



HOUSING NOW

Newfoundland and Labrador

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

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Housing Demand Remains Strong in Second Quarter

Favourable weather conditions combined with low interest rates and sustained employment growth kept demand for housing strong during the second quarter. Home builders were also busy clearing up the backlog of sales carried over from late 2002 and early 2003. In fact, housing starts hit their highest level since 1989. While MLS® sales edged down slightly, they remained strong in historical terms posting their second best performance ever.

gains during the second quarter. At 633 units, urban starts advanced 11.6 per cent between April and June. This level of activity also represented a 14-year high. Within the industry, single-detached starts rose 12.0 per cent in urban centres while multiple unit construction increased by 10.3 per cent. Second quarter gains more than offset earlier losses with year-to-date housing starts in urban centres up 4.5 per cent to 720 units during the first half of 2003.

Urban Starts Make Up Lost Ground

Following a dip in activity during the early part of this year, residential construction activity posted healthy

Rural Starts Also Stronger

Uncertainties created by another cod moratorium and the temporary

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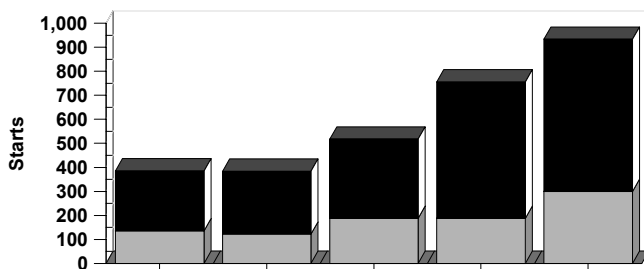
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MLS® is a registered certification mark of the Canadian Real Estate Association

Housing Starts Newfoundland and Labrador
Second Quarter



	1999	2000	2001	2002	2003
■ Rural	136	122	188	188	300
■ Urban	249	262	330	567	633
Total	385	384	518	755	933

Source: CMHC



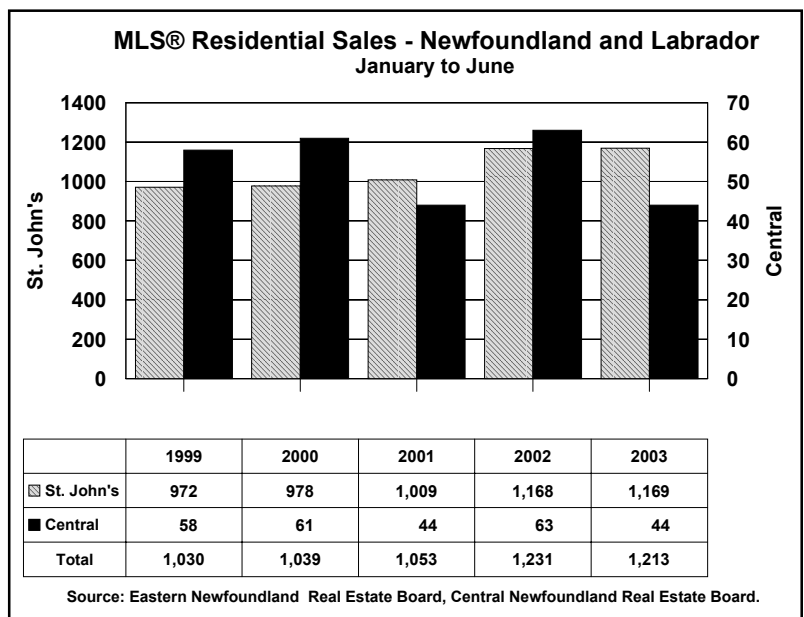
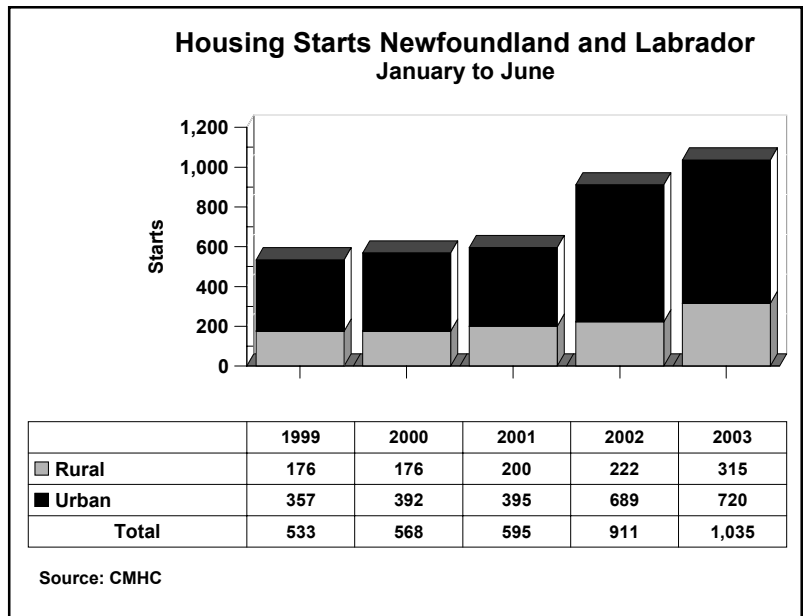
HOME TO CANADIANS
Canada

closure of the shrimp and crab fisheries this past spring has not deterred households in rural parts of the province from building new homes. In fact, rural starts leapt ahead 59.6 per cent during the second quarter to their highest level since 1992. The strong performance in rural areas largely reflects job creation and associated income gains over the past few years, and the ongoing release of pent-up demand created by the prolonged downturn throughout most of the 1990's. The low interest rate environment is also stimulating construction activity in rural areas. Given the outlook for continued uncertainty in the fishery, housing starts in rural areas of the province are expected to moderate during the second half of 2003.

Weakness in Central Region Drags Down MLS® Sales

Weakness in central Newfoundland and Labrador, where MLS® residential sales fell 32 per cent during the second quarter, served to drag down overall activity within the province. In contrast, homebuying demand remained strong in the St. John's region as the number of MLS® residential sales through the Eastern Newfoundland Real Estate Board edged up approximately 1.0 per cent. While year-to-date sales, at 1,213 units, are down 1.5 per cent from the first six months of 2002, they are still the second highest total on record. The average MLS® house price continued to set new records during the second quarter, however

the pace of growth eased substantially from the levels achieved during the first three months of this year. Strong demand and further reductions in the supply of listings remain the major factors behind the sustained price growth. At \$115,749, the average MLS® house price increased 4.0 per cent over the second quarter of 2002. During the first six months of 2003, the average MLS® price is up 6.1 per cent to \$116,047.



Your Link to the Housing Market

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 Newfoundland and Labrador'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.

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TABLE I
ACTIVITY SUMMARY BY AREA
Newfoundland and Labrador

Area	Starts						Completions						Under Construction		
	2nd Quarter			Year-to-Date			2nd Quarter			Year-to-Date			As at 30 June		
	2003	2002	% chg	2003	2002	%chg	2003	2002	% chg	2003	2002	%chg	2003	2002	% chg
St. John's CMA	536	486	10.3	622	607	2.5	263	265	-0.8	569	498	14.3	739	692	6.8
Corner Brook CA	30	30	0.0	30	31	-3.2	10	10	0.0	25	18	38.9	32	35	-8.6
Gander CA	20	15	33.3	21	15	40.0	24	3	NA	31	14	NA	19	21	-9.5
Grand Falls Windsor CA	47	36	30.6	47	36	30.6	20	3	NA	40	9	NA	41	39	5.1
Labrador CA	0	0	0.0	0	0	0.0	0	1	-100.0	0	1	-100.0	0	0	0.0
TOTAL URBAN AREAS	633	567	11.6	720	689	4.5	317	282	12.4	665	540	23.1	831	787	5.6
TOTAL OTHER AREAS	300	188	59.6	315	222	41.9	226	20	NA	553	272	NA	342	280	22.1
TOTAL NEWFOUNDLAND	933	755	23.6	1,035	911	13.6	543	302	79.8	1,218	812	50.0	1,173	1,067	9.9

Source: C M H C

**TABLE 2
STARTS BY AREA AND DWELLING TYPE
ST. JOHN'S CMA**

Area/ Period	Single	Semi	Row	Apartment & Other	Total
St. John's City:					
Second Quarter 2003	139	10	31	52	232
Second Quarter 2002	127	4	4	94	229
Year-to-Date 2003	159	10	44	54	267
Year-to-Date 2002	166	4	4	104	278
Conception Bay South:					
Second Quarter 2003	69	0	0	0	69
Second Quarter 2002	82	0	0	0	82
Year-to-Date 2003	89	0	0	0	89
Year-to-Date 2002	100	0	0	0	100
Mount Pearl:					
Second Quarter 2003	31	0	0	4	35
Second Quarter 2002	33	0	0	0	33
Year-to-Date 2003	37	0	0	4	41
Year-to-Date 2002	41	2	0	2	45
Paradise:					
Second Quarter 2003	88	0	0	26	114
Second Quarter 2002	72	0	0	11	83
Year-to-Date 2003	103	0	0	32	135
Year-to-Date 2002	94	0	0	11	105
Torbay:					
Second Quarter 2003	36	0	0	0	36
Second Quarter 2002	19	0	0	0	19
Year-to-Date 2003	39	0	0	0	39
Year-to-Date 2002	26	0	0	0	26
Other Centres:					
Second Quarter 2003	50	0	0	0	50
Second Quarter 2002	40	0	0	0	40
Year-to-Date 2003	51	0	0	0	51
Year-to-Date 2002	53	0	0	0	53
Total St. John's CMA:					
Second Quarter 2003	413	10	31	82	536
Second Quarter 2002	373	4	4	105	486
Year-to-Date 2003	478	10	44	90	622
Year-to-Date 2002	480	6	4	117	607

Source: CMHC

Housing Now is published four times a year for the Newfoundland and Labrador market. *Forecast Summary* is included in the first and third quarter editions. Annual subscriptions to the *Housing Now* for Newfoundland and Labrador are \$55 plus applicable taxes. This publication is also available in French. For more information, or to subscribe, contact Johannes O'Callaghan at the Atlantic Business Centre at (902) 426-4708. Order no. 2084

Ce document est disponible en français. Veuillez communiquer avec Johannes O'Callaghan au Centre d'affaires de l'Atlantique au (902) 426-4708.

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