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Single-Detached Starts Maintain Record-Setting Pace

While single-detached home builders continued to break records in August, total housing starts declined across the Edmonton Region due to a pull-back in row and apartment construction. Total housing starts throughout the Edmonton Census Metropolitan Area (CMA) fell by 3.4 per cent from August 2005 to 1,209 units. Despite this modest retreat, building activity for the year-to-date remains almost 16 per cent ahead of total housing starts reported in the first eight months of 2005.

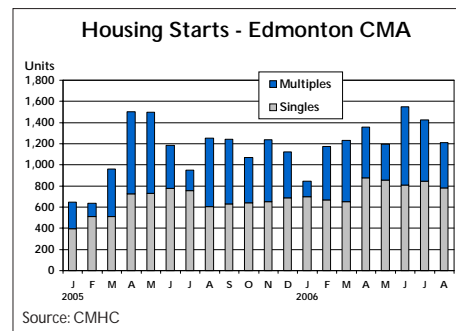
Single-detached starts increased by 30 per cent in August to 784 units, compared with 603 in August of last year. August's tally, however, represented the first time since March that Metro's monthly activity failed to exceed the 800 unit mark. As shown in Table 1, most of the region's communities reported stronger activity year-over-year in August, with marked improvements tallied in Leduc City, Morinville, Parkland County and Spruce Grove. Single-detached home builders are 24 per cent ahead of last year's activity to the end of August. Should this pace be maintained during the remaining four months of 2006, builders will easily eclipse last year's record 7,623 single-detached starts.

Single-detached completions fell year-over-year in August by 13 per cent to 544 units. As a result of this and the strong starts in August, units under construction continued to surpass the record set in the previous month of July. Meanwhile,

absorptions in August fell by 21 per cent from the same month last year to 513 units. With completions outpacing absorptions, the inventory of completed and unoccupied (including show homes) increased to 509 units from 478 in July. Despite this gain, the stock of unsold new units remained 10 per cent below unabsorbed singles on hand in August 2005.

New house prices jumped substantially in August, indicative of the rising land, labour and materials prices faced by builders. The cost of a typical single-family home absorbed in Greater Edmonton reached a record-high average price of \$318,503, representing a 19.2 per cent increase over the average reported in August 2005.

Edmonton's multiple unit starts in August fell by 34.4 per cent from a very strong performance reported in August 2005. Semi-detached starts were the lone bright spot, doubling last year's efforts to 228 units. In contrast, row and apartment starts fell by 81 and 48 per cent, respectively, from last August's production



Source: CMHC

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Edmonton CMA

levels. The lion's share of the new townhouse and apartment activity was targeted at the condominium market within the city of Edmonton.

For the year-to-date, total multi-family starts have increased by 4.6 per cent, largely on the strength of a 41 per cent gain by semi-detached builders. Row and apartment starts combined have slipped by six per cent during the same time frame. Semi-detached homes continue to gain popularity with builders and consumers alike due to their cost advantage vis-à-vis new single-detached homes.

Multiple unit completions fell by 48 per cent year-over-year in August to 311 units. Absorptions fell by a smaller margin and exceeded completions by 133 units. As such, inventories trended downward to 619 units, representing the lowest level since May 2004 and a 46 per cent drop from the same time last year.

Table 1A
STARTS ACTIVITY BY AREA
 Edmonton CMA - August 2006

| Area | Single | | Multiple | | | Total | | %Chg |
|------------------------|------------|------------|------------|-----------|------------|--------------|--------------|-------------|
| | 2006 | 2005 | Semi | Row | Apt | 2006 | 2005 | 2006/2005 |
| BEAUMONT TOWN | 23 | 19 | 10 | 0 | 0 | 33 | 60 | -45.0 |
| CALMARTOWN | 0 | 0 | 2 | 0 | 0 | 2 | 2 | 0.0 |
| DEVON TOWN | 4 | 3 | 0 | 0 | 0 | 4 | 3 | 33.3 |
| EDMONTON CITY | 466 | 378 | 152 | 42 | 149 | 809 | 868 | -6.8 |
| FORT SASKATCHEWAN CITY | 14 | 10 | 14 | 0 | 0 | 28 | 12 | ** |
| GIBBONS TOWN | 5 | 2 | 0 | 0 | 0 | 5 | 2 | ** |
| LEDUC CITY | 23 | 10 | 0 | 0 | 0 | 23 | 15 | 53.3 |
| LEDUC COUNTY | 15 | 18 | 0 | 0 | 0 | 15 | 18 | -16.7 |
| MORINVILLE TOWN | 20 | 6 | 10 | 0 | 0 | 30 | 6 | ** |
| PARKLAND COUNTY | 27 | 11 | 2 | 0 | 0 | 29 | 11 | ** |
| SPRUCE GROVE CITY | 46 | 17 | 18 | 0 | 0 | 64 | 27 | ** |
| ST.ALBERT CITY | 31 | 24 | 4 | 0 | 0 | 35 | 24 | 45.8 |
| STONY PLAIN TOWN | 14 | 14 | 16 | 0 | 0 | 30 | 94 | -68.1 |
| STRATHCONA COUNTY | 64 | 62 | 0 | 6 | 0 | 70 | 80 | -12.5 |
| STURGEON COUNTY | 23 | 28 | 0 | 0 | 0 | 23 | 28 | -17.9 |
| OTHER CENTRES | 9 | 1 | 0 | 0 | 0 | 9 | 1 | ** |
| TOTAL | 784 | 603 | 228 | 48 | 149 | 1,209 | 1,251 | -3.4 |

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

| Area | Single | | Multiple | | | Total | | %Chg |
|------------------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|-------------|
| | 2006 | 2005 | Semi | Row | Apt | 2006 | 2005 | 2006/2005 |
| BEAUMONT TOWN | 269 | 181 | 52 | 20 | 0 | 341 | 222 | 53.6 |
| CALMAR TOWN | 6 | 6 | 2 | 4 | 0 | 12 | 8 | 50.0 |
| DEVON TOWN | 22 | 41 | 2 | 0 | 0 | 24 | 47 | -48.9 |
| EDMONTON CITY | 3,754 | 3,316 | 784 | 333 | 1,768 | 6,639 | 6,180 | 7.4 |
| FORT SASKATCHEWAN CITY | 156 | 87 | 50 | 16 | 117 | 339 | 148 | ** |
| GIBBONS TOWN | 23 | 10 | 0 | 0 | 0 | 23 | 10 | ** |
| LEDUC CITY | 234 | 93 | 56 | 0 | 0 | 290 | 102 | ** |
| LEDUC COUNTY | 63 | 59 | 0 | 0 | 0 | 63 | 59 | 6.8 |
| MORINVILLE TOWN | 79 | 41 | 12 | 0 | 85 | 176 | 41 | ** |
| PARKLAND COUNTY | 157 | 88 | 6 | 0 | 0 | 163 | 92 | 77.2 |
| SPRUCE GROVE CITY | 307 | 175 | 46 | 0 | 0 | 353 | 309 | 14.2 |
| ST.ALBERT CITY | 248 | 237 | 74 | 0 | 0 | 322 | 339 | -5.0 |
| STONY PLAIN TOWN | 120 | 90 | 28 | 0 | 0 | 148 | 184 | -19.6 |
| STRATHCONA COUNTY | 590 | 483 | 44 | 63 | 226 | 923 | 787 | 17.3 |
| STURGEON COUNTY | 103 | 83 | 0 | 0 | 0 | 103 | 83 | 24.1 |
| OTHER CENTRES | 60 | 17 | 0 | 0 | 0 | 60 | 17 | ** |
| TOTAL | 6,191 | 5,007 | 1,156 | 436 | 2,196 | 9,979 | 8,628 | 15.7 |

** 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 - August 2006

| Area | Single | | Multiple | | | Total | | %Chg 2006/2005 |
|------------------------|------------|------------|------------|-----------|------------|------------|--------------|-------------------|
| | 2006 | 2005 | Semi | Row | Apt | 2006 | 2005 | |
| BEAUMONT TOWN | 18 | 13 | 2 | 0 | 0 | 20 | 13 | 53.8 |
| CALMARTOWN | 0 | 2 | 0 | 0 | 0 | 0 | 2 | ** |
| DEVON TOWN | 1 | 9 | 0 | 0 | 0 | 1 | 9 | -88.9 |
| EDMONTON CITY | 369 | 398 | 92 | 37 | 154 | 652 | 960 | -32.1 |
| FORT SASKATCHEWAN CITY | 15 | 9 | 0 | 0 | 0 | 15 | 17 | -11.8 |
| GIBBONS TOWN | 1 | 0 | 0 | 0 | 0 | 1 | 0 | ** |
| LEDUC CITY | 15 | 6 | 2 | 0 | 0 | 17 | 6 | ** |
| LEDUC COUNTY | 1 | 7 | 0 | 0 | 0 | 1 | 7 | -85.7 |
| MORINVILLE TOWN | 8 | 5 | 0 | 0 | 0 | 8 | 5 | 60.0 |
| PARKLAND COUNTY | 5 | 11 | 0 | 0 | 0 | 5 | 13 | -61.5 |
| SPRUCE GROVE CITY | 19 | 34 | 4 | 0 | 0 | 23 | 38 | -39.5 |
| ST.ALBERT CITY | 22 | 26 | 16 | 0 | 0 | 38 | 28 | 35.7 |
| STONY PLAIN TOWN | 6 | 17 | 0 | 0 | 0 | 6 | 17 | -64.7 |
| STRATHCONA COUNTY | 54 | 73 | 4 | 0 | 0 | 58 | 97 | -40.2 |
| STURGEON COUNTY | 7 | 14 | 0 | 0 | 0 | 7 | 14 | -50.0 |
| OTHER CENTRES | 3 | 0 | 0 | 0 | 0 | 3 | 0 | ** |
| TOTAL | 544 | 624 | 120 | 37 | 154 | 855 | 1,226 | -30.3 |

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

| Area | Single | | Multiple | | | Total | | %Chg 2006/2005 |
|------------------------|--------------|--------------|------------|------------|--------------|--------------|--------------|-------------------|
| | 2006 | 2005 | Semi | Row | Apt | 2006 | 2005 | |
| BEAUMONT TOWN | 176 | 131 | 8 | 0 | 0 | 184 | 131 | 40.5 |
| CALMARTOWN | 4 | 11 | 2 | 3 | 0 | 9 | 11 | -18.2 |
| DEVON TOWN | 26 | 53 | 0 | 0 | 0 | 26 | 61 | -57.4 |
| EDMONTON CITY | 3,027 | 2,756 | 546 | 392 | 1,764 | 5,729 | 5,228 | 9.6 |
| FORT SASKATCHEWAN CITY | 103 | 56 | 8 | 18 | 0 | 129 | 177 | -27.1 |
| GIBBONS TOWN | 12 | 4 | 0 | 0 | 4 | 16 | 4 | ** |
| LEDUC CITY | 121 | 78 | 26 | 19 | 35 | 201 | 231 | -13.0 |
| LEDUC COUNTY | 52 | 47 | 0 | 0 | 0 | 52 | 47 | 10.6 |
| MORINVILLE TOWN | 49 | 26 | 4 | 0 | 0 | 53 | 30 | 76.7 |
| PARKLAND COUNTY | 83 | 130 | 8 | 0 | 0 | 91 | 134 | -32.1 |
| SPRUCE GROVE CITY | 187 | 148 | 34 | 0 | 98 | 319 | 188 | 69.7 |
| ST.ALBERT CITY | 192 | 212 | 52 | 0 | 30 | 274 | 362 | -24.3 |
| STONY PLAIN TOWN | 62 | 81 | 26 | 0 | 74 | 162 | 91 | 78.0 |
| STRATHCONA COUNTY | 400 | 487 | 84 | 0 | 0 | 484 | 607 | -20.3 |
| STURGEON COUNTY | 88 | 98 | 0 | 0 | 0 | 88 | 98 | -10.2 |
| OTHER CENTRES | 39 | 24 | 2 | 0 | 4 | 45 | 24 | 87.5 |
| TOTAL | 4,621 | 4,342 | 800 | 432 | 2,009 | 7,862 | 7,424 | 5.9 |

** Indicates a greater than 100 per cent change

Table 3
HOUSING ACTIVITY SUMMARY
 Edmonton CMA - August 2006

| Activity | Ownership | | | | | Rental | | Grand Total |
|-------------------------------------|---------------------------------|-------------------|-----|--------------------|-------|--------|-------|-------------|
| | Freehold Single ¹ | Semi ¹ | Row | Condominium Row | Apt | Row | Apt | |
| Starts | | | | | | | | |
| Current Month | 784 | 228 | 9 | 39 | 145 | 0 | 4 | 1,209 |
| Previous Year | 603 | 114 | 0 | 191 | 242 | 56 | 45 | 1,251 |
| Year-To-Date 2006 | 6,191 | 1,156 | 39 | 393 | 2,089 | 4 | 107 | 9,979 |
| Year-To-Date 2005 | 5,007 | 822 | 0 | 388 | 1,758 | 62 | 591 | 8,628 |
| Under Construction | | | | | | | | |
| August 2006 | 5,407 | 1,088 | 38 | 625 | 5,001 | 54 | 418 | 12,631 |
| August 2005 | 3,727 | 848 | 8 | 493 | 3,573 | 64 | 909 | 9,622 |
| Completions | | | | | | | | |
| Current Month | 544 | 120 | 4 | 28 | 154 | 5 | 0 | 855 |
| Previous Year | 624 | 92 | 0 | 44 | 358 | 0 | 108 | 1,226 |
| Year-To-Date 2006 | 4,621 | 800 | 12 | 401 | 1,611 | 19 | 398 | 7,862 |
| Year-To-Date 2005 | 4,342 | 686 | 4 | 203 | 1,640 | 111 | 438 | 7,424 |
| Completed & Not Absorbed | | | | | | | | |
| August 2006 | 509 | 127 | 4 | 22 | 247 | 0 | 219 | 1,128 |
| August 2005 | 568 | 113 | 0 | 48 | 581 | 0 | 398 | 1,708 |
| Total Supply² | | | | | | | | |
| August 2006 | 5,916 | 1,215 | 42 | 647 | 5,248 | 54 | 637 | 13,759 |
| August 2005 | 4,295 | 961 | 8 | 541 | 4,154 | 64 | 1,307 | 11,330 |
| Absorptions | | | | | | | | |
| Current Month | 513 | 136 | 0 | 33 | 185 | 5 | 85 | 957 |
| Previous Year | 646 | 94 | 0 | 58 | 371 | 0 | 32 | 1,201 |
| Year-To-Date 2006 | 4,683 | 779 | 8 | 412 | 1,800 | 12 | 657 | 8,351 |
| Year-To-Date 2005 | 4,428 | 728 | 7 | 200 | 1,738 | 111 | 448 | 7,660 |
| 3-month Average | 620 | 122 | 1 | 83 | 288 | 2 | 88 | 1,204 |
| 12-month Average | 598 | 103 | 1 | 48 | 205 | 1 | 76 | 1,032 |

1 May include units intended for condominium.

2 Sum of units under construction, complete and unoccupied.

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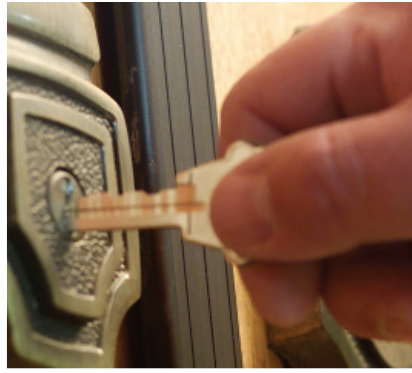
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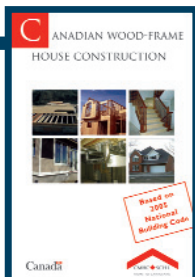
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