



# HOUSING NOW

Newfoundland and Labrador

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 6 EDITION 4  
FOURTH QUARTER 2003

## Provincial Housing Markets Post Strong 4th Quarter

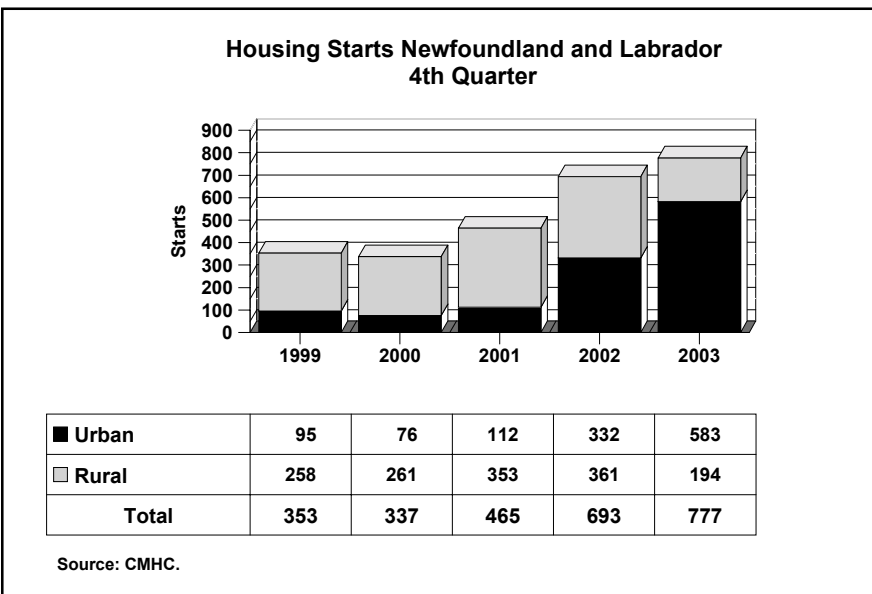
Housing demand remained quite strong throughout the fourth quarter as both housing starts and MLS® residential sales posted healthy gains over the previous year. While the sustained economic upturn remained key to the strong performance, favourable weather conditions also provided a boost to homebuying activity.

### Provincial Starts Hit 12-Year High

Following a slow start to the year, provincial housing starts came roaring back over the final three quarters and hit a 12-year high in 2003. Without a doubt, the residential construction industry continued to benefit

from the robust economic performance in recent years. Low interest rates, shortages of quality existing homes and favourable weather conditions throughout the late fall provided an additional boost to the industry. Supported by strength in urban centres, and in particular St. John's, fourth quarter housing starts increased 12.1 per cent. Gains were entirely due to multiple unit activity, which more than doubled from 2002 levels. In contrast, single-detached starts declined 4.0 per cent, reflecting weakness in rural areas.

For the year, provincial housing starts advanced 11.3 per cent to 2,692 units, representing the highest output since 1991.



### IN THIS ISSUE

- 1 Provincial Housing Markets Post Strong 4th Quarter
- 1 Provincial Starts Hit 12-Year High
- 2 Urban Starts Record Large Gains
- 2 MLS® Sales Sizzle

### Diagrams

- 1 Provincial Housing Starts 4th Quarter
- 2 Provincial Housing Starts January to December
- 2 Provincial MLS® Sales January to December

### Tables

- 3 Starts Activity Summary by Area Newfoundland & Labrador
- 4 Starts by Area and Dwelling Type St. John's, CMA

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



HOME TO CANADIANS  
Canada

# Urban Starts Record Large Gains

Highlighted by huge increases in the Grand Falls-Windsor and St. John's regions, starts in provincial urban centres jumped an impressive 61.5 per cent during the fourth quarter to 583 units. Starts in the Grand Falls-Windsor area more than doubled from the same period in 2002 while St. John's saw an increase of 57.8 per cent. The Gander area posted gains of 33.3 per cent while Corner Brook experienced a more modest increase of 6.7 per cent. On a province-wide basis, urban starts were at their highest level in 13 years in 2003. However, the St. John's region experienced its best year since 1975. Following strong gains in the previous six months, housing starts in rural areas of the province suffered a significant decline during the fourth quarter. At 194 units, rural starts were 41.6 per cent lower than the fourth quarter of 2002. Despite the recent decline, rural starts still posted their second-strongest performance since 1996.

## MLS® Sales Sizzle

MLS® residential sales through the Eastern and Central Newfoundland real estate boards sizzled during the fourth quarter as the pace of homebuying activity hit record levels. In numerical terms, MLS® residential sales hit 936 units during the quarter, representing an increase of 26.3 per cent over the previous year. At 3,238 units, MLS® residential sales in the province advanced 7.4 per cent in 2003, marking the eighth consecutive year of growth and the fifth year in which they established a record. The upward trend in prices remained firmly on track throughout the fourth quarter as the average MLS® price also hit another all-time high. The average MLS® price increased 2.3 per cent to \$121,812 during the quarter. For the year, the average MLS® price within the province advanced 6.0 per cent to \$119,822.

## Mark Your Calendar Now!

**Date:** Tuesday, March 23, 2004

**Time:** 7:30 a.m. - 10:30 a.m.

**Place:** Holiday Inn, St. John's

**Cost:** \$65.00 HST included

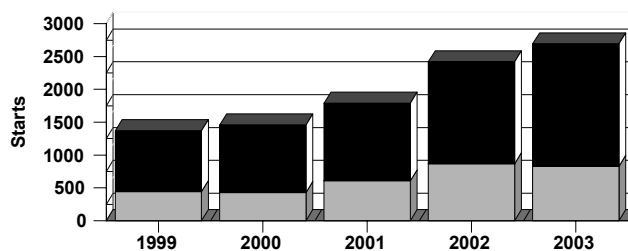
**(includes hot buffet breakfast)**

The housing market is slowly shifting and adjusting as the Atlantic Canadian economy moves forward. With the release of the new 2001 Census, we have had an opportunity to see more clearly what has been happening in the economy and the housing sector.

**Alex MacDonald**, Regional Economist with CMHC, will present his analysis and forecast of housing as well as the Atlantic and Newfoundland and Labrador economy, reflecting on how the sector will continue to respond.

**Brian Martin**, Senior Market Analyst for Newfoundland and Labrador, will discuss how the economic outlook and demographic trends will shape demand for new, resale, condominium and rental housing at both the provincial and local level over the forecast period.

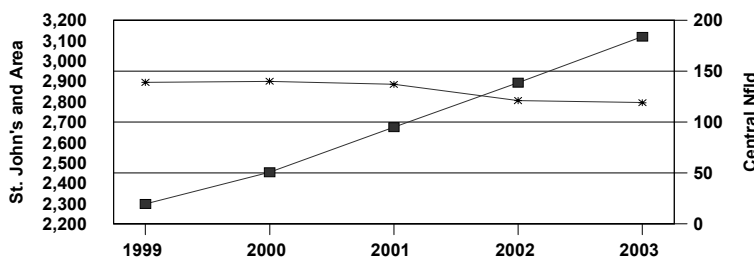
**Housing Starts Newfoundland and Labrador  
1999-2003**



	1999	2000	2001	2002	2003
■ Rural	445	430	608	867	829
■ Urban	926	1,029	1,180	1,552	1,863
<b>Total</b>	<b>1,371</b>	<b>1,459</b>	<b>1,788</b>	<b>2,419</b>	<b>2,692</b>

Source: CMHC.

**MLS® Residential Sales - Newfoundland and Labrador  
1999 - 2003**



	1999	2000	2001	2002	2003
■ St. John's	2,298	2,453	2,675	2,893	3,119
* Central	139	140	137	121	119
<b>Total</b>	<b>2,437</b>	<b>2,593</b>	<b>2,812</b>	<b>3,014</b>	<b>3,238</b>

Source: Eastern Newfoundland Real Estate Board, Central Newfoundland Real Estate Board.

## CMHC's Housing Outlook Seminar 2004

Call today to reserve your space or to receive additional information. Contact Connie Hawkins by phone at: (709) 772-2048, by fax at (709) 726-7014 or by e-mail at [chawkins@cmhc-schl.gc.ca](mailto:chawkins@cmhc-schl.gc.ca)

**TABLE I  
STARTS SUMMARY BY AREA  
Newfoundland and Labrador**

Area	Starts						Completions						Under Construction		
	4th Quarter			Year-to-Date			4th Quarter			Year-to-Date			As at 03-31-12		
	2003	2002	% chg	2003	2002	%chg	2003	2002	% chg	2003	2002	%chg	2003	2002	% chg
St. John's CMA	505	320	57.8	1,604	1,350	18.8	459	440	4.3	1,398	1,256	11.3	901	677	33.1
Corner Brook CA	16	15	6.7	79	69	14.5	22	23	-4.3	78	64	21.9	28	27	3.7
Gander CA	8	6	33.3	39	44	-11.4	14	12	16.7	56	35	60.0	12	29	-58.6
Grand Falls-Windsor CA	54	20	##	141	89	58.4	43	30	43.3	111	67	65.7	64	34	88.2
Labrador CA	0	0	0.0	0	0	0.0	0	0	0.0	0	1	-100.0	0	0	NA
<b>TOTAL URBAN AREAS</b>	<b>583</b>	<b>361</b>	<b>61.5</b>	<b>1,863</b>	<b>1,552</b>	<b>20.0</b>	<b>538</b>	<b>505</b>	<b>6.5</b>	<b>1,643</b>	<b>1,423</b>	<b>15.5</b>	<b>1,005</b>	<b>767</b>	<b>31.0</b>
<b>TOTAL OTHER AREAS</b>	<b>194</b>	<b>332</b>	<b>-41.6</b>	<b>829</b>	<b>867</b>	<b>-4.4</b>	<b>342</b>	<b>299</b>	<b>14.4</b>	<b>963</b>	<b>611</b>	<b>57.6</b>	<b>439</b>	<b>585</b>	<b>-25.0</b>
<b>TOTAL NEWFOUNDLAND</b>	<b>777</b>	<b>693</b>	<b>12.1</b>	<b>2,692</b>	<b>2,419</b>	<b>11.3</b>	<b>880</b>	<b>804</b>	<b>9.5</b>	<b>2,606</b>	<b>2,034</b>	<b>28.1</b>	<b>1,444</b>	<b>1,352</b>	<b>6.8</b>

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
<b>St. John's City:</b>					
Fourth Quarter 2003	142	34	25	85	286
Fourth Quarter 2002	95	6	26	26	153
Year-to-Date 2003	438	62	78	173	751
Year-to-Date 2002	359	14	38	174	585
<b>Conception Bay South:</b>					
Fourth Quarter 2003	73	0	0	0	73
Fourth Quarter 2002	45	0	0	0	45
Year-to-Date 2003	250	0	0	0	250
Year-to-Date 2002	217	0	0	0	217
<b>Mount Pearl:</b>					
Fourth Quarter 2003	21	0	0	4	25
Fourth Quarter 2002	24	0	0	0	24
Year-to-Date 2003	73	0	0	8	81
Year-to-Date 2002	88	2	0	2	92
<b>Paradise</b>					
Fourth Quarter 2003	55	0	0	18	73
Fourth Quarter 2002	44	0	0	6	50
Year-to-Date 2003	227	0	0	66	293
Year-to-Date 2002	222	4	0	21	247
<b>Torbay:</b>					
Fourth Quarter 2003	22	0	0	0	22
Fourth Quarter 2002	23	0	0	0	23
Year-to-Date 2003	91	0	0	2	93
Year-to-Date 2002	80	0	0	0	80
<b>Other Centres:</b>					
Fourth Quarter 2003	26	0	0	0	26
Fourth Quarter 2002	25	0	0	0	25
Year-to-Date 2003	134	0	0	2	136
Year-to-Date 2002	127	0	0	2	129
<b>Total St. John's CMA:</b>					
Fourth Quarter 2003	339	34	25	107	505
Fourth Quarter 2002	256	6	26	32	320
Year-to-Date 2003	1,213	62	78	251	1,604
Year-to-Date 2002	1,093	20	38	199	1,350

Source: CMHC

**Housing Now** is published four times a year for the Newfoundland & Labrador market. **Forecast Summary** is included in the first and third quarter editions. Annual subscriptions to the **Housing Now** for Newfoundland & Labrador are \$55.00 plus applicable taxes. This publication is also available in French. For more information, or to subscribe, contact Cynthia Way at the Atlantic Business Centre at (902) 426-4708. Order no. 2084

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

