



# HOUSING NOW

New Brunswick

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 7, EDITION 1  
FIRST QUARTER 2004

## New Home Market Down

### Residential construction off to a slow start despite strong demand

- ✓ Residential construction activity in the first quarter did not maintain the torrid pace set in 2003 despite strong demand. The decline in housing starts was mainly due to severe winter conditions.
- ✓ Total housing starts in the first quarter reached 195 units at the provincial level, a 49 per cent drop when compared to last year. This represents the weakest first quarter for new home construction since 1999, when builders had started 134 units over that period.
- ✓ Housing starts were down in the first quarter due to a decline of activity in both urban and rural areas.
- ✓ In urban areas, housing starts reached 139 units, a 43 per cent decline when compared to last year and the worst first quarter since 1999 (when housing starts had reached 82 units). In rural areas, housing starts declined significantly, dropping from 140 units in the first quarter last year to 56 units in 2004. This represents the weakest first quarter in rural areas since 1999.
- ✓ In the first quarter of 2004, 1,587 housing units were completed in New Brunswick, a 56 per cent increase when compared to 2003. The significant rise in new housing units completed in the first quarter explains in part the fewer starts.

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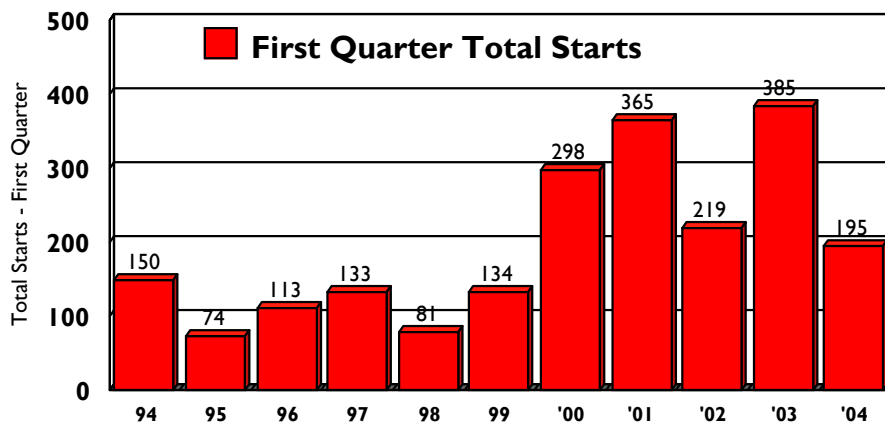
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MLS® is a registered certification mark of the Canadian Real Estate Association

First Quarter: Housing Starts Down in All Areas



Source: CMHC



HOME TO CANADIANS  
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# FREDERICTON MONCTON SAINT JOHN

## Housing Market Overview

### New Single-family Homes Remain Strong in Greater Moncton

✓ First quarter single-detached starts increased in the Greater Moncton area. That region continues to benefit from attractive labour market conditions. In fact, employment in the first quarter was ahead of last year's level by more than 3,000 jobs. Solid employment growth in the service sector in particular, combined with a near record low unemployment, has forced employers in Moncton to recruit from outside the region to fill up new bilingual positions. This is generating in-migration, and fuelling housing demand.

✓ In Saint John and Fredericton, single starts in the first quarter did not match last year's levels, but activity is expected to bounce back in the next quarters.

### MLS® Sales to Set Another Record Year

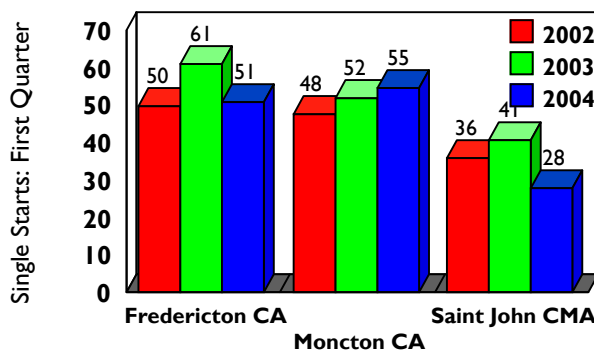
✓ Economic and employment growth, intra-migration patterns and near 50-year low interest rates are all key factors stimulating the resale market in New Brunswick. Provincial MLS® sales were particularly strong in the first quarter in all three larger urban areas.

✓ First quarter MLS® sales have increased by 24, 36 and 33 per cent in Moncton, Fredericton and Saint John, respectively, setting a new record high for a first quarter in all three larger urban centres. This represents a clear indication that housing demand remains strong despite the decline in new home construction.

✓ Strong demand and low mortgage rates have caused a substantial rise in the average MLS® sales price. A 13 and 21 per cent increase in the average MLS® sales price in Moncton and Saint John respectively is noteworthy. Potential homebuyers will continue to take advantage of low interest rates to buy larger, more expensive homes throughout 2004.

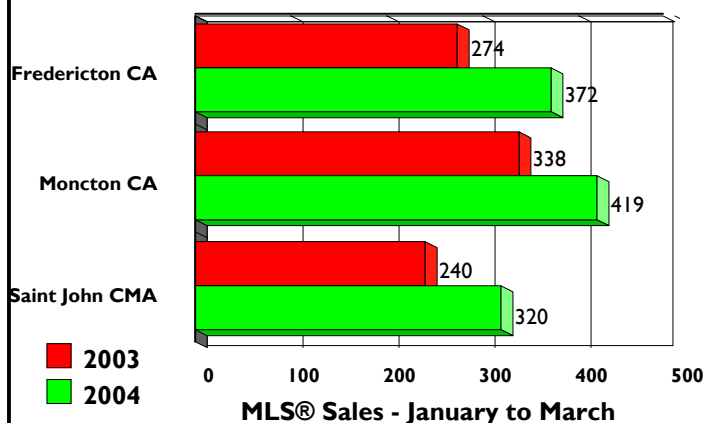
✓ Active listings remain relatively abundant in all three larger urban centres, considering the current record sales' levels. In Greater Moncton, active listings at the end of March were 30 per cent ahead of last year's levels. Seniors and empty-nesters are taking advantage of an increased demand for their existing homes to make capital gains and move in to a smaller, lower maintenance unit, or to build their dream home. This explains in part the recent surge in higher end apartment and expensive single starts.

### First Quarter Single Starts Down in Fredericton and Saint John

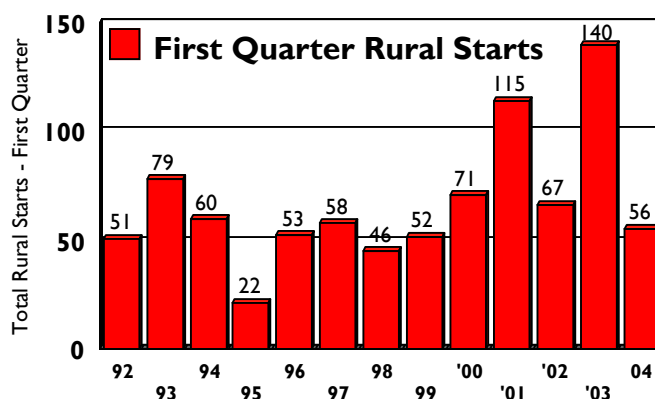


Source: CMHC, Single Starts, January-March

### MLS® Sales on the Upswing



### First Quarter: Fewer Rural Starts



Source: CMHC

**TABLE 1  
ACTIVITY SUMMARY BY AREA  
New Brunswick**

Area	Starts						Completions						Under Construction		
	First Quarter			Year-to-Date			First Quarter			Year-to-Date			As at March 31		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
<b>Bathurst CA</b>	0	3	--	0	3	--	13	9	44.4	13	9	44.4	20	15	33.3
<b>Campbellton CA</b>	0	4	--	0	4	--	2	0	--	2	0	--	2	8	-75.0
<b>Edmundston CA</b>	0	5	--	0	5	--	7	18	-61.1	7	18	-61.1	16	11	45.5
<b>Fredericton CA</b>	51	69	-26.1	51	69	-26.1	257	121	112.4	257	121	112.4	151	191	-20.9
<b>Miramichi CA</b>	0	2	--	0	2	--	8	13	-38.5	8	13	-38.5	4	11	-63.6
<b>Moncton CA</b>	60	117	-48.7	60	117	-48.7	907	420	116.0	907	420	116.0	495	648	-23.6
<b>Saint John CMA</b>	28	45	-37.8	28	45	-37.8	96	70	37.1	96	70	37.1	169	102	65.7
<b>TOTAL URBAN AREAS</b>	139	245	-43.3	139	245	-43.3	1290	651	98.2	1290	651	98.2	857	986	-13.1
<b>TOTAL OTHER AREAS</b>	56	140	-60.0	56	140	-60.0	297	369	-19.5	297	369	-19.5	380	589	-35.5
<b>TOTAL NEW BRUNSWICK</b>	195	385	-49.4	195	385	-49.4	1587	1020	55.6	1587	1020	55.6	1237	1575	-21.5

Source: CMHC

## NEED MORE DETAILED INFORMATION?

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Your Link to the Housing Market

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**TABLE 2**  
**STARTS BY AREA AND DWELLING TYPE**  
**Fredericton / Moncton / Saint John**

Area/ Period	Single	Semi	Row	Apartment & other	Total	Area/ Period	Single	Semi	Row	Apartment & other	Total
<b>Fredericton City</b>						<b>Grand Bay-Westfield</b>					
Jan. - March 2004	20	0	0	0	20	Jan. - March 2004	0	0	0	0	0
Jan. - March 2003	19	6	0	2	27	Jan. - March 2003	0	0	0	0	0
Jan. - March 2004	20	0	0	0	20	Jan. - March 2004	0	0	0	0	0
Jan. - March 2003	19	6	0	2	27	Jan. - March 2003	0	0	0	0	0
<b>Total Fredericton</b>						<b>Quispamsis Town</b>					
Jan. - March 2004	51	0	0	0	51	Jan. - March 2004	11	0	0	0	11
Jan. - March 2003	61	6	0	2	69	Jan. - March 2003	23	0	0	0	23
Jan. - March 2004	51	0	0	0	51	Jan. - March 2004	11	0	0	0	11
Jan. - March 2003	61	6	0	2	69	Jan. - March 2003	23	0	0	0	23
<b>Moncton City</b>						<b>Rothesay Town</b>					
Jan. - March 2004	21	0	0	3	24	Jan. - March 2004	3	0	0	0	3
Jan. - March 2003	21	6	0	55	82	Jan. - March 2003	10	0	0	0	10
Jan. - March 2004	21	0	0	3	24	Jan. - March 2004	3	0	0	0	3
Jan. - March 2003	21	6	0	55	82	Jan. - March 2003	10	0	0	0	10
<b>Dieppe City</b>						<b>Saint John City</b>					
Jan. - March 2004	18	0	0	0	18	Jan. - March 2004	9	0	0	0	9
Jan. - March 2003	12	0	4	0	16	Jan. - March 2003	5	0	0	0	5
Jan. - March 2004	18	0	0	0	18	Jan. - March 2004	9	0	0	0	9
Jan. - March 2003	12	0	4	0	16	Jan. - March 2003	5	0	0	0	5
<b>Riverview Town</b>						<b>Saint John - Other outlying areas</b>					
Jan. - March 2004	7	0	0	0	7	Jan. - March 2004	5	0	0	0	5
Jan. - March 2003	3	0	0	0	3	Jan. - March 2003	3	0	4	0	7
Jan. - March 2004	7	0	0	0	7	Jan. - March 2004	5	0	0	0	5
Jan. - March 2003	3	0	0	0	3	Jan. - March 2003	3	0	4	0	7
<b>Total Moncton CA</b>						<b>Total Saint John CMA</b>					
Jan. - March 2004	55	2	0	3	60	Jan. - March 2004	28	0	0	0	28
Jan. - March 2003	52	6	4	55	117	Jan. - March 2003	41	0	4	0	45
Jan. - March 2004	55	2	0	3	60	Jan. - March 2004	28	0	0	0	28
Jan. - March 2003	52	6	4	55	117	Jan. - March 2003	41	0	4	0	45

Note: Other outlying areas include Greenwich Parish, Kingston Parish, Musquash Parish, St. Martins Parish, St. Martins Village, Simonds Parish, Lepreau Parish, Petersville Parish, Hampton Town, Hampton Parish and Upham Parish.

**Housing Now** is published 4 times a year for the New Brunswick market. Annual subscriptions to the **Housing Now** for New Brunswick are \$55.00 plus applicable taxes. This publication is also available in French. For more information, or to subscribe, contact Cynthia Way at the Atlantic Business Centre at (902) 426-4708.

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