

# H

# HOUSING NOW

Halifax

YOUR LINK TO THE HOUSING MARKET

## Shift in ownership demand source stimulates May starts

Canada Mortgage and Housing Corporation

VOLUME 8, EDITION 5

MAY 2004

✓ The spring rally that was referenced in the April edition of *Housing Now-Halifax* continued in May with over 650 MLS® sales and 173 single-detached housing starts. While the Metro home ownership market continues to exhibit impressive resiliency, there are undercurrents that point to a clear shift in the source of home ownership demand from a move-up buyer driven market in May 2003 to a preponderance of first-time buyers in May 2004.

✓ Total housing starts in Metro Halifax were 42 per cent higher in May 2004 than in May 2003, on the strength of single-detached home building which climbed 35 per cent over this period. Conversely, total completions were 35 per cent lower in May 2004 than in May of last year, again influenced largely by a significant decline in single and semi-detached completions. However, the total number of completed but unabsorbed units jumped from 37 in May 2003 to 411 last month, including a significant increase in unsold ownership units. The simultaneous rise in ownership inventory and ownership starts suggests a mismatch between the nature of the inventory available and the nature of demand in the market at the moment.

✓ All submarkets contributed to the strength of Metro-wide single starts figures in May with each of the seven areas posting more single starts last month than in May 2003. Dartmouth City remains the most active submarket for home builders with the highest number of freehold (single, semi and row) units started last month among the various submarkets and also the highest number of freehold units under construction in May.

✓ Sales of newly completed single-detached homes were 26 per cent lower in May than in May 2003, with none of the housing types posting an increase. A slower pace of sales, in combination with a moderation in lumber prices resulted in a deceleration in average new single-detached sale price growth to 4 per cent last month after several months of double-digit price growth to start the year. A closer examination of new single-detached house sales by price range reveals that almost half of the current new home inventory is priced over \$300,000 with the average list price for completed and unabsorbed homes now more than \$100,000 above the average new single family home sale price in May (see graph below).

✓ The Metro resale market continued to trend toward balanced market conditions as evidenced by the 4 per cent decline in sales and 11 day increase in time on market last month compared with May 2003. Nevertheless, May data remained quite healthy with well over 600 sales and average sale price growth of almost 10 per cent. With the spring housing market rally expected to end as summer arrives, look for the easing trend in local resale market conditions to resume in the coming months.

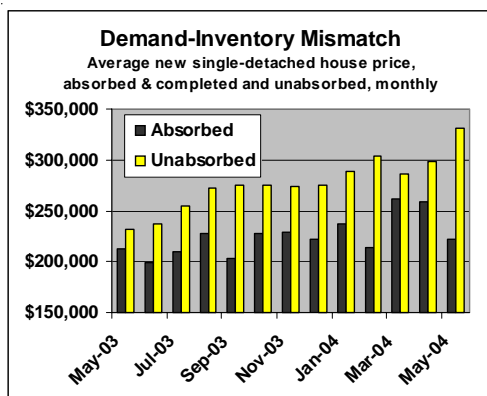
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**TABLE 1  
ACTIVITY SUMMARY BY INTENDED MARKET  
HALIFAX CMA  
MAY 2004**

		FREEHOLD					GRAND
		SINGLE	SEMI	ROW	CONDOMINIUM	RENTAL	TOTAL
<b>PENDING STARTS</b>	- Current Month	204	10	0	0	236	450
	- Previous Year	323	58	0	0	190	571
<b>STARTS</b>	- Current Month	173	6	23	0	48	250
	- Previous Year	128	20	0	6	22	176
	- Year-To-Date 2004	498	52	84	91	109	834
	- Year-To-Date 2003	480	76	22	209	80	867
<b>UNDER CONSTRUCTION</b>	- 2004	444	44	157	624	509	1,778
	- 2003	474	84	68	757	563	1,946
<b>COMPLETIONS</b>	- Current Month	101	6	4	0	0	111
	- Previous Year	131	26	8	0	6	171
	- Year-To-Date 2004	372	52	25	146	361	956
	- Year-To-Date 2003	619	62	29	32	150	892
<b>COMPLETED &amp; NOT ABSORBED</b>	- 2004	48	2	8	161	192	411
	- 2003	30	2	3	2	0	37
<b>TOTAL SUPPLY</b>	- 2004	492	46	165	785	701	2,189
	- 2003	504	86	71	759	563	1,983
<b>ABSORPTIONS</b>	- Current Month	100	9	17	0	200	326
	- Previous Year	132	30	12	0	131	305
	- Year-To-Date 2004	375	68	25	45	327	840
	- Year-To-Date 2003	644	63	26	122	183	1,038
	3-month Average	69	15	3	5	42	134
	12-month Average	128	22	8	25	50	233

Source: CMHC

**TABLE 2  
HOUSING ACTIVITY BY AREA AND BY INTENDED MARKET  
HALIFAX CMA  
MAY 2004**

STARTS	OWNERSHIP					GRAND TOTAL	COMPLETIONS	OWNERSHIP					GRAND TOTAL
	SINGLE	SEMI	ROW	CONDO	RENTAL			SINGLE	SEMI	ROW	CONDO	RENTAL	
<b>HALIFAX CITY</b>													
Current Month	18	4	10	0	0	32	Current Month	12	4	4	0	0	20
Previous Year	13	16	0	0	4	33	Previous Year	24	0	8	0	2	34
Year-To-Date 2004	56	28	10	8	61	163	Year-To-Date 2004	71	32	25	130	321	579
Year-To-Date 2003	55	32	8	198	62	355	Year-To-Date 2003	63	18	8	20	146	255
<b>DARTMOUTH CITY</b>													
Current Month	40	0	13	0	0	53	Current Month	42	2	0	0	0	44
Previous Year	37	0	0	6	0	43	Previous Year	49	24	0	0	4	77
Year-To-Date 2004	105	18	28	4	0	155	Year-To-Date 2004	68	2	0	16	22	108
Year-To-Date 2003	125	24	14	11	0	174	Year-To-Date 2003	206	32	18	12	4	272
<b>BEDFORD-HAMMOND PLAINS</b>													
Current Month	24	0	0	0	0	24	Current Month	6	0	0	0	0	6
Previous Year	19	0	0	0	18	37	Previous Year	16	0	0	0	0	16
Year-To-Date 2004	83	4	46	79	0	212	Year-To-Date 2004	60	4	0	0	18	82
Year-To-Date 2003	78	2	0	0	18	98	Year-To-Date 2003	77	2	3	0	0	82
<b>SACKVILLE</b>													
Current Month	18	2	0	0	48	68	Current Month	3	0	0	0	0	3
Previous Year	16	2	0	0	0	18	Previous Year	1	0	0	0	0	1
Year-To-Date 2004	38	2	0	0	48	88	Year-To-Date 2004	30	0	0	0	0	30
Year-To-Date 2003	40	2	0	0	0	42	Year-To-Date 2003	36	0	0	0	0	36
<b>FALL RIVER-BEAVERBANK</b>													
Current Month	24	0	0	0	0	24	Current Month	6	0	0	0	0	6
Previous Year	16	2	0	0	0	18	Previous Year	11	0	0	0	0	11
Year-To-Date 2004	81	0	0	0	0	81	Year-To-Date 2004	40	0	0	0	0	40
Year-To-Date 2003	56	2	0	0	0	58	Year-To-Date 2003	44	0	0	0	0	44
<b>HALIFAX COUNTY SOUTHWEST</b>													
Current Month	30	0	0	0	0	30	Current Month	14	0	0	0	0	14
Previous Year	14	0	0	0	0	14	Previous Year	23	2	0	0	0	25
Year-To-Date 2004	85	0	0	0	0	85	Year-To-Date 2004	71	12	0	0	0	83
Year-To-Date 2003	86	14	0	0	0	100	Year-To-Date 2003	106	8	0	0	0	114
<b>HALIFAX COUNTY EAST</b>													
Current Month	19	0	0	0	0	19	Current Month	18	0	0	0	0	18
Previous Year	13	0	0	0	0	13	Previous Year	7	0	0	0	0	7
Year-To-Date 2004	50	0	0	0	0	50	Year-To-Date 2004	32	2	0	0	0	34
Year-To-Date 2003	40	0	0	0	0	40	Year-To-Date 2003	87	2	0	0	0	89

Source: CMHC

**TABLE 3  
UNDER CONSTRUCTION BY AREA  
AND INTENDED MARKET  
HALIFAX CMA  
MAY 2004**

		OWNERSHIP					GRAND TOTAL
		FREEHOLD			CONDO	RENTAL	
		SINGLE	SEMI	ROW			
<b>HALIFAX CITY</b>	Current Month	44	20	41	436	383	924
	Previous Year	47	24	24	589	477	1161
<b>DARTMOUTH CITY</b>	Current Month	107	18	70	73	0	268
	Previous Year	162	46	44	168	4	424
<b>BEDFORD-HAMMOND PLAINS</b>	Current Month	73	4	46	115	72	310
	Previous Year	57	0	0	0	82	139
<b>SACKVILLE</b>	Current Month	33	2	0	0	48	83
	Previous Year	32	2	0	0	0	34
<b>FALL RIVER-BEAVERBANK</b>	Current Month	65	0	0	0	0	65
	Previous Year	45	2	0	0	0	47
<b>HALIFAX COUNTY SOUTHWEST</b>	Current Month	72	0	0	0	0	72
	Previous Year	55	10	0	0	0	65
<b>HALIFAX COUNTY EAST</b>	Current Month	50	0	0	0	6	56
	Previous Year	76	0	0	0	0	76

Source: CMHC

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**TABLE 4  
SALES AND PRICE OF NEW SINGLE-DETACHED HOUSES BY TYPE  
HALIFAX CMA  
MAY 2004**

Type	Current Month	Previous Year	Year-To-Date 2004	Year-To-Date 2003
<b>Bungalow</b>				
Sales	4	8	46	50
Average Price	\$269,250	\$158,600	\$213,385	\$163,728
Median Price	\$267,500	\$164,500	\$188,700	NA
<b>Split Level</b>				
Sales	32	37	57	147
Average Price	\$177,216	\$183,992	\$175,179	\$164,827
Median Price	\$179,800	\$181,900	\$179,800	NA
<b>1.5 Storey</b>				
Sales	0	1	3	6
Average Price	\$0	\$250,000	\$266,667	\$236,533
Median Price	\$0	\$250,000	\$275,000	NA
<b>2 Storey</b>				
Sales	55	71	212	333
Average Price	\$250,787	\$242,613	\$275,515	\$234,791
Median Price	\$215,900	\$225,900	\$233,950	NA
<b>Other</b>				
Sales	6	14	52	95
Average Price	\$161,467	\$161,221	\$181,611	\$151,691
Median Price	\$189,000	\$166,475	\$182,500	NA
<b>Unknown</b>				
Sales	1	1	2	4
Average Price	\$198,700	\$220,000	\$207,300	\$188,975
Median Price	\$198,700	\$220,000	\$207,300	NA
<b>Total</b>				
Sales	98	132	372	635
Average Price	\$221,517	\$212,342	\$238,894	\$200,295
Median Price	\$198,700	\$189,900	\$200,000	NA

Source: CMHC

\*Note: Total single detached sales data above may not match single detached absorption data in table 1. Discrepancies are due to dwellings which are absorbed but for which no price data are collected being included as absorptions in Table 1 but not as sales in Table 4 above. These dwellings are typically mobile homes on leased land which are not priced due to nature of land tenure.

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Web site: <http://www.cmhc-schl.ca>

**TABLE 5 - MONTHLY NEW SINGLE-DETACHED HOUSE SALES BY PRICE RANGE  
HALIFAX CMA**

Period	<\$174,900		\$175,000- \$199,999		\$200,000- \$249,999		\$250,000- \$299,999		\$300,000- \$399,999		>\$400,000		Total Sales	Average Price	Median Price
	sales	per cent	sales	per cent	sales	per cent	sales	per cent	sales	per cent	sales	per cent			
May 2003	38	29.2%	35	26.9%	27	20.8%	21	16.2%	9	6.9%	0	0.0%	130	\$212,342	\$189,900
June 2003	46	36.8%	38	30.4%	22	17.6%	12	9.6%	7	5.6%	0	0.0%	125	\$199,008	\$185,600
July 2003	49	29.0%	58	34.3%	29	17.2%	22	13.0%	9	5.3%	2	1.2%	169	\$210,456	\$189,900
August 2003	40	26.1%	42	27.5%	23	15.0%	26	17.0%	20	13.1%	2	1.3%	153	\$228,158	\$198,950
September 2003	58	41.4%	34	24.3%	19	13.6%	14	10.0%	13	9.3%	2	1.4%	140	\$203,218	\$180,000
October 2003	37	19.9%	64	34.4%	40	21.5%	29	15.6%	12	6.5%	4	2.2%	186	\$227,623	\$198,700
November 2003	26	14.6%	77	43.3%	42	23.6%	13	7.3%	15	8.4%	5	2.8%	178	\$229,032	\$192,500
December 2003	47	29.0%	44	27.2%	39	24.1%	20	12.3%	9	5.6%	3	1.9%	162	\$221,827	\$191,500
January 2004	12	19.4%	19	30.6%	14	22.6%	12	19.4%	5	8.1%	0	0.0%	62	\$237,086	\$215,000
February 2004	20	35.7%	18	32.1%	7	12.5%	5	8.9%	6	10.7%	0	0.0%	56	\$214,072	\$187,000
March 2004	9	14.5%	20	32.3%	9	14.5%	10	16.1%	11	17.7%	3	4.8%	62	\$262,180	\$215,450
April 2004	11	13.6%	22	27.2%	18	22.2%	17	21.0%	9	11.1%	4	4.9%	81	\$259,227	\$221,500
May 2004	19	19.6%	37	38.1%	26	26.8%	6	6.2%	8	8.2%	1	1.0%	97	\$221,517	\$198,700

Source: CMHC

**TABLE 6 - MONTHLY NEW SINGLE-DETACHED UNOCCUPIED HOUSES BY PRICE RANGE  
HALIFAX CMA**

Period	<\$174,999		\$175,000- \$199,999		\$200,000- \$249,999		\$250,000- \$299,999		\$300,000- \$399,999		>\$400,000		Total Units	Average Price	Median Price
	units	per cent	units	per cent	units	per cent	units	per cent	units	per cent	units	per cent			
May 2003	13	46.4%	2	7.1%	2	7.1%	8	28.6%	3	10.7%	0	0.0%	28	\$231,464	\$222,450
June 2003	10	40.0%	3	12.0%	1	4.0%	8	32.0%	3	12.0%	0	0.0%	25	\$236,544	\$213,900
July 2003	7	28.0%	6	24.0%	1	4.0%	6	24.0%	4	16.0%	1	4.0%	25	\$254,812	\$190,000
August 2003	2	7.4%	6	22.2%	3	11.1%	11	40.7%	4	14.8%	1	3.7%	27	\$272,800	\$260,000
September 2003	6	17.1%	7	20.0%	4	11.4%	13	37.1%	4	11.4%	1	2.9%	35	\$274,722	\$259,900
October 2003	2	5.7%	13	37.1%	2	5.7%	11	31.4%	6	17.1%	1	2.9%	35	\$275,153	\$263,950
November 2003	8	18.6%	8	18.6%	5	11.6%	12	27.9%	8	18.6%	2	4.7%	43	\$274,135	\$250,000
December 2003	4	8.0%	11	22.0%	8	16.0%	14	28.0%	10	20.0%	3	6.0%	50	\$275,325	\$250,000
January 2004	2	4.1%	12	24.5%	10	20.4%	12	24.5%	10	20.4%	3	6.1%	49	\$289,082	\$260,000
February 2004	4	8.9%	9	20.0%	7	15.6%	10	22.2%	12	26.7%	3	6.7%	45	\$303,387	\$272,500
March 2004	5	11.9%	9	21.4%	8	19.0%	10	23.8%	7	16.7%	3	7.1%	42	\$285,969	\$260,000
April 2004	1	2.5%	12	30.0%	7	17.5%	10	25.0%	8	20.0%	2	5.0%	40	\$298,667	\$269,900
May 2004	2	5.1%	7	17.9%	4	10.3%	8	20.5%	15	38.5%	3	7.7%	39	\$330,406	\$305,000

Source: CMHC

Note: Sales and unoccupied house data above may not match single detached absorption and completed & not absorbed data in table 1. Discrepancies are due to dwellings which are absorbed but for which no price data are collected being included as absorptions in Table 1 but not as sales in Table 4 above. These dwellings are typically mobile homes on leased land which are not priced due to nature of land tenure.

**Table 7: MLS® Residential Sales Activity by Area**

SUBMARKET	MAY											
	2003				2004				Per Cent Change			
	Sales	Average List Price	Average Sale Price	Average Days on Market	Sales	Average List Price	Average Sale Price	Average Days on Market	Sales	Average List Price	Average Sale Price	Average Days on Market
Bedford - Hammonds Plains	96	\$ 200,272	\$195,847	65	80	\$ 228,913	\$224,499	81	-16.7%	14.3%	14.6%	24.9%
Dartmouth City	205	\$ 144,294	\$140,379	55	195	\$ 162,610	\$158,829	50	-4.9%	12.7%	13.1%	-9.6%
Fall River - Beaverbank	54	\$ 160,561	\$157,656	47	56	\$ 164,724	\$162,300	162	3.7%	2.6%	2.9%	242.0%
Halifax City	135	\$ 191,421	\$184,561	51	144	\$ 213,914	\$208,429	74	6.7%	11.8%	12.9%	45.2%
Halifax County East	63	\$ 116,740	\$112,422	90	49	\$ 124,112	\$120,148	111	-22.2%	6.3%	6.9%	22.9%
Halifax County Southwest	67	\$ 152,848	\$149,495	133	71	\$ 131,918	\$129,121	92	6.0%	-13.7%	-13.6%	-30.6%
Sackville	72	\$ 124,046	\$121,299	43	71	\$ 139,523	\$136,595	26	-1.4%	12.5%	12.6%	-39.2%
<b>Total</b>	<b>692</b>	<b>\$ 158,736</b>	<b>\$154,394</b>	<b>64</b>	<b>666</b>	<b>\$ 173,279</b>	<b>\$169,350</b>	<b>75</b>	<b>-3.8%</b>	<b>9.2%</b>	<b>9.7%</b>	<b>15.8%</b>

SUBMARKET	YEAR-TO-DATE											
	2003				2004				Per Cent Change			
	Sales	Average List Price	Average Sale Price	Average Days on Market	Sales	Average List Price	Average Sale Price	Average Days on Market	Sales	Average List Price	Average Sale Price	Average Days on Market
Bedford - Hammonds Plains	279	\$ 208,404	\$204,041	82	313	\$ 227,596	\$221,523	80	12.2%	9.2%	8.6%	-2.4%
Dartmouth City	740	\$ 141,398	\$138,547	64	766	\$ 156,200	\$152,741	55	3.5%	10.5%	10.2%	-14.4%
Fall River - Beaverbank	190	\$ 154,546	\$150,163	74	186	\$ 163,523	\$161,687	136	-2.1%	5.8%	7.7%	83.1%
Halifax City	538	\$ 209,524	\$203,759	61	524	\$ 210,160	\$203,948	79	-2.6%	0.3%	0.1%	28.9%
Halifax County East	233	\$ 114,471	\$109,805	93	172	\$ 134,154	\$129,029	105	-26.2%	17.2%	17.5%	13.3%
Halifax County Southwest	266	\$ 153,657	\$148,866	114	286	\$ 142,206	\$136,859	106	7.5%	-7.5%	-8.1%	-7.1%
Sackville	223	\$ 121,715	\$118,595	43	230	\$ 129,645	\$126,307	52	3.1%	6.5%	6.5%	21.6%
<b>Total</b>	<b>2,469</b>	<b>\$ 161,828</b>	<b>\$157,649</b>	<b>72</b>	<b>2,477</b>	<b>\$ 171,574</b>	<b>\$167,002</b>	<b>78</b>	<b>0.3%</b>	<b>6.0%</b>	<b>5.9%</b>	<b>8.1%</b>

Source: Nova Scotia Association of Realtors

Note: Existing home sales activity includes resale data only and excludes new home sales.

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## KEY ECONOMIC INDICATORS

### HALIFAX

Indicator	Period	2004	2003	% change
Metro Halifax Labour Force (000's)	May	207.7	199.1	4.3%
Metro Halifax Employment (000's)	May	194.1	184.7	5.1%
Metro Halifax Unemployment Rate	May	6.5%	7.2%	---
Building Permits (\$ 000's)	April			
Residential		59,778	30,137	98.4%
Non-Residential		27,549	7,570	263.9%
Total		87,327	37,707	131.6%
Metro Halifax Consumer Price Index	April	124.1	122.9	1.0%
Metro Halifax New Housing Price Index	March			
Total		121.1	117.2	3.3%
House		123.0	118.3	4.0%
Land		116.9	115.9	0.9%

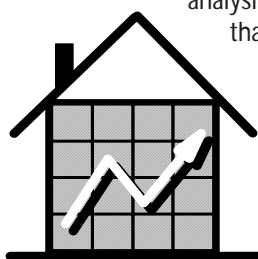
Sources:

Statistics Canada - Labour Force Survey  
 Statistics Canada - Monthly Building Permits Survey  
 Statistics Canada - Consumer Price Index  
 Statistics Canada - New House Price Index

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