

H

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Canada Mortgage and Housing Corporation

New Home Starts Jump

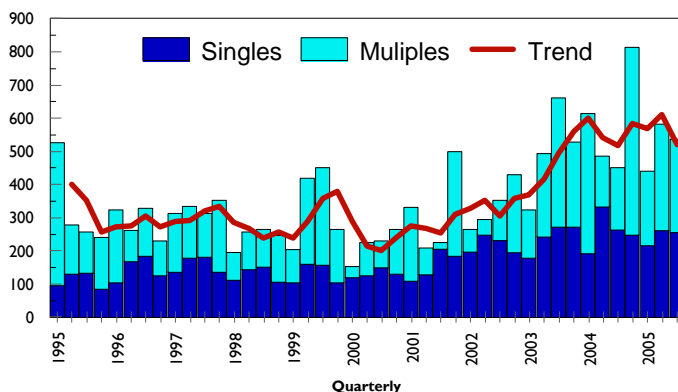
Victoria sees homebuilding strengthen

- ♦ Metro Victoria saw **total starts surge in September**, as both single detached houses and multifamily projects improved on August's results.
- ♦ **Victoria City** added 66 more apartment condo starts this month, bringing its year-to-date **share of Metro Victoria condos to 53%**. In response to the hot market, several more downtown condo projects are poised to begin construction in 2005-06.
- ♦ In contrast to July-August trends, starts outpaced completions, causing the number of units under construction to edge up. However, the **under**

construction totals remained below June 2005's 15-year high.

- ♦ **New home inventories edged up in September** as absorptions lagged completions by 5 units.
- ♦ The new apartment **condo market oversupply increased** when 34 suites sold, 27 completed and 92 got underway.
- ♦ **New townhouse inventory bumped up a notch** with 15 absorptions and 19 completions. No new townhouses began construction.
- ♦ The average single-detached **house price hit a new high** in September - factors behind the increase include rising prices for both lots and building supplies.

Victoria CMA - Housing Starts



CMHC Victoria (250) 363-8040

♦ This year sees strongest third quarter homebuilding since 1995.

SEPTEMBER 2005

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CMHC Victoria Noticeboard

- ♦ **Seniors' Housing** - BC report released in October shows continued low vacancies.
- ♦ **Victoria Housing Market Outlook** - Fall 2005 edition now available contact Lisa Preston (604) 737-4088, lp Preston@cmhc.ca for above reports.
- ♦ **14th Annual Commercial Real Estate Awards** - November 29 at Victoria's Ocean Pointe, call Victoria Real Estate Board 250-385-7766 for details.
- ♦ **ROMA BC Trade Show, Dinner & AGM** - Nov. 9 at Victoria's Delta Ocean Pointe, 1:00 PM start. Info 250-382-6324, 1-888-330-6707 or info@suites-bc.com
- ♦ **CMHC tracks homebuilding & rental markets** - upcoming releases November 9, December 8, with rental set for third week in December 15. (250) 363-8045, pprill@cmhc.ca

Peggy Prill (250) 363-8045

CMHC Victoria - Market Analysis

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Nanaimo homebuilding jumps

- ◆ A new condo project breaking ground in downtown Nanaimo City boosted **homebuilding to a 15-year high in September**.
- ◆ Nanaimo **new house prices** held close to the \$350,000 level this month and are expected to **edge up through 2006** due to rising costs for building supplies and higher lot prices.
- ◆ **Sales of new single and semi-detached houses almost matched completions**, increasing inventory slightly but leaving the market balanced.

◆ **No new condominium units were sold in Sept.** However, robust presales continue for projects under construction or in preparation phases.

Other Van. Island Markets see starts edge up

- ◆ **Courtenay CA, Duncan CA and Parksville-Qualicum** each saw more new starts in September compared with last month.
- ◆ **Duncan CA doubled 2004's housing starts** on a year-to-date basis. Duncan CA attracts many new home buyers looking for an affordable alternative to Victoria house prices.

Employment growth spurs new home construction

- ◆ BC is seeing **strong employment growth in 2005**, particularly in areas outside the Lower Mainland, and this growth provides an impetus for new home starts. Metro Victoria's job growth will exceed 3% this year, **boosting demand for both new and existing homes, as well as rental suites.**

Resale Market Trends

- Metro Victoria saw more condo and townhouse sales during third quarter 2005 compared with the same period last year, as **buyer demand continued** the resurgence started last quarter. Single-detached house sales held steady.
- Strong demand and a limited number of listings means **continued upward pressure on prices**, rising 22.7% for single detached houses and 11.9% for townhomes. Condo apartment prices rose sharply, by 33.5%, but some of this increase can be attributed to the growing

proportion of new condo sales through MLS®.

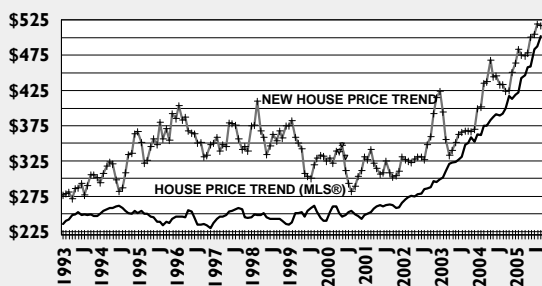
- Sales-to-active listings ratios began to edge down from very high levels seen in June-July 2005, **maintaining a strong sellers market** in Victoria.
- Vancouver Island 2005 markets see buoyant demand from investors, retirees and people relocating to work here. As well, **slowly rising wage levels** mean more people are looking to purchase a home.
- In **Nanaimo markets, prices rose** for all housing types in third quarter 2005 compared to 2004

levels as demand outstripped supply. Condo apartment sales also improved due to sales of new suites. However, sales for both single-detached houses and townhomes edged down.

- Other Vancouver Island markets follow the Nanaimo pattern, with **most markets favouring sellers** as demand remains robust.
- Faced with accelerating prices, particularly in Victoria, many 2005 **buyers are turning to up-island markets or to condo units** for more attractively-priced alternatives.

METRO VICTORIA

Average House Price Trend Jan. 1993 - Sep. 2005
thousands

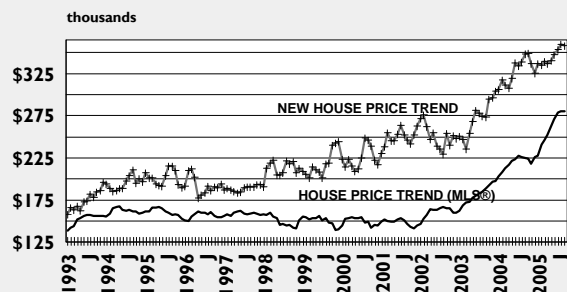


NOTE: Price trends calculated as 3 month moving average.
CMHC Market Analysis (250)363-8040 DATA: Victoria Real Estate Board, CMHC

- ◆ **Victoria house price uptrend continues.**

NANAIMO

Average House Price Trend Jan. 1993 - Sep. 2005
thousands



NOTE: Price trends calculated as 3 month moving average.
CMHC Market Analysis (250) 363-8040 DATA: Vancouver Island Real Estate Board, CMHC

- ◆ **Nanaimo price growth eases this fall.**

METROPOLITAN VICTORIA

Starts/Completions/Under Construction September 2005

	STARTS					COMPLETIONS					UNDER CONSTRUCTION								
	Single	Semi	Row Condo	Row Rental	Apt Condo Rental	TOTAL	Single	Semi	Row Condo	Row Rental	Apt Condo Rental	TOTAL	Single	Semi	Row Condo	Row Rental	Apt Condo Rental	TOTAL	
Victoria City	1	2	0	0	66	0	69	0	3	0	0	0	0	0	0	0	0	0	3
Oak Bay	3	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0	0	0	3
Esquimalt	1	2	0	0	0	0	3	4	0	0	0	0	0	0	0	0	0	0	4
Saanich	20	0	0	0	0	0	20	11	0	10	0	0	0	0	0	0	0	0	21
C. Saanich	3	0	0	0	0	0	3	1	0	0	0	0	0	0	0	0	0	0	1
N. Saanich	3	0	0	0	0	0	3	8	0	0	0	0	0	0	0	0	0	0	8
Sidney	1	0	0	0	4	0	5	1	0	0	0	0	0	0	0	0	0	0	1
View Royal	7	0	0	0	0	0	7	4	0	3	0	0	0	0	0	0	0	0	7
RDA H	11	0	0	0	0	0	11	5	0	0	0	0	0	0	0	0	0	0	5
Highlands	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Langford	21	0	0	0	22	0	43	21	0	0	0	0	0	0	0	0	0	0	21
Colwood	7	0	0	0	0	0	7	7	0	0	0	0	27	0	0	0	0	0	34
Metchosin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sooke	9	0	0	0	0	0	9	11	0	6	0	0	0	0	0	0	0	0	17
Indian Res.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MONTH TOTAL	87	4	0	0	92	0	183	76	3	19	0	27	0	0	4	1167	0	0	1958
YEAR-TO-DATE	733	62	89	0	672	3	1559	698	67	134	4	649	0	0	---	---	---	---	---

Preliminary

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NOTE: Rental category includes private rental, assisted and co-op housing.

METROPOLITAN VICTORIA

Inventory and Absorptions by Municipality

September 2005 AND YEAR-TO-DATE 2004 & 2005

	INVENTORY OF NEW HOMES						ABSORPTION OF NEW HOMES							
	Apt Condo	Apt Rental	Row Condo	Row Rental	Multi. Total	Single & Semi Total	Grand Total	Apt Condo	Apt Rental	Row Condo	Row Rental	Multi. Total	Single & Semi Total	Grand Total
Victoria City	18	0	4	0	22	5	27	3	0	0	0	3	4	7
Oak Bay	0	0	0	0	0	1	1	0	0	0	0	0	2	2
Esquimalt	5	0	0	0	5	1	6	0	0	0	0	0	4	4
Saanich	0	0	6	0	6	12	18	4	0	5	0	9	10	19
C. Saanich	0	0	0	0	0	3	3	0	0	0	0	0	1	1
N. Saanich	0	0	0	0	0	4	4	0	0	0	0	0	6	6
Sidney	1	0	0	0	1	2	3	1	0	0	0	1	0	1
View Royal	0	0	2	0	2	2	4	0	0	3	0	3	2	5
RDA H	0	0	0	0	0	1	1	0	0	0	0	0	5	5
Highlands	0	0	0	0	0	1	1	0	0	0	0	0	0	0
Langford	0	0	0	0	0	18	18	0	0	0	0	0	21	21
Colwood	4	0	6	0	10	7	17	26	0	3	0	29	5	34
Metchosin	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sooke	0	0	3	0	3	4	7	0	0	4	0	4	11	15
Indian Res.	0	0	0	0	0	1	1	0	0	0	0	0	0	0
MONTH TOTAL	28	0	21	0	49	62	111	34	0	15	0	49	71	120
Y.T.D. AVG. 2005	36	0	20	0	56	62	118	636	1	136	4	777	766	1543
Y.T.D. AVG. 2004	22	10	15	0	47	59	106	237	189	97	3	526	830	1356

Note 1): Absorptions are measured at project completion and do not include presales.

Note 2): Tenure is defined as intended market at completion. Inventory refers to unsold or unrented units

METROPOLITAN VICTORIA ABSORBED NEW HOUSE PRICES

	NO. OF UNITS		AVERAGE PRICE			MEDIAN PRICE		
	2004	2005	2004	2005	% Chg	2004	2005	% Chg
January	80	63	\$378,880	\$482,247	27.3	\$359,900	\$450,000	25.0
February	97	72	453,973	480,806	5.9	385,900	433,450	12.3
March	67	81	372,211	488,360	31.2	359,900	419,900	16.7
April	71	58	481,230	458,350	-4.8	412,900	395,950	-4.1
May	90	85	458,695	475,354	3.6	416,200	459,900	10.5
June	58	74	466,053	501,696	7.6	399,450	483,500	21.0
July	78	82	408,943	524,561	28.3	359,450	493,700	37.3
August	89	73	463,498	488,153	5.3	432,500	489,900	13.3
September	80	68	428,044	546,007	27.6	417,400	499,900	19.8
October	78		407,190			399,900		
November	53		438,053			394,000		
December	79		431,206			409,999		

NANAIMO CA * ABSORBED NEW HOUSE PRICES

	NO. OF UNITS		AVERAGE PRICE			MEDIAN PRICE		
	2004	2005	2004	2005	% Chg	2004	2005	% Chg
January	26	33	\$299,948	\$330,330	10.1	\$282,700	\$316,900	12.1
February	28	35	331,957	353,569	6.5	335,640	349,900	4.2
March	42	38	289,925	321,282	10.8	269,900	322,400	19.5
April	26	37	274,842	343,431	25.0	259,900	312,900	20.4
May	42	51	291,363	346,055	18.8	272,750	307,000	12.6
June	23	42	335,317	333,481	-0.5	314,400	331,400	5.4
July	30	27	323,455	364,022	12.5	290,650	343,900	18.3
August	43	39	311,608	363,797	16.7	284,000	345,900	21.8
September	54	50	337,697	353,184	4.6	317,900	349,900	10.1
October								
November								
December								

* Nanaimo CA boundaries revised as per Statistics Canada Definitions effective January 2005, 2004 comparative figures reflect this boundary change as well

VANCOUVER ISLAND STARTS/COMPLETIONS SUMMARY 2004 & 2005 Year-to-Date

	STARTS					STARTS					COMPLETIONS					COMPLETIONS				
	Jan.-Sep. 2005					Jan.-Sep. 2004 **					Jan.-Sep. 2005					Jan.-Sep. 2004**				
	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL
Campbell River *	128	4	15	28	175	99	20	6	21	146	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Courtenay	310	52	44	143	549	321	36	28	118	503	306	32	34	168	540	261	50	24	40	375
Parksville/Qualicum	139	22	10	29	200	216	75	49	0	340	172	62	28	0	262	158	36	14	0	208
Nanaimo **	461	63	10	192	726	574	60	9	77	720	396	46	9	24	475	494	45	14	0	553
Duncan	166	74	17	46	303	137	18	0	0	155	123	26	0	7	156	126	12	0	0	138
Port Alberni *	61	0	0	0	61	32	0	16	0	48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Victoria	733	62	89	675	1559	790	128	86	546	1550	698	67	138	649	1552	739	92	89	423	1343
Total	1998	277	185	1113	3573	2169	337	194	762	3462	1695	233	209	848	2985	1778	235	141	463	2617

* updated quarterly

** Nanaimo 2004 figures are shown for revised 2005 census agglomeration boundary definitions, for comparison purposes on the above table only

Preliminary

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VANCOUVER ISLAND

Starts/Completions/Under Construction

September 2005

	UNDER CONSTR: AUG. 2005				STARTS				COMPLETIONS				UNDER CONSTR: SEP. 2005			
	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total	
Comox Town	46	2	4	14	66	0	0	0	0	0	10	0	4	0	14	
Courtenay City	85	42	33	167	327	23	6	3	6	38	16	4	4	59	83	
Cumberland	4	2	0	0	6	6	0	0	0	6	4	0	0	0	4	
Comox Strath RDA A	18	0	0	0	18	6	0	0	0	6	0	0	0	0	0	
Comox Strath RDA B	39	2	0	0	41	22	0	4	0	26	5	0	0	0	5	
Indian Res.	2	0	0	0	2	0	0	0	0	0	0	0	0	0	0	
Courtenay CA	194	48	37	181	460	57	6	7	6	76	35	4	8	59	106	
Parksville City	29	44	3	0	76	6	0	0	0	6	5	0	0	0	5	
Qualicum Beach Town	16	2	0	29	47	1	0	0	0	1	1	0	0	0	1	
Nanaimo RDA G	55	2	0	0	57	13	0	0	0	13	9	0	0	0	9	
Parksville-Qualicum	100	48	3	29	180	20	0	0	0	20	15	0	0	0	15	
Nanaimo City	249	41	7	128	425	55	10	7	157	229	49	10	0	0	59	
Lantzville	4	0	0	0	4	0	0	0	0	0	1	0	0	0	1	
Nanaimo RDA A	16	0	0	0	16	2	0	0	0	2	1	0	0	0	1	
Nanaimo RDA C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Nanaimo RDA D	12	0	0	0	12	2	0	0	0	2	3	0	0	0	3	
Nanaimo CA *	281	41	7	128	457	59	10	7	157	233	54	10	0	0	64	
North Cowichan	112	36	17	24	189	20	8	0	0	28	24	4	0	0	28	
Duncan City	1	26	0	22	49	0	0	0	0	0	1	2	0	0	3	
Cowich. Valley RDA D	23	0	0	0	23	0	0	0	0	0	0	0	0	0	0	
Cowich. Valley RDA E	11	0	0	0	11	0	0	0	0	0	0	0	0	0	0	
Duncan CA	147	62	17	46	272	20	8	0	0	28	25	6	0	0	31	
TOTAL	722	199	64	384	1369	156	24	14	163	357	129	20	8	59	216	

* Nanaimo CA boundaries revised as per Statistics Canada Definitions effective January 2005

Preliminary
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CMHC Victoria (250) 363-8040 Fax (250) 995-2640

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NANAIMO CA

Inventory and Absorptions by Municipality

September 2005 AND YEAR-TO-DATE 2004 & 2005

	INVENTORY OF NEW HOMES						ABSORPTION OF NEW HOMES						
	Apt Condo	Apt Rental	Row Condo	Row Rental	Multi. Total	Single & Semi Total	Apt Condo	Apt Rental	Row Condo	Row Rental	Multi. Total	Single & Semi Total	Grand Total
Nanaimo City	1	0	0	0	1	24	0	0	0	0	0	57	57
Lantzville	0	0	0	0	0	0	0	0	0	0	0	1	1
Nanaimo A,C,D	0	0	0	0	0	0	0	0	0	0	0	4	4
MONTH TOTAL	1	0	0	0	1	24	0	0	0	0	0	62	62
Y.T.D. AVG. 2005	1	0	0	0	1	27	0	0	9	0	9	440	449
Y.T.D. AVG. 2004	1	0	1	0	2	19	4	0	14	0	18	418	436

* Nanaimo CA boundaries revised as per Statistics Canada Definitions effective January 2005, comparatives for 2004 have been adjusted

COURTENAY CA

Inventory and Absorptions by Municipality

September 2005 AND YEAR-TO-DATE 2004 & 2005

	INVENTORY OF NEW HOMES						ABSORPTION OF NEW HOMES						
	Apt Condo	Apt Rental	Row Condo	Row Rental	Multi. Total	Single & Semi Total	Apt Condo	Apt Rental	Row Condo	Row Rental	Multi. Total	Single & Semi Total	Grand Total
Comox Town	0	0	0	0	0	1	0	0	4	0	4	14	18
Courtenay	20	0	4	0	24	12	0	59	2	0	61	17	78
Cumberland	0	0	0	0	0	1	0	0	0	0	0	3	3
Comox Strath A,B	29	0	0	0	29	0	0	0	0	0	0	5	5
Indian Res.	0	0	0	0	0	0	0	0	0	0	0	0	0
MONTH TOTAL	49	0	4	0	53	14	0	59	6	0	65	39	104
Y.T.D. AVG. 2005	24	0	2	0	26	20	61	59	28	4	152	310	462
Y.T.D. AVG. 2004	0	0	3	0	3	12	24	16	27	4	71	288	359

Note 1): Absorptions are measured at projection completion and do not include presales.

Note 2): Tenure is defined as intended market at completion. Inventory refers to unsold or unrented units

CMHC Market Watch

VICTORIA AND NANAIMO New Ownership Construction SEPTEMBER 2005

METRO VICTORIA

	Completed & Unoccupied ¹	Under Construction	Total Supply	Monthly Absorption Forecast ²	Duration of Supply (Months)	Surplus/Shortfall ³ (Months)	Market Classification ⁴
Single & Semi	62	695	757	93	8.1	1.1	Balanced.
Row Condo	21	66	87	10	8.7	-1.3	Balanced.
Apt Condo	28	1167	1195	65	18.4	4.4	Oversupplied.

need to know

NANAIMO CA

	Completed & Unoccupied ¹	Under Construction	Total Supply	Monthly Absorption Forecast ²	Duration of Supply (Months)	Surplus/Shortfall ³ (Months)	Market Classification ⁴
Single & Semi	24	299	323	46	7.0	0.0	Balanced.
Row Condo	0	14	14	2	7.0	-4.0	Undersupplied.
Apt Condo	1	260	261	23	11.3	-1.7	Undersupplied, moving into balance

need to know

¹⁻⁴ Refer to CMHC Definitions insert.

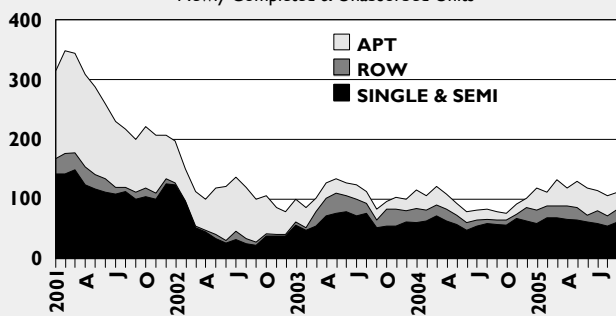
VICTORIA AND NANAIMO New Housing Inventory

JANUARY 2001 to SEPTEMBER 2005

METRO VICTORIA

Jan. 2001 - Sep. 2005

Newly Completed & Unabsorbed Units



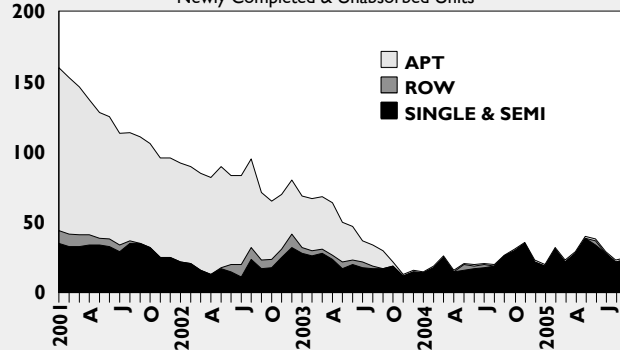
CMHC Victoria Market Analysis (250) 363-8040

♦ Victoria new home inventories edge up.

NANAIMO CA

Jan. 2001 - Sep. 2005

Newly Completed & Unabsorbed Units



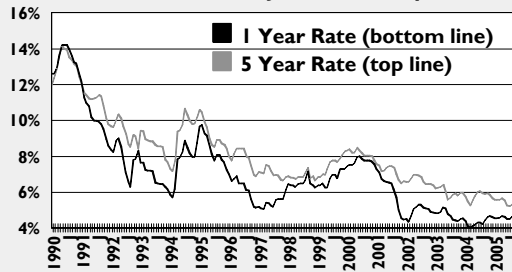
CMHC Victoria Market Analysis (250) 363-8040

♦ Few new condos for sale in Nanaimo.

KEY ECONOMIC INDICATORS

MORTGAGE RATES

One & Five Year Terms Jan. 1990 - Sep. 2005



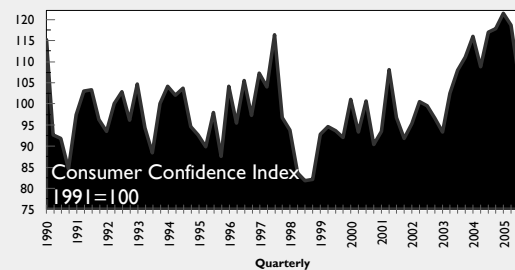
CMHC Market Analysis (250) 363-8040

◆ Mortgage rates remain low in September.

B.C. CONSUMER CONFIDENCE

1st Q 1990 - 3rd Q 2005

Seasonally Adjusted



CMHC Victoria (250) 363-8040 DATA: Conference Board of Canada

◆ Cons. confidence levels dip in third quarter.

Vancouver Island Housing Markets MLS® Table

MLS® SALES SINGLE-FAMILY DETACHED	September 2005				January-September 2005			
	Sales Sep. 2005	% Change Sep. 2004	Avg Price Sep. 2005	% Change Sep. 2004	Sales Y.T.D.	% Chg. Y.T.D. 04-05	Avg Price Y.T.D.	% Chg. Y.T.D. 04-05
Metro Victoria	360	1%	\$481,786	28%	3,458	0%	\$457,813	21%
Nanaimo	119	-13%	\$281,643	25%	1,310	1%	\$262,686	19%
Duncan-Cowichan Valley	68	-1%	\$281,640	31%	709	4%	\$261,374	22%
Port Alberni*	31	-37%	\$146,830	29%	349	-2%	\$150,523	24%
Parksville-Qualicum Beach	70	52%	\$320,873	25%	635	1%	\$303,818	22%
Comox Valley	63	-27%	\$269,256	33%	754	-7%	\$251,138	21%
Campbell River	51	21%	\$234,502	33%	442	3%	\$220,624	26%

* **Note:** MLS® data represents a smaller portion of total sales in Port Alberni.

MLS® - Multiple Listing Service® is a registered trademark owned by The Canadian Real Estate Association (CREA). Data courtesy of the **Victoria Real Estate Board** and the **Vancouver Island Real Estate Board**.

