HOUSING NOW

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Starts Decreased in the First Nine Months of 2005

Charlottetown

September 2005

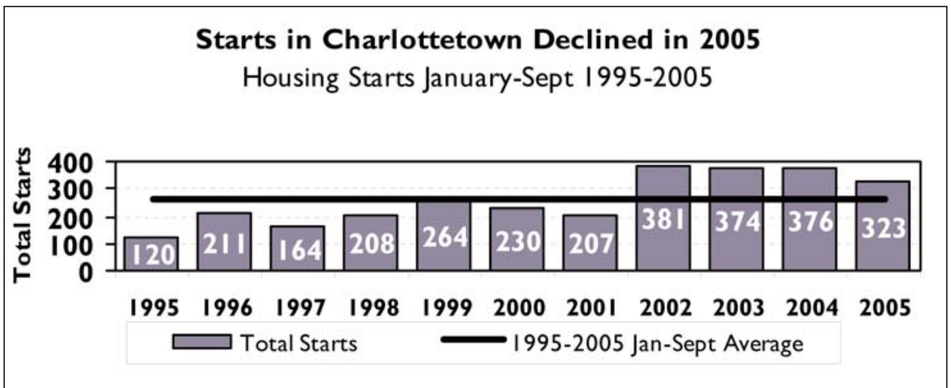
Semi-detached starts posted an increase

• Total urban starts on the Island reached 241 units in the third quarter of 2005 compared to 256 units in 2004. This drop was due to an decreased level of starts the Charlottetown area.

• In Charlottetown, new home construction reached 117 units in the third quarter, a decrease of 34 units when compared to the previous year. Although this level of activity is down from the 2004 level, it is still slightly above the 10 year average of 115 units. This decreased level of starts in the Charlottetown CA came as the result of a slowdown in all areas of the City.

• Charlottetown City posted less total starts in the third quarter when compared to the same period last year, as the result of no large apartment projects. In the third quarter of 2004, a 32 unit apartment building was started, which created a significant jump in construction activity for the area. However, no such projects were started this year, and the overall result is a decrease in starts. Single starts dipped slightly during the third quarter to 32 units, from 38 units during the same period last year. The one bright spot in the city's housing market came from semi-detached's which reached 22 units, more than doubling last year's level.

• The story for the rest of the Capital region is similar to that of Charlottetown City proper. Single starts declined in the other areas of the region from 65 units last year to 52 units in the third quarter of this year. As was the case for the city proper, semi-detached starts also increase in the third quarter in the other areas of the CA. Semi-detached starts reached 11 units, an increase of 5 units from the same period last year.



In This Issue

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Canada

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HOME TO CANADIANS

Full-time Employment Growth Continued in the Third Quarter

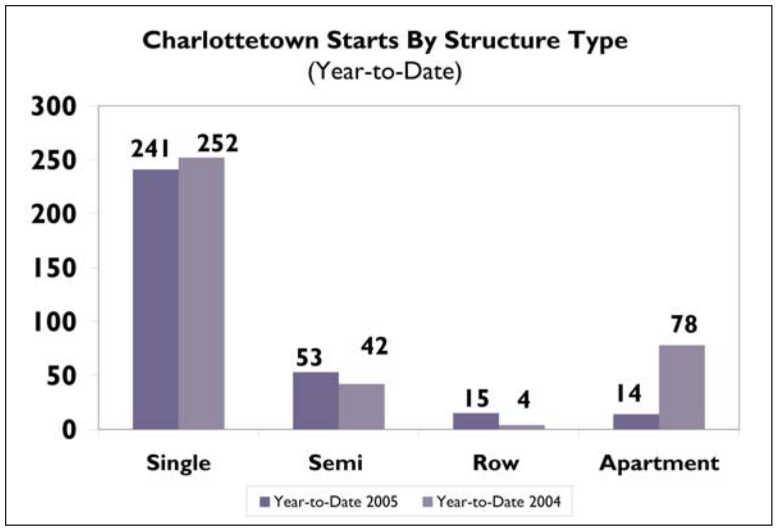
- In the Charlottetown area, total employment increased in the first three quarters of 2005 to 31,000 people working. This is the strongest first nine months on record for the Charlottetown area.

- In the first nine months of 2005, the ratio of full-time to total employment was 81.0 per cent, a slight decrease from the 2004 level. This means that there were more part-time jobs created year-to-date in 2005, than full-time positions

- On a provincial basis, the three quarters of 2005 saw the number of people employed increase by 2.8 per cent. This means that there were about 1,900 more Islander's working in the first nine months of 2005 than in 2004.

Demand for New Semi-Detached Units Remains Strong

- In the first three quarters of 2005, semi-detached starts in the Capital region reached 53 units, 11 more units than the same period last year. This represents the highest level of activity on record for semi-detached starts for the first nine months of the year. In addition to the increased level of semi-deatched starts, is the fact that the tenure of most new semi-detached units has shifted from rental to homeownership. As recently as 2002, the vast majority of semi-detached units where for the rental market. However this has now shifted significantly, and in 2005 all of the new units are for homeownership. This shift in tenure is mainly the result of rising new home costs, which now has many perspective buyers looking to the semi-detached market. This trend is expected to continue, and semi-detached units should become an even larger part of the new housing market as prices continue to rise.



MLS® Sales Price Reached a New Record High in the Third Quarter

- For the first nine months of 2005, MLS® sales in the Charlottetown area were down in all but one submarket. Despite the decreased level of sales, the average sales price rose in all of the four submarkets. Total sales in the Charlottetown area reached 340 units in the first nine months, as compared to 356 during the same period last year. The average sales price for the Capital region rose to $143,623 during the first nine months, from $134,177 a year earlier.

- In the first nine months of 2005 only District 5 was able to record an increased level of sales, which is an reversal from, the previous few years which have seen Districts 4 & 7 record the highest levels of growth. One possible explanation for this may be that District 5 has lagged these areas in average price growth, and as such the lower prices are now proving more popular with perspective buyers.

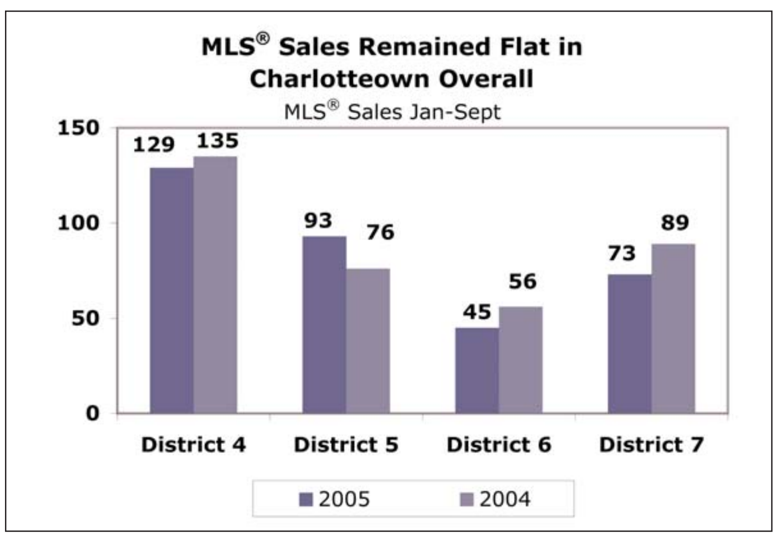


Table 1
Activity Summary By Area
Prince Edward Island

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	3rd Quarter			January-September			3rd Quarter			January-September			As at September 30		
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg
Charlottetown CA	117	151	-23%	323	376	-14%	89	181	-51%	298	321	-7%	219	204	7%
Summerside CA	34	14	143%	96	99	-3%	64	29	121%	74	77	-4%	37	55	-33%
Total Urban Areas	151	165	-8%	419	475	-12%	153	210	-27%	372	398	-7%	256	259	-1%
Total Rural Areas	90	91	-1%	222	245	-9%	89	61	46%	193	154	25%	90	149	-40%
Total PEI	**241**	**256**	**-6%**	**641**	**720**	**-11%**	**242**	**271**	**-11%**	**565**	**552**	**2%**	**346**	**408**	**-15%**

Source: CMHC

Table 2: MLS Activity in Urban Centres*

	3rd Quarter						January - September					
	Sales			Avg Sale Price			Sales			Avg Sales Price		
	2005	2004	% Chg	2005	2004	% Chg	2005	2004	% Chg	2005	2004	% Chg
Charlottetown CA**												
District 4	112	112	0%	$148,488	$138,779	7%	129	135	-4%	$148,205	$145,802	2%
District 5	81	61	33%	$129,287	$112,685	15%	93	76	22%	$128,385	$118,096	9%
District 6	40	48	-17%	$139,701	$128,683	9%	45	56	-20%	$139,519	$129,704	8%
District 7	57	72	-21%	$157,189	$148,891	6%	73	89	-18%	$155,171	$144,041	8%
Total, CA	290	293	-1%	$143,623	$134,177	7%	340	356	-4%	$143,130	$136,915	5%
Summerside CA	108	113	-4%	$119,748	$107,675	11%	131	73	79%	$118,522	$106,133	12%
TOTAL URBAN	**398**	**406**	**-2%**	**$137,145**	**$126,801**	**8%**	**471**	**429**	**10%**	**$136,285**	**$131,677**	**4%**

* 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 2005	32	22	0	0	54
Third Quarter 2004	38	10	0	32	80
Year-to-Date 2005	99	34	0	14	147
Year-to-Date 2004	96	16	0	67	179
Cornwall Town:					
Third Quarter 2005	5	1	0	0	6
Third Quarter 2004	8	2	0	0	10
Year-to-Date 2005	14	3	0	0	17
Year-to-Date 2004	14	4	0	0	18
Stratford Town:					
Third Quarter 2005	16	8	0	0	24
Third Quarter 2004	24	2	0	0	26
Year-to-Date 2005	50	14	15	0	79
Year-to-Date 2004	53	14	4	11	82
Remainder of Charlottetown CA:					
Third Quarter 2005	31	2	0	0	33
Third Quarter 2004	33	2	0	0	35
Year-to-Date 2005	78	2	0	0	80
Year-to-Date 2004	89	8	0	0	97
Total - Charlottetown CA:					
Third Quarter 2005	84	33	0	0	117
Third Quarter 2004	103	16	0	32	151
Year-to-Date 2005	241	53	15	14	323
Year-to-Date 2004	252	42	4	78	376

Source: CMHC

This publication is also available in French. For more information, or to subscribe, contact Michèle Merrick at the Atlantic Business Centre at (902) 426-4708.
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