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Housing starts plummet

Analyst says turning condominium market one factor behind slowdown

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Calgary housing starts continued to decline in April and judging by the value of building permits the city released yesterday are likely to continue their swoon.

Total housing starts in the Calgary area dropped 70.7% to 321 units last month compared to one year ago, says data released yesterday by the Canada Mortgage and Housing Corporation.

Multiple-family housing led the decline, sinking nearly 89% to 87 units in April, followed by a 30.4% drop in single-family housing starts to

234 units.

Lai Sing Louie, senior market analyst for the CMHC, said one reason for the slowdown is the sluggish condominium market.

One year ago, several large apartment projects accounted for most of the new units in the multiple-family segment.

Since then, the market has turned and Calgary's construction of new condominiums has nearly ground to a halt.

Meanwhile, the City of Calgary reported yesterday the estimated construction value of building permit applications for April 2009 came in at

\$270 million, down 28% from one year ago and 22% below the five-year average.

This means that over the next weeks, the number of foundations poured won't rise when measured year-over-year.

Year-to-date, total permit values are down 53% to \$764 million compared to \$1.6 billion in the same period of last year.

Residential is down 60% to \$311 million, and non-residential is down 47% to \$452 million.

Housing starts across Alberta's seven largest centres totalled 794 units in April, 61% below the 2,034 units started

one year ago.

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