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Your Link to the Housing Market *Charlottetown*

Volume 9, Edition 2
Second Quarter 2005

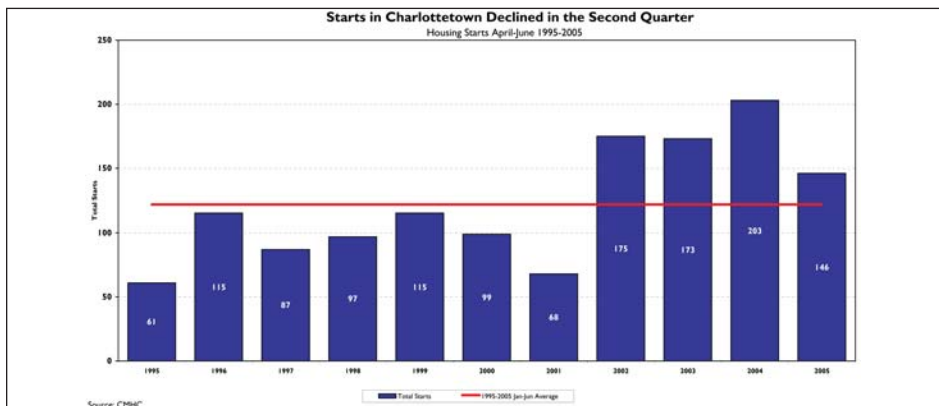
Starts Down in the First Half of 2005

Single Starts Increased in the Second Quarter

- Total urban starts on the Island reached 174 units in the second quarter of 2005 compared to 240 units in 2004. This drop was due to a decreased level of starts in both the Charlottetown and Summerside areas.
- In Charlottetown, new home construction reached 146 units in the second quarter, a decrease of 57 units when compared to the previous year. Although this level of activity is down from the 2004 level, it is still above the 10 year average of 122 units. This decreased level of starts in the Charlottetown CA was the result of less construction activity in all areas of the Capital region, except in the Town of Cornwall.
- Charlottetown City posted fewer total starts in the second quarter when compared

to the same period last year, due to fewer multiple starts. Single starts rose during the second quarter to 50 units, up from 46 units during the same period last year. However, multiple starts during this period fell to 16 units, down from 39 units in the second quarter of 2004.

- The Town of Stratford also recorded a lower level of starts in the second quarter, once again due to a decline in multiple starts. While single starts essentially matched the 2004 level with 25 units, multiple starts fell more sharply. In the second quarter multiple starts reached 18 units, down from 28 units last year.
- The Town of Cornwall recorded 9 starts in the second quarter, which is three more than the Town recorded in 2004.



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Housing Market Overview (Charlottetown)

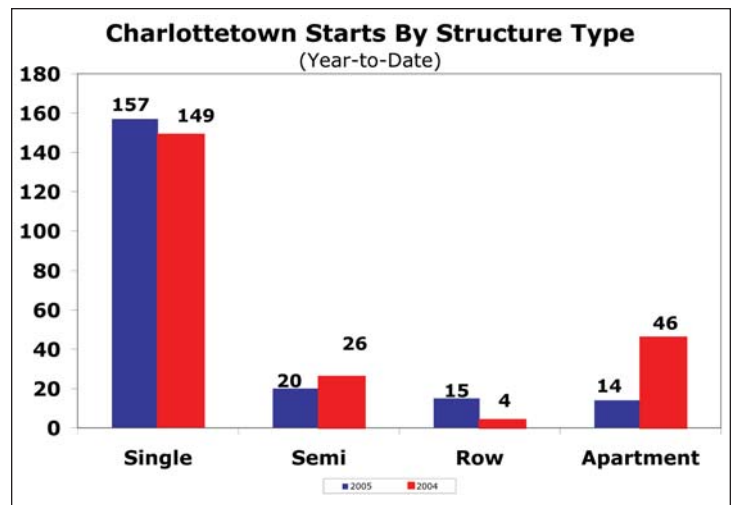
Full-time Employment Growth Continued in the Second Quarter

- In the Charlottetown area total employment increased in the first half of 2005 to 30,400 people working. This is the strongest first half on record for the Charlottetown area.
- In the first six months of 2005, the ratio of full-time to total employment was 79.9 per cent, a slight increase from the 2004 level.
- On a provincial basis, the first half of 2005 saw the number of people employed increase by 3.3 per cent. This means that there were about 2,300 more Islanders working in the first half of 2005 than in 2004.



Demand for New Single Family Homes Remains Strong

- Strong consumer confidence, attractive labour market conditions, and low interest rates continued to stimulate the demand for new single-family homes in the first half of 2005.
- In the first half of 2005, single starts in the Capital region reached 157 units, 8 more units than the same period last year. During the same timeframe row starts increased to 15 units from 4 in 2004, while both semi and apartment units posted declines.



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

- For the first six months of 2005, MLS® sales in Charlottetown were down in all but one submarket. Despite the decreased level of sales, the average sales price rose in all but one of the four submarkets. Total sales in the Charlottetown area reached 174 units in the first six months, as compared to 184 during the same period last year. The average sales price for the Capital region rose to \$139,466 in the first half, from \$134,796 a year earlier.
- Sales in Summerside, for the first six months of 2005, outpaced the 2004 level to reach 75 units, from 73 units a year earlier. In addition the average sale price in Summerside rose in the first quarter, to reach \$116,186 up from \$100,664 a year earlier.
- Despite the slight decline in the first six months, realtors are expected to have another good year in 2005. We expect MLS® sales to reach 1200 units in 2005, and the MLS® dollar volume to reach a new record high.

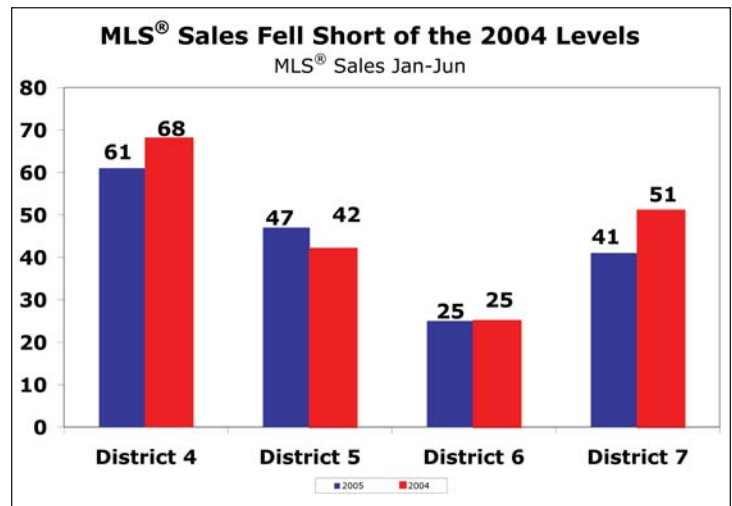


Table 1
Activity Summary By Area
Prince Edward Island

Area	TOTAL HOUSING STARTS				COMPLETIONS				UNDER CONSTRUCTION						
	2nd Quarter		January-June		2nd Quarter		January-June		As at June 31		As at June 31				
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg			
Charlottetown CA	146	203	-28%	206	225	-8%	53	44	20%	209	140	49%	184	231	-20%
Summerside CA	28	37	-24%	62	85	-27%	5	22	-77%	10	48	-79%	66	71	-7%
Total Urban Areas	174	240	-28%	268	310	-14%	58	66	-12%	219	188	16%	250	302	-17%
Total Rural Areas	93	133	-30%	132	154	-14%	38	55	-31%	104	93	12%	89	116	-23%
Total PEI	267	373	-28%	400	464	-14%	96	121	-21%	323	281	15%	339	418	-19%

Source: CMHC

Table 2: MLS Activity in Urban Centres*

Area	2nd Quarter				Year-to-Date							
	Sales		Avg Sale Price		Sales		Avg Sales Price					
	2005	2004	% Chg	2005	2004	% Chg	2005	2004	% Chg			
Charlottetown CA**	44	45	-2%	\$144 752	\$130 029	11%	61	68	-10%	\$145 195	\$146 931	-1%
District 4	35	27	30%	\$125 295	\$103 107	22%	47	42	12%	\$124 529	\$116 319	7%
District 5	20	17	18%	\$134 685	\$122 001	10%	25	25	0%	\$135 361	\$126 427	7%
District 6	25	34	-26%	\$152 221	\$145 150	5%	41	51	-20%	\$150 567	\$137 933	9%
District 7	124	123	1%	\$139 142	\$127 189	9%	174	186	-6%	\$139 466	\$134 796	3%
Total, CA	52	49	6%	\$117 700	\$101 541	16%	75	73	3%	\$116 186	\$100 664	15%
Summerside CA	176	172	2%	\$132 807	\$119 883	11%	249	259	-4%	\$132 454	\$125 175	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:					
Second Quarter 2005	50	10	0	6	66
Second Quarter 2004	46	4	0	35	85
Year-to-Date 2005	67	12	0	14	93
Year-to-Date 2004	58	6	0	35	99
Cornwall Town:					
Second Quarter 2005	7	2	0	0	9
Second Quarter 2004	4	2	0	0	6
Year-to-Date 2005	9	2	0	0	11
Year-to-Date 2004	6	2	0	0	8
Stratford Town:					
Second Quarter 2005	25	6	0	12	43
Second Quarter 2004	26	12	4	11	53
Year-to-Date 2005	34	6	15	0	55
Year-to-Date 2004	29	12	4	11	56
Remainder of Charlottetown CA:					
Second Quarter 2005	28	0	0	0	28
Second Quarter 2004	53	6	0	0	59
Year-to-Date 2005	47	0	0	0	47
Year-to-Date 2004	56	6	0	0	62
Total - Charlottetown CA:					
Second Quarter 2005	110	18	0	18	146
Second Quarter 2004	129	24	4	46	203
Year-to-Date 2005	157	20	15	14	206
Year-to-Date 2004	149	26	4	46	225

Source: CMHC

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