



HOUSING NOW

Prince Edward Island

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

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Island's Housing Market Remains Strong in 2002

Multiple Starts Rebound Sharply in Charlottetown

✓ New home construction in 2002 in Prince Edward Island reached 775 units, an increase of 100 units when compared to the previous year. This represents the best year for housing starts since 1989.

✓ Urban starts on the Island reached 518 units in 2002, compared to 375 units in 2001. The main reason for this growth was the sharp increase in multiple starts in the Charlottetown area.

✓ Rural starts experienced a second year of negative growth. There were 257 rural starts recorded in 2002, a decrease of 43 units when compared to 2001. However, the previous 2 years had been exceptionally strong in historical terms.

✓ Single starts were up in 2002 when compared to the previous year, increasing by 31 units to 582. Multiple starts on the Island also outperformed the levels reached in 2001 climbing to 193 units, up from 124 units in 2001.

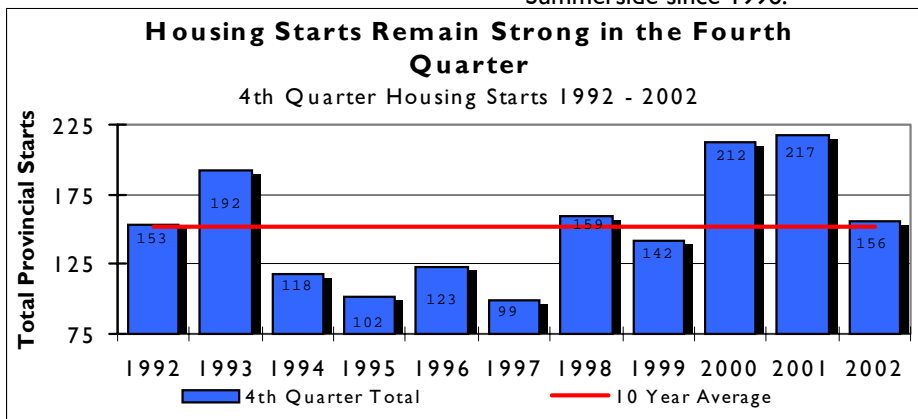
✓ In Charlottetown, total housing starts reached 461 units in 2002 compared to 293 units the previous year. Both single and multiple starts had a strong year. Multiple starts lead the growth in 2002 though, with 169 units started, an increase of 113 units from 2001.

✓ After an excellent year in 2001, housing starts slowed in Summerside during 2002. Single starts in the area decreased from 60 in 2001 to 47 units in 2002. During the same time multiple starts dropped from 22 units last year to 10 units in 2002. When comparing these two years, it is important to note that 2001 was the best year for housing starts in Summerside since 1996.

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CHARLOTTETOWN & SUMMERSIDE

Housing Market Overview

All Types of Multiple Units Increased in 2002

- ✓ The construction of multiple units in the Charlottetown area increased in 2002. This growth was led by a significant increase in both row and apartment style units, the majority of which came from two large projects.
- ✓ Developers in PEI are now building more rental units targeted towards empty-nesters and seniors, catching up to a trend which began in many larger centres a few years ago. These high-end units are generally larger than traditional units, and are finished to a higher quality.

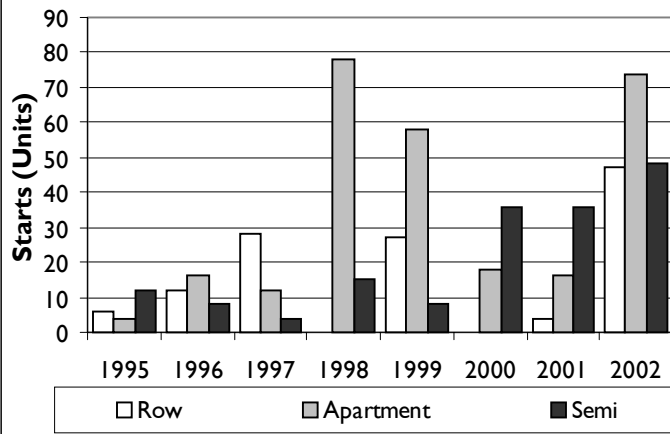
Employment Growth Continued in 2002

- ✓ On a provincial basis, employment increased by 1.9 per cent in 2002 when compared to the previous year. There were about 1,600 more Islander's working in 2002 than in 2001.
- ✓ In 2002, PEI experienced an increase in the unemployment rate because labour force growth outpaced increases in employment.
- ✓ In the Charlottetown area, employment rose by 1.8 per cent to 19,450, when compared to the second quarter last year. This is the highest level of employment on record for Charlottetown. Another positive factor to this job growth is that most of the new jobs created were full-time positions.

Urban Housing Starts Increased Sharply in 2002

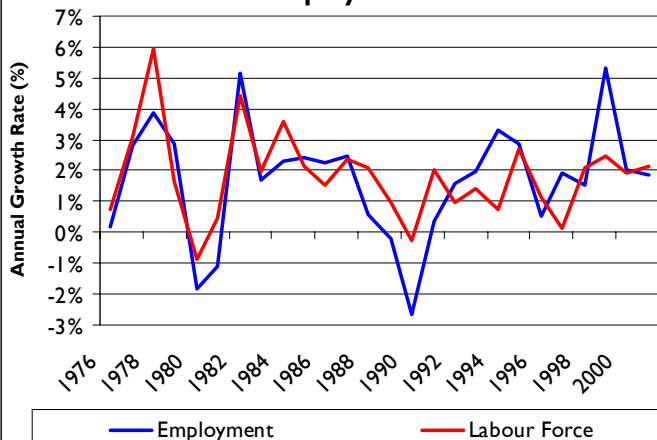
- ✓ In 2002, the ratio of urban to total starts jumped by 11 percentage points to 67 per cent. A large number of urban multiple starts combined with a slight decrease in total rural caused the increase in 2002.
- ✓ Despite a decline in 2002 PEI continues to capture a higher ratio of rural starts than most other Canadian provinces.
- ✓ When looking at single starts alone though, the story does not change considerably from 2001. In 2002, 58 per cent of all the single starts in PEI were in the urban area, compared to 54 per cent in 2001. It is important to note though that a large number of the homes built in the rural areas, are located just outside the city boundaries of Charlottetown.

Multiple Construction in Charlottetown Increased Sharply During 2002



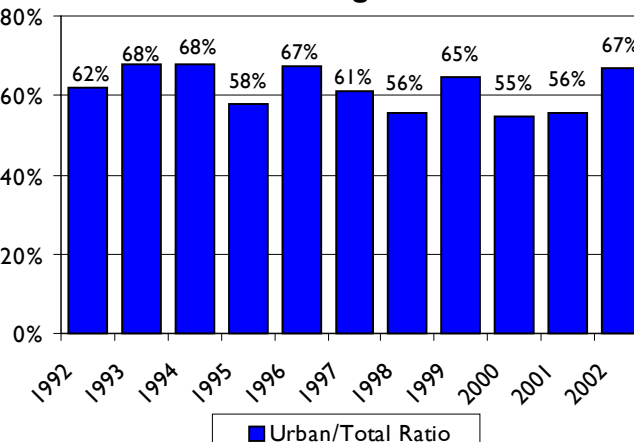
Source: CMHC

Labour Force Growth Outpaces Employment



Source: Statistics Canada

Urban Starts Captured a Larger Portion of the Housing Market in 2002



Source: PEI Real Estate Board

**Table 1
Activity Summary By Area
Prince Edward Island**

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	4th Quarter			January-December			4th Quarter			January-December			As at December 30, 2002		
	2002	2001	% chg	2002	2001	% chg	2002	2001	% chg	2002	2001	% chg	2002	2001	% chg
Charlottetown CA	80	86	-7%	461	293	57%	204	104	96%	412	287	44%	149	102	46%
Summerside CA	23	29	-21%	57	82	-30%	15	38	-61%	60	83	-28%	15	18	-17%
Total Urban Areas	103	115	-10%	518	375	38%	219	142	54%	472	370	28%	164	120	37%
Total Rural Areas	57	102	-44%	257	300	-14%	37	48	-23%	311	219	42%	162	84	93%
Total PEI	160	217	-26%	775	675	15%	256	190	35%	783	589	33%	326	204	60%

Source: CMHC

Table 2: MLS Activity in Urban Centres*

	4th 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	27	59	-54%	\$128,744	\$115,987	11%	178	181	-2%	\$123,131	\$120,461	2%
District 5	31	48	-35%	\$112,489	\$98,071	15%	134	132	2%	\$101,020	\$95,803	5%
District 6	22	32	-31%	\$105,104	\$97,647	8%	108	112	-4%	\$96,683	\$85,528	13%
District 7	18	19	-5%	\$128,163	\$132,384	-3%	93	80	16%	\$130,613	\$121,014	8%
Total, CA	98	158	-38%	\$118,188	\$108,802	9%	513	505	2%	\$113,144	\$106,356	6%
Summerside CA	41	68	-40%	\$98,128	\$85,516	15%	184	203	-9%	\$89,432	\$81,723	9%
TOTAL	139	226	-38%	\$112,271	\$101,795	10%	697	708	-2%	\$106,884	\$99,293	7.6%

* 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

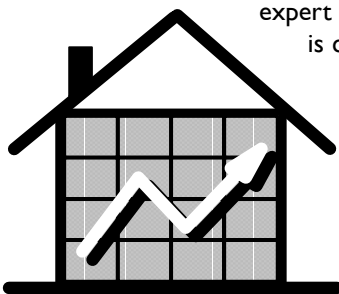
**TABLE 3
STARTS BY AREA
CHARLOTTETOWN CA**

Area/ Period	Single	Semi	Row	Apartment & Others	Total
Charlottetown City:					
Fourth Quarter 2002	27	0	0	0	27
Fourth Quarter 2001	21	9	0	12	42
Year-to-Date 2002	99	20	40	56	215
Year-to-Date 2001	69	24	4	4	99
Cornwall Town:					
Fourth Quarter 2002	8	6	0	0	14
Fourth Quarter 2001	6	0	0	2	8
Year-to-Date 2002	26	6	7	0	39
Year-to-Date 2001	30	0	0	6	38
Stratford Town:					
Fourth Quarter 2002	9	6	0	0	15
Fourth Quarter 2001	7	4	0	0	11
Year-to-Date 2002	43	20	0	18	81
Year-to-Date 2001	45	12	0	6	63
Remainder of Charlottetown CA:					
Fourth Quarter 2002	24	0	0	0	24
Fourth Quarter 2001	25	0	0	0	25
Year-to-Date 2002	124	2	0	0	126
Year-to-Date 2001	93	0	0	0	93
Total - Charlottetown CA:					
Fourth Quarter 2002	68	12	0	0	80
Fourth Quarter 2001	59	13	0	14	86
Year-to-Date 2002	292	48	47	74	461
Year-to-Date 2001	237	36	4	16	293

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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