

H

OUSING NOW

Victoria/Vancouver Island

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Homebuilding On Rise Again

Multifamily projects boost Victoria homebuilding

- ◆ New condominium construction surged ahead as anticipated in March, boosting Metro Victoria's new homebuilding figures.
- ◆ A number of multifamily project completions during March meant that there were actually fewer units under construction than at any time during the past five months.
- ◆ **Most newly finished suites were presold** which meant only a small rise in unsold unit inventories. New condo markets remain oversupplied, with more new projects set to break ground soon.
- ◆ **New townhouse condo sales matched completions**, keeping the market balanced in March.
- ◆ **Average new house prices remained above \$480,000** for the third month running. Rising construction costs have kept upward pressure on prices.

Nanaimo off the pace in March

- ◆ Nanaimo homebuilding has **not yet gained momentum in 2005** although a turnaround is expected shortly.
- ◆ **Sales of new Nanaimo homes were more than double the number of completions** during March. This indicates strong buyer demand, which will spur increased homebuilding.

Other V. I. Markets see rising homebuilding

- ◆ All markets north of Victoria achieved stronger results for first quarter 2005 as compared with the previous year.
- ◆ **This spring's robust demand and low inventories mean two things:**
 1. Upward pressure on prices,
 2. Vancouver Island builders will be kept busy in the coming months.

Continued low mortgage rates help boost BC housing demand

- ◆ As of April 12th, the Bank of Canada posted no change in the target interest rate. This means **low mortgage rates should continue in the coming weeks**, helping to maintain affordability and boost demand in the face of rising house prices.

MARCH 2005

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Metropolitan Victoria

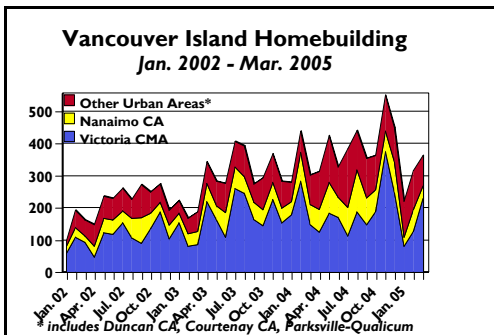
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Vancouver Island

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CMHC Victoria Noticeboard

- ◆ **Quality of Life Challenge** - check out www.qolchallenge.ca for information on housing and other indicators of quality of life in the Capital Region.
- ◆ **CMHC tracks homebuilding** - next release May 9 (250) 363-8045, prrill@cmhc.ca
- ◆ **CMHC surveys seniors' housing in B.C.** - call CMHC Victoria (250) 363-8040 to learn more about upcoming reports.
- ◆ **April is New Homes Month** - contact your local CHBA office for more info; (250) 383-5044 www.chbavictoria.com



◆ Homebuilding up again in March.

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Canada

CMHC SCHL
HOME TO CANADIANS

METROPOLITAN VICTORIA

Starts/Completions/Under Construction

March 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	5	0	0	0	6	5	6	6	0	28	0	45	13	22	8	0	520	0	563
Oak Bay	2	0	0	0	0	2	1	0	0	0	0	1	19	0	0	0	0	0	0	19
Esquimalt	0	0	3	0	55	58	1	0	0	31	0	32	11	4	7	0	242	0	264	
Saanich	21	2	4	0	72	99	19	0	0	0	0	19	174	4	14	0	183	0	375	
C. Saanich	1	0	0	0	0	1	3	0	0	42	0	45	11	0	0	0	0	0	11	
N. Saanich	3	0	0	0	0	3	5	0	0	0	0	5	32	0	0	0	0	0	32	
Sidney	1	0	0	0	0	1	1	0	0	0	0	1	16	3	12	0	69	0	100	
View Royal	15	0	0	0	0	15	20	0	0	0	0	20	48	4	15	0	0	0	67	
RDA H	1	0	0	0	0	1	2	0	0	0	0	2	34	0	0	0	0	0	34	
Highlands	3	0	0	0	0	3	0	0	0	0	0	0	19	0	0	0	0	0	19	
Langford	18	0	4	0	0	22	15	8	0	33	0	56	119	4	4	0	30	0	157	
Colwood	11	0	0	0	0	11	4	0	13	31	0	48	46	2	32	0	27	0	107	
Metchosin	0	0	0	0	0	0	1	0	0	0	0	1	8	0	0	0	0	0	8	
Sooke	4	0	0	0	0	4	6	0	0	0	0	6	41	2	16	0	0	0	59	
Indian Res.	5	0	0	0	0	5	7	0	0	0	0	7	8	0	0	0	0	0	8	
MONTH TOTAL	86	7	11	0	127	231	90	14	19	0	165	288	595	45	108	4	1071	0	1823	
YEAR-TO-DATE	216	18	35	0	173	442	243	41	42	0	243	569	---	---	---	---	---	---	---	

Preliminary

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

METROPOLITAN VICTORIA

Inventory and Absorptions by Municipality

March 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	19	0	11	0	30	8	38	22	0	4	0	26	12	38
Oak Bay	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Esquimalt	0	0	0	0	0	0	0	31	0	1	0	32	2	34
Saanich	0	0	7	0	7	14	21	0	0	3	0	3	19	22
C. Saanich	6	0	0	0	6	0	6	36	0	0	0	36	3	39
N. Saanich	0	0	0	0	0	0	0	0	0	0	0	0	6	6
Sidney	3	0	0	0	3	4	7	1	0	0	0	1	1	2
View Royal	0	0	0	0	0	4	4	0	0	0	0	0	20	20
RDA H	0	0	0	0	0	2	2	0	0	0	0	0	1	1
Highlands	0	0	0	0	0	1	1	0	0	0	0	0	0	0
Langford	6	0	0	0	6	22	28	33	0	0	0	33	21	54
Colwood	10	0	2	0	12	4	16	21	0	11	0	32	7	39
Metchosin	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Sooke	0	0	0	0	0	4	4	0	0	0	0	0	6	6
Indian Res.	0	0	0	0	0	5	5	0	0	0	0	0	4	4
MONTH TOTAL	44	0	20	0	64	68	132	144	0	19	0	163	104	267
Y.T.D. AVG. 2005	35	0	21	0	56	65	121	214	1	45	0	260	279	539
Y.T.D. AVG. 2004	29	8	20	0	57	65	122	168	26	58	0	252	268	520

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		481,230			412,900		
May	90		458,695			416,200		
June	58		466,053			399,450		
July	78		408,943			359,450		
August	89		463,498			432,500		
September	80		428,044			417,400		
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								
May								
June								
July								
August								
September								
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.-Mar. 2005					Jan.-Mar. 2004 **					Jan.-Mar. 2005					Jan.-Mar. 2004**				
	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL
Campbell River *	41	2	4	28	75	27	18	0	21	66	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Courtenay	89	16	15	59	179	72	16	8	13	109	97	6	7	0	110	78	10	0	0	88
Parksville/Qualicum	46	2	3	29	80	56	10	0	0	66	55	24	21	0	100	59	4	0	0	63
Nanaimo **	124	10	0	0	134	103	20	6	0	129	118	12	3	0	133	117	15	0	0	132
Duncan	33	24	10	0	67	38	4	0	0	42	37	2	0	7	46	50	2	0	0	52
Port Alberni *	14	0	0	0	14	5	0	0	0	5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Victoria	216	18	35	173	442	193	38	16	366	613	243	41	42	243	569	265	19	59	228	571
Total	563	72	67	289	991	494	106	30	400	1030	550	85	73	250	958	569	50	59	228	906

* 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

March 2005

	UNDER CONSTR: FEB. 2005					STARTS					COMPLETIONS					UNDER CONSTR: MAR. 2005				
	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total
Comox Town	43	6	15	24	88	9	2	4	0	15	9	0	0	0	9	43	8	19	24	94
Courtenay City	78	24	12	129	243	16	8	7	0	31	14	2	4	0	20	80	30	15	129	254
Cumberland	4	0	0	0	4	5	0	0	0	5	0	0	0	0	0	9	0	0	0	9
Comox Strath RDA A	32	0	0	0	32	0	0	0	0	0	4	0	0	0	4	28	0	0	0	28
Comox Strath RDA B	48	4	0	59	111	2	0	0	0	2	6	2	0	0	8	44	2	0	59	105
Indian Res.	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1
Courtenay CA	206	34	27	212	479	32	10	11	0	53	33	4	4	0	41	205	40	34	212	491
Parksville City	43	40	18	0	101	1	0	0	0	1	4	2	18	0	24	40	38	0	0	78
Qualicum Beach Town	23	4	3	29	59	2	0	0	0	2	2	0	0	0	2	23	4	3	29	59
Nanaimo RDA G	69	30	4	0	103	5	0	0	0	5	11	6	0	0	17	63	24	4	0	91
Parksville-Qualicum	135	74	25	29	263	8	0	0	0	8	17	8	18	0	43	126	66	7	29	228
Nanaimo City	194	24	10	117	345	34	2	0	0	36	31	4	0	0	35	197	22	10	117	346
Lantzville	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	0	1
Nanaimo RDA A	18	0	0	0	18	0	0	0	0	0	3	0	0	0	3	15	0	0	0	15
Nanaimo RDA C	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1
Nanaimo RDA D	12	0	0	0	12	2	0	0	0	2	2	0	0	0	2	12	0	0	0	12
Nanaimo CA *	225	24	10	117	376	37	2	0	0	39	36	4	0	0	40	226	22	10	117	375
North Cowichan	53	26	7	0	86	14	10	3	0	27	4	0	0	0	4	63	36	10	0	109
Duncan City	1	0	0	0	1	0	2	0	0	2	1	0	0	0	1	0	2	0	0	2
Cowich. Valley RDA D	30	0	0	0	30	3	0	0	0	3	8	0	0	0	8	25	0	0	0	25
Cowich. Valley RDA E	7	0	0	0	7	1	0	0	0	1	1	0	0	0	1	7	0	0	0	7
Duncan CA	91	26	7	0	124	18	12	3	0	33	14	0	0	0	14	95	38	10	0	143
TOTAL	657	158	69	358	1242	95	24	14	0	133	100	16	22	0	138	652	166	61	358	1237

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

Preliminary
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NANAIMO CA

Inventory and Absorptions by Municipality

MARCH 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	Grand Total	Apt Condo	Apt Rental	Row Condo	Row Rental	Multi. Total	Single & Semi	Grand Total	
														Nanaimo
1	0	0	0	1	22	23	0	0	0	0	0	0	44	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	5	5	
MONTH TOTAL							0	0	0	0	0	0	49	
Y.T.D. AVG. 2005							0	0	0	0	3	0	130	133
Y.T.D. AVG. 2004							1	0	0	0	7	0	8	122

* 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

MARCH 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	Grand Total	Apt Condo	Apt Rental	Row Condo	Row Rental	Multi. Total	Single & Semi	Grand Total	
														Comox Town
1	0	0	0	1	11	12	0	0	0	0	0	0	9	
0	0	0	0	0	15	15	0	0	0	4	4	15	19	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	12	12	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MONTH TOTAL							0	0	0	0	4	4	36	
Y.T.D. AVG. 2005							0	0	0	5	4	9	88	97
Y.T.D. AVG. 2004							0	0	0	5	0	5	88	93

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

New Ownership Construction

MARCH 2005

need to know

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	68	618	686	96	7.1	0.1	Balanced.
Row Condo	20	108	128	13	9.8	-0.2	Balanced.
Apt Condo	44	1071	1115	60	18.6	4.6	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	22	222	244	43	5.7	-1.3	Balanced.
Row Condo	0	10	10	2	5.0	-6.0	Undersupplied.
Apt Condo	1	93	94	12	7.8	-5.2	Undersupplied.

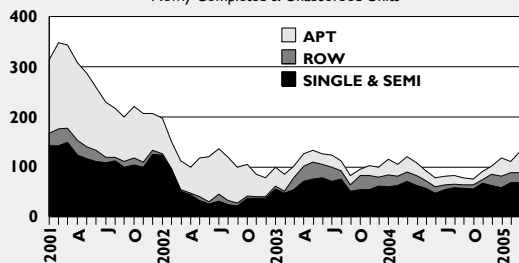
¹⁻⁴ Refer to CMHC Definitions insert.

VICTORIA AND NANAIMO

KEY MARKET INDICATORS

METRO VICTORIA

Jan. 2001 - Mar. 2005
Newly Completed & Unabsorbed Units

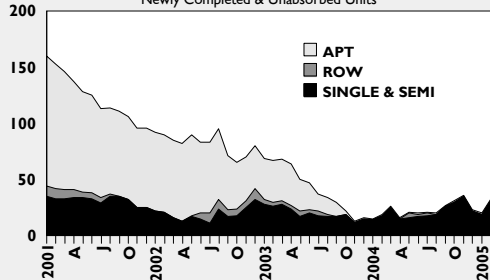


CMHC Victoria Market Analysis (250) 363-8040

◆ Victoria new home inventories creeping up.

NANAIMO CA

Jan. 2001 - Mar. 2005
Newly Completed & Unabsorbed Units

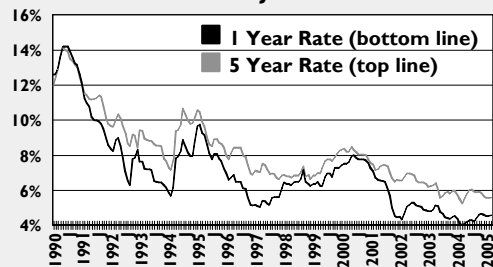


CMHC Victoria Market Analysis (250) 363-8040

◆ Nanaimo inventories remain low.

MORTGAGE RATES

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

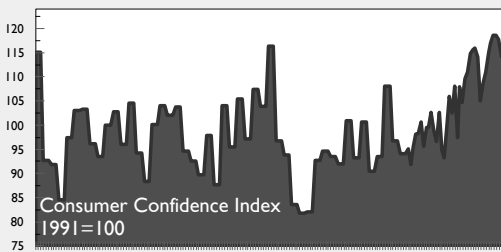


CMHC Market Analysis (250) 363-8040

◆ Mortgage rates holding steady at low rates.

B.C. CONSUMER CONFIDENCE

1st Q 1990 - 1st Q 2005



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

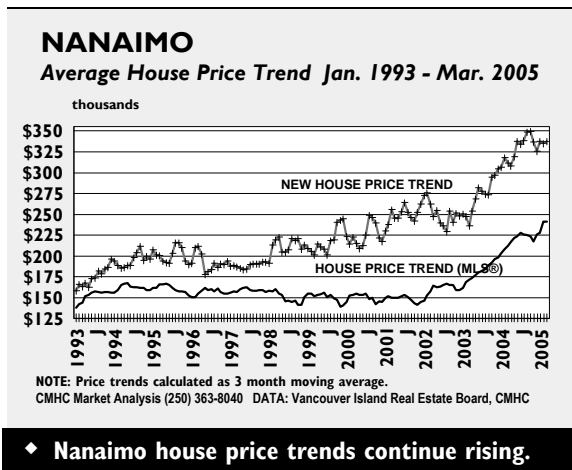
◆ BC consumer confidence hits 18-year high.

RESALE MARKET TRENDS

- Homebuyer activity has eased from last spring's frenzy, keeping first quarter 2005 sales volumes below last year's level in most Vancouver Island markets.
- Strong interest in Vancouver Island properties by investors, as well as people planning to retire here, is continuing to contribute to robust demand.
- First quarter 2005 average prices showed significant gains in all markets, caused by strong sales (albeit below last year's volumes) together with continued low listings levels.
- Sales-to-active listings ratios remained high in the first quarter of 2005, indicating most Vancouver Island markets favour sellers. Exceptions to this trend are evident in smaller markets with resource-dependent

economies such as Port Alberni where the market continues to favour buyers.

- Metro Victoria saw fewer single family house sales (see table below) and townhouse sales than in first quarter 2004, but condo apartment sales volumes jumped 37%. Average MLS® house prices have now risen 57% in three years, effectively pricing many potential buyers out of Victoria's single detached markets. Many 2005 buyers are turning to up-island markets or condo units for more attractively-priced alternatives.
- B.C.'s robust consumer confidence, strong employment growth and rising interprovincial migration levels underpin the current Vancouver Island resale market upswing.



Vancouver Island Housing Markets

MLS® SALES SINGLE-FAMILY DETACHED	March 2005				January-March 2005			
	Sales Mar. 2005	% Change Mar. 2004	Avg Price Mar. 2005	% Change Mar. 2004	Sales Y.T.D.	% Chg. Y.T.D. 04-05	Avg Price Y.T.D.	% Chg. Y.T.D. 04-05
Metro Victoria	465	-9%	\$436,062	21%	1,003	-7%	\$426,613	17%
Nanaimo	168	2%	\$246,411	14%	373	1%	\$241,662	15%
Duncan-Cowichan Valley	78	-18%	\$225,032	15%	172	-20%	\$235,987	20%
Port Alberni*	33	-20%	\$148,032	25%	72	-9%	\$133,216	13%
Parksville-Qualicum Beach	70	-19%	\$273,999	9%	157	-20%	\$271,517	15%
Comox Valley	85	2%	\$226,177	11%	192	-8%	\$232,488	16%
Campbell River	66	25%	\$208,242	24%	122	7%	\$200,532	20%

* 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.

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