



HOUSING NOW

Newfoundland and Labrador

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

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FIRST QUARTER 2004

Housing Upturn Continues in First Quarter

The upturn in housing markets remained firmly on track throughout the first three months of 2004 as both residential construction and MLS® residential sales increased from a year earlier. Further employment gains and the continuation of low interest rates remain the key factors behind the sustained upturn in housing. Improved weather conditions relative to 2003 also played a role in the increase.

Housing Starts Power Ahead

Following on the heels of its best performance in over a decade, provincial housing starts powered

ahead during the first quarter. At 230 units, housing starts were more than double last year's level and hit their highest number for this time of year since 1990.

Growing demand for affordably priced row and semi-detached homes led to a surge in multiple starts, which were 2.5 times higher than the year before. Single-detached construction also posted healthy gains over 2003, increasing almost 93 per cent. Strength in urban centres, and in particular the St. John's region, was the major reason for the impressive performance. While rural starts also increased from a year earlier, at 36 units, they were only slightly ahead of the average level achieved over the past five years.

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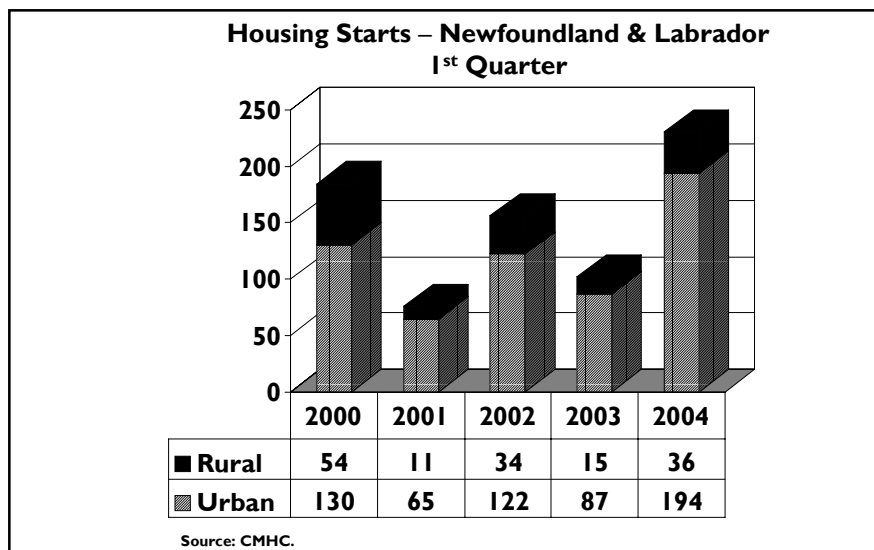
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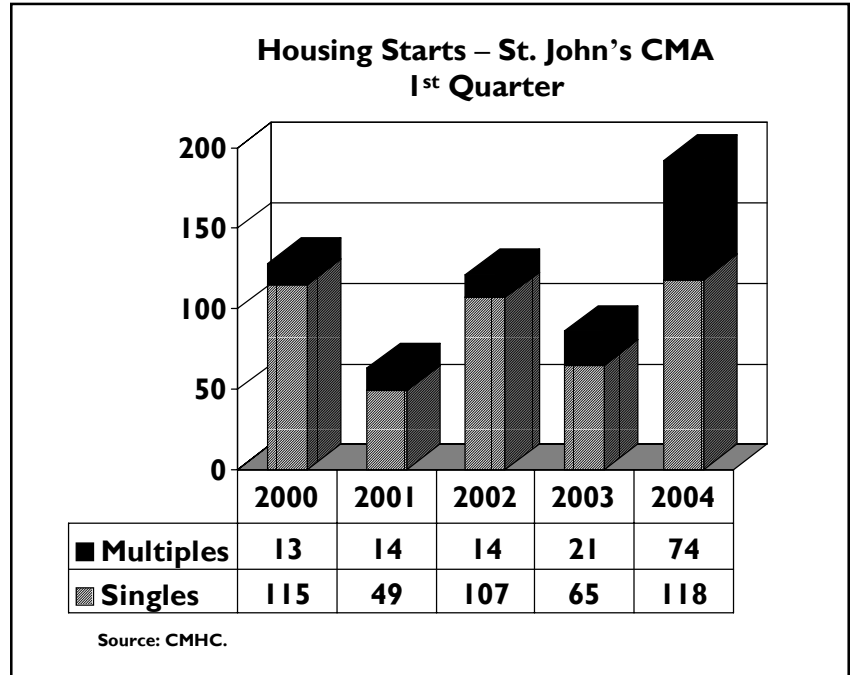
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St. John's Dominates First Quarter Starts

Without a doubt, the strong performance in provincial housing starts was due to gains in the St. John's CMA. With 192 starts, the metro region dominated the industry during the first quarter, accounting for 84 per cent of the provincial total and fully 99 per cent of urban activity. In fact, with the exception of two housing starts in the Grand Falls-Windsor area, no other urban centre outside of the St. John's region recorded residential construction activity. While demand for new homes will pick up in coming months in line with normal seasonal patterns, concerns over provincial government cutbacks as well as other local issues will have a dampening effect on housing starts in urban centres outside St. John's this year.



Modest Rise in MLS® Sales

Demand for existing homes experienced a modest increase during the first quarter, with provincial MLS® residential sales edging up 1.4 per cent to 445 units. The slight gain in overall provincial activity was entirely due to strength in the central region of the province, where MLS® sales through the Central Newfoundland Real Estate Board almost doubled from the same period in 2003. In contrast, sales through the Eastern Newfoundland Real Estate Board declined 1.9 per cent between January and March. Strong demand from move-up buyers and sales of new homes through the MLS® system continued to place upward pressure on house prices. As a result, the average MLS® house price within the province advanced 9.2 per cent to a record high of \$127,330.

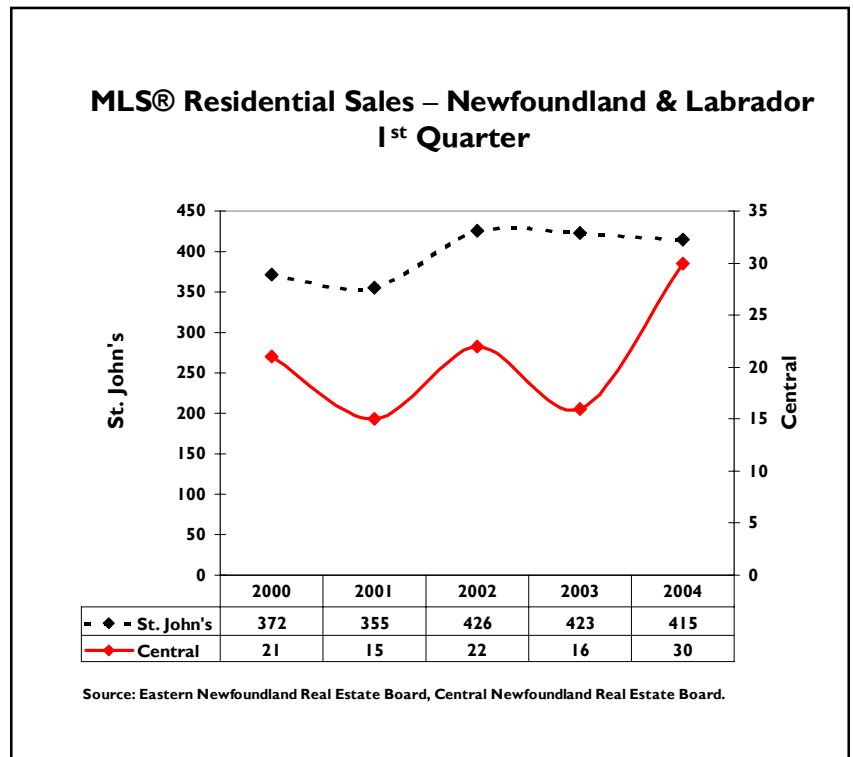


TABLE I
STARTS SUMMARY BY AREA
Newfoundland and Labrador

Area	Starts						Completions						Under Construction		
	1st Quarter			Year-to-Date			1st Quarter			Year-to-Date			As at 03-31		
	2004	2003	% chg	2004	2003	%chg	2004	2003	% chg	2004	2003	%chg	2004	2003	% chg
St. John's CMA	192	86	##	192	86	##	376	306	22.9	376	306	22.9	716	464	54.3
Corner Brook CA	0	0	0.0	0	0	0.0	19	15	26.7	19	15	26.7	9	12	-25.0
Gander CA	0	1	-100.0	0	1	-100.0	4	7	-42.9	4	7	-42.9	8	23	-65.2
Grand Falls Windsor CA	2	0	100.0	2	0	100.0	20	20	0.0	20	20	0.0	46	14	##
Labrador CA	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0	0	0	0.0
TOTAL URBAN AREAS	194	87	##	194	87	##	419	348	20.4	419	348	20.4	779	513	51.9
TOTAL OTHER AREAS	36	15	##	36	15	##	303	327	-7.3	303	327	-7.3	174	256	-32.0
TOTAL NFLD & LAB	230	102	##	230	102	##	722	675	7.0	722	675	7.0	953	769	23.9

Source: CMHC

Indicates changes in excess of 100% which are not reported due to volatility resulting from small absolute numbers.



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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 2
STARTS BY AREA AND DWELLING TYPE
ST. JOHN'S CMA**

Area/ Period	Single	Semi	Row	Apartment & Other	Total
St. John's City:					
First Quarter 2004	54	32	6	20	112
First Quarter 2003	39	0	0	10	49
Year-to-Date 2004	54	32	6	20	112
Year-to-Date 2003	39	0	0	10	49
Conception Bay South:					
First Quarter 2004	26	0	0	0	26
First Quarter 2003	18	0	0	0	18
Year-to-Date 2004	26	0	0	0	26
Year-to-Date 2003	18	0	0	0	18
Mount Pearl:					
First Quarter 2004	4	0	0	6	10
First Quarter 2003	8	2	0	2	12
Year-to-Date 2004	4	0	0	6	10
Year-to-Date 2003	8	2	0	2	12
Paradise:					
First Quarter 2004	18	0	0	10	28
First Quarter 2003	22	0	0	0	22
Year-to-Date 2004	18	0	0	10	28
Year-to-Date 2003	22	0	0	0	22
Torbay:					
First Quarter 2004	1	0	0	0	1
First Quarter 2003	7	0	0	0	7
Year-to-Date 2004	1	0	0	0	1
Year-to-Date 2003	7	0	0	0	7
Other Centres:					
First Quarter 2004	15	0	0	0	15
First Quarter 2003	13	0	0	0	13
Year-to-Date 2004	15	0	0	0	15
Year-to-Date 2003	13	0	0	0	13
Total St. John's CMA:					
First Quarter 2004	118	32	6	36	192
First Quarter 2003	107	2	0	12	121
Year-to-Date 2004	118	32	6	36	192
Year-to-Date 2003	107	2	0	12	121

Source: CMHC

Housing Now is published four times a year for the Newfoundland and Labrador market. Annual subscriptions to **Housing Now** for Newfoundland and Labrador are \$55 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.

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

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