



HOUSING NOW

Prince Edward Island

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Provincial Housing Starts Rise in Second Quarter

VOLUME 6, EDITION 2
SECOND QUARTER 2003

Increased Activity Supported by Rural Areas

- ✓ New home construction during the second quarter of 2003 jumped to 304 units compared to 225 during the same period last year, an increase of 35 per cent.
- ✓ This quarter, single starts in the urban centres slowed from the same time last year. Urban single starts declined to 109 in the second quarter of 2003, compared to 113 units in 2002.
- ✓ Multiple construction on the Island has remained strong in historical terms, declining slightly from 80 units in the second quarter of 2003 as compared to 81 in the second quarter last year.
- ✓ Total housing starts in the second quarter were supported by increased activity in rural areas. While total

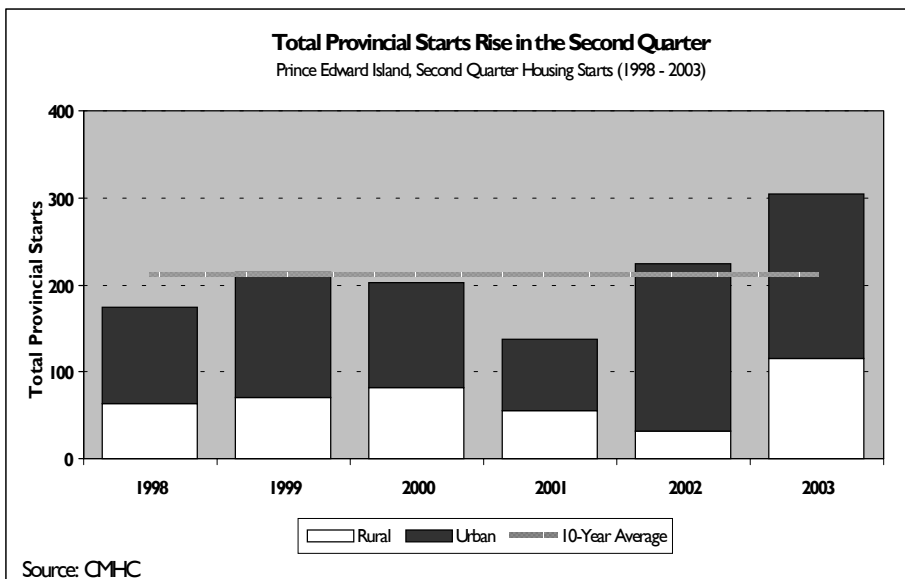
urban starts decreased 2.6 per cent compared to last year's level, total rural starts increased to 115 units in the second quarter of 2003 as compared to 41 units last year. Total urban starts slowed to 189 units as compared to 194 units last year.

- ✓ Charlottetown saw a higher level of multiple starts in the second quarter of 2003. Multiple starts reached 78 units this quarter, compared to 75 units during the same period last year.
- ✓ In this quarter, the increased level of multiple starts activity is due to an increase in the number of apartment starts as compared to last year. Apartment starts increased from 56 units in the second quarter of 2002 to 66 units this year.

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HOME TO CANADIANS
Canada

CHARLOTTETOWN AND SUMMERSIDE

Housing Market Overview

Total Housing Starts In Urban Centres Slow

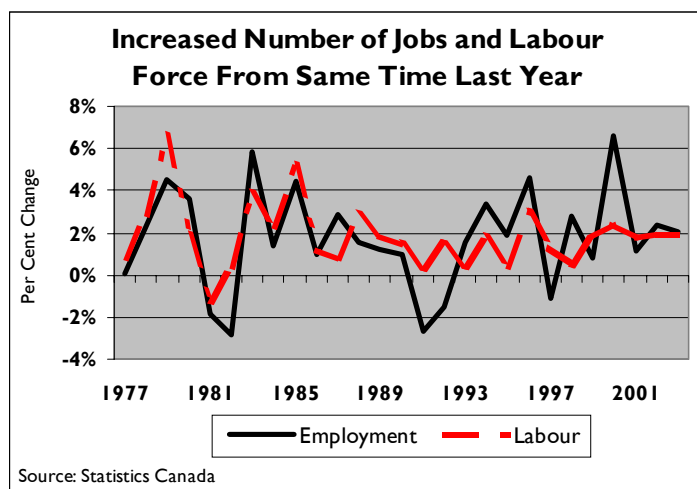
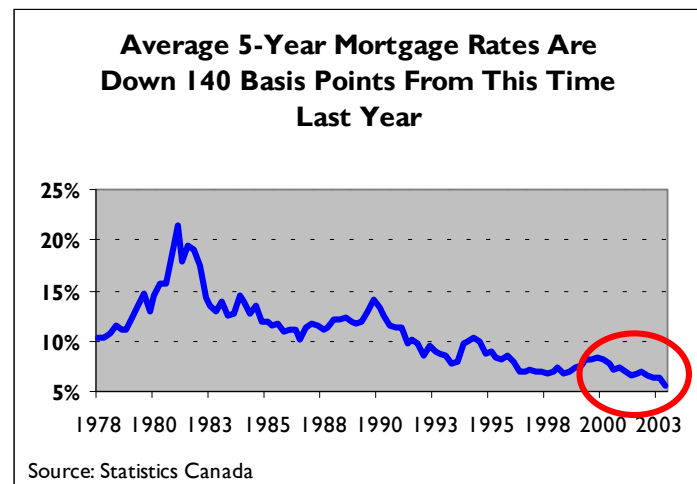
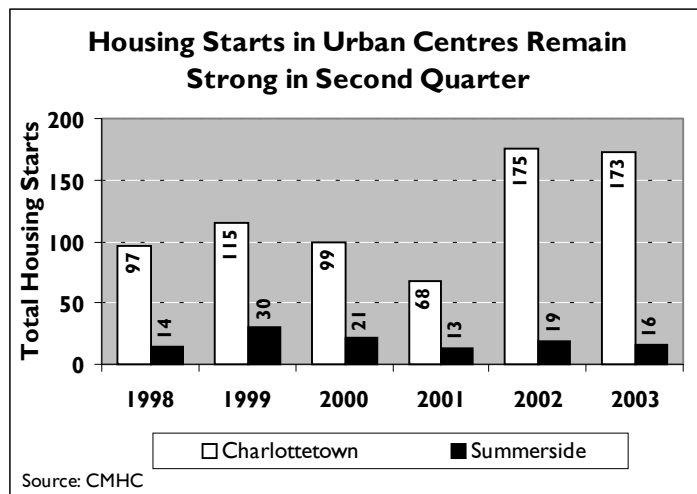
- √ While total housing starts in the urban centres slowed by 2.6 per cent in the second quarter of 2003, total housing starts activity remained strong in historical terms.
- √ On a year-to-date basis, both single and multiple starts in the urban centres remain ahead of last years levels. Single urban starts are up to 135 homes over the first six months of this year as compared to 133 in the first six months of last year, while multiple starts have increased from 85 units to 93 units over the same period.

Favourable Mortgage Rates Have Supported Recent Strength in Housing Starts

- √ Average 5-year mortgage rates are approaching their lowest point in almost 50 years, helping to support the recent strength in housing starts across the province. In fact, average rates in the second quarter of this year are 140 basis points below average rates seen at this time last year.
- √ Rates are expected to remain favourable throughout the remainder of the year, helping to moderate growth in monthly ownership carrying costs due to rising home prices.

Employment Growth Continued in the Second Quarter of 2003

- √ On a provincial basis, the second quarter of 2003 saw the number of people employed increase by 2.0 per cent, when compared to the same period last year. This means that there were about 1,400 more Islanders working in the second quarter of 2003 than in 2002.
- √ As a result of a 2.0 per cent increase in the labour force in the second quarter, the unemployment rate of 12 per cent remained at the same level as it was in the second quarter of 2002 (for example, there were more jobs but also more people looking for work).
- √ In the Charlottetown area, employment rose by 3.0 per cent in the second quarter of 2003 to 20,400, when compared to the second quarter last year. However, most of this employment growth was due to an increase of part-time positions. Part-time employment in the second quarter of this year increased 12.5 per cent when compared to the same time last year, while full-time employment increased by a modest 1.2 per cent over the same timeframe.



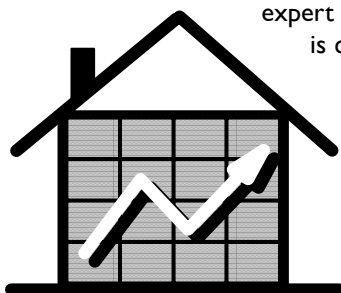
**Table I
Activity Summary By Area
Prince Edward Island**

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	2nd Quarter			January-June			2nd Quarter			January-June			As at June 30, 2003		
	2003	2002	% chg	2003	2002	% chg	2003	2002	% chg	2003	2002	% chg	2003	2002	% chg
Charlottetown CA	173	175	-1%	204	195	5%	35	41	-15%	87	102	-15%	266	197	35%
Summerside CA	16	19	-16%	24	23	4%	5	10	-50%	22	24	-8%	17	17	0%
Total Urban Areas	189	194	-3%	228	218	5%	40	51	-22%	109	126	-13%	283	214	32%
Total Rural Areas	115	41	##	141	50	##	51	3	##	166	199	-17%	137	68	##
Total PEI	304	235	29%	369	268	38%	91	54	69%	275	325	-15%	420	282	49%

Source: CMHC

NEED MORE DETAILED INFORMATION?

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Your Link to the Housing Market

JASON BEATON or KRIS LEAMAN
 Tel.: (506) 851-6047 (902) 426-4686
 Fax: (506) 851-6188 (902) 426-9991
 E-mail: jbeaton@cmhc-schl.gc.ca or [kleaman@cmhc-schl.gc.ca](mailto:kleman@cmhc-schl.gc.ca)
 Web site: <http://www.cmhc-schl.gc.ca>

**TABLE 2
STARTS BY AREA
CHARLOTTETOWN CA**

Area/ Period	Single	Semi	Row	Apartment and Others	Total
Charlottetown City:					
Second Quarter 2003	39	2	0	48	89
Second Quarter 2002	37	4	0	56	97
Year-to-Date 2003	49	4	0	48	101
Year-to-Date 2002	45	6	0	56	107
Cornwall Town:					
Second Quarter 2003	7	2	0	0	9
Second Quarter 2002	9	0	0	3	12
Year-to-Date 2003	10	2	0	0	12
Year-to-Date 2002	11	0	3	0	14
Stratford Town:					
Second Quarter 2003	25	8	0	18	51
Second Quarter 2002	19	0	0	10	29
Year-to-Date 2003	26	8	0	29	63
Year-to-Date 2002	20	12	0	0	32
Remainder of Charlottetown CA:					
Second Quarter 2003	24	0	0	0	24
Second Quarter 2002	35	0	0	2	37
Year-to-Date 2003	28	0	0	0	28
Year-to-Date 2002	40	2	0	0	42
Total - Charlottetown CA:					
Second Quarter 2003	95	12	0	66	173
Second Quarter 2002	100	4	0	71	175
Year-to-Date 2003	113	14	0	77	204
Year-to-Date 2002	116	20	3	56	195

Source: CMHC

Housing Now is published four times a year for the Prince Edward Island market. *Forecast Summary* is included in the first and third quarter editions. Annual subscriptions to the *Housing Now* for Prince Edward Island are \$55 plus applicable taxes. This publication is also available in French. For more information, or to subscribe, contact Johannes O'Callaghan at the Atlantic Business Centre at (902) 426-4708. Order no. 2088

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

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