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HOUSING NOW

Prince Edward Island

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 5, EDITION 2
SECOND QUARTER 2002

Housing Starts Rebound in the Second Quarter

Increased Activity in the Charlottetown Area

✓ New home construction during the second quarter of 2002 jumped to 235 units compared to 137 during the same period last year, an increase of 72 per cent.

✓ Single starts on the Island in the second quarter outpaced the level from 2001. Urban single starts rose to 113 in the second quarter of 2002, compared to 72 units in 2001. Rural single starts fell to 41 when compared to 46 during the same period last year.

✓ Multiple starts on the Island in the second quarter jumped when compared to last year. Multiple starts reached 81 units in this time frame, compared to 19 during the same period last year.

✓ While total urban starts increased in the second quarter, compared to last year's level, total rural starts experienced a decrease. Rural starts reached 41 units in the second quarter compared to 56 last year, while urban starts rose to 194 units from 81 in 2001.

✓ Charlottetown saw a higher level of single starts in the second quarter of 2002. Single starts reached 100 units this quarter compared to 79 units during the same period last year.

✓ Single starts in Summerside in the second quarter matched last year's level. Single starts in the area were 17 units in the second quarter for both years.

✓ The increased housing activity on PEI in the second quarter came from higher levels of construction in the Charlottetown area. Housing construction in the region is expected to remain strong for the remainder of 2002.

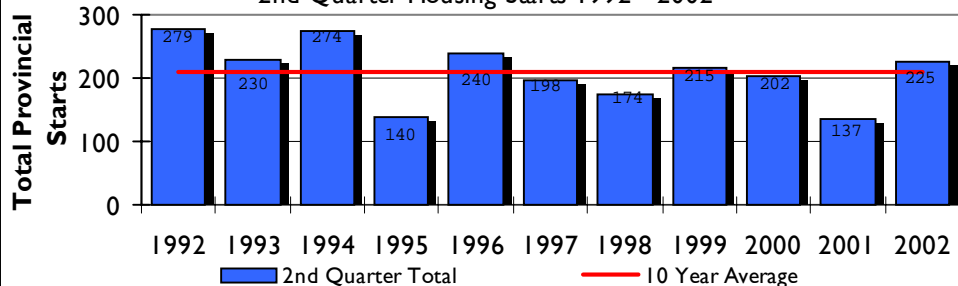
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MLS® is a registered certification mark of the Canadian Real Estate Association

Total Provincial Starts Rose in the Second Quarter

2nd Quarter Housing Starts 1992 - 2002



Source: CMHC



HOME TO CANADIANS
Canada

CHARLOTTETOWN & SUMMERSIDE

Housing Market Overview

Resale Market Remained Strong in the First Half

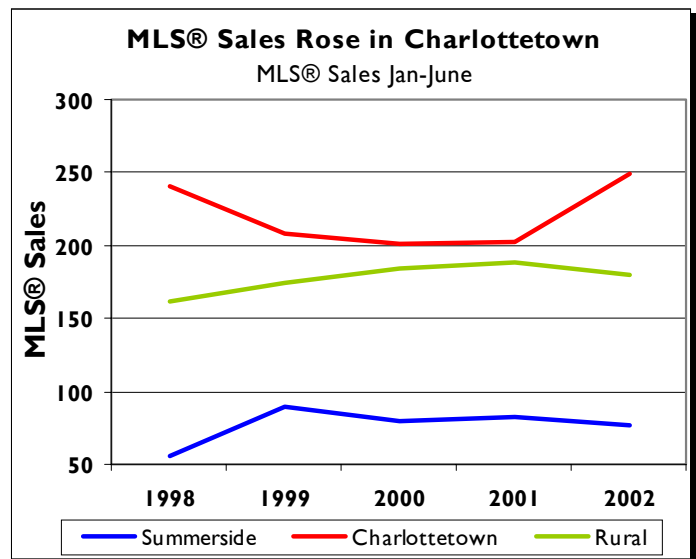
- ✓ Total provincial MLS® sales increased by over 4 per cent in the second quarter of 2002, to 341 units. On a year-to-date basis, sales have increased from 474 during the first six months of 2001, to 506 in 2002. This level of activity sets a new record for the first half on PEI.
- ✓ In the province's urban areas, the level of sales is up in every district. The largest increase has been in the Cornwall, North River and Winsloe area where sales for the quarter jumped 38 per cent when compared to last year.
- ✓ Every urban district in the province experienced an increase in the average sales price this quarter. This increase is due mainly to the strong demand for existing houses, in conjunction with a diminished number of homes available for sale.

MLS® Sales Volume Set a New Record in the Second Quarter

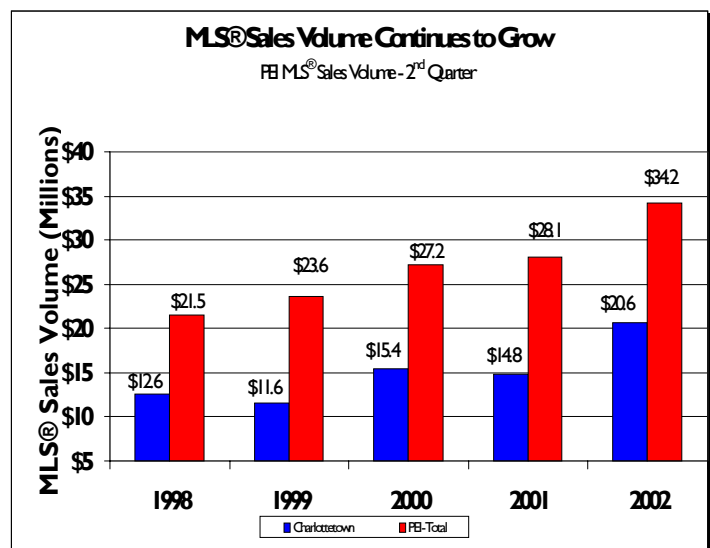
- ✓ The provincial MLS® sales volume climbed in the second quarter of 2002 to \$34.2 million, an increase of over 21 per cent when compared to the 2001 level. When looking at the first half of 2002 the increase in sales volume is almost as impressive, climbing 18.6 per cent to \$48.98 million.
- ✓ In the Charlottetown region, the sales volume reached \$20.6 million in the second quarter, up 39.0 per cent from the same period last year. The reason for the increased sales volume is a combination of increased homes and a higher average price than the previous year.

Employment Growth Continued in the Second Quarter of 2002

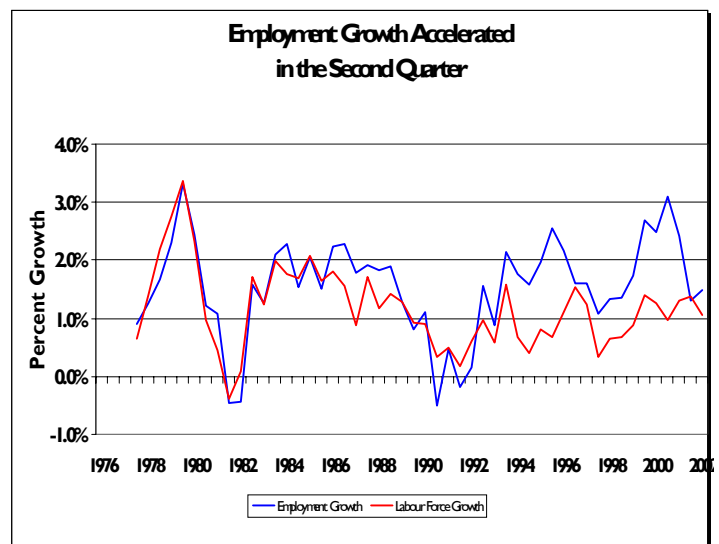
- ✓ On a provincial basis, the second quarter of 2002 saw the number of people employed increase by over 2 per cent, when compared to the same period last year. This means that there were about 1,500 more Islander's working in the second quarter of 2002 than in 2001.
- ✓ In the second quarter, PEI experienced a decline in the unemployment rate because employment growth outpaced increases in the labour force.
- ✓ In the Charlottetown area, employment rose by 3.4 per cent in the second quarter of 2002 to 19,300, when compared to the second quarter last year. This is the highest level of employment in the second quarter on record for Charlottetown.



Source: PEI Real Estate Board



Source: PEI Real Estate Board



Source: Statistics Canada

Table I
Activity Summary By Area
Prince Edward Island

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	2nd Quarter			January-June			2nd Quarter			January-June			As at June 30, 2002		
	2002	2001	% chg	2002	2001	% chg	2002	2001	% chg	2002	2001	% chg	2002	2001	% chg
Charlottetown CA	175	68	157%	195	92	112%	41	44	-7%	102	96	6%	197	100	97%
Summerside CA	19	13	46%	23	19	21%	10	7	43%	24	30	-20%	17	9	89%
Total Urban Areas	194	81	140%	218	111	96%	51	51	0%	126	126	0%	214	109	96%
Total Rural Areas	41	56	-27%	50	71	-30%	3	27	-89%	199	145	37%	68	62	10%
Total PEI	235	137	72%	268	182	47%	54	78	-31%	325	271	20%	282	171	65%

Source: CMHC

Table 2: MLS Activity in Urban Centres*

	2nd Quarter						Year-to-Date					
	Sales			Avg Sale Price			Sales			Avg Sales Price		
	2002	2001	% Chg	2002	2001	% Chg	2002	2001	% Chg	2002	2001	% Chg
Charlottetown CA**												
District 4	71	56	27%	\$134,204	\$122,534	10%	89	76	17%	\$129,692	\$124,767	4%
District 5	36	28	29%	\$105,672	\$94,509	12%	62	48	29%	\$96,993	\$98,263	-1%
District 6	38	29	31%	\$90,082	\$77,138	17%	52	41	27%	\$95,164	\$77,398	23%
District 7	30	28	7%	\$129,301	\$110,629	17%	46	38	21%	\$125,970	\$114,226	10%
Total, CA	175	141	24%	\$117,913	\$111,720	6%	249	203	23%	\$113,652	\$106,960	6%
Summerside CA	47	55	-15%	\$97,863	\$68,589	43%	77	83	-7%	\$89,585	\$72,161	24%
TOTAL	222	196	13%	\$113,668	\$99,617	14%	326	286	14%	\$107,967	\$96,861	11%

* 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

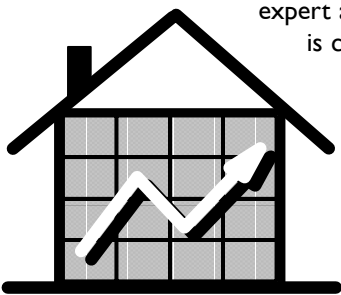
**TABLE 3
STARTS BY AREA
CHARLOTTETOWN CA**

Area/ Period	Single	Semi	Row	Apartment & Others	Total
Charlottetown City:					
Second Quarter 2002	37	4	0	56	97
Second Quarter 2001	14	1	0	2	17
Year-to-Date 2002	45	6	0	56	107
Year-to-Date 2001	18	3	0	4	25
Cornwall Town:					
Second Quarter 2002	9	0	0	3	12
Second Quarter 2001	14	0	0	0	14
Year-to-Date 2002	11	0	3	0	14
Year-to-Date 2001	18	2	0	0	20
Stratford Town:					
Second Quarter 2002	19	0	0	10	29
Second Quarter 2001	18	4	0	0	22
Year-to-Date 2002	20	12	0	0	32
Year-to-Date 2001	25	4	0	0	29
Remainder of Charlottetown CA:					
Second Quarter 2002	35	0	0	2	37
Second Quarter 2001	15	0	0	0	15
Year-to-Date 2002	40	2	0	0	42
Year-to-Date 2001	18	0	0	0	18
Total - Charlottetown CA:					
Second Quarter 2002	100	4	0	71	175
Second Quarter 2001	61	5	0	2	68
Year-to-Date 2002	116	20	3	56	195
Year-to-Date 2001	79	9	0	4	92

Source: CMHC

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Your Link to the Housing Market

JASON BEATON
Tel.: (506) 851-6047
Fax: (506) 851-6188
E-mail: jbeaton@cmhc-schl.gc.ca
Web site: <http://www.cmhc-schl.gc.ca>

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