



HOUSING NOW

Prince Edward Island

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 7, EDITION 2
SECOND QUARTER 2004

Housing Starts Surged in the Second Quarter

Increased Activity in All Areas of the Province

√ New home construction during the second quarter of 2004 jumped to 373 units compared to 304 during the same period last year, an increase of 23 per cent.

√ Both total urban and rural starts increased in the second quarter of this year when compared to the same period last year. Total rural starts reached 133 units in the second quarter compared to 115 units last year, while total urban starts rose to 240 units from 189 units in 2003.

√ Single starts on the Island in the second quarter of this year exceeded the 2003 level. Urban single starts rose to 154 in the second quarter of 2004, compared to 109 units during the same period last year. Rural

single starts on the other hand rose to 127 units compared to 115 units in the second quarter of 2003.

√ Multiple starts on the Island increased in the second quarter when compared to last year, mainly due to Summerside. Multiple starts reached 92 units in this timeframe, compared to 80 during the same period last year.

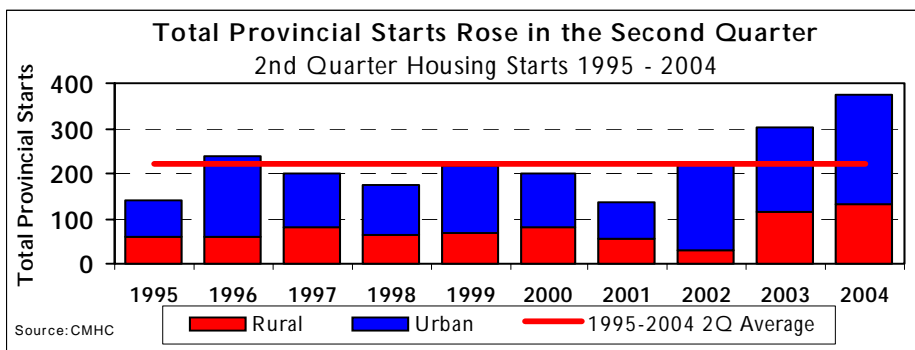
√ Charlottetown saw a higher level of both single and multiple starts in the second quarter of 2004. Single starts reached 129 units this quarter, compared to 95 units during the same period last year. Multiple starts also posted an increase reaching 74 units in the second half compared to 70 units in 2003.

√ Summerside also posted an increase in both single and multiple starts in the second quarter. Single starts reached 25 units this year compared to 14 last year, while multiple starts posted 12 units from none in 2003.

IN THIS ISSUE

- 1 Housing Starts Surged in the Second Quarter
- 1 Total Provincial Starts Rose in the Second Quarter, Graph 1
- 2 MLS® Sales in the Urban Areas Exceeded the 2003 Levels
- 2 Starts in Summerside More Than Doubled the 2003 Level in the First Half
- 2 Full-Time Employment Growth Continued in the First Half
- 3 Activity Summary by Area, Table 1
- 3 MLS® Activity in Urban Centres, Table 2
- 4 Starts by Area, Table 3

MLS® is a registered certification mark of the Canadian Real Estate Association



Source: CMHC



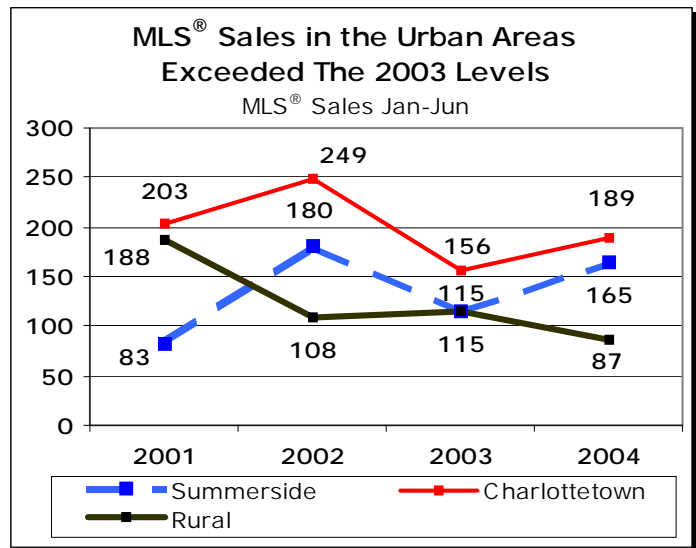
HOME TO CANADIANS
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CHARLOTTETOWN & SUMMERSIDE

Housing Market Overview

Resale Market Remained Strong in the First Half

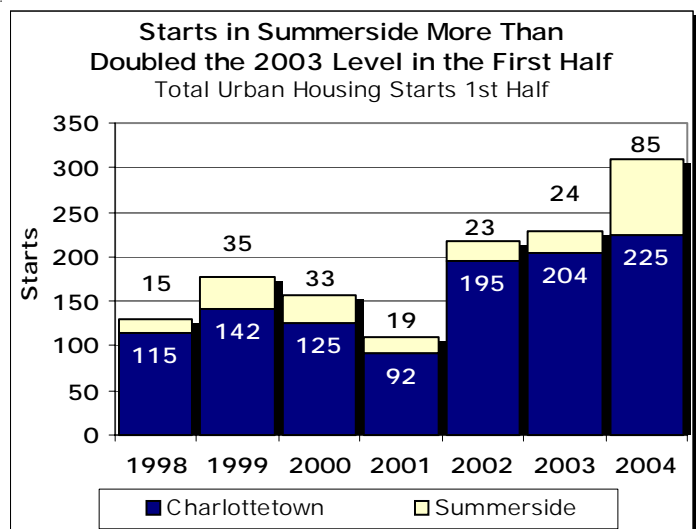
- √ Total provincial MLS® sales increased by just over 14 per cent in the second quarter of 2004, to reach 319 units. On a year-to-date basis sales have increased from 386 units during the first six months of 2003, to 441 units in 2004.
- √ Of the five MLS® districts in the province that fall within the urban areas, two showed a price increase over the 2003 levels. The largest increase was posted in the Charlottetown City area where the average sales for the quarter jumped 23 per cent to \$149,693 when compared to last year.
- √ In addition to the increase in the average sales price, the number of sales also jumped in all of the urban districts. Overall, the number of sales increased from 304 units in 2003 to 373 units this year, an increase of 23%.



Source: PEI Real Estate Board

Urban Housing Starts Increased from the 2003 Levels

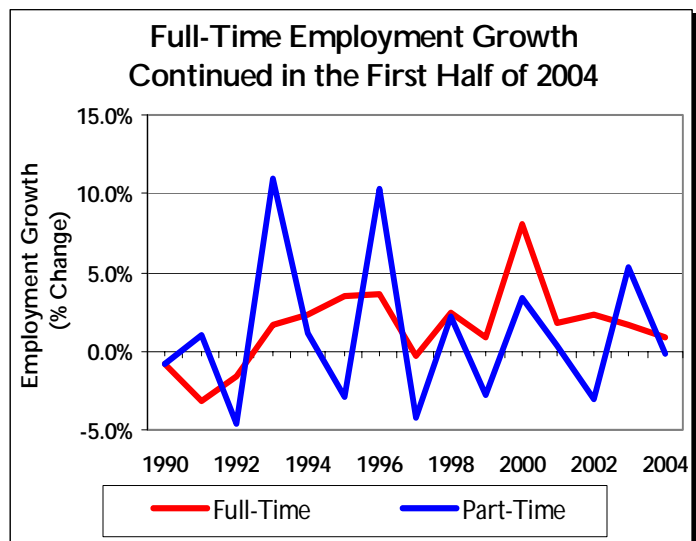
- √ Total starts in Summerside have more than doubled the level set last year during the first six months, jumping to 85 units from 24 units last year. One of the main reasons for this substantial increase has been multiple construction. In the first half multiple starts have risen from 2 units last year to 53 units this year.
- √ Summerside has also recorded the starts of a large apartment project (more than 24 units) for the first time since 1996. Semi and row construction has also increased in the first half reaching 6 and 8 units respectively.



Source: CMHC

Employment Growth Continued in the Second Quarter of 2004

- √ On a provincial basis, the first six months of 2004 saw the number of people employed increase by over 0.7 per cent, when compared to the same period last year. This means that there were about 500 more Islander's working in the first half of 2004 than in 2003.
- √ In the first half of 2004, PEI experienced a decline in the unemployment rate, due to employment growth outpacing the increase in the labour market.
- √ In the Charlottetown area, employment decreased by 3.4 per cent in the first six months of 2004 to 19,100, when compared to the same period of last year. Although this is a decrease from the previous year's level this is still one of the highest levels of employment on record for the Charlottetown area.



Source: Statistics Canada

Table 1
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 31		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Charlottetown CA	203	173	17%	225	204	10%	44	35	26%	140	87	61%	231	266	-13%
Summerside CA	37	16	131%	85	24	254%	22	5	340%	48	22	118%	71	17	318%
Total Urban Areas	240	189	27%	310	228	36%	66	40	65%	188	109	72%	302	283	7%
Total Rural Areas	133	115	16%	154	141	9%	55	51	8%	93	166	-44%	116	137	-15%
Total PEI	373	304	23%	464	369	26%	121	91	33%	281	275	2%	418	420	0%

Source: CMHC

Table 2: MLS Activity in Urban Centres*

	2nd Quarter						Year-to-Date					
	Sales			Avg Sale Price			Sales			Avg Sales Price		
	2004	2003	% Chg	2004	2003	% Chg	2004	2003	% Chg	2004	2003	% Chg
Charlottetown CA**												
District 4	54	37	46%	\$149,693	\$121,683	23%	68	64	6%	\$146,931	\$121,264	21%
District 5	26	23	13%	\$117,498	\$110,629	6%	42	37	14%	\$116,319	\$113,202	3%
District 6	14	5	180%	\$144,013	\$196,934	-27%	25	18	39%	\$126,427	\$117,998	7%
District 7	36	27	33%	\$143,163	\$146,059	-2%	51	37	38%	\$137,933	\$147,662	-7%
Total, CA	130	92	41%	\$140,834	\$130,163	8%	186	156	19%	\$134,796	\$125,236	8%
Summerside CA	48	43	12%	\$100,752	\$104,459	-4%	72	65	11%	\$100,576	\$101,204	-1%
TOTAL	178	135	32%	\$130,025	\$121,976	7%	258	221	17%	\$125,246	\$118,168	6%

* Source: PEI Real Estate Association

**District 4: Charlottetown City, Spring Park & West Royalty

**District 5: Sherwood, Parkdale, East Royalty & Hillsborough Parks

**District 6: Cornwall, North River & Wlnsloe

**District 7: Bunbury, Southport, Crossroads, Keppoch, Kinlock, Tea Hill, Alexandra to Cherry Valley

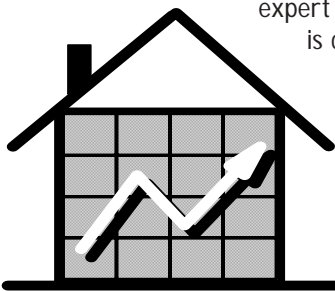
**TABLE 3
STARTS BY AREA
CHARLOTTETOWN CA**

Area/ Period	Single	Semi	Row	Apartment & Others	Total
Charlottetown City:					
Second Quarter 2004	46	4	0	35	85
Second Quarter 2003	39	2	0	48	89
Year-to-Date 2004	58	6	0	35	99
Year-to-Date 2003	49	4	0	48	101
Cornwall Town:					
Second Quarter 2004	4	2	0	0	6
Second Quarter 2003	7	2	0	0	9
Year-to-Date 2004	6	2	0	0	8
Year-to-Date 2003	10	2	0	0	12
Stratford Town:					
Second Quarter 2004	26	12	4	11	53
Second Quarter 2003	25	8	0	18	51
Year-to-Date 2004	29	12	4	11	56
Year-to-Date 2003	26	8	0	29	63
Remainder of Charlottetown CA:					
Second Quarter 2004	53	6	0	0	59
Second Quarter 2003	24	0	0	0	24
Year-to-Date 2004	56	6	0	0	62
Year-to-Date 2003	28	0	0	0	28
Total - Charlottetown CA:					
Second Quarter 2004	129	24	4	46	203
Second Quarter 2003	95	12	0	66	173
Year-to-Date 2004	149	26	4	46	225
Year-to-Date 2003	113	14	0	77	204

Source: CMHC

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Your Link to the Housing Market

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