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Saint John, Moncton and Fredericton

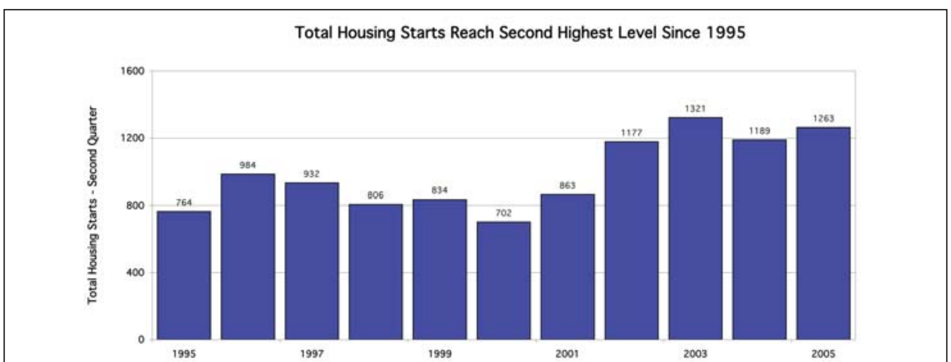
Second Quarter: Pace of New Home Construction Remains Strong

Volume 9, Edition 2
Second Quarter 2005

Total housing starts reached 1,263 units in the second quarter of 2005 compared to 1,189 units in 2004. As a result of this brisk activity, the 1,530 total housing starts over the first half of the year represent the second highest level of construction activity achieved in ten years. The 6.2 per cent increase in total housing starts during the second quarter was due to an increase in multiple starts. Multiple starts reached 441 units in the second quarter of 2005 as compared to 290 units last year. At the same time, construction of single-detached homes in New Brunswick eased slightly, with 822 single starts in the second quarter as compared to 899 single starts last year. The Greater Moncton area accounted for most of the increase in total housing starts in the second quarter, rising from 340 units in 2004 to 451 units this year. However, like New Brunswick overall, single-detached starts slipped slightly, falling to 221 starts as compared to 230 starts in the second quarter of 2004. A slight increase in multiple unit starts this year kept total housing starts in Saint John on par with the level of activity achieved in the second quarter of 2004. While both single and multiple starts in Fredericton for the second quarter were below the level of activity attained last year.

Total completions in the province reached 526 units in the second quarter, a 26.8 per cent decline when compared to the same period in 2004. The decline in total completions is mainly due to a noticeable drop in completions outside of New Brunswick's urban centres. Only 139 housing units were completed in the rural areas during the second quarter as compared to 250 units last year.

At the end of the second quarter, there were 1,477 units under construction compared to 1,707 units twelve months earlier. Sustained demand, combined with a significant decline in both completions and housing units under construction, is a good indication that housing starts will remain healthy in 2005.



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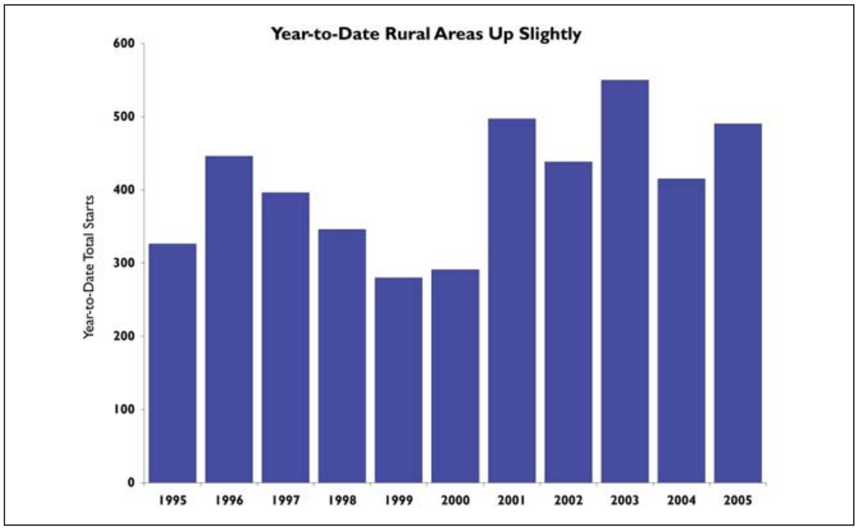
Housing Market Overview (Saint John, Moncton, Fredericton)

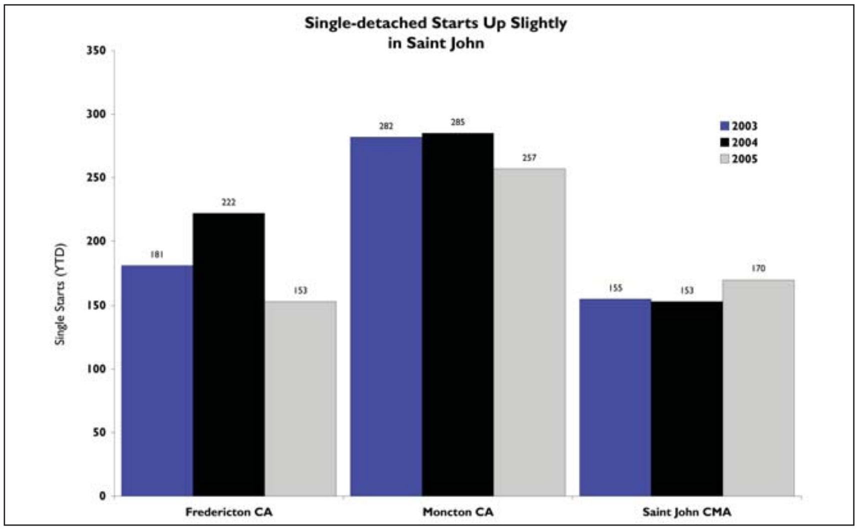
Activity Remains Strong in New Brunswick's Rural Areas

Although residential construction in the province's urban centres was 7.3 per cent higher than the first six months of 2004, the increase in total housing starts was even more pronounced in New Brunswick's rural areas. From January to June, total housing starts increased 18.1 per cent, from 415 starts in 2004 to 490 starts this year.



Mixed Results for Single Starts so Far This Year in the Urban Centres

Demand for single-detached homes remains strong in the province's urban centres, but many households are opting for an existing home due in part to rising construction costs. So far this year, single starts in urban centres have dropped to 626 units, a decline of 10.7 per cent from the same period last year. Of New Brunswick's three larger centres, only Saint John had more single starts over the first six months of the year when compared to last year, reaching 170 units from 153 units last year.



Resale Market Remained Strong in All Larger Urban Centres

MLS® sales in both Saint John and Fredericton rebounded in the second quarter, following a slight drop in the first quarter. In all three larger urban centres, year-to-date sales exceeded the previous records with 766 transactions in Saint John, 1,175 transactions in Moncton and 1,148 transactions in Fredericton. Low mortgage rates, rising inventory of existing homes available for sale and the rising cost of new homes are contributing to the resale market's solid performance to date this year.

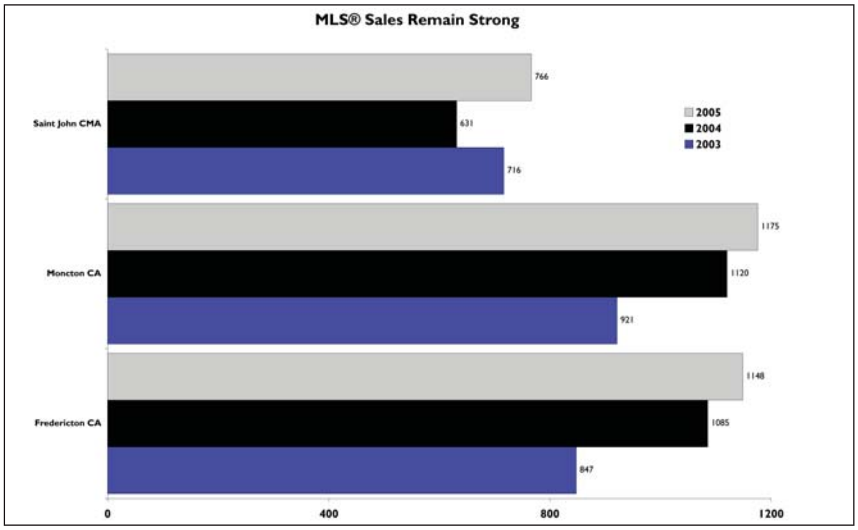


TABLE 1 - HOUSING STARTS BY AREA

	Singles						Multiples						Total Starts					
	Second Quarter			Year-to-date			Second Quarter			Year-to-date			Second Quarter			Year-to-date		
Urban Area	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Bathurst CA	14	19	-26.3%	14	19	-26.3%	6	9	-33.3%	6	9	-33.3%	20	28	-28.6%	20	28	-28.6%
Campbellton CA	2	6	-66.7%	2	6	-66.7%	26	0	-	26	0	-	28	6	-	28	6	-
Edmunston CA	17	16	6.3%	17	16	6.3%	4	4	-	4	4	-	21	20	5.0%	21	20	5.0%
Fredericton CA	117	171	-31.6%	153	222	-31.1%	86	102	-15.7%	88	102	-13.7%	203	273	-25.6%	241	324	-25.6%
Miramichi CA	13	6	-	13	6	-	0	0	-	0	0	-	13	6	-	13	6	-
Moncton CA	221	230	-3.9%	257	285	-9.8%	230	110	-	252	115	-	451	340	32.6%	509	400	27.3%
Saint John CMA	122	125	-2.4%	170	153	11.1%	36	32	12.5%	38	32	18.8%	158	157	0.6%	208	185	12.4%
Total Urban Areas	506	573	-11.7%	626	707	-11.5%	388	257	51.0%	414	262	58.0%	894	830	7.7%	1040	969	7.3%

TABLE 2 - COMPLETIONS BY AREA

	Singles						Multiples						Total Starts					
	Second Quarter			Year-to-date			Second Quarter			Year-to-date			Second Quarter			Year-to-date		
Urban Area	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Bathurst CA	3	11	-72.7%	13	24	-45.8%	6	0	-	8	0	-	9	11	-18.2%	21	24	-12.5%
Campbellton CA	1	5	-80.0%	3	7	-57.1%	0	0	-	0	0	-	1	5	-	3	7	-
Edmunston CA	6	11	-45.5%	14	16	-12.5%	0	0	-	0	2	-	6	11	-45.5%	14	18	-22.2%
Fredericton CA	71	99	-28.3%	159	199	-20.1%	27	56	-51.8%	143	213	-32.9%	98	155	-36.8%	302	412	-26.7%
Miramichi CA	8	3	-	19	11	72.7%	0	0	-	0	0	-	8	3	-	19	11	-
Moncton CA	60	111	-45.9%	198	405	-51.1%	48	91	-47.3%	96	704	-86.4%	108	202	-46.5%	294	1109	-73.5%
Saint John CMA	104	58	79.3%	179	125	43.2%	53	24	-	76	53	43.4%	157	82	91.5%	255	178	43.3%
Total Urban Areas	253	298	-15.1%	585	787	-25.7%	134	171	-21.6%	323	972	-66.8%	387	469	-17.5%	908	1759	-48.4%

TABLE 3 - UNDER CONSTRUCTION BY AREA (as at June 30)

	Singles			Multiples			Total		
Urban Area	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Bathurst CA	16	20	-20.0%	2	17	-88.2%	18	37	-51.4%
Campbellton CA	3	3	0.0%	26	0	-	29	3	-
Edmunston CA	18	21	-14.3%	4	4	0.0%	22	25	-12.0%
Fredericton CA	100	113	-11.5%	121	156	-22.4%	221	269	-17.8%
Miramichi CA	10	7	42.9%	0	0	-	10	7	42.9%
Moncton CA	248	269	-7.8%	334	365	-8.5%	582	634	-8.2%
Saint John CMA	114	152	-25.0%	56	91	-38.5%	170	243	-30.0%
Total Urban Areas	509	585	-13.0%	543	633	-14.2%	1052	1218	-13.6%

TABLE 4
STARTS AREA AND DWELLING TYPE
Fredericton/Moncton/Saint John

Area/Period	Single	Semi	Row	Apartment & Other	Total	Area/Period	Single	Semi	Row	Apartment & Other	Total
Fredericton City						**Grand Bay-Westfield**					
April-June 2005	62	6	22	58	148	April-June 2005	1	0	0	0	1
April-June 2004	73	4	56	38	171	April-June 2004	7	0	0	0	7
January-June 2005	81	8	22	58	169	January-June 2005	2	0	0	0	2
January-June 2004	93	4	56	38	191	January-June 2004	7	0	0	0	7
Total Fredericton						**Quispamsis Town**					
April-June 2005	117	6	22	58	203	April-June 2005	52	0	6	0	58
April-June 2004	171	8	56	38	273	April-June 2004	46	0	6	2	54
January-June 2005	153	8	22	58	241	January-June 2005	70	0	6	0	76
January-June 2004	222	8	56	38	324	January-June 2004	57	0	6	2	65
Moncton City						**Rothesay Town**					
April-June 2005	79	50	0	132	261	April-June 2005	6	0	3	0	9
April-June 2004	88	54	0	24	166	April-June 2004	11	0	0	0	11
January-June 2005	90	52	0	134	276	January-June 2005	8	0	3	0	11
January-June 2004	109	54	0	27	190	January-June 2004	14	0	0	0	14
City of Dieppe						**Saint John City**					
April-June 2005	94	12	12	2	120	April-June 2005	38	12	3	12	65
April-June 2004	92	18	8	0	118	April-June 2004	26	0	0	0	26
January-June 2005	104	14	28	2	148	January-June 2005	34	0	0	0	34
January-June 2004	110	18	8	0	136	January-June 2004	8	0	0	0	8
Riverview Town						**Saint John - other outlying areas**					
April-June 2005	19	20	0	2	41	April-June 2005	25	0	0	0	25
April-June 2004	20	6	0	0	26	April-June 2004	26	0	0	0	26
January-June 2005	25	20	0	2	47	January-June 2005	34	0	0	0	34
January-June 2004	27	6	0	0	33	January-June 2004	8	0	0	0	8
Total Moncton CA						**Total Saint John CMA**					
April-June 2005	221	82	12	136	451	April-June 2005	122	12	12	12	158
April-June 2004	230	78	8	24	340	April-June 2004	125	12	6	14	157
January-June 2005	257	86	28	138	509	January-June 2005	170	14	12	12	208
January-June 2004	285	80	8	27	400	January-June 2004	153	12	6	14	185

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

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