



HOUSING NOW

Newfoundland and Labrador

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 5, EDITION 2
SECOND QUARTER 2002

Housing Demand Surges in Second Quarter

Demand for housing remained strong during the second quarter as both housing starts and existing MLS* home sales surged ahead of last year's levels. Housing starts posted their best performance in eight years while MLS* residential sales hit record levels for the fifth consecutive quarter.

their highest level since 1989. Multiple unit construction was three times greater than the year before, rising to its highest level since 1996. However, at 127 units, multiples remain depressed in historical terms largely reflecting the lack of adequate returns in the rental market. Within the province, year-to-date housing starts are up 53.1 per cent.

Single Starts At Highest Level Since 1989

The surge in residential construction during the second quarter was largely due to substantial gains in single-detached activity. At 628 units, single-detached starts climbed to

Rural Starts Flat in Second Quarter

After recording healthy growth in each of the previous four quarters, starts in rural areas of the province were flat between April and June.

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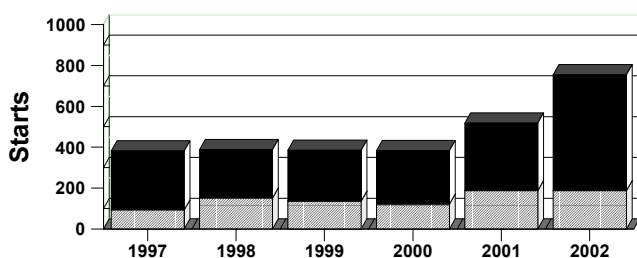
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MLS is a registered certification mark of the Canadian Real Estate Association*

Housing Starts Newfoundland 2nd Quarter



	1997	1998	1999	2000	2001	2002
■ Rural	93	152	136	122	188	188
■ Urban	289	236	249	262	330	567
Total	382	388	385	384	518	755

Source: CMHC



HOME TO CANADIANS
Canada

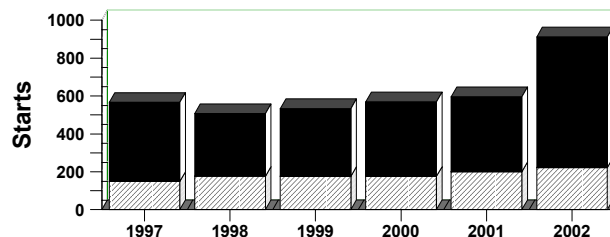
This was not totally unexpected as underlying weakness caused by years of out migration and problems in a number of key resource industries hamper any prolonged upturn in rural housing demand. Despite the recent pause, activity in rural areas is up 11.0 per cent during the first six months of 2002.

The St. John's region continued to dominate residential construction during the second quarter accounting for almost two-thirds of provincial activity. Second quarter starts within the St. John's CMA advanced 70.5 per cent to 486 units. Year-to-date activity is up 74.4 per cent to 607 units. With the exception of the Labrador West region, all other urban centres throughout the province experienced healthy increases in housing starts during the second quarter.

MLS* Sales Maintain Torrid Pace in Second Quarter

Residential sales through the province's two MLS* boards maintained their torrid pace during the second quarter of this year. At 783 homes, second quarter sales jumped 14.5 per cent from the same period in 2001 to set another record. With employment at all time highs and interest rates remaining favourable, optimistic buyers continued to enter the market in record numbers. Furthermore, the second quarter was the fifth consecutive in which MLS* sales hit record levels. Despite recent gains, it is worth noting that, on a year-over-year basis, June sales were down for the first time since September of 2001. With demand continuing to outpace supply and sales of more expensive houses remaining strong, the average MLS* house price posted a sharp increase between April and June. At \$111,298, the average MLS* house price surged ahead by an impressive 9.6 per cent over the second quarter of 2001. During the first six months of 2002, the average MLS* price is up 8.2 per cent to \$109,371.

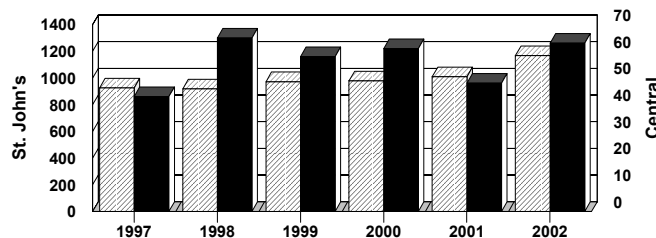
Housing Starts Newfoundland January to June



	1997	1998	1999	2000	2001	2002
▨ Rural	149	176	176	176	200	222
■ Urban	417	331	357	392	395	689
Total	566	507	533	568	595	911

Source: CMHC

MLS* Residential Sales - Newfoundland January to June



	1997	1998	1999	2000	2001	2002
▨ St. John's	926	917	972	978	1,009	1,168
■ Central	43	65	58	61	48	63
Total	969	982	1,030	1,039	1,057	1,231

Source: Eastern Newfoundland Real Estate Board, Central Newfoundland Real Estate Board.



Your Link to the Housing Market

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CMHC is the source for expert analysis and comprehensive data on housing. If you are in the housing industry, it is critical that you understand the trends and factors behind Newfoundland and Labrador's housing markets. There is no substitute for the thorough, concise analysis of housing market developments that you get with CMHC's market data and analysis.

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TABLE I
ACTIVITY SUMMARY BY AREA
Newfoundland and Labrador

Area	Starts						Completions						Under Construction		
	2nd Quarter			Year-to-Date			2nd Quarter			Year-to-Date			As at June 30		
	2002	2001	% chg	2002	2001	%chg	2002	2001	% chg	2002	2001	%chg	2002	2001	% chg
St. John's CMA	486	285	70.5	607	348	74.4	265	187	41.7	498	406	22.7	692	471	46.9
Corner Brook CA	30	12	NA	31	13	NA	10	5	100.0	18	14	28.6	35	17	NA
Gander CA	15	9	66.7	15	9	66.7	3	0	NA	19	1	NA	21	14	50.0
Grand Falls Windsor CA	36	22	63.6	36	23	56.5	3	1	NA	4	8	-50.0	39	24	62.5
Labrador CA	0	2	-100.0	0	2	-100.0	1	1	100.0	1	1	0.0	0	1	-100.0
TOTAL URBAN AREAS	567	330	71.8	689	395	74.4	282	194	45.4	540	430	25.6	787	527	49.3
TOTAL OTHER AREAS	188	188	0.0	222	200	11.0	20	130	-84.6	272	192	41.7	280	197	42.1
TOTAL NEWFOUNDLAND	755	518	45.8	911	595	53.1	302	324	-6.8	812	622	30.5	1067	724	47.4

Source: C M H C

**TABLE 2
STARTS BY AREA AND DWELLING TYPE
ST. JOHN'S CMA**

Area/ Period	Single	Semi	Row	Apartment & Other	Total
St. John's City:					
Second Quarter 2002	127	4	4	94	229
Second Quarter 2001	77	2	0	18	97
Year-to-Date 2002	166	4	4	104	278
Year-to-Date 2001	95	10	0	20	125
Conception Bay South:					
Second Quarter 2002	82	0	0	0	82
Second Quarter 2001	58	0	0	0	58
Year-to-Date 2002	100	0	0	0	100
Year-to-Date 2001	68	0	0	0	68
Mount Pearl:					
Second Quarter 2002	33	0	0	0	33
Second Quarter 2001	23	2	0	0	25
Year-to-Date 2002	41	2	0	2	45
Year-to-Date 2001	26	6	0	0	32
Paradise/St. Thomas:					
Second Quarter 2002	72	4	0	7	83
Second Quarter 2001	67	0	0	5	72
Year-to-Date 2002	94	4	0	7	105
Year-to-Date 2001	82	0	0	5	87
Torbay:					
Second Quarter 2002	19	0	0	0	19
Second Quarter 2001	11	0	0	0	11
Year-to-Date 2002	26	0	0	0	26
Year-to-Date 2001	12	0	0	0	12
Other Centres:					
Second Quarter 2002	40	0	0	0	40
Second Quarter 2001	22	0	0	0	22
Year-to-Date 2002	53	0	0	0	53
Year-to-Date 2001	24	0	0	0	24
Total St. John's CMA:					
Second Quarter 2002	373	8	4	101	486
Second Quarter 2001	258	4	0	23	285
Year-to-Date 2002	480	10	4	113	607
Year-to-Date 2001	307	16	0	25	348

Source: CMHC

Housing Now is published 4 times a year for the Newfoundland & Labrador market. **Forecast Summary** is included in the first and third quarter editions. Annual subscriptions to the **Housing Now** for Newfoundland & Labrador are \$55.00 plus applicable taxes. This publication is also available in French. For more information, or to subscribe, contact Johannes O'Callaghan at the Atlantic Business Centre at (902) 426-4708. *Order no. 2084*

Ce document est disponible en français. Veuillez communiquer avec Johannes O'Callaghan au Centre d'affaires de l'Atlantique au (902) 426-4708.

