# HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Atlantic Canada

*September 2005*


## Modest Decline in Starts

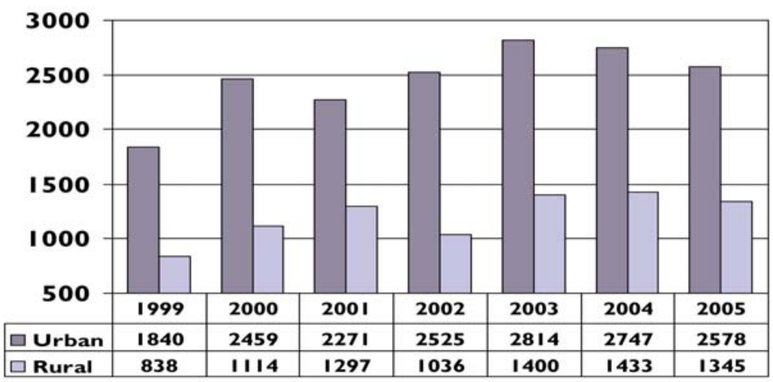
### Weaker results in third quarter

Total housing starts in the third quarter dropped (6.1 per cent) when compared to the same period in 2004. The decline in starts activity varied across the region from a low of (-3.7 per cent) in Nova Scotia to a high of (-8.7 per cent) in New Brunswick.

Urban starts dropped a similar amount of (6.2 per cent) in the third quarter. This is due to the significant declines in Charlottetown, (-22.5 per cent), Moncton (-24.9 per cent), Saint John (-20.3 per cent) Cape Breton (-21.2 per cent) and St John's (-10.4 per cent). These declines were partially offset by a rebound of activity in Fredericton (+30.7 per cent) and strong gains in Truro (+ 93.2 per cent). For the period January to September, urban starts are down 4.6 per cent in 2005 as compared to 2004.

Rural starts also dropped 6.1 per cent in the third quarter in Atlantic Canada. For the period January to September, rural starts are up 1.7 per cent in 2005 as compared to 2004.

Both completions and under construction declined in the third quarter.




| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|
| Urban | 1840 | 2459 | 2271 | 2525 | 2814 | 2747 | 2578 |
| Rural | 838 | 1114 | 1297 | 1036 | 1400 | 1433 | 1345 |

Source: CMHC.

## In This Issue

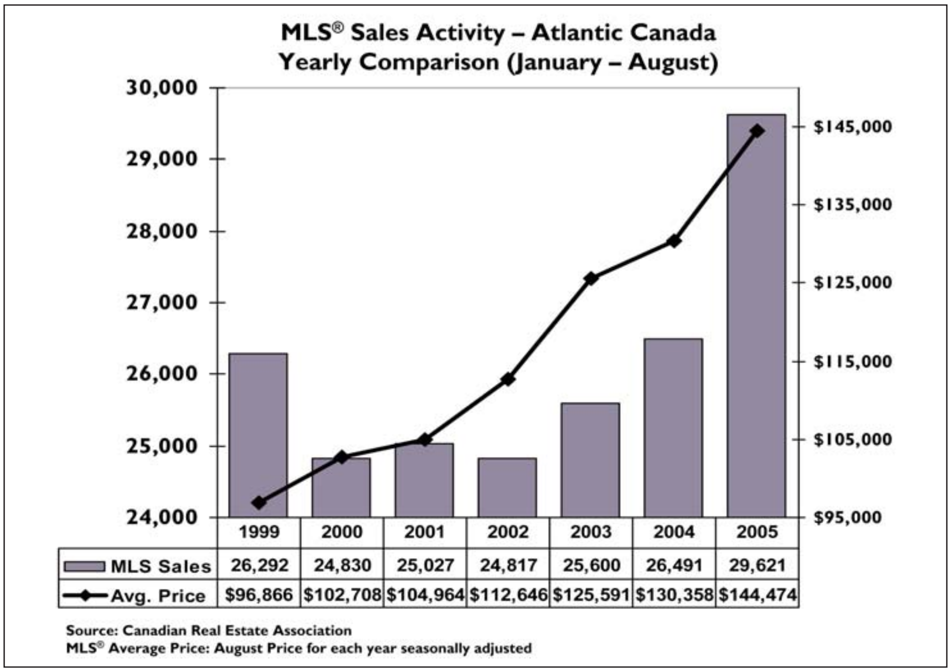
# MLS® Sales continue to move upward in August

MLS® sales were up 12.9 per cent in August contributing to stronger activity in 2005 (+7.1 per cent) for the period (January-August) compared to a year ago. The pick-up in sales activity in August for Nova Scotia (+ 21.9 per cent) and New Brunswick (+ 12 per cent) follows a similar trend of stronger growth since June of this year. Together Nova Scotia and New Brunswick are contributing to the overall rebound in sales activity in Atlantic Canada for the third quarter.

Strong price growth in 2005 continues to follow similar trends experienced in the Atlantic housing market over the last four years. The average price (seasonally adjusted) is up 10.7 per cent overall in Atlantic Canada for August 2005 as compared to August 2004.

The supply of homes on the market continued to rise in the third quarter with listings up 11.8 per cent in Atlantic Canada (year-to-date).

The continued growth in listings will eventually dampen the level of price growth as the increased supply of homes available for sale will provide potential buyers with more choice.




# Economic factors are weakening

For September the labour force continued the trend of weaker growth in Atlantic Canada declining 0.5 per cent. Year-to-date the labour force is down 0.2 per cent.

For the first nine months employment. is up 0.3 per cent as compared to the same period last year with positive job creation experienced in Prince Edward Island (+ 2.7 per cent) and Nova Scotia (+0.7 per cent) partially offset by declines in Newfoundland-Labrador (-0.7 per cent). The unemployment rate remained steady at 11.3 per cent in September 2005 as compared to September 2004.

Continued strength in the housing market has been previously bolstered by low interest rates and stability in consumer confidence.

Weak job creation, falling consumer confidence and an expectation of higher rates will limit future growth prospects. The high Canadian dollar and higher energy costs will also contribute to slower growth.

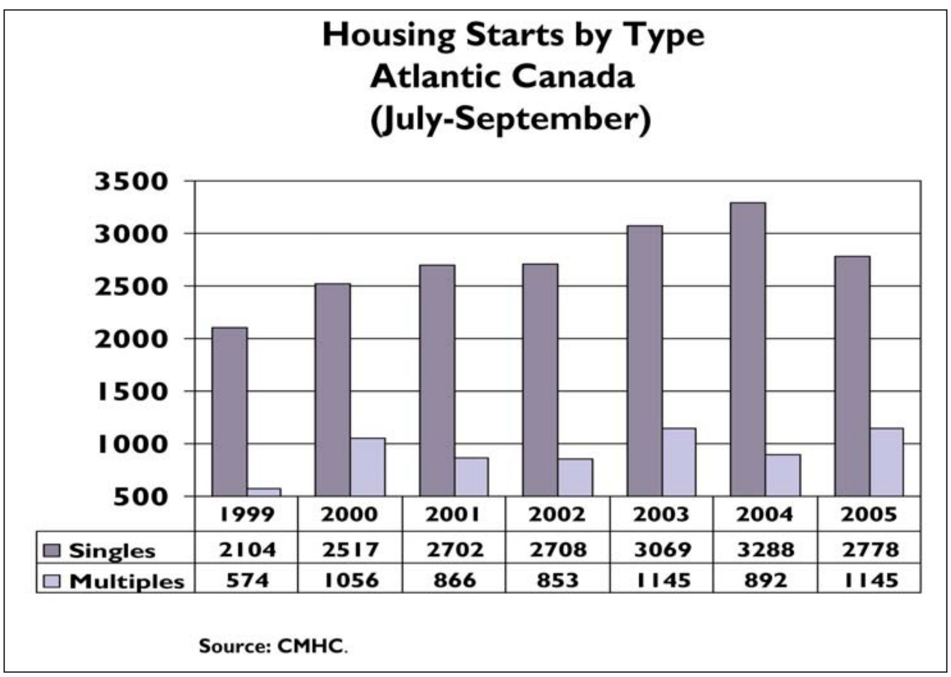


**Table 1**
**Activity Summary By Area**
**Atlantic**

| | TOTAL HOUSING STARTS | | | | | | COMPLETIONS | | | | | | UNDER CONSTRUCTION | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3rd Quarter | | | January-September | | | 3rd Quarter | | | January-September | | | As at September 30 | | |
| Area | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| **Total Urban Areas** | 2578 | 2747 | **-6.2%** | 6025 | 6316 | **-4.6%** | 2102 | 2366 | **-11.2%** | 5157 | 6562 | **-21.4%** | 5086 | 5071 | **0.3%** |
| **Total Rural Areas** | 1345 | 1433 | **-6.1%** | 2754 | 2707 | **1.7%** | 735 | 755 | **-2.6%** | 2406 | 2440 | **-1.4%** | 1892 | 2086 | **-9.3%** |
| **Total Atlantic** | **3923** | **4180** | -6.1% | **8779** | **9023** | -2.7% | **2837** | **3121** | -9.1% | **7563** | **9002** | -16.0% | **6978** | **7157** | -2.5% |

**Source: CMHC**

**Table 2**
**Activity Summary By Area**
**Prince Edward Island**

| | TOTAL HOUSING STARTS | | | | | | COMPLETIONS | | | | | | UNDER CONSTRUCTION | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3rd Quarter | | | January-September | | | 3rd Quarter | | | January-September | | | As at September 30 | | |
| Area | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| **Charlottetown CA** | 117 | 151 | **-22.5%** | 323 | 376 | **-14.1%** | 89 | 181 | **-50.8%** | 298 | 321 | **-7.2%** | 219 | 204 | **7.4%** |
| **Summerside CA** | 34 | 14 | **##** | 96 | 99 | **-3.0%** | 64 | 29 | **##** | 74 | 77 | **-3.9%** | 37 | 55 | **-32.7%** |
| **Total Urban Areas** | 151 | 165 | **-8.5%** | 419 | 475 | **-11.8%** | 153 | 210 | **-27.1%** | 372 | 398 | **-6.5%** | 256 | 259 | **-1.2%** |
| **Total Rural Areas** | 90 | 91 | **-1.1%** | 222 | 245 | **-9.4%** | 89 | 61 | **45.9%** | 193 | 154 | **25.3%** | 90 | 149 | **-39.6%** |
| **Total PEI** | **241** | **256** | -5.9% | **641** | **720** | -11.0% | **242** | **271** | -10.7% | **565** | **552** | 2.4% | **346** | **408** | -15.2% |

**Source: CMHC**

**##: Year-over-year change greater than 100 per cent**

**Table 3**
**Activity Summary By Area**
**Nova Scotia**

| | TOTAL HOUSING STARTS | | | | | | COMPLETIONS | | | | | | UNDER CONSTRUCTION | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3rd Quarter | | | January-September | | | 3rd Quarter | | | January-September | | | As at September 30 | | |
| Area | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| **Halifax CMA** | 772 | 784 | **-1.5%** | 1864 | 1952 | **-4.5%** | 537 | 636 | **-15.6%** | 1269 | 1776 | **-28.5%** | 2224 | 2074 | **7.2%** |
| **Cape Breton CA** | 67 | 85 | **-21.2%** | 206 | 239 | **-13.8%** | 84 | 118 | **-28.8%** | 186 | 194 | **-4.1%** | 57 | 57 | **0.0%** |
| **Kentville CA** | 30 | 27 | **11.1%** | 93 | 32 | **##** | 27 | 16 | **68.8%** | 48 | 34 | **41.2%** | 77 | 16 | **##** |
| **New Glasgow CA** | 29 | 52 | **-44.2%** | 64 | 98 | **-34.7%** | 27 | 38 | **-28.9%** | 65 | 68 | **-4.4%** | 43 | 62 | **-30.6%** |
| **Truro CA** | 114 | 59 | **93.2%** | 213 | 135 | **57.8%** | 78 | 30 | **##** | 215 | 178 | **20.8%** | 157 | 129 | **21.7%** |
| **Total Urban Areas** | 1012 | 1007 | **0.5%** | 2440 | 2456 | **-0.7%** | 753 | 838 | **-10.1%** | 1783 | 2250 | **-20.8%** | 2558 | 2338 | **9.4%** |
| **Total Rural Areas** | 505 | 568 | **-11.1%** | 1075 | 1018 | **5.6%** | 174 | 266 | **-34.6%** | 877 | 860 | **2.0%** | 883 | 861 | **2.6%** |
| **Total N.S.** | **1517** | **1575** | -3.7% | **3515** | **3474** | 1.2% | **927** | **1104** | -16.0% | **2660** | **3110** | -14.5% | **3441** | **3199** | 7.6% |

**Source: CMHC**

**##: Year-over-year change greater than 100 per cent**

## Table 4
## Activity Summary By Area
## Newfoundland and Labrador

| Area | TOTAL HOUSING STARTS | | | | | | COMPLETIONS | | | | | | UNDER CONSTRUCTION | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3rd Quarter | | | January-September | | | 3rd Quarter | | | January-September | | | As at September 30 | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| **St. John's CMA** | 501 | 559 | **-10.4%** | 1115 | 1317 | **-15.3%** | 417 | 494 | **-15.6%** | 1192 | 1227 | **-2.9%** | 990 | 986 | **0.4%** |
| **Corner Brook CA** | 36 | 51 | **-29.4%** | 74 | 73 | **1.4%** | 34 | 23 | **47.8%** | 77 | 55 | **40.0%** | 46 | 46 | **0.0%** |
| **Gander CA** | 28 | 24 | **16.7%** | 61 | 49 | **24.5%** | 26 | 15 | **73.3%** | 58 | 31 | **87.1%** | 30 | 30 | **0.0%** |
| **Grand Falls-Windsor CA** | 20 | 21 | **-4.8%** | 46 | 56 | **-17.9%** | 21 | 31 | **-32.3%** | 69 | 87 | **-20.7%** | 21 | 33 | **-36.4%** |
| **Labrador CA** | 0 | 0 | **0.0%** | 0 | 1 | **-100.0%** | 0 | 1 | **-100.0%** | 0 | 1 | **-100.0%** | 0 | 0 | **0.0%** |
| **Total Urban Areas** | 585 | 655 | **-10.7%** | 1296 | 1496 | **-13.4%** | 498 | 564 | **-11.7%** | 1396 | 1401 | **-0.4%** | 1087 | 1095 | **-0.7%** |
| **Total Rural Areas** | 327 | 321 | **1.9%** | 544 | 576 | **-5.6%** | 67 | 69 | **-2.9%** | 423 | 520 | **-18.7%** | 476 | 496 | **-4.0%** |
| **Total N.L.** | **912** | **976** | **-6.6%** | **1840** | **2072** | **-11.2%** | **565** | **633** | **-10.7%** | **1819** | **1921** | **-5.3%** | **1563** | **1591** | **-1.8%** |

**Source: CMHC**
**##: Year-over-year change greater than 100 per cent**

## Table 5
## Activity Summary By Area
## New Brunswick

| Area | TOTAL HOUSING STARTS | | | | | | COMPLETIONS | | | | | | UNDER CONSTRUCTION | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3rd Quarter | | | January-September | | | 3rd Quarter | | | January-September | | | As at September 30 | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| **Bathurst CA** | 20 | 17 | **17.6%** | 40 | 45 | **-11.1%** | 17 | 15 | **13.3%** | 38 | 39 | **-2.6%** | 21 | 39 | **-46.2%** |
| **Campbellton CA** | 2 | 5 | **-60.0%** | 30 | 11 | **##** | 2 | 5 | **-60.0%** | 5 | 12 | **-58.3%** | 29 | 3 | **##** |
| **Edmundston CA** | 20 | 24 | **-16.7%** | 41 | 44 | **-6.8%** | 12 | 14 | **-14.3%** | 26 | 32 | **-18.8%** | 30 | 35 | **-14.3%** |
| **Fredericton CA** | 294 | 225 | **30.7%** | 535 | 549 | **-2.6%** | 162 | 176 | **-8.0%** | 464 | 588 | **-21.1%** | 353 | 318 | **11.0%** |
| **Miramichi CA** | 15 | 22 | **-31.8%** | 28 | 28 | **0.0%** | 10 | 9 | **11.1%** | 29 | 20 | **45.0%** | 15 | 20 | **-25.0%** |
| **Moncton CA** | 334 | 445 | **-24.9%** | 843 | 845 | **-0.2%** | 383 | 371 | **3.2%** | 677 | 1480 | **-54.3%** | 533 | 708 | **-24.7%** |
| **Saint John CA** | 145 | 182 | **-20.3%** | 353 | 367 | **-3.8%** | 112 | 164 | **-31.7%** | 367 | 342 | **7.3%** | 204 | 256 | **-20.3%** |
| **Total Urban Areas** | 830 | 920 | **-9.8%** | 1870 | 1889 | **-1.0%** | 698 | 754 | **-7.4%** | 1606 | 2513 | **-36.1%** | 1185 | 1379 | **-14.1%** |
| **Total Rural Areas** | 423 | 453 | **-6.6%** | 913 | 868 | **5.2%** | 405 | 359 | **12.8%** | 913 | 906 | **0.8%** | 443 | 580 | **-23.6%** |
| **Total N.B.** | **1253** | **1373** | **-8.7%** | **2783** | **2757** | **0.9%** | **1103** | **1113** | **-0.9%** | **2519** | **3419** | **-26.3%** | **1628** | **1959** | **-16.9%** |

**Source: CMHC**
**##: Year-over-year change greater than 100 per cent**

## Table 6
## MLS® Sales Activity
## Atlantic Summary

| Area | UNIT SALES (Number of Units) | | | | | | LISTINGS | | | | | | AVERAGE PRICE ($000's) (S.A.) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | August (S.A.) | | | January-August | | | August (S.A.) | | | January-August | | | August (S.A.) | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| **Prince Edward Island** | 116 | 135 | **-14.1%** | 888 | 894 | **-0.7%** | 313 | 213 | **46.9%** | 2102 | 1935 | **8.6%** | 126.3 | 105.8 | **19.4%** |
| **Nova Scotia** | 945 | 775 | **21.9%** | 7125 | 6564 | **8.5%** | 1689 | 1463 | **15.4%** | 13542 | 12168 | **11.3%** | 157.5 | 143.5 | **9.8%** |
| **Newfoundland-Labrador** | 287 | 279 | **2.9%** | 2058 | 2102 | **-2.1%** | 540 | 532 | **1.5%** | 4864 | 4253 | **14.4%** | 140.5 | 129.9 | **8.2%** |
| **New Brunswick** | 589 | 526 | **12.0%** | 4713 | 4240 | **11.2%** | 1109 | 957 | **15.9%** | 9113 | 8135 | **12.0%** | 129.1 | 117.5 | **9.9%** |
| **Atlantic** | **1937** | **1715** | **12.9%** | **14784** | **13800** | **7.1%** | **3651** | **3165** | **15.4%** | **29621** | **26491** | **11.8%** | **144.4** | **130.4** | **10.7%** |

**Source: Canadian Association of Real Estate**
**MLS® is a registered trademark of the Canadian Real Estate Association**
**S.A. : Seasonally Adjusted**

## Table 7
### Employment
### Atlantic Summary

| Area | LABOUR FORCE (000's) | | | | | | EMPLOYMENT (000's) | | | | | | UNEMPLOYMENT RATE % | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | September (S.A.) | | | January-September | | | September (S.A.) | | | January-September | | | September (S.A.) | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| **Prince Edward Island** | 76.5 | 75.4 | **1.5%** | 76.6 | 75.2 | **1.9%** | 67.9 | 67 | **1.3%** | 68.3 | 66.5 | **2.7%** | 11.2 | 11.1 | **0.9%** |
| **Nova Scotia** | 480.9 | 486.4 | **-1.1%** | 485.1 | 484.5 | **0.1%** | 440.5 | 444.6 | **-0.9%** | 443.6 | 440.6 | **0.7%** | 8.4 | 8.6 | **-2.3%** |
| **Newfoundland-Labrador** | 254 | 253.7 | **0.1%** | 254.3 | 257.7 | **-1.3%** | 215.1 | 213.5 | **0.7%** | 215.3 | 216.8 | **-0.7%** | 15.3 | 15.8 | **-3.2%** |
| **New Brunswick** | 387.6 | 389.2 | **-0.4%** | 388.4 | 389.6 | **-0.3%** | 347.3 | 351.4 | **-1.2%** | 350.1 | 350.3 | **-0.1%** | 10.4 | 9.7 | **7.2%** |
| **Atlantic** | **1199.0** | **1204.7** | **-0.5%** | **1204.4** | **1207** | **-0.2%** | **1070.8** | **1076.5** | **-0.5%** | **1077.3** | **1074.2** | **0.3%** | **11.3** | **11.3** | **0.0%** |

**Source: Statistics Canada - Labour Force Survey**
**S.A. : Seasonally Adjusted**

## Table 8
### Key Provincial Economic Indicators

| Area | RETAIL SALES (Millions of Dollars) | | | | | | BUILDING PERMITS (Millions of Dollars) | | | | | | POPULATION (000's) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | August(S.A.) | | | January-August | | | August(S.A.) | | | January-August | | | 3rd Quarter 2005 | | |
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| **Prince Edward Island** | 118.6 | 111 | **6.8%** | 797 | 775 | **2.8%** | 42.6 | 16.6 | **##** | 175 | 137 | **27.4%** | 138.1 | 137.9 | **0.1%** |
| **Nova Scotia** | 896.8 | 869.8 | **3.1%** | 5950 | 5800 | **2.6%** | 95.3 | 105.3 | **-9.5%** | 791 | 793 | **-0.4%** | 937.9 | 937.5 | **0.0%** |
| **Newfoundland-Labrador** | 494.6 | 470.6 | **5.1%** | 3265 | 3186 | **2.5%** | 49.9 | 49 | **1.8%** | 344 | 325 | **6.0%** | 516 | 517.3 | **-0.3%** |
| **New Brunswick** | 717.3 | 660.9 | **8.5%** | 4692 | 4445 | **5.6%** | 97.2 | 64.6 | **50.5%** | 564 | 517 | **9.1%** | 752.0 | 752.1 | **0.0%** |
| **Atlantic** | **2227.3** | **2112.3** | **5.4%** | **14703** | **14206** | **3.5%** | **285.0** | **235.5** | **21.0%** | **1872.9** | **1771.9** | **5.7%** | **2344.0** | **2344.8** | **0.0%** |

**Sources:**
**Statistics Canada - Monthly Retail Sales Survey**
**Statistics Canada - Monthly Building Permits Survey**
**Statistics Canada - Quarterly Population Survey**
**S.A. : Seasonally Adjusted**
**##: Year-over-year change greater than 100 per cent**

## Table 9
### Other Financial and Economic Indicators

| INDICATOR | September | | | January-September | | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | % chg | 2005 | 2004 | % chg |
| **Cdn Dollar Foreign Exchange in ($U.S.)** | 0.85 | 0.78 | **9.3%** | 0.82 | 0.75 | **8.5%** |
| **Five Year Mortgage Rate (%)** | 5.80% | 6.30% | **-7.9%** | 5.94% | 6.23% | **-4.7%** |
| **Index of Consumer Attitudes, Atlantic (1991=100)** | 92.4 | 122.7 | **-24.7%** | 118.9 | 121.4 | **-2.1%** |

**Sources:**
**Bank of Canada**
**Conference Board of Canada Monthly Survey of Consumer Attitudes**

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