

# HOUSING NOW

## YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

### Housing Starts Remain Strong in September

Housing starts across Metro Edmonton continued to outpace last year's activity levels in September. Total housing starts across the Capital Region increased by almost 30 per cent over September 2001 to 1,030 units. After the first three quarters of the year, total housing starts increased by 59 per cent.

Single-detached starts maintained the gap witnessed during the first eight months of the year, with production up by 37 per cent on both a year-over-year and year-to-date basis. With resale homes in short supply, people looking to buy in Edmonton have turned to the new home market in large numbers for their housing needs. If the current pace of housing construction is maintained to year-end, single-detached starts are expected to hit a new record high over the 1978 benchmark of 6,202 units.

By the end of the third quarter single-family housing starts increased in all of the surrounding centres, with the exception of Leduc County which declined by four per cent. In September, single starts across Edmonton City were ahead of last year's pace by 52 per cent, with a year to date increase of 42 per cent. These improvements are

yet another indication of the robust housing activity occurring in the Edmonton CMA, as purchasers respond to favorable interest rates and a shortage of homes for sale in the existing market. Tight rental vacancies and rising rents have also boosted interest in home ownership this year.

Completions of new single-detached homes edged upwards by eight per cent over last year's September figure, reaching 517 units. Meanwhile, single-family absorptions reached 513 units, a decline of two per cent from the same month last year. Nonetheless, over the past nine months, absorptions have increased by 13 per cent from year-to-date figures last year and have outpaced completion levels by 21 units during the same time frame. This has resulted in an unabsorbed inventory count of 338 units, representing a 16 per cent decline from last September's levels.

Readers should be mindful that singles under construction were up by 63.5 per cent at the end of September due to this year's strong starts levels. With winter approaching, expect completion levels to surge in the months ahead. Will unabsorbed inventories remain at their current low levels? If absorption rates fail to keep pace with completions this fall, expect to see inventories inch upward in the early months of 2003.

Activity in new multiple unit housing was also stronger in September. Semi-detached, row and apartment starts reached 344 units, representing an increase of just under 17 per cent over September of last year. Apartments comprised almost 70 per cent of September's multiple starts, including rental, condominium and life lease tenure.

The lion's share of September's multiple unit activity was recorded within the city of Edmonton, where an increase of about 77

### SEPTEMBER 2002

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percent was tallied from September 2001 level. Morinville and Spruce Grove also posted modest increases in multiple housing starts. After nine months, new multi-unit production levels across Metro were almost double those witnessed to the end of September 2001.

Multiple unit completions jumped to 212 units, an increase of 10 per cent over September 2001 level. On a year-to-date basis, completion figures declined by six percent from last year's level of 2,188 units. Multiple absorptions reached 261 units in September, a 43 per cent increase over last year's level of 183 units. Multiple unit absorptions eclipsed completions in September, causing the stock of completed and unoccupied multiples to decline by 39 per cent for a total of 312 units. The majority of September's multi-unit inventory consisted of condo and rental apartments.

**Housing Starts Edmonton CMA**

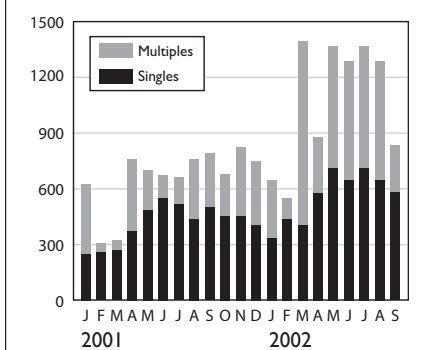


Table I  
EDMONTON CMA  
STARTS ACTIVITY BY AREA SEPTEMBER 2002

AREA	Single		Multiple			Total		% Chg 2002/2001
	2002	2001	Semi	Row	Apt	2002	2001	
BEAUMONT TOWN	2	10	0	0	0	2	10	-80.00
CALMAR TOWN	2	1	0	0	0	2	1	**
DEVON TOWN	8	4	0	0	0	8	4	**
<b>EDMONTON CITY</b>	<b>433</b>	<b>285</b>	<b>50</b>	<b>23</b>	<b>224</b>	<b>730</b>	<b>453</b>	<b>61.15</b>
FORT SASKATCHEWAN CITY	9	7	0	0	0	9	51	-82.35
GIBBONS TOWN	0	0	0	0	0	0	0	**
LEDUC CITY	2	9	0	0	0	2	13	-84.62
LEDUC COUNTY	16	9	0	0	0	16	9	77.78
MORINVILLE TOWN	5	1	10	3	0	18	1	**
PARKLAND COUNTY	23	26	0	0	0	23	26	-11.54
SPRUCE GROVE CITY	11	18	0	0	16	27	18	50.00
ST.ALBERT CITY	47	43	4	0	0	51	49	4.08
STONEY PLAIN TOWN	11	7	0	0	0	11	70	-84.29
STRATHCONA COUNTY	83	58	8	0	0	91	68	33.82
STURGEON COUNTY	28	13	0	0	0	28	13	**
OTHER CENTRES	6	9	6	0	0	12	9	33.33
<b>TOTAL</b>	<b>686</b>	<b>500</b>	<b>78</b>	<b>26</b>	<b>240</b>	<b>1030</b>	<b>795</b>	<b>29.56</b>

Table IB  
EDMONTON CMA  
STARTS ACTIVITY BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2002/2001
	2002	2001	Semi	Row	Apt	2002	2001	
BEAUMONT TOWN	95	62	0	0	0	95	65	46.15
CALMAR TOWN	4	4	0	0	0	4	4	0.00
DEVON TOWN	75	42	2	0	0	77	70	10.00
<b>EDMONTON CITY</b>	<b>2968</b>	<b>2088</b>	<b>540</b>	<b>236</b>	<b>2278</b>	<b>6022</b>	<b>3342</b>	<b>80.19</b>
FORT SASKATCHEWAN CITY	71	54	4	0	43	118	198	-40.40
GIBBONS TOWN	5	2	0	0	0	5	2	**
LEDUC CITY	102	65	4	12	39	157	205	-23.41
LEDUC COUNTY	48	50	0	0	0	48	50	-4.00
MORINVILLE TOWN	23	18	14	11	0	48	26	84.62
PARKLAND COUNTY	196	141	0	0	0	196	141	39.01
SPRUCE GROVE CITY	145	108	24	102	16	287	138	**
ST.ALBERT CITY	320	258	128	6	172	626	300	**
STONEY PLAIN TOWN	112	83	42	0	98	252	148	70.27
STRATHCONA COUNTY	705	577	66	57	0	828	827	0.12
STURGEON COUNTY	93	65	0	0	0	93	65	43.08
OTHER CENTRES	28	27	0	4	0	40	27	48.15
<b>TOTAL</b>	<b>4990</b>	<b>3644</b>	<b>832</b>	<b>428</b>	<b>2646</b>	<b>8896</b>	<b>5608</b>	<b>58.63</b>

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

Table 2  
EDMONTON CMA  
HOUSING COMPLETIONS BY AREA SEPTEMBER 2002

AREA	Single		Multiple			Total		% Chg 2002/2001
	2002	2001	Semi	Row	Apt	2002	2001	
BEAUMONT TOWN	6	5	0	0	0	6	5	20.00
CALMAR TOWN	2	0	0	0	0	2	0	**
DEVON TOWN	0	12	2	0	0	2	14	-85.71
<b>EDMONTON CITY</b>	<b>285</b>	<b>259</b>	<b>80</b>	<b>20</b>	<b>44</b>	<b>429</b>	<b>343</b>	<b>25.07</b>
FORT SASKATCHEWAN CITY	5	6	0	0	0	5	6	-16.67
GIBBONS TOWN	1	0	0	0	0	1	0	**
LEDUC CITY	3	9	0	0	0	3	37	-91.89
LEDUC COUNTY	7	6	0	0	0	7	6	16.67
MORINVILLE TOWN	2	0	0	0	0	2	4	-50.00
PARKLAND COUNTY	28	22	0	0	0	28	22	27.27
SPRUCE GROVE CITY	23	14	6	34	0	63	32	96.88
ST.ALBERT CITY	44	36	18	0	0	62	74	-16.22
STONEY PLAIN TOWN	10	12	4	0	0	14	22	-36.36
STRATHCONA COUNTY	81	88	4	0	0	85	96	-11.46
STURGEON COUNTY	15	8	0	0	0	15	8	87.50
OTHER CENTRES	5	0	0	0	0	5	0	**
<b>TOTAL</b>	<b>517</b>	<b>477</b>	<b>114</b>	<b>54</b>	<b>44</b>	<b>729</b>	<b>669</b>	<b>8.97</b>

Table 2B  
EDMONTON CMA  
HOUSING COMPLETIONS BY AREA YEAR TO DATE

AREA	Single		Multiple			Total		% Chg 2002/2001
	2002	2001	Semi	Row	Apt	2002	2001	
BEAUMONT TOWN	61	48	0	0	0	61	82	-25.61
CALMAR TOWN	3	3	0	0	0	3	3	0.00
DEVON TOWN	50	38	4	0	8	62	56	10.71
<b>EDMONTON CITY</b>	<b>2193</b>	<b>1718</b>	<b>342</b>	<b>109</b>	<b>1075</b>	<b>3719</b>	<b>2984</b>	<b>24.63</b>
FORT SASKATCHEWAN CITY	49	45	2	0	44	95	145	-34.48
GIBBONS TOWN	2	1	0	0	0	2	1	**
LEDUC CITY	68	60	6	8	117	199	91	**
LEDUC COUNTY	37	41	0	0	0	37	41	-9.76
MORINVILLE TOWN	9	15	0	4	0	13	19	-31.58
PARKLAND COUNTY	147	120	0	0	0	147	120	22.50
SPRUCE GROVE CITY	117	90	10	60	27	214	116	84.48
ST.ALBERT CITY	275	242	96	0	0	371	372	-0.27
STONEY PLAIN TOWN	93	70	26	0	79	198	150	32.00
STRATHCONA COUNTY	425	515	34	0	0	459	1014	-54.73
STURGEON COUNTY	71	59	0	0	0	71	59	20.34
OTHER CENTRES	20	19	4	0	0	24	19	26.32
<b>TOTAL</b>	<b>3620</b>	<b>3084</b>	<b>524</b>	<b>181</b>	<b>1350</b>	<b>5675</b>	<b>5272</b>	<b>7.64</b>

\*\* Indicates 100% change or greater

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**Table 3  
EDMONTON CMA  
HOUSING ACTIVITY SUMMARY**

Activity	Ownership					Rental				Total
	Freehold			Condominium		Private		Assisted		
	Single	Semi	Row	Row	Apt	Row	Apt	Row	Apt	
<b>STARTS</b>										
September 2001	686	78	3	23	93	0	147	0	0	1030
2001	500	54	0	0	72	0	169	0	0	795
Year-To-Date 2002	4990	832	3	277	1298	148	1348	0	0	8896
Year-To-Date 2001	3644	436	20	36	783	6	683	0	0	5608
<b>UNDER CONSTRUCTION</b>										
2002	3184	594	3	255	1666	88	1664	0	0	7454
2001	1947	246	16	41	1272	6	680	0	0	4208
<b>COMPLETIONS</b>										
September 2001	517	114	0	20	44	34	0	0	0	729
2001	477	60	0	8	64	0	60	0	0	669
Year-To-Date 2002	3620	524	12	99	816	70	534	0	0	5675
Year-To-Date 2001	3084	356	8	42	767	114	901	0	0	5272
<b>COMPLETED &amp; NOT ABSORBED</b>										
2002	338	56	0	7	64	1	184	0	0	650
2001	403	98	4	22	216	13	159	0	0	915
<b>TOTAL SUPPLY</b>										
2002	3522	650	3	262	1730	89	1848	0	0	8104
2001	2350	344	20	63	1488	19	839	0	0	5123
<b>ABSORPTIONS</b>										
September	513	104	0	24	71	34	28	0	0	774
3-month Average	487	92	1	18	79	20	51	0	0	748
12-month Average	427	56	2	10	108	7	70	0	0	680

## RESIDENTIAL CONSTRUCTION DIGEST

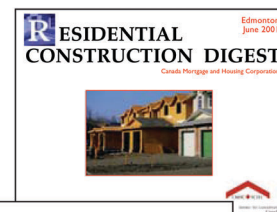
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