Edmonton

# HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

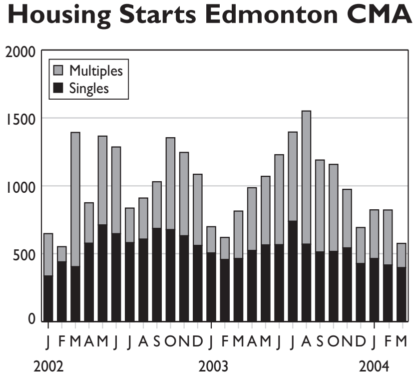
MARCH 2004

# Housing Starts Weaken in March

Following year-over-year gains in January and February, housing starts declined across the Edmonton Census Metropolitan Area in March. Total housing starts across the Capital Region fell by 29 per cent in the third month to 576 units, compared with 814 total starts in March 2003. Despite this moderation, total first quarter starts in the region remained four per cent ahead of last year's pace to the end of March.

For the eighth consecutive month, Metro Edmonton's single-family homebuilders began work on fewer homes year-over-year. Single-detached starts fell by 14 per cent from March 2003 to 397 units. Within Edmonton City, single starts in March were down by 23 per cent from the same month last year. The slowdown in single-family starts was also recorded in the majority of the communities comprising the Edmonton CMA. In the first quarter, the most notable exception was Leduc City, which recorded a significant gain over starts in the first three months of 2003. To the end of March, single-family starts across Metro have dropped by over 10 per cent this year from levels reported in the first three months of 2003. The drop occurred as builders responded to increased competition from existing homes listed for sale and a large supply of unsold new spec houses.

**Housing Starts Edmonton CMA**




At 489 units, March's single-family absorptions decreased by nine per cent year-over-year. However, completions edged above absorptions in March 2004, leading to the number of complete and unoccupied single-family homes to increase to 715 units. Of March's unsold inventory, 421 units (59%) were spec homes. This compares with only 164 spec units available this time last year. While builders have slowed production in response to elevated supply, single-family inventories are nearly 90 per cent higher than levels recorded a year ago. Moreover, total single-family supply, which consists of units completed and unoccupied and units under construction, amounted to 3,306 units this March, well above historical standards.

Following a robust performance in the first two months of the year, multi-unit starts throttled-back substantially in March. Total multi-family construction tumbled by 49 per cent to 179 units compared with 350 units started in March 2003. March's decline was most notable in apartments, which dropped from 239 units last year to 52 units. In contrast, semi-detached starts improved from 90 units last March to 112 this year. Despite this overall pullback in March, multi-unit activity to the end of the first quarter remains 33 per cent higher than the same period last year, thanks to the exceptional performance reported in January and February. At 61 per cent, the majority of multi-family starts in the first quarter were condominium units.

After the first quarter of 2004, multiple-family absorptions totaled 870 units, more than double the number of units absorbed in the first quarter of 2003. The majority of the units absorbed were intended for the ownership market. The dominant factor contributing to this boost in demand was low mortgage rates. As mortgage rates record historical lows, prospective buyers are using this as an opportunity to enter the housing market. In March, 424 multi-family units were absorbed in the Edmonton CMA, whereas completions amounted to 307 units. As a result, inventories dropped for the seventh consecutive month to 534 units, an 18 per cent decline over the previous month. The decline in inventories came from the apartment sector, which had 379 units in inventory in March this year, 133 fewer units than the previous month. The monthly decline provides relief for builders, as March inventories are 16 per cent higher then the same month in the previous year, a significant improvement from February's 52 per cent year-over-year inventory gain.

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Table 1

## EDMONTON 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 |
|---|---|---|---|---|---|---|---|---|
| BEAUMONT TOWN | 15 | 6 | 0 | 0 | 0 | 15 | 6 | ** |
| CALMAR TOWN | 1 | 0 | 0 | 0 | 0 | 1 | 0 | ** |
| DEVON TOWN | 10 | 17 | 8 | 0 | 0 | 18 | 17 | 5.88 |
| **EDMONTON CITY** | **225** | **292** | **90** | **15** | **52** | **382** | **608** | **-37.17** |
| FORT SASKATCHEWAN CITY | 4 | 3 | 0 | 0 | 0 | 4 | 13 | -69.23 |
| GIBBONS TOWN | 1 | 2 | 0 | 0 | 0 | 1 | 2 | -50.00 |
| LEDUC CITY | 11 | 8 | 0 | 0 | 0 | 11 | 8 | 37.50 |
| LEDUC COUNTY | 2 | 4 | 0 | 0 | 0 | 2 | 4 | -50.00 |
| MORINVILLE TOWN | 0 | 3 | 2 | 0 | 0 | 2 | 3 | -33.33 |
| PARKLAND COUNTY | 9 | 7 | 0 | 0 | 0 | 9 | 7 | 28.57 |
| SPRUCE GROVE CITY | 22 | 18 | 0 | 0 | 0 | 22 | 18 | 22.22 |
| ST. ALBERT CITY | 21 | 14 | 4 | 0 | 0 | 25 | 34 | -26.47 |
| STONY PLAIN TOWN | 16 | 13 | 0 | 0 | 0 | 16 | 13 | 23.08 |
| STRATHCONA COUNTY | 53 | 76 | 8 | 0 | 0 | 61 | 80 | -23.75 |
| STURGEON COUNTY | 6 | 1 | 0 | 0 | 0 | 6 | 1 | ** |
| OTHER CENTRES | 1 | 0 | 0 | 0 | 0 | 1 | 0 | ** |
| **TOTAL** | **397** | **464** | **112** | **15** | **52** | **576** | **814** | **-29.24** |

Table 1B

## EDMONTON 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 |
|---|---|---|---|---|---|---|---|---|
| BEAUMONT TOWN | 22 | 21 | 0 | 0 | 0 | 22 | 21 | 4.76 |
| CALMAR TOWN | 2 | 2 | 0 | 0 | 0 | 2 | 2 | 0.00 |
| DEVON TOWN | 25 | 36 | 8 | 0 | 0 | 33 | 36 | -8.33 |
| **EDMONTON CITY** | **870** | **926** | **152** | **21** | **608** | **1651** | **1568** | **5.29** |
| FORT SASKATCHEWAN CITY | 13 | 13 | 4 | 6 | 0 | 23 | 29 | -20.69 |
| GIBBONS TOWN | 1 | 2 | 0 | 0 | 0 | 1 | 2 | -50.00 |
| LEDUC CITY | 31 | 12 | 0 | 0 | 41 | 72 | 22 | ** |
| LEDUC COUNTY | 5 | 8 | 0 | 0 | 0 | 5 | 8 | -37.50 |
| MORINVILLE TOWN | 3 | 3 | 6 | 0 | 0 | 9 | 3 | ** |
| PARKLAND COUNTY | 23 | 26 | 4 | 0 | 0 | 27 | 26 | 3.85 |
| SPRUCE GROVE CITY | 40 | 55 | 2 | 15 | 0 | 57 | 57 | 0.00 |
| ST. ALBERT CITY | 48 | 75 | 8 | 0 | 0 | 56 | 103 | -45.63 |
| STONY PLAIN TOWN | 25 | 26 | 0 | 0 | 0 | 25 | 28 | -10.71 |
| STRATHCONA COUNTY | 143 | 203 | 68 | 0 | 0 | 211 | 209 | 0.96 |
| STURGEON COUNTY | 20 | 16 | 0 | 0 | 0 | 20 | 16 | 25.00 |
| OTHER CENTRES | 7 | 3 | 0 | 0 | 0 | 7 | 3 | ** |
| **TOTAL** | **1278** | **1427** | **252** | **42** | **649** | **2221** | **2133** | **4.13** |

** Indicates 100% change or greater

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***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 in Market Analysis at (780) 423-8729 or by fax at (780) 423-8702.*

Table 2
## EDMONTON 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 |
|---|---|---|---|---|---|---|---|---|
| BEAUMONT TOWN | 9 | 24 | 0 | 0 | 0 | 9 | 24 | -62.50 |
| CALMAR TOWN | 0 | 2 | 0 | 0 | 0 | 0 | 2 | ** |
| DEVON TOWN | 7 | 7 | 0 | 0 | 0 | 7 | 7 | 0.00 |
| **EDMONTON CITY** | **306** | **347** | **62** | **36** | **169** | **573** | **413** | **38.74** |
| FORT SASKATCHEWAN CITY | 6 | 4 | 0 | 0 | 0 | 6 | 51 | -88.24 |
| GIBBONS TOWN | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ** |
| LEDUC CITY | 11 | 12 | 4 | 4 | 0 | 19 | 14 | 35.71 |
| LEDUC COUNTY | 17 | 5 | 0 | 0 | 0 | 17 | 5 | ** |
| MORINVILLE TOWN | 1 | 0 | 2 | 0 | 0 | 3 | 0 | ** |
| PARKLAND COUNTY | 9 | 19 | 0 | 0 | 0 | 9 | 19 | -52.63 |
| SPRUCE GROVE CITY | 6 | 17 | 8 | 8 | 0 | 22 | 25 | -12.00 |
| ST. ALBERT CITY | 28 | 17 | 0 | 0 | 0 | 28 | 31 | -9.68 |
| STONY PLAIN TOWN | 1 | 13 | 2 | 0 | 0 | 3 | 17 | -82.35 |
| STRATHCONA COUNTY | 73 | 91 | 12 | 0 | 0 | 85 | 91 | -6.59 |
| STURGEON COUNTY | 13 | 11 | 0 | 0 | 0 | 13 | 11 | 18.18 |
| OTHER CENTRES | 6 | 4 | 0 | 0 | 0 | 6 | 4 | 50.00 |
| **TOTAL** | **493** | **573** | **90** | **48** | **169** | **800** | **714** | **12.04** |

Table 2B
## EDMONTON 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 |
|---|---|---|---|---|---|---|---|---|
| BEAUMONT TOWN | 25 | 51 | 0 | 0 | 0 | 25 | 51 | -50.98 |
| CALMAR TOWN | 2 | 2 | 0 | 0 | 0 | 2 | 2 | 0.00 |
| DEVON TOWN | 14 | 32 | 0 | 0 | 0 | 14 | 32 | -56.25 |
| **EDMONTON CITY** | **883** | **937** | **178** | **65** | **257** | **1383** | **1199** | **15.35** |
| FORT SASKATCHEWAN CITY | 17 | 20 | 6 | 0 | 0 | 23 | 67 | -65.67 |
| GIBBONS TOWN | 2 | 1 | 0 | 0 | 0 | 2 | 1 | ** |
| LEDUC CITY | 32 | 36 | 4 | 4 | 28 | 68 | 44 | 54.55 |
| LEDUC COUNTY | 23 | 12 | 0 | 0 | 0 | 23 | 12 | 91.67 |
| MORINVILLE TOWN | 7 | 4 | 2 | 0 | 0 | 9 | 4 | ** |
| PARKLAND COUNTY | 47 | 51 | 0 | 0 | 0 | 47 | 51 | -7.84 |
| SPRUCE GROVE CITY | 39 | 45 | 16 | 14 | 0 | 69 | 85 | -18.82 |
| ST. ALBERT CITY | 81 | 78 | 2 | 0 | 0 | 83 | 108 | -23.15 |
| STONY PLAIN TOWN | 35 | 27 | 4 | 0 | 47 | 86 | 66 | 30.30 |
| STRATHCONA COUNTY | 223 | 261 | 22 | 22 | 0 | 267 | 272 | -1.84 |
| STURGEON COUNTY | 37 | 39 | 0 | 0 | 0 | 37 | 39 | -5.13 |
| OTHER CENTRES | 18 | 6 | 4 | 0 | 0 | 22 | 6 | ** |
| **TOTAL** | **1485** | **1602** | **238** | **105** | **332** | **2160** | **2039** | **5.93** |

** Indicates 100% change or greater

Table 3
## EDMONTON CMA
## HOUSING ACTIVITY SUMMARY

| Activity | Ownership | | | | | Rental | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold | | | Condominium | | Private | | Assisted | | |
| | Single | Semi | Row | Row | Apt | Row | Apt | Row | Apt | Total |
| **STARTS** | | | | | | | | | | |
| March | 397 | 112 | 0 | 15 | 44 | 0 | 8 | 0 | 0 | 576 |
| 2003 | 464 | 90 | 15 | 6 | 12 | 0 | 227 | 0 | 0 | 814 |
| Year-To-Date 2004 | 1278 | 252 | 0 | 42 | 535 | 0 | 114 | 0 | 0 | 2221 |
| Year-To-Date 2003 | 1427 | 188 | 43 | 62 | 113 | 61 | 239 | 0 | 0 | 2133 |
| **UNDER CONSTRUCTION** | | | | | | | | | | |
| 2004 | 2591 | 658 | 31 | 332 | 4259 | 57 | 1049 | 0 | 0 | 8977 |
| 2003 | 3133 | 636 | 42 | 212 | 2325 | 79 | 1890 | 0 | 0 | 8317 |
| **COMPLETIONS** | | | | | | | | | | |
| March | 493 | 90 | 4 | 36 | 135 | 8 | 34 | 0 | 0 | 800 |
| 2003 | 573 | 40 | 4 | 21 | 21 | 0 | 55 | 0 | 0 | 714 |
| Year-To-Date 2004 | 1485 | 238 | 4 | 93 | 223 | 8 | 109 | 0 | 0 | 2160 |
| Year-To-Date 2003 | 1602 | 168 | 4 | 55 | 21 | 0 | 189 | 0 | 0 | 2039 |
| **COMPLETED & NOT ABSORBED** | | | | | | | | | | |
| 2004 | 715 | 121 | 4 | 30 | 123 | 0 | 256 | 0 | 0 | 1249 |
| 2003 | 381 | 76 | 1 | 14 | 68 | 0 | 302 | 0 | 0 | 842 |
| **TOTAL SUPPLY** | | | | | | | | | | |
| 2004 | 3306 | 779 | 35 | 362 | 4382 | 57 | 1305 | 0 | 0 | 10226 |
| 2003 | 3514 | 712 | 43 | 226 | 2393 | 79 | 2192 | 0 | 0 | 9159 |
| **ABSORPTIONS** | | | | | | | | | | |
| March | 489 | 77 | 5 | 32 | 153 | 8 | 149 | 0 | 0 | 913 |
| 3-month Average | 502 | 76 | 2 | 29 | 82 | 3 | 99 | 0 | 0 | 793 |
| 12-month Average | 537 | 87 | 4 | 25 | 141 | 8 | 141 | 0 | 0 | 943 |