found in the apartment category, of which 347 were condominiums and 436 were rentals.

Resale Market in Uncharted Territory

Edmonton's residential resale market continues to heat up due to a combination of strong demand and a shortage of inventory. To quote the Edmonton Real Estate Board's July press release, "the current real estate market is unlike anything that consumers have ever seen in Edmonton." Strong in-migration, low unemployment, robust income growth and surging consumer confidence have driven demand to unprecedented levels. Total sales on the MLS® have exceeded last year's record setting pace by over 17 per cent in the first six months of the year. Meanwhile, new listings entering the market place have fallen by 13 per cent over the same time frame - resulting in a severe shortage of inventory and price acceleration. The typical MLS® listing period has fallen dramatically in this increasingly hot market. During the second quarter of 2005, a home was listed on the market for an average of 43 days. This has been cut in half during the second quarter of 2006 to only 21 days. Sales-to-active listings ratios have exceeded 100 per cent during the second quarter, which translates into less than one month's supply of inventory available for sale. Prices have responded accordingly. In the month of June, the residential average sale price rose by 27.5 per cent to a record high $254,240.



Edmonton's single-detached resale market has been hampered by record low inventories this spring and yet sales continue to set new benchmarks. During the first half of this year, total sales eclipsed last year's record-setting pace by over 10 per cent despite a 14 per cent drop in new listings. Prices have shot up, with far fewer units now available for under $200,000. The average MLS® single-family resale price rose by 23 per cent during the first half of 2006 to $268,361, representing an increase of over $50,500 from the typical sale price recorded in the first half of 2005.

Resale condominiums have experienced a major increase in demand this year due to their attractive price points relative to single-family homes. And while the volume of new units entering the market has remained high, demand for existing product has overwhelmed supply, causing prices to surge. Sales in the first half of the year have increased by one third while new listings have dropped. As a result, active listings on hand in June were 68 per cent below the same time last year. Prices have been pushed upward in response to the supply shortage. A typical resale condo sold for a record $186,738 in June, representing a year-over-year increase of 29 per cent.

Edmonton's Labour Market Remains Very Tight

In the month of June, Calgary and Edmonton placed first and second among major Canadian cities with seasonally-adjusted unemployment rates of 3.4 and 3.7 per cent, respectively. In Edmonton, average weekly earnings have responded to this tight labour market with a 6.2 per cent year-to-date increase over the first half of 2005. These conditions are expected to sustain the current high levels of in-migration into Alberta. During the first quarter of 2006, Alberta continued to have the largest inter-provincial migration gain in Canada, with 15,600 more people moving into than leaving the province.

Table 1A

STARTS ACTIVITY BY AREA

Edmonton CMA - June 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
BEAUMONT TOWN	26	40	10	4	0	40	40	0.0
CALMAR TOWN	0	1	0	0	0	0	1	**
DEVON TOWN	1	3	0	0	0	1	3	-66.7
EDMONTON CITY	**520**	**509**	**90**	**56**	**415**	**1,081**	**772**	**40.0**
FORT SASKATCHEWAN CITY	17	14	6	0	117	140	14	**
GIBBONS TOWN	3	1	0	0	0	3	1	**
LEDUC CITY	37	14	4	0	0	41	14	**
LEDUC COUNTY	12	6	0	0	0	12	6	**
MORINVILLE TOWN	9	9	0	0	0	9	9	0.0
PARKLAND COUNTY	22	21	0	0	0	22	23	-4.3
SPRUCE GROVE CITY	31	27	2	0	0	33	129	-74.4
ST. ALBERT CITY	28	32	22	0	0	50	34	47.1
STONY PLAIN TOWN	18	11	2	0	0	20	15	33.3
STRATHCONA COUNTY	62	76	0	12	0	74	110	-32.7
STURGEON COUNTY	12	10	0	0	0	12	10	20.0
OTHER CENTRES	9	2	0	0	0	9	2	**
TOTAL	**807**	**776**	**136**	**72**	**532**	**1,547**	**1,183**	**30.8**

Table 1B

STARTS ACTIVITY BY AREA

Edmonton CMA - Year to Date 2006

Area	Single 2006	Single 2005	Multiple Semi	Multiple Row	Multiple Apt	Total 2006	Total 2005	%Chg 2006/2005
BEAUMONT TOWN	217	138	40	12	0	269	138	94.9
CALMAR TOWN	6	6	0	4	0	10	6	66.7
DEVON TOWN	14	32	0	0	0	14	38	-63.2
EDMONTON CITY	**2,801**	**2,462**	**552**	**235**	**1,500**	**5,088**	**4,707**	**8.1**
FORT SASKATCHEWAN CITY	110	60	32	0	117	259	119	**
GIBBONS TOWN	15	6	0	0	0	15	6	**
LEDUC CITY	170	65	48	0	0	218	69	**
LEDUC COUNTY	43	28	0	0	0	43	28	53.6
MORINVILLE TOWN	49	24	2	0	0	51	24	**
PARKLAND COUNTY	108	65	4	0	0	112	69	62.3
SPRUCE GROVE CITY	220	121	24	0	0	244	239	2.1
ST. ALBERT CITY	173	160	56	0	0	229	212	8.0
STONY PLAIN TOWN	91	65	8	0	0	99	77	28.6
STRATHCONA COUNTY	444	365	34	38	78	594	643	-7.6
STURGEON COUNTY	67	45	0	0	0	67	45	48.9
OTHER CENTRES	34	8	0	0	0	34	8	**
TOTAL	**4,562**	**3,650**	**800**	**289**	**1,695**	**7,346**	**6,428**	**14.3**

** 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
Edmonton CMA - June 2006

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
BEAUMONT TOWN	39	23	0	0	0	39	23	69.6
CALMAR TOWN	0	2	0	0	0	0	2	**
DEVON TOWN	5	1	0	0	0	5	3	66.7
EDMONTON CITY	**390**	**372**	**88**	**117**	**449**	**1,044**	**540**	**93.3**
FORT SASKATCHEWAN CITY	15	10	0	6	0	21	83	-74.7
GIBBONS TOWN	0	0	0	0	4	4	0	**
LEDUC CITY	20	10	10	0	0	30	10	**
LEDUC COUNTY	7	2	0	0	0	7	2	**
MORINVILLE TOWN	3	4	0	0	0	3	6	-50.0
PARKLAND COUNTY	9	12	0	0	0	9	14	-35.7
SPRUCE GROVE CITY	40	10	2	0	0	42	10	**
ST. ALBERT CITY	24	25	2	0	0	26	25	4.0
STONY PLAIN TOWN	16	5	4	0	0	20	11	81.8
STRATHCONA COUNTY	64	89	8	0	0	72	115	-37.4
STURGEON COUNTY	11	10	0	0	0	11	10	10.0
OTHER CENTRES	6	3	0	0	0	6	3	**
TOTAL	**649**	**578**	**114**	**123**	**453**	**1,339**	**857**	**56.2**

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

Area	Single		Multiple			Total		%Chg
	2006	2005	Semi	Row	Apt	2006	2005	2006/2005
BEAUMONT TOWN	139	94	0	0	0	139	94	47.9
CALMAR TOWN	4	9	2	3	0	9	9	0.0
DEVON TOWN	24	39	0	0	0	24	47	-48.9
EDMONTON CITY	**2,221**	**1,972**	**378**	**294**	**1,431**	**4,324**	**3,788**	**14.1**
FORT SASKATCHEWAN CITY	69	41	8	12	0	89	154	-42.2
GIBBONS TOWN	11	4	0	0	4	15	4	**
LEDUC CITY	85	58	24	11	35	155	209	-25.8
LEDUC COUNTY	43	32	0	0	0	43	32	34.4
MORINVILLE TOWN	30	18	4	0	0	34	22	54.5
PARKLAND COUNTY	65	110	6	0	0	71	112	-36.6
SPRUCE GROVE CITY	146	94	24	0	98	268	128	**
ST. ALBERT CITY	138	156	20	0	30	188	302	-37.7
STONY PLAIN TOWN	47	53	20	0	74	141	61	**
STRATHCONA COUNTY	291	322	66	0	0	357	402	-11.2
STURGEON COUNTY	72	80	0	0	0	72	80	-10.0
OTHER CENTRES	33	24	2	0	0	35	24	45.8
TOTAL	**3,418**	**3,106**	**554**	**320**	**1,672**	**5,964**	**5,468**	**9.1**

** Indicates a greater than 100 per cent change

Table 3

HOUSING ACTIVITY SUMMARY

Edmonton CMA - June 2006

Activity	Ownership					Rental		Grand Total
	Freehold			Condominium				
	Single[1]	Semi[1]	Row	Row	Apt	Row	Apt	
Starts								
Current Month	807	136	0	72	532	0	0	1,547
Previous Year	776	132	0	0	181	0	94	1,183
Year-To-Date 2006	4,562	800	24	261	1,592	4	103	7,346
Year-To-Date 2005	3,650	630	0	159	1,453	6	530	6,428
Under Construction								
2006	4,981	978	27	601	4,837	54	414	11,892
2005	3,606	840	8	330	3,742	12	956	9,494
Completions								
Current Month	649	114	0	123	423	0	30	1,339
Previous Year	578	120	0	4	123	32	0	857
Year-To-Date 2006	3,418	554	8	298	1,274	14	398	5,964
Year-To-Date 2005	3,106	502	4	137	1,282	107	330	5,468
Completed & Not Absorbed								
2006	453	136	3	21	347	0	436	1,396
2005	613	126	0	65	641	0	444	1,889
Total Supply[2]								
2006	5,434	1,114	30	622	5,184	54	850	13,288
2005	4,219	966	8	395	4,383	12	1,400	11,383
Absorptions								
Current Month	713	111	0	147	427	0	47	1,445
Previous Year	610	117	0	8	180	32	0	947
Year-To-Date 2006	3,536	524	5	310	1,363	7	440	6,185
Year-To-Date 2005	3,147	531	7	117	1,320	107	375	5,604
3-month Average	629	92	2	74	297	2	45	1,141
12-month Average	610	98	0	46	203	1	65	1,023

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.

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

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