Calgary

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Single-family Housing Starts Rebound in March

MARCH 2004

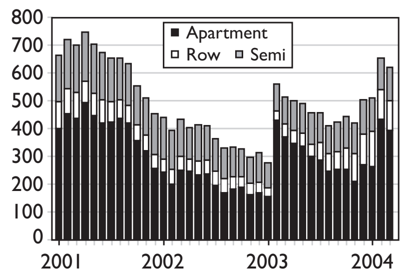
IN THIS ISSUE:

Total housing starts in the Calgary Census Metropolitan Area (CMA) fell four per cent in March 2004 compared to the same month one year earlier. Work began on 1,197 units, 53 fewer than the previous year. While single-family starts reported a healthy increase, it was insufficient to compensate for a shortfall in multi-family construction. March's construction pushed first-quarter starts to 3,253 units, 14 per cent fewer than the first three months of 2003.

Following the steepest year-over-year decline in five years, single-family construction in the Calgary CMA rebounded in March with an impressive gain. Local builders started work on 649 single-family homes, representing a 15 per cent jump over activity in March 2003. For industry observers, the year-over-year gain may come as a sigh of relief. With eleven of the previous twelve months failing to post a gain, it is promising to see another increase added to the record books. March's single-family building permits point to another gain in April, as they surpassed the previous year by four per cent.

March's construction brings the first quarter total to 1,804 single-family units, eight per cent lower than the first three months of 2003. The year-to-date decline may still appear significant, but it is a considerable improvement from the 17 per cent deficit after the first two months and much closer to where CMHC expects the market to be by year-end. The pace of year-to-date starts within city limits matches that of the CMA, as they are both down eight per cent after three months. Of the municipalities comprising the CMA, however, MD of Rockyview recorded a steep 44 per cent decline. Airdrie and Chestermere Lake recorded notable gains after three months, up 12 and 45 per cent from the first quarter of 2003, respectively.

Calgary CMA: Multi-family Inventory



A total of 526 single-family homes were absorbed in March, representing the weakest month for absorptions since March 2001. The number of completions surpassed absorptions for the second consecutive month, resulting in another increase to the number of units in inventory. At the end of March, 763 units were complete and unabsorbed, 26 per cent higher than March 2003 and the highest total in 32 months. Spec homes account for the majority of the gain, as March's 324 spec homes are 58 per cent higher than the previous year. In March, spec homes accounted for 42 per cent of units in inventory, compared to 34 per cent 12 months earlier.

While the single-family sector was hot in March, multi-family construction, including semi-detached units, rows, and apartments, recorded a weaker, yet respectable, performance. Work began on a total of 548 multi-family units in March, 20 per cent fewer than the previous year. Of those, 227 were for rental tenure. March's rental starts bring the year-to-date total to 469 units, surpassing 2003's annual total by 93 per cent. In fact, rental starts in 2004 have already posted a 15-year high, certainly a surprise considering rental vacancies are at the highest level since 1994 and are expected to rise further. For all tenures, 1,449 multi-family units have begun construction to the end of March, 21 per cent lower than the first quarter of 2003. Semi-detached construction has climbed 10 per cent in the first quarter, while row-unit and apartment construction has fallen by 36 and 22 per cent, respectively.

For the first time in four months, multi-family inventories recorded a decline in March. A total of 621 multi-family units sat in inventory, a 34-unit decrease from February but a 21 per cent increase over March of the previous year. By type, complete and unabsorbed semi-detached units were up 25 per cent, row units were up 125 per cent, and apartment units recorded a six per cent year-over-year gain. Of the apartments in inventory, more than half of them were for rental tenure.

CMHC SCHL

HOME TO CANADIANS

Canada

Table 1

CALGARY CMA
STARTS ACTIVITY BY AREA MARCH 2004

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
AIRDRIE	35	22	2	22	1	60	77	-22.08
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	**551**	**492**	**52**	**33**	**418**	**1054**	**1118**	**-5.72**
CHESTERMERE LAKE	37	14	16	0	0	53	20	**
COCHRANE	5	10	0	0	0	5	10	-50.00
CROSSFIELD	1	2	0	0	0	1	2	-50.00
IRRICANA	0	0	0	0	0	0	0	**
MD ROCKYVIEW	20	22	4	0	0	24	22	9.09
TOTAL	**649**	**563**	**74**	**55**	**419**	**1197**	**1250**	**-4.24**

Table 1B

CALGARY CMA
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
AIRDRIE	94	84	4	53	1	152	173	-12.14
BEISEKER	0	1	0	0	0	0	1	**
CALGARY CITY	**1552**	**1693**	**152**	**150**	**1049**	**2903**	**3380**	**-14.11**
CHESTERMERE LAKE	74	51	28	0	0	102	63	61.90
COCHRANE	25	23	2	0	0	27	31	-12.90
CROSSFIELD	3	9	0	0	0	3	9	-66.67
IRRICANA	0	0	0	4	0	4	4	0.00
MD ROCKYVIEW	56	100	6	0	0	62	134	-53.73
TOTAL	**1804**	**1961**	**192**	**207**	**1050**	**3253**	**3795**	**-14.28**

** Indicates 100% change or greater

?

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 in Market Analysis at (403) 515-3005 or by fax at (403) 515-3036.*

Table 2

CALGARY CMA
HOUSING COMPLETIONS BY AREA MARCH 2004

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
AIRDRIE	20	26	8	0	0	28	43	-34.88
BEISEKER	0	0	0	0	0	0	0	**
CALGARY CITY	**482**	**625**	**22**	**78**	**109**	**691**	**807**	**-14.37**
CHESTERMERE LAKE	19	19	2	0	0	21	19	10.53
COCHRANE	7	7	0	0	0	7	19	-63.16
CROSSFIELD	3	1	2	0	0	5	1	**
IRRICANA	1	0	0	0	0	1	0	**
MD ROCKYVIEW	26	58	4	0	0	30	62	-51.61
TOTAL	**558**	**736**	**38**	**78**	**109**	**783**	**951**	**-17.67**

Table 2B

CALGARY CMA
HOUSING COMPLETIONS BY AREA YEAR TO DATE

AREA	Single 2004	Single 2003	Multiple Semi	Multiple Row	Multiple Apt	Total 2004	Total 2003	% Chg 2004/2003
AIRDRIE	98	95	16	18	0	132	202	-34.65
BEISEKER	0	0	0	4	0	4	0	**
CALGARY CITY	**1477**	**1709**	**122**	**268**	**772**	**2639**	**3024**	**-12.73**
CHESTERMERE LAKE	67	70	14	0	0	81	84	-3.57
COCHRANE	18	30	0	0	23	41	58	-29.31
CROSSFIELD	4	3	6	0	0	10	3	**
IRRICANA	4	1	0	0	0	4	1	**
MD ROCKYVIEW	81	106	16	4	0	101	112	-9.82
TOTAL	**1749**	**2014**	**174**	**294**	**795**	**3012**	**3484**	**-13.55**

** Indicates 100% change or greater

Table 3

CALGARY CMA
HOUSING ACTIVITY SUMMARY

Activity	Ownership					Rental				
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	Total
STARTS										
March	649	74	0	55	191	0	228	0	0	1197
2003	563	48	0	115	524	0	0	0	0	1250
Year-To-Date 2004	1804	192	0	207	586	0	332	0	132	3253
Year-To-Date 2003	1961	174	0	322	1337	0	1	0	0	3795
UNDER CONSTRUCTION										
2004	3580	574	17	780	2992	0	333	0	132	8408
2003	3922	522	9	982	3527	0	186	0	0	9148
COMPLETIONS										
March	558	38	3	75	109	0	0	0	0	783
2003	736	40	24	52	93	0	6	0	0	951
Year-To-Date 2004	1749	174	14	280	555	0	240	0	0	3012
Year-To-Date 2003	2014	182	33	157	615	0	483	0	0	3484
COMPLETED & NOT ABSORBED										
2004	763	121	1	107	172	0	220	0	0	1384
2003	605	97	12	36	200	0	170	0	0	1120
TOTAL SUPPLY										
2004	4343	695	18	887	3164	0	553	0	132	9792
2003	4527	619	21	1018	3727	0	356	0	0	10268
ABSORPTIONS										
March	526	33	4	72	130	1	19	0	0	785
3-month Average	568	58	5	93	193	1	31	0	0	949
12-month Average	712	62	4	105	215	1	29	0	0	1128