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Multi-unit Construction Buoy Housing Starts, Expanding Inventory Fuels Sales Growth

Halifax
July 2005

Housing market activity in Metro Halifax in July was a continuation of the trends that characterized the first half of this year:

Residential construction activity remained relatively healthy overall with continued growth in multiple unit construction offsetting a decline in single-detached housing starts. The pace of sales remained ahead of the pace set last year with a much larger inventory of existing homes for sale and low mortgage rates supporting growth in MLS® sales while a thin inventory of newly built homes capped absorptions well below the pace set at this time last year.

Despite no rental projects starting last month, total housing starts in Metro Halifax were 13 per cent higher in July than one year ago. Higher levels of row and condominium starts were sufficient to offset declines in both the single-detached and semi-detached segments. Only Halifax County Southwest and Halifax City had a higher level of housing starts last month than one year ago with the increase in Halifax County Southwest entirely due to single detached housing starts while the increase in Halifax City a result of growth in the row and condominium unit segments.

Completions of new units were much lower last month than in July 2004 across all areas of Metro Halifax. In combination with a higher level of housing starts last month the total number of units under construction surpassed

the 2,000 mark for the first time in almost a year, keeping construction trades busy.

The low level of completions in recent months continues to manifest itself in a thin inventory of newly built units available. As a result, absorption of new units remained below market potential in July. Sales of new single-detached houses were 41 per cent lower last month than one year ago with two storey homes accounting for a significant share of this decline. The \$250,000 to \$300,000 price range continues to be the most active segment with homes priced in this range growing in share of total new home sales and unsold homes in this price range falling as a share of the total inventory of completed and unsold new single-detached homes.

A much larger inventory of homes for sale last month than a year ago provided potential homebuyers with ample choice in the market. MLS® active listings were 30 per cent higher last month than a year ago resulting in an average increase in time to sell of about one week. Excellent labour market conditions and fine summer weather continued to support homeownership demand last month with the prospect of impending mortgage rate increases providing additional impetus. MLS® sales were 20 per cent higher in July than in July 2004 and average price was 8 per cent higher than one year ago.

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**TABLE 1
ACTIVITY SUMMARY BY INTENDED MARKET
HALIFAX CMA
JULY 2005**

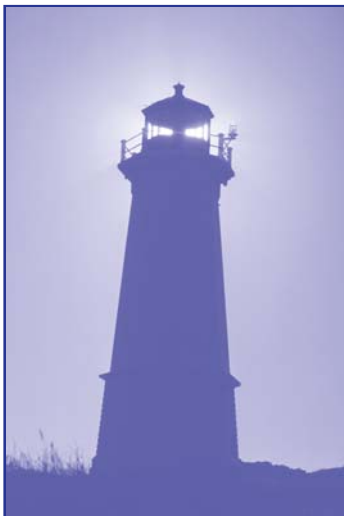
		FREEHOLD					CONDOMINIUM	RENTAL	GRAND TOTAL
		SINGLE	SEMI	ROW					
PENDING STARTS	- Current Month	149	8	0	0	0	210	367	
	- Previous Year	199	30	0	0	0	181	410	
STARTS	- Current Month	143	12	35	82	0	0	272	
	- Previous Year	180	20	9	32	0	0	241	
	Year-To-Date 2005	713	64	111	247	229	1364		
	Year-To-Date 2004	854	82	111	159	203	1409		
UNDER CONSTRUCTION	- 2005	526	54	101	621	813	2115		
	- 2004	518	36	161	614	593	1922		
COMPLETIONS	- Current Month	107	12	22	0	5	146		
	- Previous Year	181	32	12	20	0	245		
	Year-To-Date 2005	556	56	105	76	85	878		
	Year-To-Date 2004	652	90	48	224	371	1385		
COMPLETED & NOT ABSORBED	- 2005	22	1	2	23	11	59		
	- 2004	34	6	4	203	101	348		
TOTAL SUPPLY	- 2005	548	55	103	644	824	2174		
	- 2004	552	42	165	817	694	2270		
ABSORPTIONS	- Current Month	111	12	20	0	5	148		
	- Previous Year	189	29	16	36	95	365		
	Year-To-Date 2005	563	59	111	116	170	1019		
	Year-To-Date 2004	669	102	52	81	428	1332		
	3-month Average	77	5	11	4	22	119		
	12-month Average	121	11	17	50	42	241		

Source: CMHC

**TABLE 3
UNDER CONSTRUCTION BY AREA
HALIFAX CMA
JULY 2005**

	OWNERSHIP					GRAND TOTAL
	FREEHOLD					
	SINGLE	SEMI	ROW	CONDO	RENTAL	
HALIFAX CITY						
- Current Month	47	10	61	258	540	916
- Previous Year	52	20	40	402	473	987
DARTMOUTH CITY						
- Current Month	110	28	36	229	268	671
- Previous Year	118	10	74	73	0	275
BEDFORD-HAMMONDS PLAINS						
- Current Month	93	4	4	134	5	240
- Previous Year	80	4	47	139	72	342
SACKVILLE						
- Current Month	32	4	0	0	0	36
- Previous Year	52	0	0	0	48	100
FALL RIVER-BEAVERBANK						
- Current Month	72	0	0	0	0	72
- Previous Year	71	0	0	0	0	71
HALIFAX COUNTY SOUTHWEST						
- Current Month	89	8	0	0	0	97
- Previous Year	71	2	0	0	0	73
HALIFAX COUNTY EAST						
- Current Month	83	0	0	0	0	83
- Previous Year	74	0	0	0	0	74

Source: CMHC



Housing Now Atlantic Canada

Housing Information for the Atlantic Region in One Publication

Recently added to the Market Analysis suite of products is Housing Now Atlantic Canada. Included in this publication you will find information on new home construction activity, MLS resale activity as well as financial and economic indicators for each of the Atlantic Provinces.

For more information or to subscribe to this product please call Michèle Merrick, Market Research & Client Service Specialist at (902) 426-4708.

**TABLE 4
SALES AND PRICE OF NEW SINGLE-DETACHED HOUSES BY TYPE
HALIFAX CMA
JULY 2005**

Type	Current Month	Previous Year	Year-To-Date 2005	Year-To-Date 2004
Bungalow				
Sales	15	19	75	72
Average Price	\$198,447	\$199,837	\$207,396	\$207,521
Median Price	\$190,000	\$189,900	\$189,900	NA
Split Level				
Sales	5	10	56	90
Average Price	\$190,540	\$192,550	\$211,766	\$179,058
Median Price	\$189,900	\$194,300	\$198,400	NA
1.5 Storey				
Sales	0	2	2	6
Average Price	\$0	\$312,500	\$309,950	\$278,333
Median Price	\$0	\$312,500	\$309,950	NA
2 Storey				
Sales	66	135	323	408
Average Price	\$309,644	\$276,226	\$289,237	\$276,618
Median Price	\$280,450	\$245,000	\$260,000	NA
Other				
Sales	23	21	99	86
Average Price	\$188,226	\$179,067	\$177,763	\$178,231
Median Price	\$189,500	\$176,000	\$184,000	NA
Unknown				
Sales	1	0	5	2
Average Price	\$315,000	\$0	\$233,140	\$207,300
Median Price	\$315,000	\$0	\$198,900	NA
Total				
Sales	110	187	560	664
Average Price	\$263,728	\$253,467	\$250,395	\$242,966
Median Price	\$243,950	\$229,800	\$219,850	NA

Source: CMHC

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**TABLE 5 - MONTHLY NEW SINGLE DETACHED HOUSE SALES BY PRICE RANGE
HALIFAX CMA**

Period	<\$174,999		\$175,000- \$199,999		\$200,000- \$249,999		\$250,000- \$299,999		\$300,000- \$399,999		>\$400,000		Total Sales	Average Price	Median Price
	sales	per cent	sales	per cent	sales	per cent	sales	per cent	sales	per cent	sales	per cent			
July 2004	21	11.3%	39	21.0%	57	30.6%	33	17.7%	32	17.2%	4	2.2%	186	\$253,467	\$229,800
August 2004	18	19.8%	39	42.9%	13	14.3%	11	12.1%	10	11.0%	0	0.0%	91	\$211,098	\$189,000
September 2004	53	23.5%	51	22.6%	63	27.9%	31	13.7%	26	11.5%	2	0.9%	226	\$224,824	\$206,900
October 2004	17	13.0%	37	28.2%	37	28.2%	24	18.3%	14	10.7%	2	1.5%	131	\$243,154	\$219,500
November 2004	31	18.1%	52	30.4%	52	30.4%	23	13.5%	11	6.4%	2	1.2%	171	\$227,312	\$205,000
December 2004	33	18.8%	45	25.6%	58	33.0%	26	14.8%	12	6.8%	2	1.1%	176	\$222,863	\$209,900
January 2005	13	18.8%	16	23.2%	26	37.7%	5	7.2%	9	13.0%	0	0.0%	69	\$223,006	\$209,950
February 2005	6	8.6%	18	25.7%	22	31.4%	17	24.3%	7	10.0%	0	0.0%	70	\$244,007	\$229,900
March 2005	14	18.4%	28	36.8%	13	17.1%	9	11.8%	10	13.2%	2	2.6%	76	\$241,332	\$198,900
April 2005	6	10.5%	17	29.8%	17	29.8%	8	14.0%	7	12.3%	2	3.5%	57	\$255,616	\$210,000
May 2005	14	20.3%	16	23.2%	15	21.7%	11	15.9%	11	15.9%	2	2.9%	69	\$259,616	\$215,500
June 2005	11	12.5%	22	25.0%	26	29.5%	20	22.7%	7	8.0%	2	2.3%	88	\$256,430	\$230,900
July 2005	17	15.9%	17	15.9%	25	23.4%	29	27.1%	17	15.9%	2	1.9%	107	\$263,728	\$243,950

Source: CMHC

**TABLE 6 - MONTHLY NEW SINGLE-DETACHED UNOCCUPIED HOUSES BY PRICE RANGE
HALIFAX CMA**

Period	<\$174,999		\$175,000- \$199,999		\$200,000- \$249,999		\$250,000- \$299,999		\$300,000- \$399,999		>\$400,000		Total Sales	Average Price	Median Price
	sales	per cent	sales	per cent	sales	per cent	sales	per cent	sales	per cent	sales	per cent			
July 2004	1	3.2%	5	16.1%	8	25.8%	3	9.7%	12	38.7%	2	6.5%	31	\$304,156	\$290,000
August 2004	2	6.3%	4	12.5%	8	25.0%	3	9.4%	13	40.6%	2	6.3%	32	\$304,080	\$300,000
September 2004	3	9.7%	4	12.9%	5	16.1%	4	12.9%	13	41.9%	2	6.5%	31	\$308,021	\$300,000
October 2004	3	14.3%	1	4.8%	3	14.3%	1	4.8%	10	47.6%	3	14.3%	21	\$353,414	\$324,000
November 2004	4	16.0%	2	8.0%	5	20.0%	3	12.0%	8	32.0%	3	12.0%	25	\$326,096	\$284,000
December 2004	3	10.3%	3	10.3%	9	31.0%	3	10.3%	10	34.5%	1	3.4%	29	\$277,176	\$232,000
January 2005	3	12.5%	3	12.5%	7	29.2%	3	12.5%	7	29.2%	1	4.2%	24	\$276,850	\$226,000
February 2005	3	9.4%	3	9.4%	12	37.5%	3	9.4%	10	31.3%	1	3.1%	32	\$282,403	\$230,000
March 2005	2	5.6%	8	22.2%	11	30.6%	5	13.9%	9	25.0%	1	2.8%	36	\$273,441	\$225,000
April 2005	4	10.3%	7	17.9%	13	33.3%	3	7.7%	11	28.2%	1	2.6%	39	\$269,630	\$222,500
May 2005	0	0.0%	4	12.1%	16	48.5%	4	12.1%	8	24.2%	1	3.0%	33	\$269,185	\$222,500
June 2005	1	4.2%	0	0.0%	10	41.7%	6	25.0%	6	25.0%	1	4.2%	24	\$287,419	\$270,000
July 2005	0	0.0%	0	0.0%	11	55.0%	2	10.0%	6	30.0%	1	5.0%	20	\$290,223	\$242,000

Source: CMHC

Table 7: MLS® Residential Sales Activity by Area

SUBMARKET	July								
	2005			2004			Per Cent Change		
	Sales	New Listings	Average Sale Price	Sales	New Listings	Average Sale Price	Sales	New Listings	Average Sale Price
Halifax-Dartmouth Region	611	886	\$192,580	509	804	\$178,429	20.0%	10.2%	7.9%

SUBMARKET	YEAR-TO-DATE								
	2005			2004			Per Cent Change		
	Sales	New Listings	Average Sale Price	Sales	New Listings	Average Sale Price	Sales	New Listings	Average Sale Price
Halifax-Dartmouth Region	3926	6727	\$187,942	3570	5773	\$175,112	10.0%	16.5%	7.3%

Source: Canadian Real Estate Association

Note: Unfortunately sub-market level MLS® data was not available for July

KEY ECONOMIC INDICATORS HALIFAX				
Indicator	Period	2005	2004	% Change
Metro Halifax Labour Force (000's)	July	220.2	220.2	0.0%
Metro Halifax Employment (000's)	July	207.2	207.2	0.0%
Metro Halifax Unemployment Rate	July	5.9%	5.9%	---
Building Permits(\$ 000's)	June			
Residential		53,041	39,644	33.8%
Non-Residential		9,960	14,913	-33.2%
Total		63,001	54,557	15.5%
Metro Halifax Consumer Price Index	June	127.5	125.4	1.7%
Metro Halifax New Housing Price Index	June			
Total		121.4	121.5	-0.1%
House		123.4	123.5	-0.1%
Land		117.2	117.2	0.0%

Sources:

Statistics Canada - Labour Force Survey

Statistics Canada - Monthly Building Permits Survey

Statistics Canada - Consumer Price Index

Statistics Canada - New House Price Index

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