



# HOUSING NOW

*New Brunswick*

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 7, EDITION 2  
SECOND QUARTER 2004

## Housing Starts Down

### Second Quarter Rise in Single Starts Offset by Drop in Multiple Starts

- √ Single starts in all areas of New Brunswick bounced back in the second quarter with 899 units, which exceeded last year's level of 866 units by 3.8 per cent. However, the rise in single starts in the second quarter was offset by a 36 per cent decline in multiple starts to 290 units, compared to 455 units in 2003.
- √ In urban areas, housing starts reached 830 units in the second quarter, an 8.9 per cent drop when compared to last year. In rural areas, housing starts also declined, from 410 units in the second quarter last year to 359 units in 2004. This represents the weakest second quarter in rural areas since 2000.
- √ As a result, total housing starts in the second quarter reached 1,189 units at the provincial level, a 10 per cent drop when compared to last year. Despite the drop, this represents the second-strongest quarter for new home construction since 1994, when builders started 1,407 units over that period.
- √ Completions exceeded last year's levels again in the second quarter. Consequently, 2,306 housing units have been completed in New Brunswick so far this year, a 35 per cent increase when compared to 2003. The significant rise in housing completions so far this year explains in part the fewer starts.

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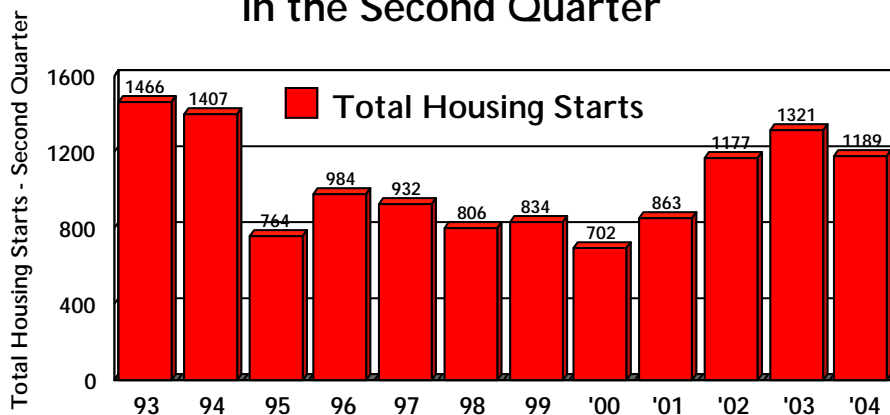
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### Total Housing Starts Down in the Second Quarter



Source: CMHC, Total Housing Starts, All Areas



HOME TO CANADIANS  
Canada

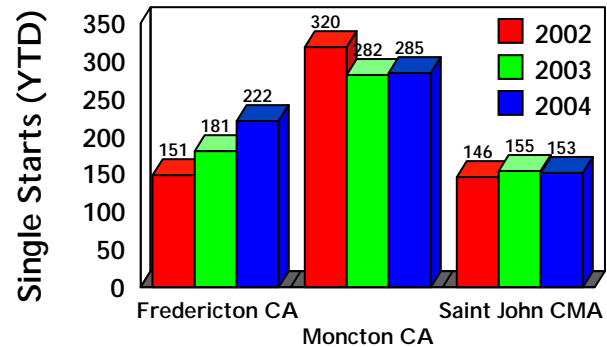
# FREDERICTON MONCTON SAINT JOHN

## Housing Market Overview

### Second quarter single starts on the rise in Fredericton and Saint John

- ✓ Second quarter single starts increased notably in Fredericton to 171 units, compared to 120 units last year. Over the same period, single starts in Saint John rose from 114 units in 2003 to 125 units this year, while in Moncton, single starts matched last year's level of 230 units.
- ✓ Strong levels of construction activity in the second quarter in Fredericton have pushed year-to-date single starts to 222 units, a 23 per cent increase when compared to 2003. The Capital region continues to benefit from solid labour market conditions, fuelling in-migration and housing demand. A shortage of listings on the resale market, within city limits in particular, also explains the surge in single starts in the Fredericton area.

### Single-detached Starts Up Significantly in Fredericton

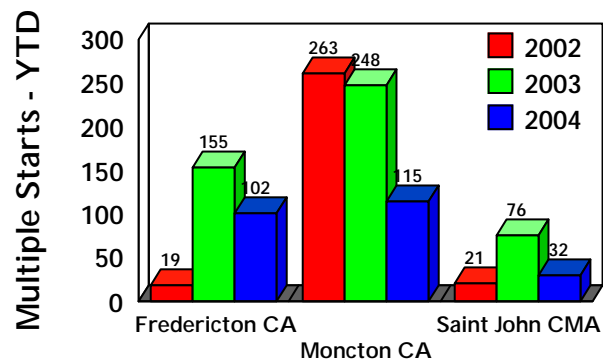


Source: CMHC, Single Starts, January-June

### Year-to-date multiple starts down

- ✓ Fewer multiple units were started again in the second quarter, causing year-to-date multiple starts to decline significantly in Moncton, Fredericton and Saint John. The slowdown in multiple starts in the first half of 2004 was mainly due to a significant rise in the number of new projects started in 2003. By the end of June, 1,031 multiple units had been completed in New Brunswick, compared to 350 units last year. This clearly indicates that so far this year most builders have focused on completing existing projects rather than starting new ones. Only 743 multiple units remained under construction at the end of June, compared to 1,064 units last year. Expect multiple starts to bounce back in the second half of 2004.

### Multiple Starts Dropped Significantly in All Larger Urban Centres

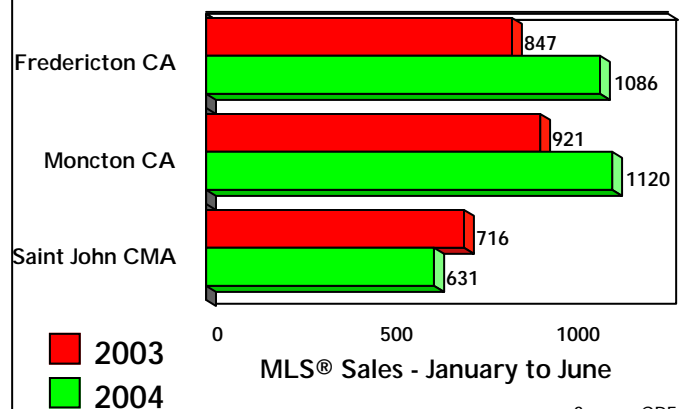


Source: CMHC, Multiple Starts, January-June

### Resale market stronger than ever

- ✓ Economic and employment growth, intra-provincial migration patterns and low mortgage rates are all key factors that continued to stimulate the provincial resale market in the second quarter. Provincial MLS® sales in the second quarter were strong in all three larger urban areas, causing year-to-date sales to reach record highs in Moncton (1,120 sales) and Fredericton (1,086 sales). The drop in MLS® sales in Saint John is entirely due to a change in the methodology to collect the data rather than a weakening demand for existing homes.
- ✓ Strong demand combined with relatively weak supply of new listings has maintained upward pressure on prices. The year-to-date average sales price was already up 11.1 per cent in Saint John, 9.2 per cent in Moncton and 3.8 per cent in Fredericton.

### MLS® Sales Strong in 2004



Source: CREA

**TABLE 1**  
**ACTIVITY SUMMARY BY AREA**  
**New Brunswick**

Area	Starts						Completions						Under Construction		
	Second Quarter			Year-to-Date			Second Quarter			Year-to-Date			As at June 30		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Bathurst CA	28	11	154.5	28	14	100.0	13	12	8.3	24	21	14.3	37	14	164.3
Campbellton CA	6	3	100.0	6	7	-14.3	2	5	-60.0	7	5	40.0	3	6	-50.0
Edmundston CA	20	18	11.1	20	23	-13.0	7	8	-12.5	18	26	-30.8	25	21	19.0
Fredericton CA	273	267	2.2	324	336	-3.6	155	83	86.7	412	204	102.0	269	375	-28.3
Miramichi CA	6	13	-53.8	6	15	-60.0	8	6	33.3	11	19	-42.1	7	18	-61.1
Moncton CA	340	413	-17.7	400	530	-24.5	202	166	21.7	1109	586	89.2	634	898	-29.4
Saint John CMA	157	186	-15.6	185	231	-19.9	82	79	3.8	178	149	19.5	243	207	17.4
<b>TOTAL URBAN AREAS</b>	830	911	-8.9	969	1156	-16.2	469	359	30.6	1759	1010	74.2	1218	1539	-20.9
<b>TOTAL OTHER AREAS</b>	359	410	-12.4	415	550	-24.5	250	329	-24.0	547	698	-21.6	489	671	-27.1
<b>TOTAL NEW BRUNSWICK</b>	1189	1321	-10.0	1384	1706	-18.9	719	688	4.5	2306	1708	35.0	1707	2210	-22.8

Source: CMHC

## NEED MORE DETAILED INFORMATION?

Market Analysis Products and Services are designed to suit your needs. CMHC is the source for expert analysis and comprehensive data on housing. If you are in the housing industry, it is critical that you understand the trends and factors behind New Brunswick's housing markets. There is no substitute for the thorough, concise analysis of housing market developments that you get with CMHC's market data and analysis. Contact CMHC's Senior Market Analyst for New Brunswick:



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**TABLE 2**  
**STARTS BY AREA AND DWELLING TYPE**  
**Fredericton / Moncton / Saint John**

Area/ Period	Single	Semi	Row	Apartment & other	Total	Area/ Period	Single	Semi	Row	Apartment & other	Total
<b>Fredericton City</b>						<b>Grand Bay-Westfield</b>					
April-June 2004	73	4	56	38	171	April-June 2004	7	0	0	0	7
April-June 2003	59	4	4	139	206	April-June 2003	7	0	0	0	7
January-June 2004	93	4	56	38	191	January-June 2004	8	0	0	8	16
January-June 2003	78	10	4	141	233	January-June 2003	7	0	0	0	7
<b>Total Fredericton</b>						<b>Quispamsis Town</b>					
April-June 2004	171	8	56	38	273	April-June 2004	46	0	6	2	54
April-June 2003	120	4	4	139	267	April-June 2003	38	0	6	2	46
January-June 2004	222	8	56	38	324	January-June 2004	57	0	6	2	65
January-June 2003	181	10	4	141	336	January-June 2003	61	0	6	2	69
<b>Moncton City</b>						<b>Rothesay Town</b>					
April-June 2004	88	54	0	24	166	April-June 2004	11	0	0	0	11
April-June 2003	89	34	0	60	183	April-June 2003	12	0	3	0	15
January-June 2004	109	54	0	27	190	January-June 2004	14	0	0	0	14
January-June 2003	110	40	0	115	265	January-June 2003	22	0	3	0	25
<b>City of Dieppe</b>						<b>Saint John City</b>					
April-June 2004	92	18	8	0	118	April-June 2004	35	12	0	12	59
April-June 2003	78	14	0	64	156	April-June 2003	34	6	5	50	95
January-June 2004	110	18	8	0	136	January-June 2004	44	12	0	12	68
January-June 2003	90	14	4	64	172	January-June 2003	39	6	5	50	100
<b>Riverview Town</b>						<b>Saint John - Other outlying areas</b>					
April-June 2004	20	6	0	0	26	April-June 2004	26	0	0	0	26
April-June 2003	33	6	0	0	39	April-June 2003	23	0	0	0	23
January-June 2004	27	6	0	0	33	January-June 2004	30	0	0	0	30
January-June 2003	36	6	0	0	42	January-June 2003	8	0	0	0	8
<b>Total Moncton CA</b>						<b>Total Saint John CMA</b>					
April-June 2004	230	78	8	24	340	April-June 2004	125	12	6	14	157
April-June 2003	230	54	0	129	413	April-June 2003	114	6	14	52	186
January-June 2004	285	80	8	27	400	January-June 2004	153	12	6	14	185
January-June 2003	282	60	4	184	530	January-June 2003	155	6	18	52	231

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.

Housing Now is published 4 times a year for the New Brunswick market. Annual subscriptions to Housing Now for New Brunswick are \$55.00 plus applicable taxes. This publication is also available in French. For more information, or to subscribe, contact the Atlantic Business Centre at (902) 426-4708.

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