



HOUSING NOW

Newfoundland and Labrador

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

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FOURTH QUARTER 2002

Housing Performance Mixed in 4th Quarter

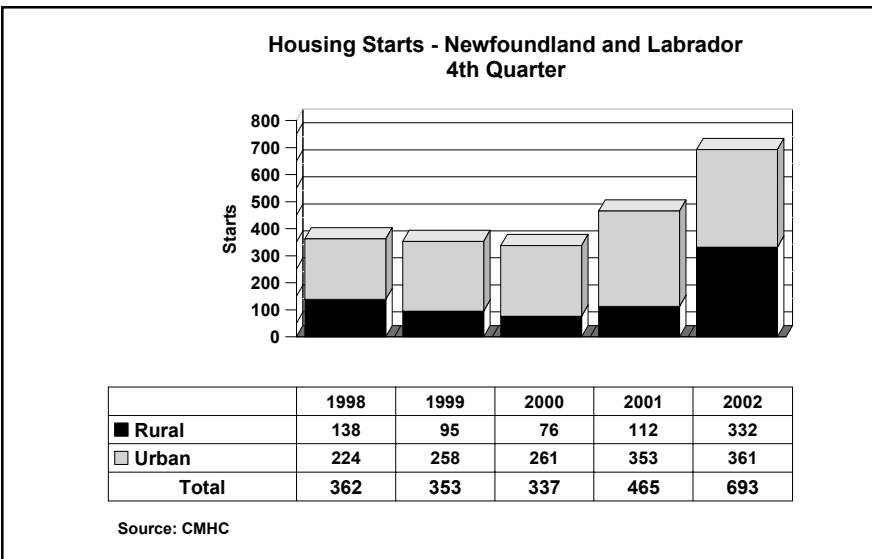
Following a prolonged period of wide spread growth, provincial housing markets posted a mixed performance during the fourth quarter of 2002. The upturn in residential construction activity remained firmly on track while existing MLS* home sales faltered for the first time in almost two years.

Starts at Highest Level Since 1991

Low interest rates, healthy income growth and a substantial reduction in the supply of existing homes being placed on the market for sale remained the key factors behind the sustained strength in housing starts during the fourth quarter.

In fact, total provincial housing starts jumped almost 50 per cent during the final three months of 2002 and climbed to their highest level in over a decade. Single-detached starts, which shot up by an impressive 58 per cent, accounted for the vast majority of the increase. Multiple unit construction also maintained its upward trend advancing by a more moderate 9.5 per cent during the quarter.

When combined with previous activity, housing starts within the province surged ahead by just over 35 per cent last year to 2,419 units. This represented the highest level of residential construction activity since 1991.



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

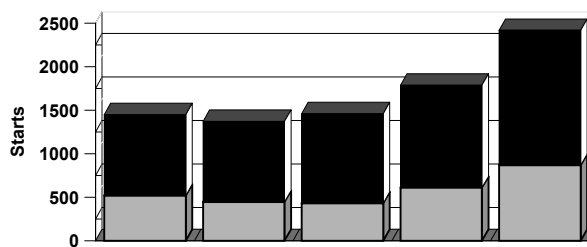


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Canada

Rural Starts Surge in 4th Quarter

While starts were stronger throughout the province during the fourth quarter, rural areas experienced the largest gains. For the quarter, rural starts were almost three times higher than the year before and climbed to levels not achieved since 1990. Starts in provincial urban centres edged up 2.3 per cent during the quarter and actually posted monthly declines from the previous year in both November and December. Ongoing strength in rural activity largely reflects the release of pent-up demand created by a prolonged period of decline throughout the latter 1990's and sustained employment growth in recent years. For the year, rural starts increased 42 per cent to 867 units while urban centre activity climbed by 32 per cent to 1,552 units.

Housing Starts - Newfoundland and Labrador
1998 - 2002



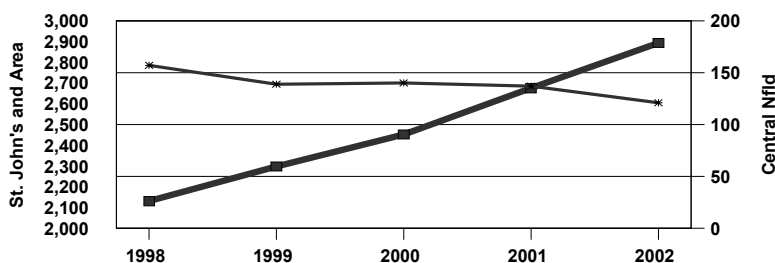
	1998	1999	2000	2001	2002
■ Rural	519	445	430	608	867
■ Urban	931	926	1,029	1,180	1,552
Total	1,450	1,371	1,459	1,788	2,419

Source: CMHC

MLS* Sales Fall for First Time Since Early 2001

Following six consecutive quarters of record activity, residential sales through the two MLS* systems in Eastern and Central Newfoundland declined during the final three months of 2002. The weaker performance during the fourth quarter largely reflects the ongoing reduction in the supply of quality listings. With fewer and fewer sellers placing their homes on the market, sales activity is being severely curtailed. Despite the year-end lull, strong gains during the previous three quarters more than offset recent declines, with total MLS* residential sales up 7.2 per cent to 3,014 units last year. This marked the fourth consecutive year in which MLS* sales established a new record. The average MLS* house price soared over 13 per cent during the fourth quarter to an all time high of \$120,651. For the year, the average MLS* house price rose 8.4 per cent to \$113,081, also an all-time high.

MLS Residential Sales - Newfoundland and Labrador
1998 - 2001



	1998	1999	2000	2001	2002
■ St. John's	2,131	2,298	2,453	2,675	2,893
* Central	157	139	140	137	121
Total	2,288	2,437	2,593	2,812	3,014

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

Mark Your Calendar Now!

Date: Thursday, March 20, 2003

Time: 7:30 a.m. - 10:30 a.m.

Place: Holiday Inn, St. John's

Cost: \$60.00 HST included

(includes hot buffet breakfast)

CMHC's Housing Outlook Seminar 2003

Call today to reserve your space or to receive additional information. Contact Connie Hawkins at phone: (709) 772-2048, fax: (709) 726-7014 or e-mail: chawkins@cmhc-schl.gc.ca

Alex MacDonald, Regional Economist with CMHC in Atlantic Canada, will present a review of the current economic trends, as well as CMHC'S expectations for 2003 in Atlantic Canada. Mr. MacDonald will also provide a more detailed overview of the provincial and local economies and how they will perform in 2003?

Brian Martin, Senior Market Analyst for Newfoundland and Labrador, will discuss how the economic outlook and demographic trends will shape demand for new, resale and rental housing at both the provincial and local level.

TABLE I
ACTIVITY SUMMARY BY AREA
Newfoundland and Labrador

Area	Starts						Completions						Under Construction		
	4th Quarter			Year-to-Date			4th Quarter			Year-to-Date			As at 01-31-12		
	2002	2001	% chg	2002	2001	%chg	2002	2001	% chg	2002	2001	%chg	2002	2001	% chg
St. John's CMA	320	312	2.6	1,350	1,029	31.2	440	357	23.2	1,256	964	30.3	677	585	15.7
Corner Brook CA	15	18	-16.7	69	43	60.5	23	15	53.3	64	40	60.0	27	21	28.6
Gander CA	6	16	-62.5	44	42	4.8	12	15	-20.0	35	28	25.0	29	20	45.0
Grand Falls Windsor CA	20	7	185.7	89	63	41.3	30	26	15.4	67	60	11.7	34	12	183.3
Labrador CA	0	0	0.0	0	3	-100.0	0	1	-100.0	1	2	-50.0	0	1	-100.0
TOTAL URBAN AREAS	361	353	2.3	1,552	1,180	31.5	505	414	22.0	1,423	1,094	30.1	767	639	20.0
TOTAL OTHER AREAS	332	112	196.4	867	608	42.6	299	103	190.3	611	364	67.9	585	434	34.8
TOTAL NEWFOUNDLAND	693	465	49.0	2,419	1,788	35.3	804	517	55.5	2,034	1,458	39.5	1,352	1,073	26.0

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:					
Fourth Quarter 2002	95	6	26	26	153
Fourth Quarter 2001	88	2	8	32	130
Year-to-Date 2002	359	14	38	174	585
Year-to-Date 2001	280	14	22	82	398
Conception Bay South:					
Fourth Quarter 2002	45	0	0	0	45
Fourth Quarter 2001	42	0	0	0	42
Year-to-Date 2002	217	0	0	0	217
Year-to-Date 2001	172	0	0	0	172
Mount Pearl:					
Fourth Quarter 2002	24	0	0	0	24
Fourth Quarter 2001	26	4	0	0	30
Year-to-Date 2002	88	2	0	2	92
Year-to-Date 2001	79	10	0	0	89
Paradise/St. Thomas:					
Fourth Quarter 2002	44	0	0	6	50
Fourth Quarter 2001	52	4	0	10	66
Year-to-Date 2002	222	4	0	21	247
Year-to-Date 2001	199	4	0	20	223
Torbay:					
Fourth Quarter 2002	23	0	0	0	23
Fourth Quarter 2001	14	0	0	0	14
Year-to-Date 2002	80	0	0	0	80
Year-to-Date 2001	48	0	0	0	48
Other Centres:					
Fourth Quarter 2002	25	0	0	0	25
Fourth Quarter 2001	30	0	0	0	30
Year-to-Date 2002	127	0	0	2	129
Year-to-Date 2001	97	0	0	2	99
Total St. John's CMA:					
Fourth Quarter 2002	256	6	26	32	320
Fourth Quarter 2001	252	10	8	42	312
Year-to-Date 2002	1,093	20	38	199	1,350
Year-to-Date 2001	875	28	22	104	1,029

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.

