



HOUSING NOW

Prince Edward Island

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 7, EDITION 3
THIRD QUARTER 2004

Rural Starts Exceeded the 2003 Level

Urban Starts Fell Short of the 2003 Level

✓ Housing activity on Prince Edward Island reached 256 units during the third quarter of 2004, an increase of 6 units when compared to 2003.

✓ Total single starts in the third quarter reached 194 units, a slight improvement from the 176 units started during the same period last year. Total multiple starts decreased over the same period, from 74 units in 2003 to 56 units. The drop in multiple starts was expected, considering the level of activity the Island experienced in 2003.

✓ While provincial urban areas posted a decline in the third quarter, rural starts exceeded the levels recorded a year ago. Rural starts reached 91 units in the third quarter, almost doubling the 2003 level of 50 units.

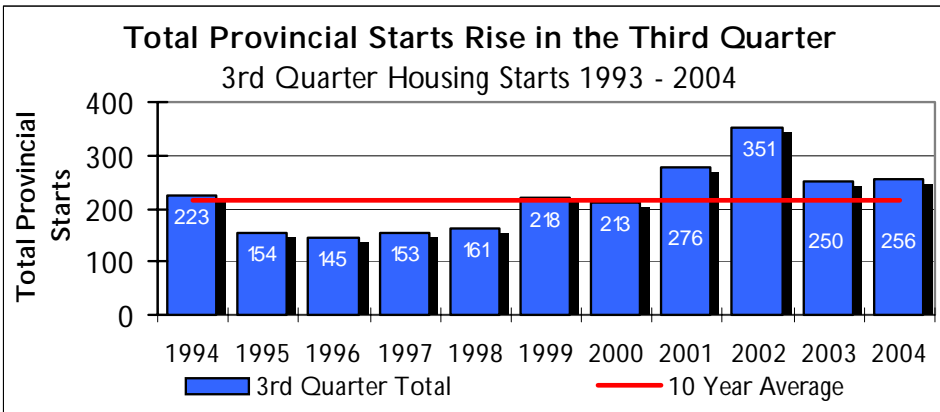
✓ Third-quarter housing starts in Charlottetown fell from 170 units in 2003 to 151 units this year. This decline occurred as a result of lower levels of construction for both single and multiple units. Third-quarter single starts dropped slightly from 108 units last year to 103 units in 2004. Multiple starts also posted a moderate decline of 16 units over the same period, to 62 units in 2004.

✓ After posting a large gain during the second quarter, starts in Summerside retreated over the July-September period. Third-quarter single starts in Summerside fell from 18 units to 6 units during the same period. Multiple starts also declined in the third quarter, from 12 units a year ago to 8 units this year.

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



Source: CMHC



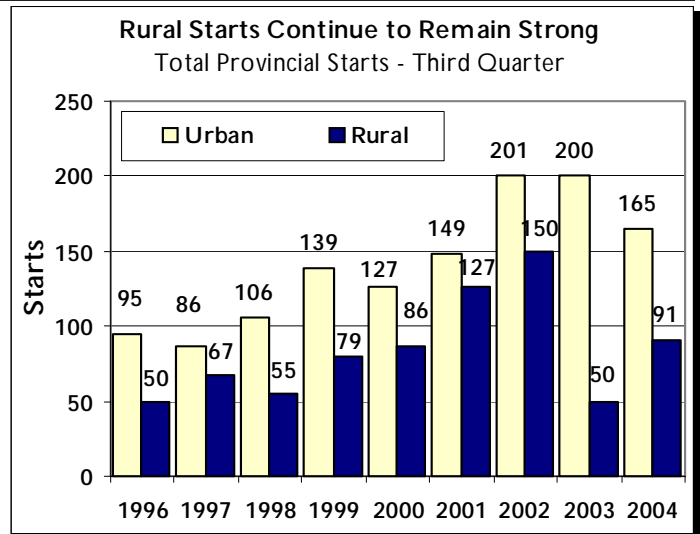
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CHARLOTTETOWN and SUMMERSIDE

Housing Market Overview

Rural Starts Showed Strength in the Third Quarter

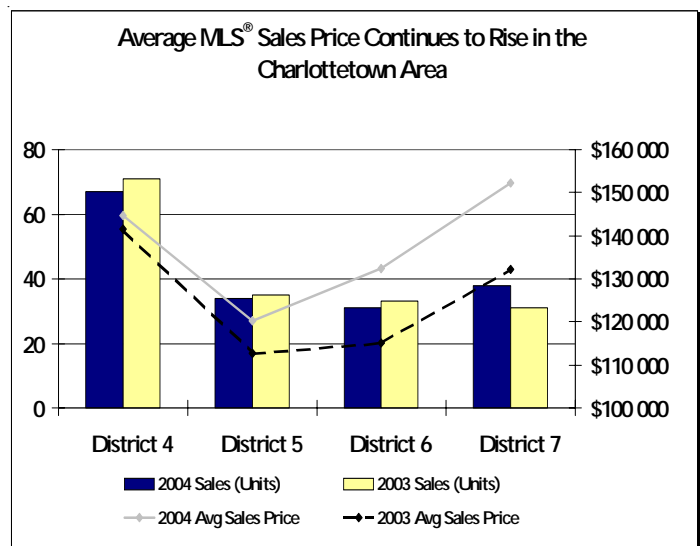
- ✓ The strong results seen in the third quarter were the result of strength in the rural housing market. Total rural starts in the third quarter reached 91 units, which almost doubled the 2003 level of 50 units. However, urban starts decreased from 200 to 165 units over the same period.
- ✓ The increase in rural starts in the third quarter was expected, considering that rural starts were very strong in the second quarter. In fact, second-quarter rural starts exceeded the 2030 levels by 180 per cent. As a result, the flurry of activity in the second quarter explains in part the slowdown in construction activity in the third quarter.
- ✓ On a year-to-date basis, rural starts have reached 245 units compared to 191 units in 2003, while urban areas recorded 475 units, a 47-unit increase when compared to last year.



Source: CMHC

MLS® Average Sales Price Sets a Record in Charlottetown

- ✓ In the third quarter, MLS® sales have dropped marginally in 3 of the 4 districts that make up the Charlottetown area. The only district to post an increase was District 7 (see Table 2 on page 3) where sales increased to 38 units, a gain of 7 sales over the previous year.
- ✓ Despite the slight decline in the third quarter, year-to-date sales are showing positive growth from the 2003 levels. The average sales price has also increased in most of Charlottetown's districts. In District 7, year-to-date sales have already rose by 31 per cent, while the average sales price increased to \$144,041, a gain of 2 per cent. Charlottetown City and Cornwall have also proved to be attractive locations for homebuyers in 2004, with average price increases of 11 and 12 per cent, respectively. In fact, all provincial urban districts have posted gains in average sales price so far this year.



Source: PEI Real Estate Board

Employment Growth Continued in the First Nine Months of 2004

- ✓ In August, employment levels in P.E.I. rose to 76,200, only 300 jobs shy of the all-time high set 12 months earlier.
- ✓ On a provincial basis, the third quarter saw the number of people employed increase by just under one per cent when compared to the same period last year. This represents an extra 100 Islanders employed in the third quarter when compared to the same period last year.



Source: Statistics Canada

Table 1
Activity Summary By Area
Prince Edward Island

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	3rd Quarter			January-September			3rd Quarter			January-September			As at September 30		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Charlottetown CA	151	170	-11%	376	374	1%	181	103	76%	321	190	69%	204	332	-39%
Summerside CA	14	30	-53%	99	54	83%	29	17	71%	77	39	97%	55	30	83%
Total Urban Areas	165	200	-18%	475	428	11%	210	120	75%	398	229	74%	259	362	-28%
Total Rural Areas	91	50	82%	245	191	28%	61	15	307%	154	181	-15%	149	172	-13%
Total PEI	256	250	2%	720	619	16%	271	135	101%	552	410	35%	408	534	-24%

Source: CMHC

Table 2: MLS Activity in Urban Centres*

	3rd Quarter						Year-to-Date					
	Sales			Avg Sale Price			Sales			Avg Sales Price		
	2004	2003	% Chg	2004	2003	% Chg	2004	2003	% Chg	2004	2003	% Chg
Charlottetown CA**												
District 4	67	71	-6%	\$144,709	\$141,531	2%	135	135	0%	\$145,828	\$131,923	11%
District 5	34	35	-3%	\$120,291	\$112,706	7%	76	72	6%	\$118,096	\$112,961	5%
District 6	31	33	-6%	\$132,347	\$115,011	15%	56	51	10%	\$129,704	\$116,065	12%
District 7	38	31	23%	\$152,239	\$132,138	15%	89	68	31%	\$144,041	\$140,585	2%
Total, CA	170	170	0%	\$139,254	\$128,736	8%	356	326	9%	\$136,925	\$127,061	8%
Summerside CA	65	76	-14%	\$112,288	\$98,069	14%	137	141	-3%	\$106,133	\$99,514	7%
TOTAL	235	232	1%	\$131,795	\$107,219	23%	493	467	6%	\$128,368	\$118,744	8.1%

* Source: PEI Real Estate Association

**District 4: Charlottetown City, Spring Park & West Royalty

**District 5: Sherwood, Parkdale, East Royalty & Hillsborough Parks

**District 6: Cornwall, North River & Winsloe

**District 7: Bunbury, Southport, Crossroads, Keppoch, Kinlock, Tea Hill, Alexandra to Cherry Valley

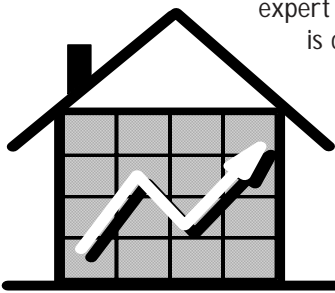
**TABLE 3
STARTS BY AREA
CHARLOTTETOWN CA**

Area/ Period	Single	Semi	Row	Apartment & Others	Total
Charlottetown City:					
Third Quarter 2004	38	10	0	32	80
Third Quarter 2003	50	12	0	34	96
Year-to-Date 2004	96	16	0	67	179
Year-to-Date 2003	99	16	0	82	197
Cornwall Town:					
Third Quarter 2004	8	2	0	0	10
Third Quarter 2003	5	4	6	0	15
Year-to-Date 2004	14	4	0	0	18
Year-to-Date 2003	15	6	6	0	27
Stratford Town:					
Third Quarter 2004	24	2	0	0	26
Third Quarter 2003	16	6	0	0	22
Year-to-Date 2004	53	14	4	11	82
Year-to-Date 2003	42	14	0	29	85
Remainder of Charlottetown CA:					
Third Quarter 2004	33	2	0	0	35
Third Quarter 2003	37	0	0	0	37
Year-to-Date 2004	89	8	0	0	97
Year-to-Date 2003	65	0	0	0	65
Total - Charlottetown CA:					
Third Quarter 2004	103	16	0	32	151
Third Quarter 2003	108	22	6	34	170
Year-to-Date 2004	116	20	3	56	376
Year-to-Date 2003	221	36	6	111	374

Source: CMHC

NEED MORE DETAILED INFORMATION?

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