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Starts Dip as Resale Market Grabs a Larger Share of Demand

While the residential construction sector closed out 2005 with a quiet December, the resale market made plenty of noise to end the year by comparison. Total housing starts were 72 per cent lower in December than in December 2004, contrasting sharply with MLS® sales which were 28 per cent higher over the same comparative period. The December results are reflective of annual activity in the respective sectors with total annual housing starts sliding 7 per cent in 2005 from the preceding year while MLS® sales posted a 16 per cent increase last year compared with 2004.

A fairly sharp 20 per cent decline in single-detached housing starts in 2005 was solely

responsible for the lower level of total housing starts last year with December's lacklustre results consistent with the trend that endured throughout the year. Homebuilders grappled with a shrinking inventory of building lots (particularly in serviced areas), but they also faced greater competition for buyers from a mushrooming inventory of homes listed for sale through MLS®.

Multiple unit housing starts rebounded 11 per cent last year from a weak 2004, with the semi-detached, row, condo and rental sectors each contributing to the higher level of activity in 2005. Rising land and construction costs encouraged a higher density of development and production of rental and condominium

Halifax

December 2005

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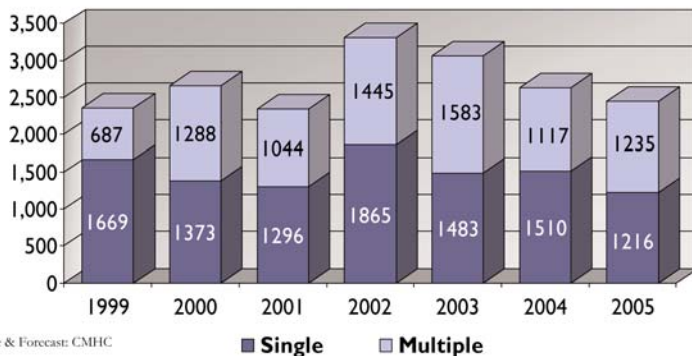
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Multiple Unit Starts Exceeded Single Starts in 2005

Single and multiple unit housing starts, Halifax CMA

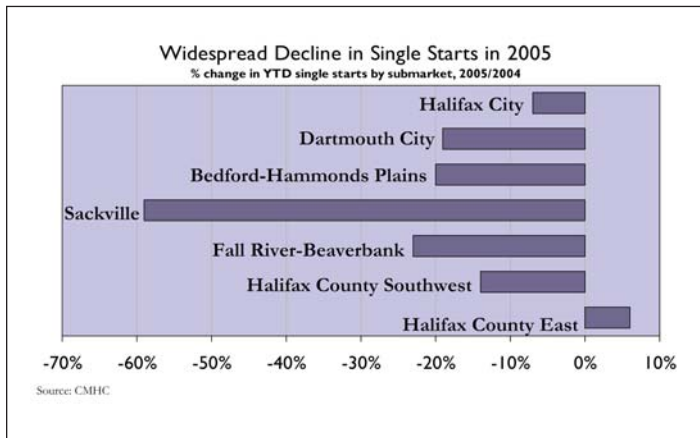


Source & Forecast: CMHC

units accelerated in anticipation of buyers intensifying their focus on affordability in 2006 and 2007.

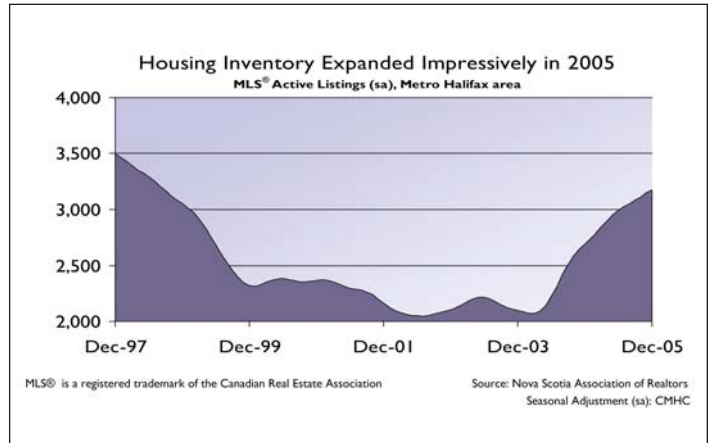
Across the various Metro Halifax submarkets, total housing starts were lower in December than a year earlier in all areas except Halifax County East which posted a modest increase of 4 units (all singles). Similarly, for the entire year of 2005, total housing starts were lower than in 2004 in all areas except Halifax County East and Halifax City. While Halifax County East (the rural area outside of Dartmouth) experienced an additional dozen single-detached housing starts, the urban area that was once the City of Halifax posted almost twice as much row, condominium and rental construction last year than in 2004. The sharpest decline in housing starts occurred in Sackville where footings were poured for only 85 units last year compared with 249 in 2004. Consequently, it is no surprise that 82 per cent of the total units under construction at year end 2005 were some form of multiple unit structure and 78 per cent were in the combined areas of the former City of Halifax and former City of Dartmouth.

Among the smaller urban areas of Nova Scotia, only Kentville and Truro posted a higher level of total housing starts in 2005 than a year earlier with residential construction activity in Cape Breton and New Glasgow last year failing to match 2004's strong pace. While single-detached housing starts were higher last year than in 2004 in each centre, annual multiple unit housing starts were higher last year than in 2004 in only Truro, and Kentville. In the rural areas of Nova Scotia, total housing starts were 8 per cent higher in 2005 than a year earlier with much higher levels of multiple unit housing starts more than compensating for a modest decline in single-detached starts.

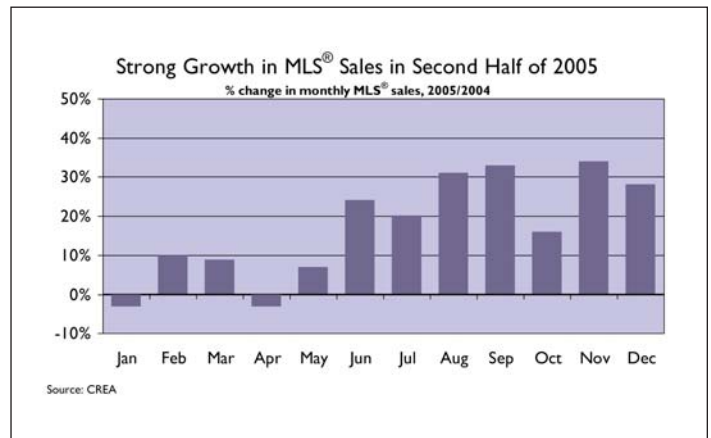


Sales of single-detached homes were higher in December than in any other month last year with 187 units absorbed. At just under \$250,000, December's average sale price for single-detached units was at its lowest level since March and slightly below the 2005 annual average of \$263,663 due to a larger share of sales under \$200,000 that kept the average price in check.

Completed and unsold inventory of new single-detached homes grew noticeably in December to 27 units- larger than at any time since May but still below average inventory levels in the first half of last year. Growth in inventory was particularly fast in the \$200,000 to \$300,000 price range where the number of homes completed and unabsorbed doubled to 22 in December from 11 one month earlier.



Resale market activity remained exceptionally strong in December with MLS sales 28 per cent higher than in the same month in 2004. Nine per cent growth in the number of homes listed for sale last month provided more choice to homebuyers but also restrained price growth with average MLS sale price rising only 4 per cent. Annual resale market figures for last year were equally impressive with total MLS sales up 16 per cent from 2004 due to a tremendous surge in purchases in the second half of the year. The 6,422 total MLS sales in 2005 were just 265 trades short of the 2002 record of 6,687 sales. Persistently low mortgage rates and record high employment levels joined forces to drive the surge in home ownership demand in Metro Halifax in 2005 with 15 per cent growth in new listings last year providing a much-needed expansion in supply to enable this high trading level of residential property. Average MLS sale price climbed eight per cent to \$188,484, matching 2004's increase as demand growth kept pace with the increase in supply. With strong growth in both sales and prices, the total dollar volume of residential MLS trades in 2005 exceeded \$1 billion for the first time.



**TABLE I
ACTIVITY SUMMARY BY INTENDED MARKET
HALIFAX CMA
DECEMBER 2005**

	FREEHOLD					ROW	CONDOMINIUM	RENTAL	GRAND TOTAL
	SINGLE	SEMI	ROW	CONDOMINIUM	RENTAL				
PENDING STARTS	- Current Month - Previous Year	81 79	6 8	0 0	0 0	0 0	171 172	258 259	
STARTS	- Current Month - Previous Year Year-To-Date 2005 Year-To-Date 2004	76 118 1216 1510	12 16 146 142	14 9 161 146	8 74 458 401	0 0	0 178 470 428	110 395 2451 2627	
UNDER CONSTRUCTION	- 2005 - 2004	326 369	72 46	97 95	666 434	678 692	1839 1636		
COMPLETIONS	- Current Month - Previous Year Year-To-Date 2005 Year-To-Date 2004	202 180 1259 1456	16 4 120 140	11 35 171 149	0 226 203 528	0 48 488 615	229 493 2241 2888		
COMPLETED & NOT ABSORBED	- 2005 - 2004	29 29	6 4	2 8	0 63	206 96	243 200		
TOTAL SUPPLY	- 2005 - 2004	355 398	78 50	99 103	666 497	884 788	2082 1836		
ABSORPTIONS	- Current Month - Previous Year Year-To-Date 2005 Year-To-Date 2004 3-month Average 12-month Average	191 177 1259 1478 129 104	12 7 118 154 12 9	9 33 177 149 13 17	0 370 266 525 46 53	0 73 378 677 69 38	212 660 2198 2983 269 221		

Source: CMHC

**TABLE 2
HOUSING ACTIVITY BY AREA AND BY INTENDED MARKET
HALIFAX CMA
DECEMBER 2005**

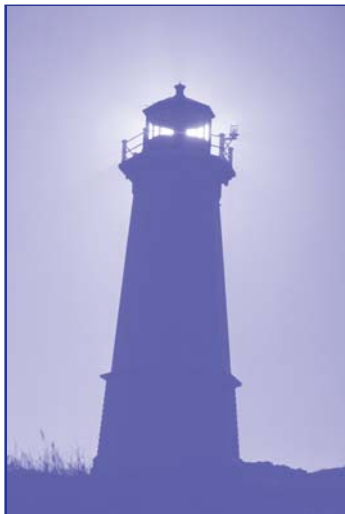
STARTS	OWNERSHIP						COMPLETIONS	OWNERSHIP						GRAND TOTAL
	SINGLE	FREEHOLD	SEMI	ROW	CONDOMINIUM	RENTAL		SINGLE	FREEHOLD	SEMI	ROW	CONDOMINIUM	RENTAL	
HALIFAX CITY														
- Current Month	7	4	0	0	8	0	8	0	19	0	0	0	19	
- Previous Year	7	8	0	0	38	0	53	0	53	0	0	0	53	
Year-To-Date 2005	125	42	74	227	400	868	567	400	868	400	868	400	868	
Year-To-Date 2004	134	72	46	116	199	567	567	199	567	199	567	199	567	
DARTMOUTH CITY														
- Current Month	12	0	14	0	0	0	26	0	26	0	0	0	26	
- Previous Year	21	4	0	36	168	229	229	168	229	168	0	0	30	
Year-To-Date 2005	202	40	74	176	54	546	462	54	546	54	119	3	462	
Year-To-Date 2004	248	40	36	164	171	659	312	171	659	210	20	22	312	
BEDFORD-HAMMONDS PLAINS														
- Current Month	14	2	0	0	0	16	16	0	16	0	0	0	21	
- Previous Year	21	0	0	26	5	26	37	5	26	19	0	18	37	
Year-To-Date 2005	211	8	13	55	16	303	279	16	303	211	4	22	279	
Year-To-Date 2004	264	10	55	121	5	455	443	5	455	257	14	46	443	
SACKVILLE														
- Current Month	2	2	0	0	0	4	4	0	4	2	2	0	4	
- Previous Year	10	0	9	10	5	24	24	5	24	10	0	9	24	
Year-To-Date 2005	75	10	0	0	0	85	85	0	85	75	10	0	85	
Year-To-Date 2004	185	2	9	53	5	249	249	53	249	185	2	9	249	
FALL RIVER-BEAVERBANK														
- Current Month	10	0	0	0	0	10	10	0	10	22	0	0	22	
- Previous Year	15	2	0	17	0	17	17	0	17	16	0	0	16	
Year-To-Date 2005	168	0	0	0	0	168	165	0	168	163	2	0	165	
Year-To-Date 2004	219	2	0	221	0	221	211	0	221	211	0	0	211	
HALIFAX COUNTY SOUTHWEST														
- Current Month	7	4	0	0	0	11	11	0	11	27	6	0	33	
- Previous Year	24	2	0	26	0	26	26	0	26	13	0	0	13	
Year-To-Date 2005	237	46	0	283	0	283	287	0	283	265	22	0	287	
Year-To-Date 2004	274	14	0	288	0	288	273	0	288	251	22	0	273	
HALIFAX COUNTY EAST														
- Current Month	24	0	0	0	0	24	24	0	24	68	0	0	68	
- Previous Year	20	0	0	20	0	20	20	0	20	70	0	0	70	
Year-To-Date 2005	198	0	0	198	0	198	186	0	198	184	2	0	186	
Year-To-Date 2004	186	2	0	188	0	188	184	0	188	176	2	0	184	

Source: CMHC

**TABLE 3
UNDER CONSTRUCTION BY AREA
HALIFAX CMA
DECEMBER 2005**

	OWNERSHIP					GRAND TOTAL
	FREEHOLD					
	SINGLE	SEMI	ROW	CONDO	RENTAL	
HALIFAX CITY						
- Current Month	54	24	23	361	326	788
- Previous Year	21	18	37	140	455	671
DARTMOUTH CITY						
- Current Month	64	12	69	155	352	652
- Previous Year	108	20	40	179	221	568
BEDFORD-HAMMONDS PLAINS						
- Current Month	59	4	5	150	0	218
- Previous Year	59	0	9	115	11	194
SACKVILLE						
- Current Month	8	4	0	0	0	12
- Previous Year	30	0	9	0	5	44
FALL RIVER-BEAVERBANK						
- Current Month	37	0	0	0	0	37
- Previous Year	32	2	0	0	0	34
HALIFAX COUNTY SOUTHWEST						
- Current Month	49	28	0	0	0	77
- Previous Year	78	4	0	0	0	82
HALIFAX COUNTY EAST						
- Current Month	55	0	0	0	0	55
- Previous Year	41	2	0	0	0	43

Source: CMHC



Housing Now Atlantic Canada

Housing Information for the Atlantic Region in One Publication

Recently added to the Market Analysis suite of products is Housing Now Atlantic Canada. Included in this publication you will find information on new home construction activity, MLS® resale activity as well as financial and economic indicators for each of the Atlantic Provinces.

For more information or to subscribe to this product please call Mary-Jana Wege, Market Research & Client Service Specialist at (902) 426-4708.

**TABLE 4
SALES AND PRICE OF NEW SINGLE-DETACHED HOUSES BY TYPE
HALIFAX CMA
DECEMBER 2005**

Type	Current Month	Previous Year	Year-To-Date 2005	Year-To-Date 2004
Bungalow				
Sales	15	20	155	187
Average Price	\$190,767	\$170,095	\$211,575	\$190,844
Median Price	\$180,000	\$161,950	\$194,000	\$179,900
Split Level				
Sales	2	24	68	146
Average Price	\$237,200	\$196,954	\$212,930	\$184,314
Median Price	\$237,200	\$197,400	\$198,900	\$180,450
1.5 Storey				
Sales	0	0	2	8
Average Price	\$0	\$0	\$309,950	\$271,000
Median Price	\$0	\$0	\$309,950	\$265,000
2 Storey				
Sales	123	96	775	886
Average Price	\$275,020	\$255,203	\$299,306	\$265,477
Median Price	\$250,000	\$235,400	\$269,900	\$237,000
Other				
Sales	48	31	233	223
Average Price	\$206,133	\$177,219	\$195,208	\$177,285
Median Price	\$190,400	\$182,000	\$190,000	\$179,900
Unknown				
Sales	3	6	23	22
Average Price	\$207,467	\$220,767	\$253,124	\$218,587
Median Price	\$200,000	\$219,500	\$224,500	\$212,950
Total				
Sales	191	177	1256	1472
Average Price	\$249,634	\$222,863	\$263,663	\$233,914
Median Price	\$229,000	\$209,900	\$235,900	\$209,900

Source: CMHC

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**TABLE 5 - MONTHLY NEW SINGLE DETACHED HOUSE SALES BY PRICE RANGE
HALIFAX CMA**

Period	<\$174,999		\$175,000-\$199,999		\$200,000-\$249,999		\$250,000-\$299,999		\$300,000-\$399,999		>\$400,000		Total Sales	Average Price	Median Price
	sales	per cent	sales	per cent	sales	per cent	sales	per cent	sales	per cent	sales	per cent			
December 2004	33	18.8%	45	25.6%	58	33.0%	26	14.8%	12	6.8%	2	1.1%	176	\$222,863	\$209,900
January 2005	13	18.8%	16	23.2%	26	37.7%	5	7.2%	9	13.0%	0	0.0%	69	\$223,006	\$209,950
February 2005	6	8.6%	18	25.7%	22	31.4%	17	24.3%	7	10.0%	0	0.0%	70	\$244,007	\$229,900
March 2005	14	18.4%	28	36.8%	13	17.1%	9	11.8%	10	13.2%	2	2.6%	76	\$241,332	\$198,900
April 2005	6	10.5%	17	29.8%	17	29.8%	8	14.0%	7	12.3%	2	3.5%	57	\$255,616	\$210,000
May 2005	14	20.3%	16	23.2%	15	21.7%	11	15.9%	11	15.9%	2	2.9%	69	\$259,616	\$215,500
June 2005	11	12.5%	22	25.0%	26	29.5%	20	22.7%	7	8.0%	2	2.3%	88	\$256,430	\$230,900
July 2005	17	15.9%	17	15.9%	25	23.4%	29	27.1%	17	15.9%	2	1.9%	107	\$263,728	\$243,950
August 2005	3	2.7%	11	9.9%	34	30.6%	33	29.7%	27	24.3%	3	2.7%	111	\$286,273	\$269,000
September 2005	10	8.4%	23	19.3%	29	24.4%	26	21.8%	25	21.0%	6	5.0%	119	\$307,495	\$257,475
October 2005	8	6.7%	14	11.7%	37	30.8%	36	30.0%	20	16.7%	5	4.2%	120	\$284,121	\$259,850
November 2005	4	3.1%	28	22.0%	43	33.9%	33	26.0%	17	13.4%	2	1.6%	127	\$256,652	\$235,900
December 2005	24	12.8%	47	25.1%	46	24.6%	47	25.1%	20	10.7%	3	1.6%	187	\$249,634	\$229,000

Source: CMHC

**TABLE 6 - MONTHLY NEW SINGLE-DETACHED UNOCCUPIED HOUSES BY PRICE RANGE
HALIFAX CMA**

Period	<\$174,999		\$175,000-\$199,999		\$200,000-\$249,999		\$250,000-\$299,999		\$300,000-\$399,999		>\$400,000		Total Units	Average Price	Median Price
	units	per cent	units	per cent	units	per cent	units	per cent	units	per cent	units	per cent			
December 2004	3	10.3%	3	10.3%	9	31.0%	3	10.3%	10	34.5%	1	3.4%	29	\$277,176	\$232,000
January 2005	3	12.5%	3	12.5%	7	29.2%	3	12.5%	7	29.2%	1	4.2%	24	\$276,850	\$226,000
February 2005	3	9.4%	3	9.4%	12	37.5%	3	9.4%	10	31.3%	1	3.1%	32	\$282,403	\$230,000
March 2005	2	5.6%	8	22.2%	11	30.6%	5	13.9%	9	25.0%	1	2.8%	36	\$273,441	\$225,000
April 2005	4	10.3%	7	17.9%	13	33.3%	3	7.7%	11	28.2%	1	2.6%	39	\$269,630	\$222,500
May 2005	0	0.0%	4	12.1%	16	48.5%	4	12.1%	8	24.2%	1	3.0%	33	\$269,185	\$222,500
June 2005	1	4.2%	0	0.0%	10	41.7%	6	25.0%	6	25.0%	1	4.2%	24	\$287,419	\$270,000
July 2005	0	0.0%	0	0.0%	11	55.0%	2	10.0%	6	30.0%	1	5.0%	20	\$290,223	\$242,000
August 2005	0	0.0%	0	0.0%	7	43.8%	1	6.3%	7	43.8%	1	6.3%	16	\$311,150	\$302,500
September 2005	0	0.0%	3	20.0%	2	13.3%	3	20.0%	6	40.0%	1	6.7%	15	\$317,265	\$305,000
October 2005	0	0.0%	2	13.3%	4	26.7%	4	26.7%	4	26.7%	1	6.7%	15	\$302,100	\$280,000
November 2005	0	0.0%	4	25.0%	4	25.0%	3	18.8%	4	25.0%	1	6.3%	16	\$292,117	\$275,000
December 2005	2	7.4%	2	7.4%	7	25.9%	6	22.2%	9	33.3%	1	3.7%	27	\$301,976	\$289,000

Source: CMHC

Table 7: MLS® Residential Sales Activity by Area

SUBMARKET	December								
	2005			2004			Per Cent Change		
	Sales	New Listings	Average Sale Price	Sales	New Listings	Average Sale Price	Sales	New Listings	Average Sale Price
Halifax-Dartmouth Region	317	341	\$188,948	247	313	\$182,252	28.3%	8.9%	3.7%

SUBMARKET	YEAR-TO-DATE								
	2005			2004			Per Cent Change		
	Sales	New Listings	Average Sale Price	Sales	New Listings	Average Sale Price	Sales	New Listings	Average Sale Price
Halifax-Dartmouth Region	6422	10293	\$188,484	5516	8973	\$175,132	16.4%	14.7%	7.6%

Source: Canadian Real Estate Association

Note: Unfortunately sub-market level MLS® data was not available for December

**TABLE 8
STARTS AND COMPLETIONS BY AREA AND INTENDED MARKET
NOVA SCOTIA
FOURTH QUARTER 2005**

STARTS	SINGLE	SEMI	ROW	APARTMENT	TOTAL	COMPLETIONS	SINGLE	SEMI	ROW	APARTMENT	TOTAL
CAPE BRETON RM											
- Current Quarter	48	8	0	0	56	- Current Quarter	NA	NA	NA	NA	NA
- Previous Year	31	14	0	4	49	- Previous Year	46	10	0	4	60
Year-To-Date 2005	206	44	0	12	262	Year-To-Date 2005	NA	NA	NA	NA	NA
Year-To-Date 2004	170	58	4	56	288	Year-To-Date 2004	156	38	4	56	254
NEW GLASGOW CA											
- Current Quarter	32	0	8	0	40	- Current Quarter	35	0	0	0	35
- Previous Year	22	4	0	0	26	- Previous Year	30	2	0	12	44
Year-To-Date 2005	94	2	8	0	104	Year-To-Date 2005	79	6	3	24	112
Year-To-Date 2004	90	10	0	24	124	Year-To-Date 2004	49	4	3	12	68
TRURO CA											
- Current Quarter	38	2	4	54	98	- Current Quarter	65	8	0	23	96
- Previous Year	38	2	0	39	79	- Previous Year	31	0	0	16	47
Year-To-Date 2005	151	18	8	134	311	Year-To-Date 2005	220	18	4	69	311
Year-To-Date 2004	144	12	0	58	214	Year-To-Date 2004	128	8	4	85	225
KENTVILLE CA											
- Current Quarter	14	14	0	8	36	- Current Quarter	21	6	0	24	51
- Previous Year	11	6	0	12	29	- Previous Year	11	2	0	0	13
Year-To-Date 2005	59	30	8	32	129	Year-To-Date 2005	49	14	0	36	99
Year-To-Date 2004	27	10	0	24	61	Year-To-Date 2004	29	6	0	12	47
RURAL NOVA SCOTIA											
- Current Quarter	364	19	32	28	443	- Current Quarter	472	22	39	55	588
- Previous Year	359	18	8	0	385	- Previous Year	451	16	20	23	510
Year-To-Date 2005	1284	61	72	101	1518	Year-To-Date 2005	1300	38	57	70	1465
Year-To-Date 2004	1329	34	16	24	1403	Year-To-Date 2004	1144	50	25	151	1370

Source: CMHC

**KEY ECONOMIC INDICATORS
HALIFAX**

Indicator	Period	2005	2004	% Change
Metro Halifax Labour Force (000's)	December	215.5	217.3	-0.8%
Metro Halifax Employment (000's)	December	203.2	205.1	-0.9%
Metro Halifax Unemployment Rate	December	5.2%	5.6%	---
Building Permits(\$ 000's)	November			
Residential		29,892	35,333	-15.4%
Non-Residential		14,178	25,673	-44.8%
Total		44,070	61,006	-27.8%
Metro Halifax Consumer Price Index	December	114.8	114	0.7%
Metro Halifax New House Price Index	November			
Total		129.7	121.8	6.5%
House		132	123.9	6.5%
Land		124.6	117.1	6.4%

Sources:

Statistics Canada - Labour Force Survey

Statistics Canada - Monthly Building Permits Survey

Statistics Canada - Consumer Price Index

Statistics Canada - New House Price Index

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