

H

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Atlantic Canada

Total Housing Starts Declined

Canada Mortgage and Housing Corporation

www.cmhc.ca

Mixed results in Atlantic Urban Centres

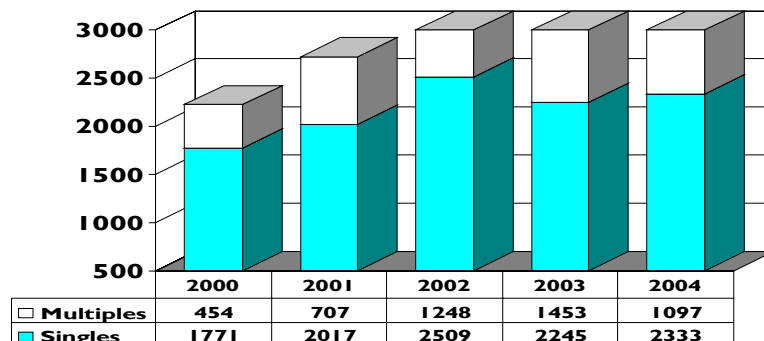
Total housing starts in the fourth quarter declined 7 per cent when compared to the same period in 2003. The majority of the decline in starts was due to the 19 per cent reduction in activity in Nova Scotia. This is predominantly due to the 30 per cent decline in Halifax.

Rural starts were flat in the fourth quarter in Atlantic Canada but down 5 per cent for the year overall. In many urban centres activity was up in the fourth quarter including Charlottetown, (+5 per cent), Truro (+34 per cent), and Fredericton (+11 per cent).

The year ended down 5 per cent with most of the decline limited to a few urban centres including Halifax (-14 per cent), Moncton (-20 per cent), Saint John (-11 per cent) and Grand Falls-Windsor (-35 per cent). Completions were also down 2 per cent in 2004 with the level of units under construction declining 17 per cent as well.

Several centres saw an increase in activity in 2004 matching or exceeding levels of activity not seen for several years including Charlottetown (+1 per cent), St. John's (+14 per cent), and Corner Brook (+30 per cent).

**Housing Starts by Type
Atlantic Canada
4th Quarter**



Source: CMHC.

VOLUME 7 , EDITION 1

Fourth Quarter 2004

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MLS® Sales Rebounded in November

MLS® sales were up 4 per cent in November compared to a year ago, after posting a decline of 6.4 per cent in October. The trend of positive sales growth year over year, has been weakening as three of the last five months have recorded negative returns when compared to the previous year.

Strong sales growth in the summer months have helped the overall level of activity remain in positive territory for 2004 (+2 per cent). Price growth has been the big surprise for 2004 up 10 per cent overall in Atlantic Canada. The number of listings continue to rise in Newfoundland-Labrador and New Brunswick but remain flat for the year in Nova Scotia and down 9 per cent in Prince Edward Island.

Economic Factors Continue to Support Housing

December was another good month for employment in Atlantic Canada with the labour force up 2 per cent

and total employment up 3 per cent. The year finished with both the labour force and employment up 2 per cent, and as a result the unemployment rate fell to 11.1 per cent in 2004 from 11.8 per cent in 2003.

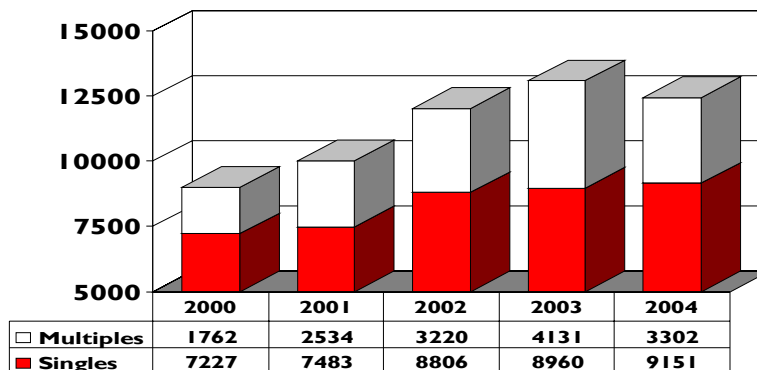
The continued strength in the housing market over the past year has been bolstered by continued low interest rates and strong consumer confidence (+2.8 per

cent). When combined with the job creation numbers mentioned previously, it is evident that these variables have combined to create an atmosphere where consumers have continued to spend, resulting in retail sales rising one per cent. This also helped to support housing in 2004.

No growth in the population in 2004 and an increase in the Canadian dollar pose possible risks to the housing market in 2005. Companies can adjust to the effects of a rising Canadian dollar by either accepting lower profit margins or cutting costs, including labour to improve the bottom line. Employers can also invest in capital to increase productivity, in the long term.

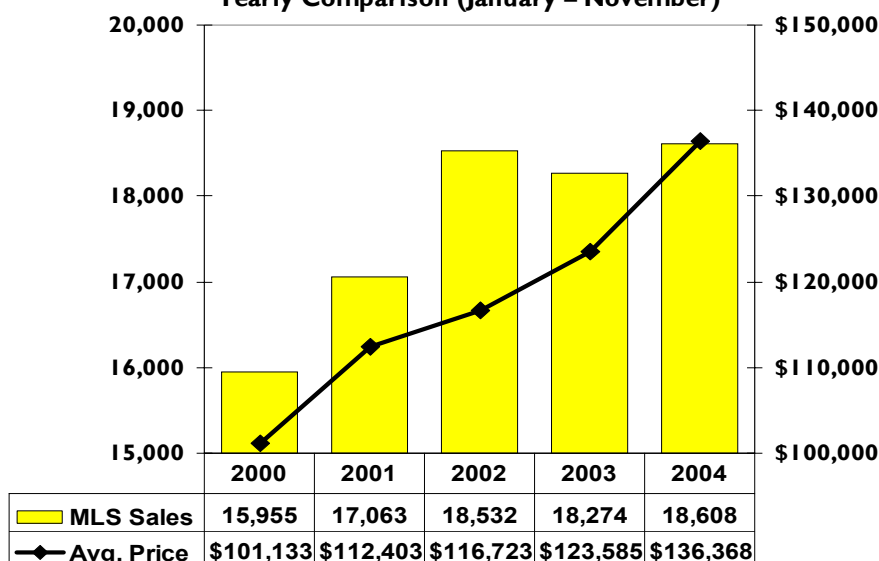
Reducing employment could impact on housing as we move into 2005. It is evident that the 18,000 jobs created in 2004, as well as the 110,000 jobs created since the beginning of 2000 have contributed to the pick-up in housing activity in Atlantic Canada. Certainly low interest rates will continue to lead the way and with building permits up 14 per cent in 2004, indications are that 2005 will be another active year for the housing sector.

Housing Starts by Type Atlantic Canada, 2000-2004



Source: CMHC.

MLS® Sales Activity – Atlantic Canada Yearly Comparison (January – November)



Source: Canadian Real Estate Association
MLS® Average Price: November Price for each year seasonally adjusted

**Table 1
Activity Summary By Area
Atlantic**

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	4th Quarter			January-December			4th Quarter			January-December			As at December 31		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Total Urban Areas	2334	2603	-10%	8650	9011	-4%	3175	2790	14%	9737	8212	19%	4226	5332	-21%
Total Rural Areas	1096	1095	0%	3803	4080	-7%	1554	1870	-17%	3994	4805	-17%	1627	1749	-7%
Total Atlantic	3430	3698	-7%	12453	13091	-5%	4729	4660	1%	13731	13017	5%	5853	7081	-17%

Source: CMHC

**Table 2
Activity Summary By Area
Prince Edward Island**

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	4th Quarter			January-December			4th Quarter			January-December			As at December 31		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Charlottetown CA	114	109	5%	490	483	1%	130	293	-56%	451	483	-7%	189	148	28%
Summerside CA	14	16	-13%	113	70	61%	55	12	###	132	51	###	14	34	-59%
Total Urban Areas	128	125	2%	603	553	9%	185	305	-39%	583	534	9%	203	182	12%
Total Rural Areas	71	70	1%	316	261	21%	150	187	-20%	304	368	-17%	70	55	27%
Total PEI	199	195	2%	919	814	13%	335	492	-32%	887	902	-2%	273	237	15%

Source: CMHC

###: Year-over-year change greater than 100 per cent

**Table 3
Activity Summary By Area
Nova Scotia**

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	4th Quarter			January-December			4th Quarter			January-December			As at December 31		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Halifax CMA	675	961	-30%	2627	3066	-14%	1112	894	24%	2888	3127	-8%	1636	1900	-14%
Cape Breton CA	49	47	4%	288	188	53%	60	46	30%	254	208	22%	46	17	###
Kentville CA	29	9	###	61	43	42%	13	6	###	47	47	0%	32	18	78%
New Glasgow CA	26	27	-4%	124	81	53%	44	21	###	112	81	38%	44	30	47%
Truro CA	79	59	34%	214	213	0%	47	52	-10%	225	173	30%	160	173	-8%
Total Urban Areas	858	1103	-22%	3314	3591	-8%	1276	1019	25%	3526	3636	-3%	1918	2138	-10%
Total Rural Areas	385	425	-9%	1403	1505	-7%	510	682	-25%	1370	1798	-24%	735	632	16%
Total N.S.	1243	1528	-19%	4717	5096	-7%	1786	1701	5%	4896	5434	-10%	2653	2770	-4%

Source: CMHC

###: Year-over-year change greater than 100 per cent

Table 4
Activity Summary By Area
Newfoundland and Labrador

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	4th Quarter			January-December			4th Quarter			January-December			As at December 31		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
St. John's CMA	517	505	2%	1834	1604	14%	436	459	-5%	1663	1398	19%	1066	901	18%
Corner Brook CA	30	16	88%	103	79	30%	28	22	27%	83	78	6%	48	28	71%
Gander CA	13	8	63%	62	39	59%	16	14	14%	47	56	-16%	27	12	##
Grand Falls-Windsor CA	35	54	-35%	91	141	-35%	24	43	-44%	111	111	0%	44	64	-31%
Labrador CA	0	0	0%	1	0	100%	0	0	0%	1	0	100%	0	0	0%
Total Urban Areas	595	583	2%	2091	1863	12%	504	538	-6%	1905	1643	16%	1185	1005	18%
Total Rural Areas	203	194	5%	779	829	-6%	310	342	-9%	830	963	-14%	389	439	-11%
Total N.L.	798	777	3%	2870	2692	7%	814	880	-8%	2735	2606	5%	1574	1444	9%

Source: CMHC

##: Year-over-year change greater than 100 per cent

Table 5
Activity Summary By Area
New Brunswick

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	4th Quarter			January-December			4th Quarter			January-December			As at December 31		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Bathurst CA	11	24	-54%	56	57	-2%	31	13	##	70	45	56%	19	33	-42%
Campbellton CA	5	3	67%	16	14	14%	4	7	-43%	16	14	14%	4	4	0%
Edmundston CA	22	13	69%	66	58	14%	42	17	##	74	59	25%	15	23	-35%
Fredericton CA	254	229	11%	803	822	-2%	290	335	-13%	878	717	22%	282	357	-21%
Miramichi CA	6	4	50%	34	38	-11%	10	15	..	30	48	-38%	16	12	33%
Moncton CA	306	370	-17%	1151	1435	-20%	647	335	93%	2127	1048	##	367	1341	-73%
Saint John CA	149	149	0%	516	580	-11%	186	206	-10%	528	468	13%	217	237	-8%
Total Urban Areas	753	792	-5%	2642	3004	-12%	1210	928	30%	3723	2399	55%	920	2007	-54%
Total Rural Areas	437	406	8%	1305	1485	-12%	584	659	-11%	1490	1676	-11%	433	623	-30%
Total N.B.	1190	1198	-1%	3947	4489	-12%	1794	1587	13%	5213	4075	28%	1353	2630	-49%

Source: CMHC

##: Year-over-year change greater than 100 per cent

Table 6
MLS® Sales Activity
Atlantic Summary

Area	UNIT SALES (Number of Units)						LISTINGS						AVERAGE PRICE (\$000's) (S.A.)		
	November (S.A.)			January-November			November (S.A.)			January-November			November		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Prince Edward Island	129	100	29%	1365	1261	8%	212	255	-17%	2508	2744	-9%	112.5	107	5%
Nova Scotia	727	655	11%	8477	8824	-4%	1360	1389	-2%	15699	15663	0%	155.2	139.5	11%
Newfoundland-Labrador	268	280	-4%	3120	2944	6%	487	492	-1%	5782	5356	8%	131.4	121.3	8%
New Brunswick	450	483	-7%	5646	5245	8%	896	895	0%	10534	9751	8%	115.8	106.8	8%
Atlantic	1574	1518	4%	18608	18274	2%	2955	3031	-3%	34523	33514	3%	136.4	123.6	10%

Source: Canadian Association of Real Estate

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S.A. : Seasonally Adjusted

**Table 7
Employment
Atlantic Summary**

Area	LABOUR FORCE (000's)						EMPLOYMENT (000's)						UNEMPLOYMENT RATE %		
	December (S.A.)			January-December			December (S.A.)			January-December			December (S.A.)		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Prince Edward Island	80.1	78.1	3%	78.5	77.5	1%	71.7	70.2	2%	69.6	68.8	1%	10.5	10.1	4%
Nova Scotia	491.8	482.5	2%	489.7	480.1	2%	447.7	439.2	2%	445.7	435.5	2%	8.2	8.3	-1%
Newfoundland-Labrador	261.2	262.8	-1%	262.9	261.4	1%	221.2	215.6	3%	220.8	217.8	1%	8.2	8.3	-1%
New Brunswick	394.9	384.2	3%	392.0	385.8	2%	357.3	346.1	3%	353.0	345.0	2%	15.3	18.0	-15%
Atlantic	1228	1208	2%	1223	1205	2%	1098	1071	3%	1089	1067	2%	11.1	11.8	-6%

Source: Statistics Canada - Labour Force Survey

S.A. : Seasonally Adjusted

**Table 8
Key Provincial Economic Indicators**

Area	RETAIL SALES (Millions of Dollars)						BUILDING PERMITS (Millions of Dollars)						POPULATION (000's)		
	October(S.A.)			January-October			November (S.A.)			January-November			December		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Prince Edward Island	116.9	115.6	1%	1135	1141	0%	19.7	6.9	##	193	164	18%	137.7	137.4	0.2%
Nova Scotia	865.4	835.4	4%	8366	8161	3%	102.7	92.9	11%	1072	966	11%	938.1	937.1	0.1%
Newfoundland-Labrador	481.9	471.2	2%	4638	4651	0%	42.1	41.6	1%	479	401	19%	516.9	518.95	-0.4%
New Brunswick	667.1	645.7	3%	6483	6423	1%	62.2	64.9	-4%	760	674	13%	751	751	0.1%
Atlantic	2131	2068	3%	20623	20376	1%	226.7	206.3	10%	2504	2205	14%	2344	2344	0%

Sources:

Statistics Canada - Monthly Retail Sales Survey

Statistics Canada - Monthly Building Permits Survey

Statistics Canada - Quarterly Population Survey

S.A. : Seasonally Adjusted

**Table 9
Other Financial and Economic Indicators**

INDICATOR	December			January-December		
	2004	2003	% chg	2004	2003	% chg
	Cdn Dollar Foreign Exchange in (\$U.S.)	0.82	0.762	7.6%	77.0	71.6
Five Year Mortgage Rate (%)	6.05%	6.45%	-6.2%	6.23%	6.39%	-2.5%
Index of Consumer Attitudes, Atlantic (1991=100)	123.0	124.8	-1.4%	123.9	120.5	2.8%

Sources:

Bank of Canada

Bank of Canada

Conference Board of Canada Monthly Survey of Consumer Attitudes

