



HOUSING NOW

Newfoundland and Labrador

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 7, EDITION 3
THIRD QUARTER 2004

Markets Post Another Strong Performance

Provincial housing markets posted another strong performance during the third quarter as both housing starts and MLS® sales recorded healthy gains over 2003 levels. Without a doubt, low interest rates in tandem with strong labour markets remain the main drivers behind the sustained upturn.

Big Jump in Multiple Starts

While both single-detached and multiple starts increased during the quarter, the largest gains were recorded in the multiples market. A substantial increase in the St. John's region underpinned a 48 per cent increase in multiple starts during the

third quarter. When combined with earlier gains, multiple housing starts have advanced 65 per cent during the first nine months and are at their highest level since 1994. Smaller households, an aging population and rising house prices have been the main factors behind the ongoing shift towards multiple-style dwellings. Similar to recent trends, multiple starts remain heavily concentrated in the ownership market in the form of semi-detached townhouses and single-detached units with basement apartments. While single-detached starts edged up 6.0 per cent during the quarter, year-to-date activity is flat as weakness in rural areas has offset gains in urban centres.

IN THIS ISSUE

- 1 Housing Market Post Another Strong Performance
- 1 Big Jump in Multiple Starts
- 2 Rural Starts Flat in 3rd Quarter
- 2 Best Quarter Ever for Provincial MLS® Sales

Diagrams

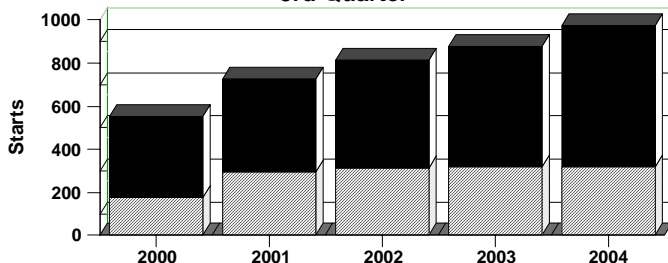
- 1 Housing Starts Newfoundland and Labrador—Third Quarter
- 2 Housing Starts Newfoundland and Labrador—January to September
- 2 Provincial Residential Sales January to September

Tables

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

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

Housing Starts Newfoundland and Labrador
3rd Quarter



	2000	2001	2002	2003	2004
Rural	178	296	313	320	321
Urban	376	432	502	560	655
Total	554	728	815	880	976

Source: CMHC.



HOME TO CANADIANS
Canada

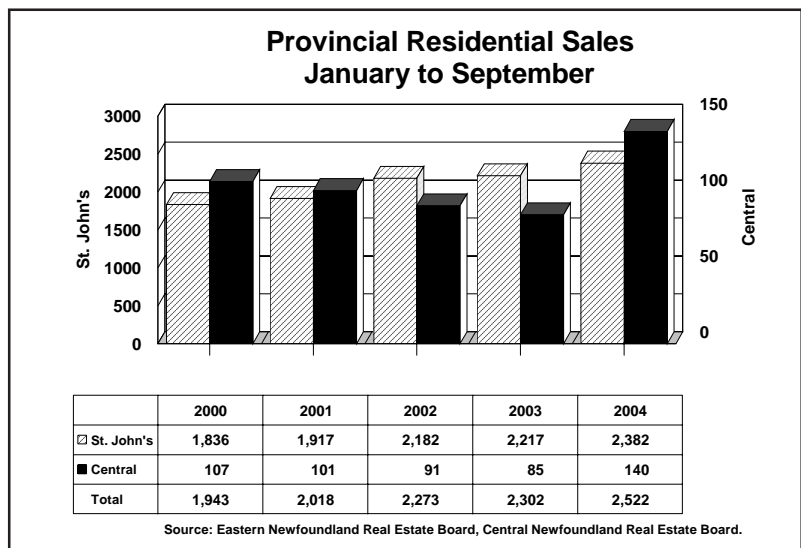
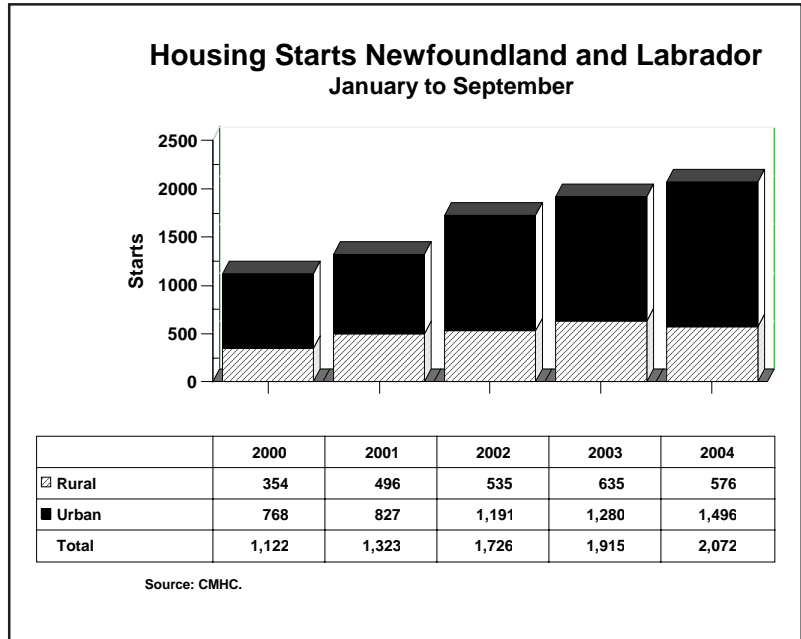
To the end of September, construction has started on 2,072 homes throughout the province. This represents an increase of 8.2 per cent with housing starts at their highest level since 1991.

Rural Starts Flat in 3rd Quarter

Following a strong start to the year, housing starts in rural areas of the province have exhibited some weakness over the past six months. Between July and September, rural starts were flat at 321 units. When combined with a 27 per cent loss during the second quarter, year-to-date starts in rural areas have declined 9.3 per cent this year. In contrast, urban starts have remained quite buoyant advancing 16.9 per cent during the first nine months. Within the province, Gander, St. John's and Corner Brook have registered increases of 58 per cent, 20 per cent and 16 per cent, respectively.

Best Quarter Ever for Provincial MLS® Sales

MLS® residential sales through the province's two real estate boards recorded their best quarter ever between July and September. Sales within the St. John's region surpassed 400 units in both July and August, marking the first time they have ever crested the 400 unit level. When combined with a 71 per cent jump in central Newfoundland and Labrador, total provincial MLS® sales shot up an impressive 12.5 per cent to 1,225 units. Year-to-date sales are 9.6 per cent above 2003 and are on track to hit record levels for the sixth consecutive year. Sustained demand and ongoing sales of higher priced homes pushed the average MLS® house price up 6.6 per cent to \$130,421 during the quarter. For the year, the average MLS® price has increased 8.5 per cent to another all time high of \$129,112.



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.

Contact Brian Martin today at (709) 772-4034
or
e-mail: bmartin@cmhc.ca

**TABLE 1
STARTS SUMMARY BY AREA
Newfoundland and Labrador**

Area	Starts						Completions						Under Construction		
	3rd Quarter			Year-to-Date			3rd Quarter			Year-to-Date			As at 03-30-09		
	2004	2003	% chg	2004	2003	%chg	2004	2003	% chg	2004	2003	%chg	2004	2003	% chg
St. John's CMA	559	477	17.2	1,317	1,099	19.8	494	370	33.5	1,227	939	30.7	986	852	15.7
Corner Brook CA	51	33	54.5	73	63	15.9	23	31	-25.8	55	56	-1.8	46	34	35.3
Gander CA	24	10	N/A	49	31	58.1	15	11	36.4	31	42	-26.2	30	18	66.7
Grand Falls Windsor CA	21	40	-47.5	56	87	-35.6	31	28	10.7	87	68	27.9	33	53	-37.7
Labrador CA	0	0	0.0	1	0	N/A	1	0	N/A	1	0	NA	0	0	0.0
TOTAL URBAN AREAS	655	560	17.0	1,496	1,280	16.9	564	440	28.2	1,401	1,105	26.8	1,095	957	14.4
TOTAL OTHER AREAS	321	320	0.3	576	635	-9.3	69	68	1.5	520	621	-16.3	496	593	-16.4
TOTAL NEWFOUNDLAND	976	880	10.9	2,072	1,915	8.2	633	508	24.6	1,921	1,726	11.3	1,591	1,550	2.6

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:					
Third Quarter 2004	125	60	16	38	239
Third Quarter 2003	137	18	9	34	198
Year-to-Date 2004	309	168	25	132	634
Year-to-Date 2003	296	28	53	88	465
Conception Bay South:					
Third Quarter 2004	100	0	0	0	100
Third Quarter 2003	88	0	0	0	88
Year-to-Date 2004	211	0	0	0	211
Year-to-Date 2003	177	0	0	0	177
Mount Pearl:					
Third Quarter 2004	21	0	0	0	21
Third Quarter 2003	15	0	0	0	15
Year-to-Date 2004	49	0	0	10	59
Year-to-Date 2003	52	0	0	4	56
Paradise:					
Third Quarter 2004	77	2	0	18	97
Third Quarter 2003	69	0	0	16	85
Year-to-Date 2004	170	2	0	48	220
Year-to-Date 2003	172	0	0	48	220
Torbay:					
Third Quarter 2004	33	0	0	0	33
Third Quarter 2003	30	0	0	2	32
Year-to-Date 2004	53	0	0	6	59
Year-to-Date 2003	69	0	0	2	71
Other Centres:					
Third Quarter 2004	69	0	0	0	69
Third Quarter 2003	57	0	0	2	59
Year-to-Date 2004	132	2	0	0	134
Year-to-Date 2003	108	0	0	2	110
Total St. John's CMA:					
Third Quarter 2004	425	62	16	56	559
Third Quarter 2003	396	18	9	54	477
Year-to-Date 2004	924	172	25	196	1,317
Year-to-Date 2003	874	28	53	144	1,099

Source: CMHC

Housing Now is published 4 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 Michèle Clark at the Atlantic Business Centre at (902) 426-4708. Order no. 2084

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

© 2004 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada

Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this

publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.

