



# HOUSING NOW

Charlottetown

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 8, EDITION 1  
FIRST QUARTER 2005

## Starts Increased in the First Quarter of 2005

### Single Starts Buoy New Home Construction

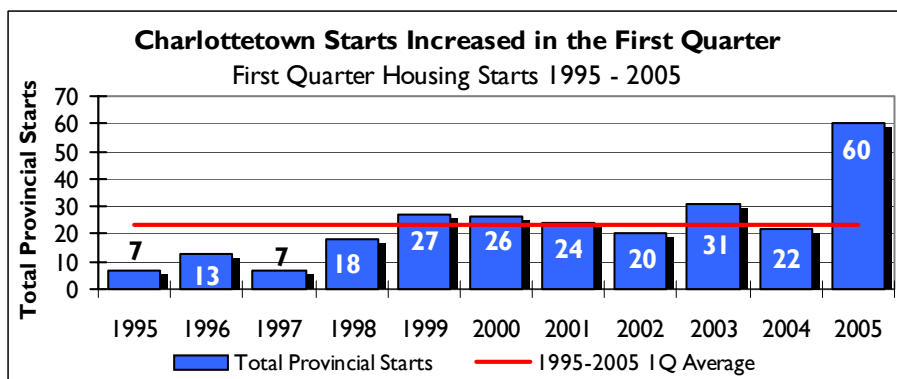
- √ Total urban starts on the Island reached 94 units in the first quarter of 2005 compared to 70 units in 2004. This rise was due to an increased level of starts in the Charlottetown area.
- √ In Charlottetown, new home construction reached 60 units in the first quarter, an increase of 38 units when compared to the previous year. This represents the best first quarter for housing starts in the Capital region since 1990. This increased level of starts in the Charlottetown CA was the result of additional construction activity in all areas of the Capital region, except in the Town of Cornwall.

- √ Charlottetown City posted more starts in the first quarter when compared to the same period last year. Single starts increased by 1 unit to 13 units, while multiple starts rose by 12 units to 14 units.
- √ Starts in the Town of Stratford increased to 12 units this quarter from 3 units during the previous year. This rise in starts was the result of increased activity for both single and multiple units. Single starts jumped to 9 units from 3 units, while 3 multiple units were reported compared to none in 2004.
- √ The Town of Cornwall recorded 2 starts in the first quarter, matching last year's level.
- √ Residential construction in Charlottetown is expected to remain strong throughout 2005, as a result of strong single-detached construction.

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



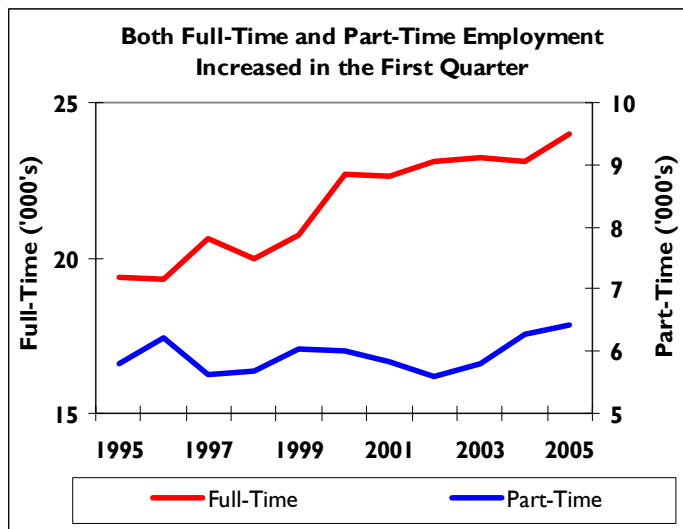
Source: CMHC

# CHARLOTTETOWN

## Housing Market Overview

### Employment Growth Continued in the First Quarter of 2005

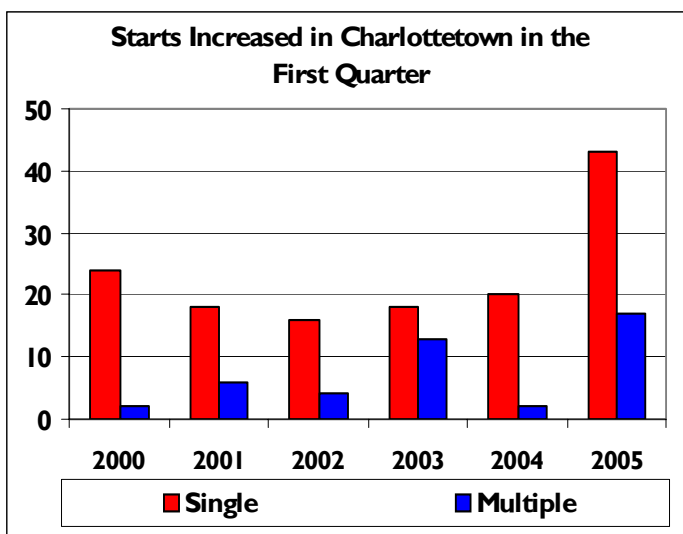
- ✓ In the Charlottetown area, total employment increased in the first quarter of 2005, with 30,400 people working. This is the strongest first quarter on record for Charlottetown.
- ✓ In the first three months of 2005, the ratio of full-time to total employment was 73.2 per cent, a slight increase from the 2004 level.
- ✓ On a provincial basis, the first quarter of 2005 saw the number of people employed increase by 3.8 per cent. This means that there were about 2,300 more Islander's working in the first quarter of 2005 than in 2004.



Source: Statistics Canada

### Demand for New Homes Continues to Remain Strong

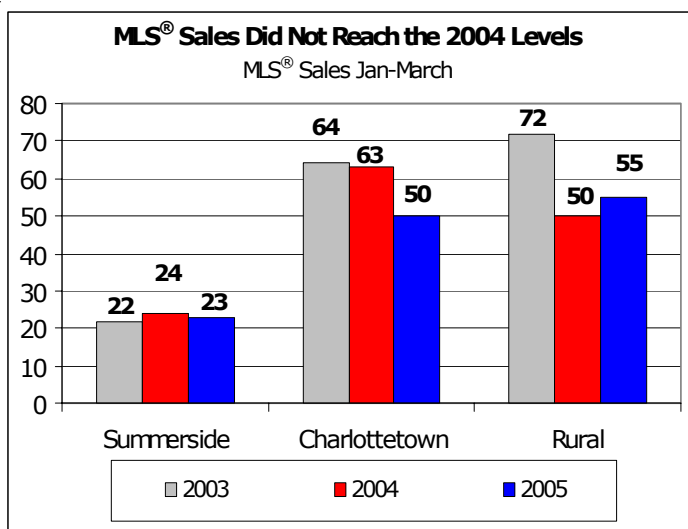
- ✓ Strong consumer confidence, attractive labour market conditions, and low interest rates continued to stimulate the demand for new single-family homes in Charlottetown and the province as a whole in the first quarter of 2005.
- ✓ The construction of rental units remained strong in the first quarter of 2005, and accounted for 12 of the 17 multiple starts in the Charlottetown area. It is expected that multiple units aimed at the homeownership market will increase in 2005, as the ever-rising cost of single-detached homes will push many first-time buyers to the semi-detached market.



Source: CMHC

### MLS® Sales in Charlottetown Fall Short of the 2004 Level

- ✓ For the first three months of 2005, MLS® sales in Charlottetown were down in all submarkets. However, despite the decline in sales, the average sales price rose in all of the four submarkets. As a whole, sales in Charlottetown reached 50 units in the first quarter, as compared to 63 during the same period last year. The average sales price for the Capital region rose to \$140,267 in the first quarter, from \$132,230 a year earlier.
- ✓ Sales in Summerside also declined in the first quarter to 23 units, from 24 in 2004. However, average sales price in Summerside rose in the first quarter to \$112,764, up from \$98,874 a year earlier.
- ✓ Despite the slow start in the first quarter, realtors are expected to have another good year in 2005. We expect MLS® sales to reach 1200 units in 2005, which is very similar to the 2004 level.



Source: PEI Real Estate Board

**Table 1**  
**Activity Summary By Area**  
**Prince Edward Island**

Area	TOTAL HOUSING STARTS				COMPLETIONS				UNDER CONSTRUCTION			
	1st Quarter		January-March		1st Quarter		January-March		As at March 31		As at March 31	
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Charlottetown CA	60	22	173%	60	22	173%	156	96	63%	156	96	63%
Summerside CA	34	48	-29%	34	48	-29%	5	26	-81%	5	26	-81%
Total Urban Areas	94	70	34%	94	70	34%	161	122	32%	161	122	32%
Total Rural Areas	21	26	-19%	21	26	-19%	38	115	-67%	38	115	-67%
<b>Total PEI</b>	<b>115</b>	<b>96</b>	<b>20%</b>	<b>115</b>	<b>96</b>	<b>20%</b>	<b>199</b>	<b>237</b>	<b>-16%</b>	<b>199</b>	<b>237</b>	<b>-16%</b>

Source: CMC

**Table 2: MLS Activity in Urban Centres\***

	1st Quarter				Year-to-Date							
	Sales		Avg Sale Price		Sales		Avg Sales Price					
	2005	2004	% Chg	2005	2004	% Chg	2005	2004	% Chg			
<b>Charlottetown CA**</b>	17	23	-26%	\$146,341	\$143,157	2%	17	23	-26%	\$146,341	\$143,157	2%
District 4	12	15	-20%	\$122,295	\$114,955	6%	12	15	-20%	\$122,295	\$114,955	6%
District 5	5	8	-38%	\$138,065	\$118,434	17%	5	8	-38%	\$138,065	\$118,434	17%
District 6	16	17	-6%	\$147,982	\$139,180	6%	16	17	-6%	\$147,982	\$139,180	6%
District 7	50	63	-21%	\$140,267	\$132,230	6%	50	63	-21%	\$140,267	\$132,230	6%
<b>Total, CA</b>	23	24	-4%	\$112,764	\$98,874	14%	23	24	-4%	\$112,764	\$98,874	14%
<b>Summerside CA</b>	73	87	-16%	\$131,602	\$123,028	7%	73	87	-16%	\$131,602	\$123,028	7%

\* Source: PEI Real Estate Association

\*\*District 4: Charlottetown City, Spring Park & West Royalty

\*\*District 5: Sherwood, Parkdale, East Royalty & Hillsborough Parks

\*\*District 6: Cornwall, North River & Windsor

\*\*District 7: Burbury, Southport, Crossroads, Keppoch, Kinlock, Tea Hill, Alexandra to Cherry Valley

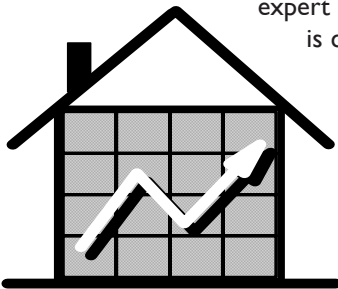
**TABLE 3  
STARTS BY AREA  
CHARLOTTETOWN CA**

<b>Area/ Period</b>	<b>Single</b>	<b>Semi</b>	<b>Row</b>	<b>Apartment &amp; Others</b>	<b>Total</b>
<b>Charlottetown City:</b>					
First Quarter 2005	13	2	0	12	27
First Quarter 2004	12	2	0	0	14
Year-to-Date 2005	13	2	0	12	27
Year-to-Date 2004	12	2	0	0	14
<b>Cornwall Town:</b>					
First Quarter 2005	2	0	0	0	2
First Quarter 2004	2	0	0	0	2
Year-to-Date 2005	2	0	0	0	2
Year-to-Date 2004	2	0	0	0	2
<b>Stratford Town:</b>					
First Quarter 2005	9	0	3	0	12
First Quarter 2004	3	0	0	0	3
Year-to-Date 2005	9	0	3	0	12
Year-to-Date 2004	3	0	0	0	3
<b>Remainder of Charlottetown CA:</b>					
First Quarter 2005	19	0	0	0	19
First Quarter 2004	3	0	0	0	3
Year-to-Date 2005	19	0	0	0	19
Year-to-Date 2004	3	0	0	0	3
<b>Total - Charlottetown CA:</b>					
First Quarter 2005	43	2	3	12	60
First Quarter 2004	20	2	0	0	22
Year-to-Date 2005	43	2	3	12	60
Year-to-Date 2004	20	2	0	0	22

Source: CMHC

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