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### Atlantic Canada

## Housing Starts Declined

Canada Mortgage and Housing Corporation

www.cmhc.ca

### Mixed results in Atlantic Urban Centres

Total housing starts in the first quarter declined three per cent when compared to the same period in 2004. The majority of the decline in starts was due to the 29 per cent reduction in activity in Nova Scotia. This is predominantly due to the 50 per cent decline in Halifax. Rural starts were up 50 per cent in the first quarter in Atlantic Canada when compared to the same period in 2004.

In many urban centres, activity was

up in the first quarter including Charlottetown, (over 100 per cent), Truro (over 100 per cent), Cape Breton (+89 per cent) and Saint John (+79 per cent).

Most of the decline was limited to a few urban centres including Halifax, Fredericton (-25 per cent), and Summerside (-29 per cent). Completions were also down 21 per cent in the first quarter with the level of units under construction declining 13 per cent as well.

VOLUME 8 , EDITION 1

First Quarter 2005

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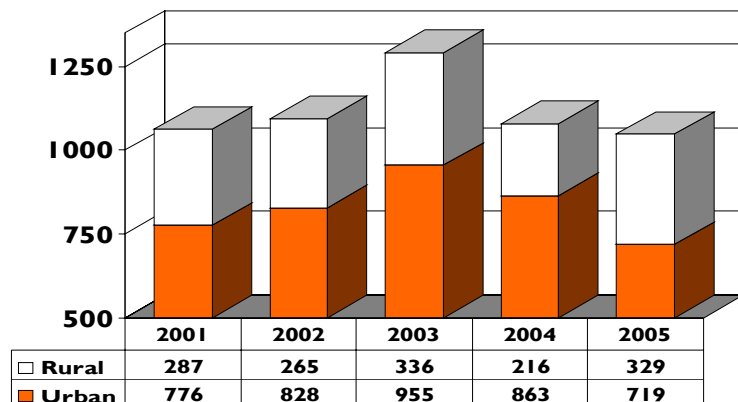
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**All Area Housing Starts  
Atlantic Canada  
1st Quarter**



Source: CMHC.

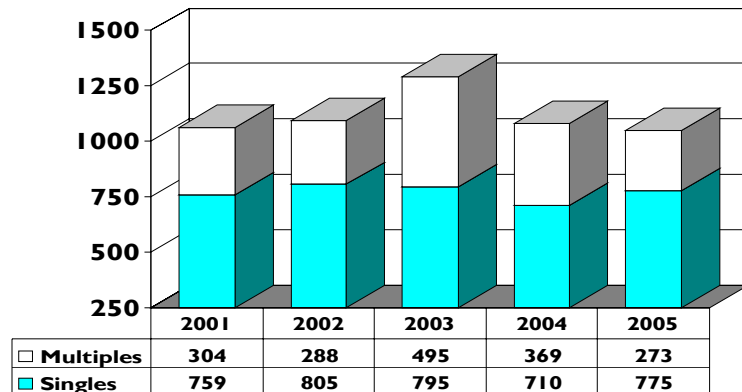
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## MLS® Sales continued to improve in February

MLS® sales were up three per cent in February compared to a year ago, after posting a decline of one per cent in January. The trend of positive year-over-year sales growth has been improving as three of the last five months have recorded positive returns as compared to the same period from the previous year.

Price growth continues to be the big surprise. The average price is up 10 per cent overall in Atlantic Canada for February 2005 as compared to February 2004. Except for New Brunswick, the number of listings continues to rise in Atlantic Canada, up eight per cent overall during the first quarter. It is expected that the continued growth in listings will eventually dampen the level of price growth.

## Housing Starts by Type Atlantic Canada 1st Quarter



Source: CMHC.

## Economic Factors are influencing the Housing Sector

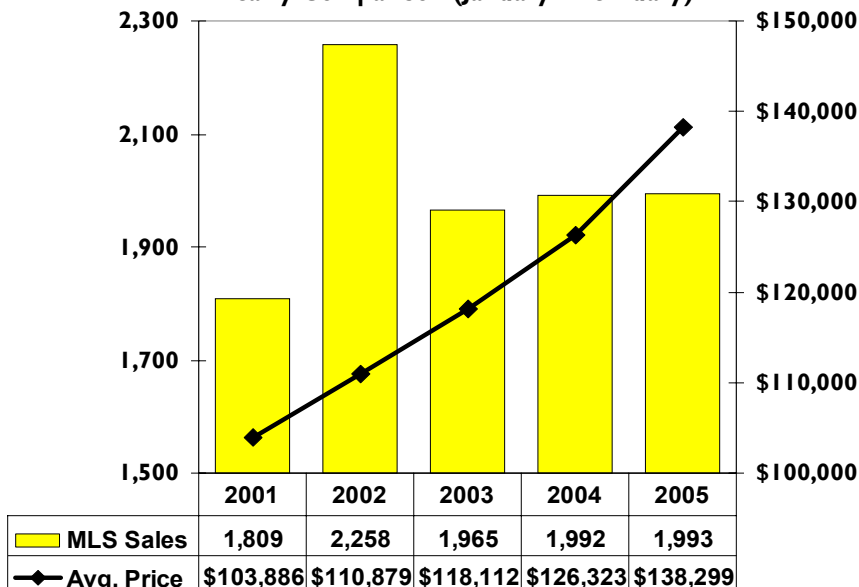
For March, the labour force remained flat in Atlantic Canada but there was a one per cent gain in total employment. As a result, the unemployment rate fell to 10.8 per cent in 2005 from 11.5 per cent in

2004.

Although the housing sector declined three per cent in the first quarter, the level of activity in historic terms remains high as noted in Diagram 2.

The continued strength in the housing market has been bolstered by continued low interest rates and stability in consumer confidence.

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



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

With another 10,000 jobs estimated to have been created during the first quarter, it is evident that these factors continue to provide an atmosphere for growth. Consumers also continued to spend, with retail sales rising one per cent in January.

Growth in the housing sector in Atlantic Canada during the first quarter was held back by weaker population growth, the continuing high Canadian dollar and higher energy costs.

Although interest rates increased a quarter point during the first quarter of 2005 as compared to 2004, they remain low. The first time home buyer will continue to be challenged though as prices have risen over 10 per cent

**Table 1  
Activity Summary By Area  
Atlantic**

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	1st Quarter			January-March			1st Quarter			January-March			As at March 31		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Total Urban Areas	719	863	-17%	719	863	-17%	1595	2554	-38%	1595	2554	-38%	3345	3640	-8%
Total Rural Areas	329	216	52%	329	216	52%	1220	1012	21%	1220	1012	21%	717	1024	-30%
<b>Total Atlantic</b>	<b>1048</b>	<b>1079</b>	<b>-3%</b>	<b>1048</b>	<b>1079</b>	<b>-3%</b>	<b>2815</b>	<b>3566</b>	<b>-21%</b>	<b>2815</b>	<b>3566</b>	<b>-21%</b>	<b>4062</b>	<b>4664</b>	<b>-13%</b>

Source: CMHC

**Table 2  
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		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Charlottetown CA	60	22	##	60	22	##	156	96	63%	156	96	63%	91	72	26%
Summerside CA	34	48	-29%	34	48	-29%	5	26	-81%	5	26	-81%	43	57	-25%
Total Urban Areas	94	70	34%	94	70	34%	161	122	32%	161	122	32%	134	129	4%
Total Rural Areas	19	10	90%	19	10	90%	42	25	68%	42	25	68%	27	23	17%
<b>Total PEI</b>	<b>113</b>	<b>80</b>	<b>41%</b>	<b>113</b>	<b>80</b>	<b>41%</b>	<b>203</b>	<b>147</b>	<b>38%</b>	<b>203</b>	<b>147</b>	<b>38%</b>	<b>161</b>	<b>152</b>	<b>6%</b>

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		
	1st Quarter			January-March			1st Quarter			January-March			As at March 31		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Halifax CMA	213	428	-50%	213	428	-50%	360	580	-38%	360	580	-38%	1489	1748	-15%
Cape Breton CA	34	18	89%	34	18	89%	23	17	35%	23	17	35%	56	17	##
Kentville CA	2	5	-60%	2	5	-60%	7	14	-50%	7	14	-50%	27	9	200%
New Glasgow CA	6	2	##	6	2	##	25	21	19%	25	21	19%	25	12	108%
Truro CA	37	7	##	37	7	##	96	90	7%	96	90	7%	101	89	13%
Total Urban Areas	292	460	-37%	292	460	-37%	511	722	-29%	511	722	-29%	1698	1875	-9%
Total Rural Areas	93	83	12%	93	83	12%	315	226	39%	315	226	39%	264	299	-12%
<b>Total N.S.</b>	<b>385</b>	<b>543</b>	<b>-29%</b>	<b>385</b>	<b>543</b>	<b>-29%</b>	<b>826</b>	<b>948</b>	<b>-13%</b>	<b>826</b>	<b>948</b>	<b>-13%</b>	<b>1962</b>	<b>2174</b>	<b>-10%</b>

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		
	1st Quarter			January-March			1st Quarter			January-March			As at March 31		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
St. John's CMA	187	192	-3%	187	192	-3%	352	376	-6%	352	376	-6%	900	716	26%
Corner Brook CA	0	0	0%	0	0	0%	20	19	5%	20	19	5%	29	9	222%
Gander CA	0	0	0%	0	0	0%	18	4	350%	18	4	350%	9	8	##
Grand Falls-Windsor CA	0	2	##	0	2	##	12	20	-40%	12	20	-40%	32	46	-30%
Labrador CA	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
<b>Total Urban Areas</b>	187	194	-4%	187	194	-4%	402	419	-4%	402	419	-4%	970	779	25%
<b>Total Rural Areas</b>	21	20	5%	21	20	5%	310	342	-9%	310	342	-9%	90	84	7%
<b>Total N.L.</b>	<b>208</b>	<b>214</b>	<b>-3%</b>	<b>208</b>	<b>214</b>	<b>-3%</b>	<b>712</b>	<b>761</b>	<b>-6%</b>	<b>712</b>	<b>761</b>	<b>-6%</b>	<b>1060</b>	<b>863</b>	<b>23%</b>

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		
	1st Quarter			January-March			1st Quarter			January-March			As at March 31		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Bathurst CA	0	0	0%	0	0	0%	12	13	-8%	12	13	-8%	7	20	-65%
Campbellton CA	0	0	0%	0	0	0%	2	2	0%	2	2	0%	2	2	0%
Edmundston CA	0	0	0%	0	0	0%	8	7	14%	8	7	14%	7	16	-56%
Fredericton CA	38	51	-25%	38	51	-25%	204	257	-21%	204	257	-21%	116	151	-23%
Miramichi CA	0	0	0%	0	0	0%	11	8	38%	11	8	38%	5	4	25%
Moncton CA	58	60	-3%	58	60	-3%	186	907	##	186	907	##	239	495	-52%
Saint John CA	50	28	79%	50	28	79%	98	96	2%	98	96	2%	167	169	-1%
<b>Total Urban Areas</b>	146	139	5%	146	139	5%	521	1290	-60%	521	1290	-60%	543	857	-37%
<b>Total Rural Areas</b>	60	31	94%	60	31	94%	229	152	51%	229	152	51%	110	193	-43%
<b>Total N.B.</b>	<b>206</b>	<b>170</b>	<b>21%</b>	<b>206</b>	<b>170</b>	<b>21%</b>	<b>750</b>	<b>1442</b>	<b>-48%</b>	<b>750</b>	<b>1442</b>	<b>-48%</b>	<b>653</b>	<b>1050</b>	<b>-38%</b>

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.)		
	February (S.A.)			January-February			February (S.A.)			January-February			February		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Prince Edward Island	121	130	-7%	105	103	2%	228	188	21%	344	327	5%	105.1	104	1%
Nova Scotia	757	745	2%	1001	1013	-1%	1424	1168	22%	2396	2159	11%	161.9	141	15%
Newfoundland-Labrador	282	252	12%	273	260	5%	528	478	10%	877	720	22%	139.4	129.9	7%
New Brunswick	516	503	3%	614	616	0%	952	887	7%	1503	1529	-2%	110.8	108.5	2%
<b>Atlantic</b>	<b>1676</b>	<b>1630</b>	<b>3%</b>	<b>1993</b>	<b>1992</b>	<b>0%</b>	<b>3132</b>	<b>2721</b>	<b>15%</b>	<b>5120</b>	<b>4735</b>	<b>8%</b>	<b>138.3</b>	<b>126.3</b>	<b>10%</b>

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 %		
	March (S.A.)			January-March			March (S.A.)			January-March			March (S.A.)		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Prince Edward Island	76.3	74.4	3%	76.4	74.5	3%	68.4	65.8	4%	68.5	66	4%	10.4	11.6	-10%
Nova Scotia	484.6	481.2	1%	487.4	480.1	2%	443.1	437.8	1%	443.5	436.6	2%	8.6	9	-4%
Newfoundland-Labrador	254.3	256.7	-1%	253	256.4	-1%	216.5	216.6	0%	215.5	215.8	0%	14.9	15.6	-4%
New Brunswick	385.9	388	-1%	387.2	387.2	0%	349.6	350.7	0%	350.4	349.8	0%	9.4	9.6	-2%
<b>Atlantic</b>	<b>1201</b>	<b>1200</b>	<b>0%</b>	<b>1204</b>	<b>1198</b>	<b>0%</b>	<b>1078</b>	<b>1071</b>	<b>1%</b>	<b>1078</b>	<b>1068</b>	<b>1%</b>	<b>10.8</b>	<b>11.5</b>	<b>-6%</b>

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)		
	January(S.A.)			January			February(S.A.)			January-February			March		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Prince Edward Island	114.4	114.1	0%	114	114	0%	24.9	10.2	##	20	11	88%	137.7	137.6	0.1%
Nova Scotia	826.5	828.2	0%	827	828	0%	62.2	61.5	1%	71	83	-15%	937.5	937.2	0.0%
Newfoundland-Labrador	480.6	480.8	0%	481	481	0%	33.2	33.6	-1%	25	21	21%	517	518.9	-0.4%
New Brunswick	670.5	652.2	3%	671	652	3%	54	40	35%	41	30	38%	751	751	0.1%
<b>Atlantic</b>	<b>2092</b>	<b>2075</b>	<b>1%</b>	<b>2092</b>	<b>2075</b>	<b>1%</b>	<b>174.3</b>	<b>145.3</b>	<b>20%</b>	<b>157.4</b>	<b>144.9</b>	<b>9%</b>	<b>2343</b>	<b>2344</b>	<b>0%</b>

Sources:

Statistics Canada - Monthly Retail Sales Survey

Statistics Canada - Monthly Building Permits Survey

Statistics Canada - Quarterly Population Survey

S.A. : Seasonally Adjusted

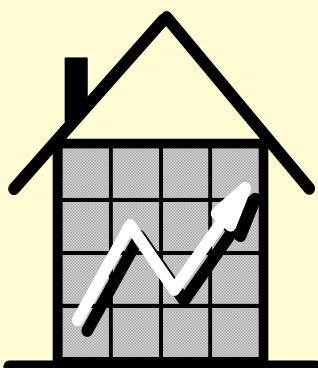
**Table 9**  
**Other Financial and Economic Indicators**

INDICATOR						
	March			January-March		
	2005	2004	% chg	2005	2004	% chg
Cdn Dollar Foreign Exchange in (\$U.S.)	0.82	0.75	9.2%	0.77	0.72	7.5%
Five Year Mortgage Rate (%)	6.25%	5.70%	9.6%	6.12%	5.85%	4.6%
Index of Consumer Attitudes, Atlantic (1991=100)	124.5	124.2	0.2%	123.3	123.6	-0.2%

Sources:

Bank of Canada

Conference Board of Canada Monthly Survey of Consumer Attitudes



Your Link to the Housing Market

## Need More Detailed Information?

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**Contact Alex MacDonald today at (902) 426-8964 or e-mail: [amacdona@cmhc-schl.gc.ca](mailto:amacdona@cmhc-schl.gc.ca)**

