

OUSING NOW

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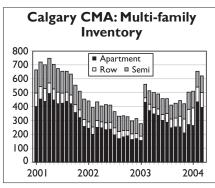
Canada Mortgage and Housing Corporation

Single-family Housing Starts Rebound in March

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.

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-

MARCH 2004

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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, multifamily 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.



Table I **CALGARY CMA** STARTS ACTIVITY BY AREA MARCH 2004

	Sin	gle		Multiple		To	% Chg	
AREA	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
AIRDRIE	35	22	2	22	I	60	77	-22.08
BEISEKER	0	I	0	0	0	0	ı	**
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	I	2	0	0	0	I	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 IB CALGARY CMA STARTS ACTIVITY BY AREA YEAR TO DATE

	Sin	gle		Multiple		То	% Chg	
AREA	2004	2003	Semi	Row	Apt	2004	2003	2004/2003
AIRDRIE	94	84	4	53	I	152	173	-12.14
BEISEKER	0	I	0	0	0	0	I	**
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

	Sin	gle		Multiple		То	% Chg	
AREA	2004	2003	Semi	Row	Apt	2004	2003	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	I	2	0	0	5	I	**
IRRICANA	I	0	0	0	0	I	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

	Sin	gle		Multiple		То	% Chg	
AREA	2004	2003	Semi	Row	Apt	2004	2003	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	I	0	0	0	4	I	**
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

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Table 3
CALGARY CMA
HOUSING ACTIVITY SUMMARY

		Ov								
Activity		Freehold		Condor	ninium	Pri	v ate	Assi	sted	
	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	I	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 A	BSORBE	D								
2004	763	121	I	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	I	19	0	0	785
3-month Average	568	58	5	93	193	I	31	0	0	949
12-month Average	712	62	4	105	215	I	29	0	0	1128

BUILDING OPPORTUNITIES

CMHC's **2003 Housing Observer** provides a comprehensive overview of Canadian housing conditions and trends and the key factors behind them.

The Observer gives a portrait of Canada's housing stock, how Canada's changing demographics and socio-economic factors influence our housing, and discusses the key trends in housing finance and the factors impacting the affordability of housing in Canada.

CMHC is continuously working to encourage a viable and dynamic housing sector. Flagship publications like the 2003 Housing Observer enables the industry to capitalize on business opportunities.

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