HOUSING NOW

Your Link to the Housing Market

Atlantic Canada

Volume 9, Edition 2
Second Quarter 2005

Modest Growth in Starts

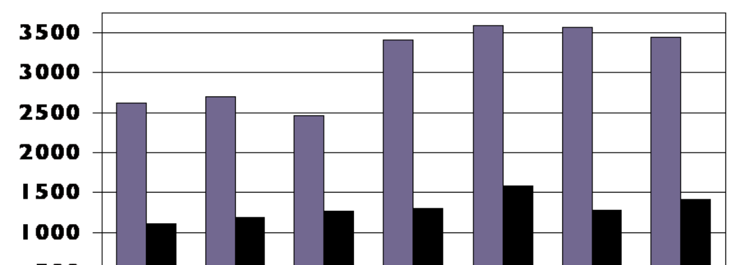
Better results in second quarter

Total housing starts in the second quarter are up marginally (1 per cent) when compared to the same period in 2004. The improvement in the second quarter is primarily a result of the increased activity in Nova Scotia (+17 per cent) and New Brunswick (+6 per cent) offsetting declines in Prince Edward Island (-28 per cent) and Newfoundland-Labrador (-18 per cent).

Urban starts were up 1 per cent in the second quarter. This is due to the significant gains in Moncton and Halifax in multiple starts. Activity was lower in many urban centres with the most significant declines in Charlottetown, (-28 per cent), Fredericton (-26 per cent), St John's (-25 per cent), Summerside (-24 per cent), and Cape Breton (-23 per cent).

Rural starts were up 2 per cent in the second quarter in Atlantic Canada. For the period January to June, rural starts are up 11 per cent in 2005 as compared to 2004. Both completions and under construction declined in the second quarter.

All Area Housing Starts
Atlantic Canada
January-June



	1999	2000	2001	2002	2003	2004	2005
Urban	2621	2697	2458	3411	3594	3569	3447
Rural	1115	1185	1267	1297	1585	1274	1409

Source: CMHC.

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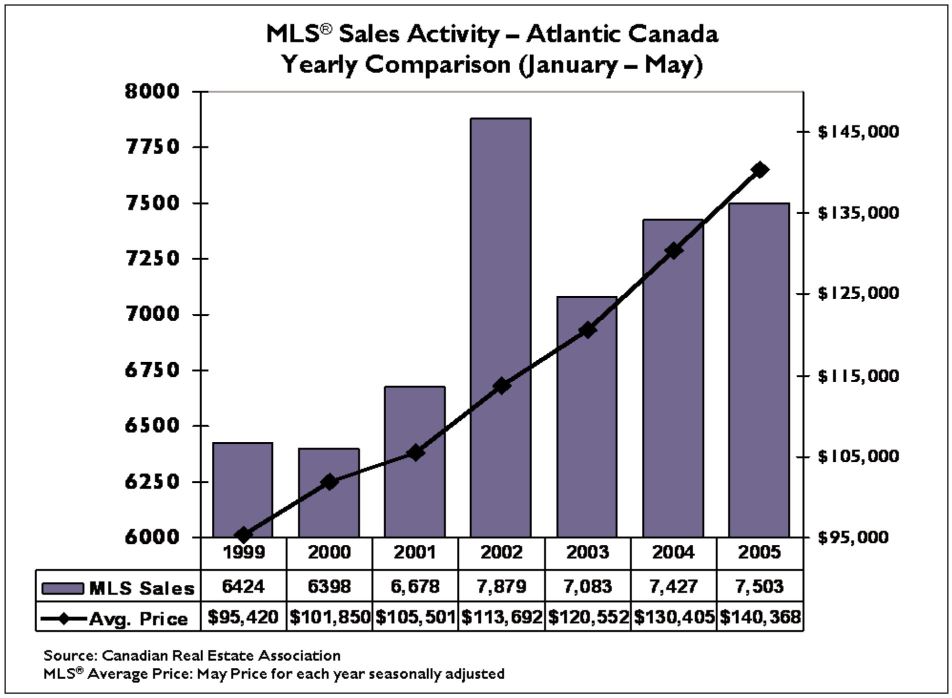
MLS® Sales rebounded in May

MLS ® sales were up 11 per cent in May contributing to positive growth in 2005 (+1 per cent) for the period (January-May) compared to a year ago. The trend of positive year over year sales growth is a result of gains in Prince Edward Island and New Brunswick offsetting modest declines in Nova Scotia.

Strong price growth in 2005 follows similar trends experienced in the Atlantic housing market over the last four years. The average price is up 8 per cent overall in Atlantic Canada for May 2005 as compared to May 2004.

The supply of homes on the market continued to pick up strength in the second quarter with listings rising 13 per cent overall in Atlantic Canada following the 8 per cent increase during the first quarter. It is expected that the continued growth in listings will eventually dampen the level of price growth.



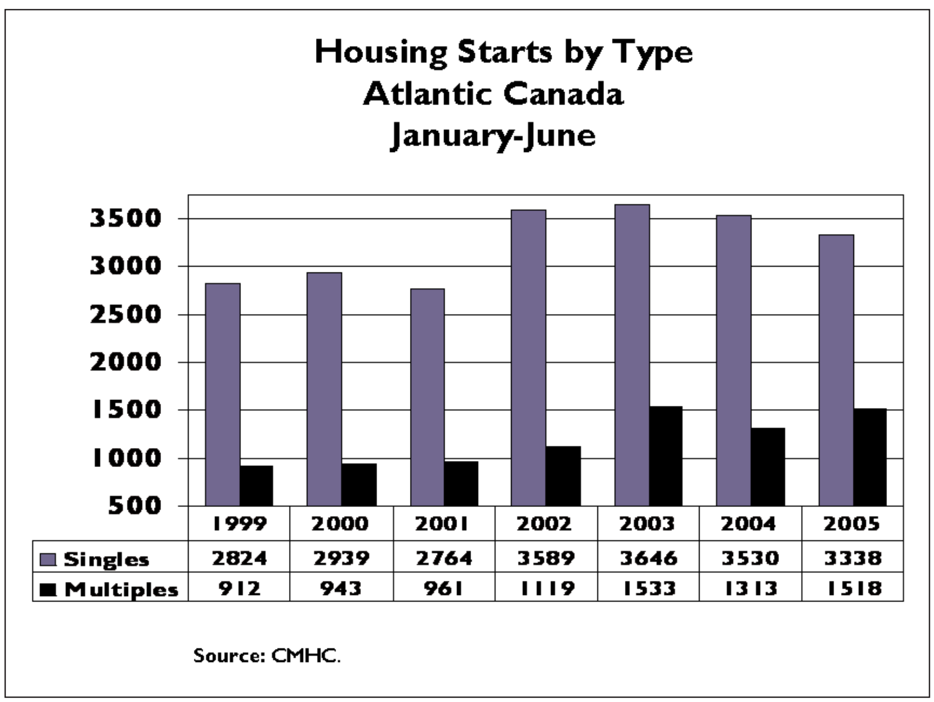
	1999	2000	2001	2002	2003	2004	2005
MLS Sales	6424	6398	6,678	7,879	7,083	7,427	7,503
Avg. Price	$95,420	$101,850	$105,501	$113,692	$120,552	$130,405	$140,368

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

Economic factors and the Housing sector

For June, the labour force continued the trend of weaker growth in Atlantic Canada declining 0.6 per cent. Year-to-date the labour force is up a modest 0.1 per cent. For the first half of 2005, employment. is up 0.7 percent as compared to the same period last year with positive job creation experienced in all provinces in Atlantic Canada except Newfoundland-Labrador (-0.6 per cent). The unemployment rate fell to 11 per cent in June 2005 from 11.4 per cent in 2004.

Continued strength in the housing market has been bolstered by low interest rates and stability in consumer confidence. Weaker job creation in the second quarter and an expectation of higher rates by the end of 2005, suggests that factors that have provided the environment to support higher growth in the housing sector may no longer be available thereby limiting future growth prospects. This may already be evident as a result of the lower second quarter housing activity that occurred in many urban centres in Atlantic Canada. Surprisingly consumers continued to spend, with retail sales rising 3 per cent for the period (January-May) in 2005.



	1999	2000	2001	2002	2003	2004	2005
Singles	2824	2939	2764	3589	3646	3530	3338
Multiples	912	943	961	1119	1533	1313	1518

Source: CMHC.

The continuing high Canadian dollar and higher energy costs although not having a siginificant effect yet could eventually contribute to slower growth.

Table 1
Activity Summary By Area
Atlantic

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	2nd Quarter			January-June			2nd Quarter			January-June			As at June 30		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Total Urban Areas	2728	2706	**0.8%**	3447	3569	**-3.4%**	1460	1642	**-11.1%**	3055	4196	**-27.2%**	4601	4701	**-2.1%**
Total Rural Areas	1080	1058	**2.1%**	1409	1274	**10.6%**	451	673	**-33.0%**	1671	1685	**-0.8%**	1285	1406	**-8.6%**
Total Atlantic	**3808**	**3764**	**1.2%**	**4856**	**4843**	**0.3%**	**1911**	**2315**	**-17.5%**	**4726**	**5881**	**-19.6%**	**5886**	**6107**	**-3.6%**

Source: CMHC

Table 2
Activity Summary By Area
Prince Edward Island

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	2nd Quarter			January-June			2nd Quarter			January-June			As at June 30		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Charlottetown CA	146	203	**-28.1%**	206	225	**-8.4%**	53	44	**20.5%**	209	140	**49.3%**	184	231	**-20.3%**
Summerside CA	28	37	**-24.3%**	62	85	**-27.1%**	5	22	**-77.3%**	10	48	**-79.2%**	66	71	**-7.0%**
Total Urban Areas	174	240	**-27.5%**	268	310	**-13.5%**	58	66	**-12.1%**	219	188	**16.5%**	250	302	**-17.2%**
Total Rural Areas	93	133	**-30.1%**	132	154	**-14.3%**	38	55	**-30.9%**	104	93	**11.8%**	89	116	**-23.3%**
Total PEI	**267**	**373**	**-28.4%**	**400**	**464**	**-13.8%**	**96**	**121**	**-20.7%**	**323**	**281**	**14.9%**	**339**	**418**	**-18.9%**

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		
	2nd Quarter			January-June			2nd Quarter			January-June			As at June 30		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Halifax CMA	879	740	**18.8%**	1092	1168	**-6.5%**	372	560	**-33.6%**	732	1140	**-35.8%**	1989	1928	**3.2%**
Cape Breton CA	105	136	**-22.8%**	139	154	**-9.7%**	79	59	**33.9%**	102	76	**34.2%**	77	92	**-16.3%**
Kentville CA	61	0	**##**	63	5	**##**	14	4	**##**	21	18	**16.7%**	74	5	**##**
New Glasgow CA	29	44	**-34.1%**	35	46	**-23.9%**	13	8	**62.5%**	38	30	**26.7%**	41	48	**-14.6%**
Truro CA	62	69	**-10.1%**	99	76	**30.3%**	41	58	**-29.3%**	137	148	**-7.4%**	122	100	**22.0%**
Total Urban Areas	1136	989	**14.9%**	1428	1449	**-1.4%**	519	689	**-24.7%**	1030	1412	**-27.1%**	2303	2173	**6.0%**
Total Rural Areas	432	347	**24.5%**	570	450	**26.7%**	182	220	**-17.3%**	703	594	**18.4%**	553	556	**-0.5%**
Total N.S.	**1568**	**1336**	**17.4%**	**1998**	**1899**	**5.2%**	**701**	**909**	**-22.9%**	**1733**	**2006**	**-13.6%**	**2856**	**2729**	**4.7%**

Source: CMHC

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

Table 4
Activity Summary By Area
Newfoundland and Labrador

	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	2nd Quarter			January-June			2nd Quarter			January-June			As at June 30		
Area	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
St. John's CMA	427	566	**-24.6%**	614	758	**-19.0%**	423	357	**18.5%**	775	733	**5.7%**	902	925	**-2.5%**
Corner Brook CA	38	22	**72.7%**	38	22	**72.7%**	23	13	**76.9%**	43	32	**34.4%**	44	18	**144.4%**
Gander CA	33	25	**32.0%**	33	25	**32.0%**	14	12	**16.7%**	32	16	**100.0%**	28	21	**33.3%**
Grand Falls-Windsor CA	26	33	**-21.2%**	26	35	**-25.7%**	36	36	**0.0%**	48	56	**-14.3%**	22	43	**-48.8%**
Labrador CA	0	1	**-100.0%**	0	1	**-100.0%**	0	0	**0.0%**	0	0	**0.0%**	0	1	**0.0%**
Total Urban Areas	524	647	**-19.0%**	711	841	**-15.5%**	496	418	**18.7%**	898	837	**7.3%**	996	1008	**-1.2%**
Total Rural Areas	186	219	**-15.1%**	217	255	**-14.9%**	92	148	**-37.8%**	356	451	**-21.1%**	218	245	**-11.0%**
Total N.L.	**710**	**866**	**-18.0%**	**928**	**1096**	**-15.3%**	**588**	**566**	**3.9%**	**1254**	**1288**	**-2.6%**	**1214**	**1253**	**-3.1%**

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

Table 5
Activity Summary By Area
New Brunswick

	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	2nd Quarter			January-June			2nd Quarter			January-June			As at June 30		
Area	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Bathurst CA	20	28	**-28.6%**	20	28	**-28.6%**	9	11	**-18.2%**	21	24	**-12.5%**	18	37	**-51.4%**
Campbellton CA	28	6	**##**	28	6	**##**	1	5	**-80.0%**	3	7	**-57.1%**	29	3	**##**
Edmundston CA	21	20	**5.0%**	21	20	**5.0%**	6	11	**-45.5%**	14	18	**-22.2%**	22	25	**-12.0%**
Fredericton CA	203	273	**-25.6%**	241	324	**-25.6%**	98	155	**-36.8%**	302	412	**-26.7%**	221	269	**-17.8%**
Miramichi CA	13	6	**##**	13	6	**##**	8	3	**##**	19	11	**72.7%**	10	7	**42.9%**
Moncton CA	451	340	**32.6%**	509	400	**27.3%**	108	202	**-46.5%**	294	1109	**-73.5%**	582	634	**-8.2%**
Saint John CA	158	157	**0.6%**	208	185	**12.4%**	157	82	**91.5%**	255	178	**43.3%**	170	243	**-30.0%**
Total Urban Areas	894	830	**7.7%**	1040	969	**7.3%**	387	469	**-17.5%**	908	1759	**-48.4%**	1052	1218	**-13.6%**
Total Rural Areas	369	359	**2.8%**	490	415	**18.1%**	139	250	**-44.4%**	508	547	**-7.1%**	425	489	**-13.1%**
Total N.B.	**1263**	**1189**	**6.2%**	**1530**	**1384**	**10.5%**	**526**	**719**	**-26.8%**	**1416**	**2306**	**-38.6%**	**1477**	**1707**	**-13.5%**

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

Table 6
MLS® Sales Activity
Atlantic Summary

	UNIT SALES (Number of Units)						LISTINGS						AVERAGE PRICE ($000's) (S.A.)		
	May (S.A.)			January-May			May (S.A.)			January-May			May (S.A.)		
Area	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Prince Edward Island	134	104	**28.8%**	387	347	**11.5%**	234	210	**11.4%**	1187	1122	**5.8%**	108.8	89.4	**21.7%**
Nova Scotia	736	719	**2.4%**	3653	3714	**-1.6%**	1488	1371	**8.5%**	8074	7310	**10.5%**	163.8	148.1	**10.6%**
Newfoundland-Labrador	284	247	**15.0%**	974	964	**1.0%**	575	455	**26.4%**	2787	2301	**21.1%**	137.4	139.4	**-1.4%**
New Brunswick	542	461	**17.6%**	2489	2402	**3.6%**	991	863	**14.8%**	5276	4837	**9.1%**	117.8	107.3	**9.8%**
Atlantic	**1696**	**1531**	**10.8%**	**7503**	**7427**	**1.0%**	**3288**	**2899**	**13.4%**	**17324**	**15570**	**11.3%**	**140.4**	**130.4**	**7.7%**

Source: Canadian Association of Real Estate
MLS® is a registered trademark of the Canadian Real Estate Association
S.A. : Seasonally Adjusted

Table 7 Employment Atlantic Summary																		
	LABOUR FORCE (000's)						EMPLOYMENT (000's)						UNEMPLOYMENT RATE %		
	June (S.A.)			January-June			June (S.A.)			January-June			June (S.A.)		
Area	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Prince Edward Island	76.2	73.6	3.5%	75	73.5	2.0%	67.1	65.2	2.9%	66	63.9	3.3%	11.9	11.3	5.3%
Nova Scotia	485	487.2	-0.5%	481.9	478.4	0.7%	443.2	444.4	-0.3%	437.9	432.8	1.2%	8.6	8.8	-2.3%
Newfoundland-Labrador	250.5	256.5	-2.3%	248.3	252.4	-1.6%	215.6	216.2	-0.3%	207.7	209	-0.6%	13.9	15.7	-11.5%
New Brunswick	386	387.7	-0.4%	382.5	382.7	-0.1%	348.4	349.7	-0.4%	343.0	341.6	0.4%	9.7	9.8	-1.0%
Atlantic	1197.7	1205	-0.6%	1187.7	1187	0.1%	1074.3	1075.5	-0.1%	1054.6	1047.3	0.7%	11	11.4	-3.5%

Source: Statistics Canada - Labour Force Survey
S.A. : Seasonally Adjusted

Table 8 Key Provincial Economic Indicators															
	RETAIL SALES (Millions of Dollars)						BUILDING PERMITS (Millions of Dollars)						POPULATION (000's)		
	May(S.A.)			January-May			May(S.A.)			January-May			June		
Area	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Prince Edward Island	122.3	119.1	2.7%	396	387	2.4%	13.2	13.7	-3.6%	88	68	29.1%	137.8	137.7	0.1%
Nova Scotia	898.2	856.1	4.9%	3073	2994	2.6%	102.7	114.1	-10.0%	426	433	-1.7%	937.2	937.1	0.0%
Newfoundland-Labrador	496.7	466.3	6.5%	1670	1641	1.8%	37.2	45.8	-18.8%	183	162	13.5%	516.5	518.4	-0.4%
New Brunswick	697.2	654.4	6.5%	2436	2325	4.8%	74.4	63.1	17.9%	263	238	10.6%	751	751	0.1%
Atlantic	2214.4	2095.9	5.7%	7575	7346	3.1%	227.5	236.7	-3.9%	960.5	900.9	6.6%	2342.8	2343.9	0.0%

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						
	June			January-June		
INDICATOR	2005	2004	% chg	2005	2004	% chg
Cdn Dollar Foreign Exchange in ($U.S.)	0.81	0.74	9.4%	0.81	0.75	8.3%
Five Year Mortgage Rate (%)	5.70%	6.70%	-14.9%	6.01%	6.15%	-2.3%
Index of Consumer Attitudes, Atlantic (1991=100)	125.2	116.1	7.8%	124.2	122	1.8%

Sources:
Bank of Canada
Conference Board of Canada Monthly Survey of Consumer Attitudes

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