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Starts Decreased in the First Nine Months of 2005

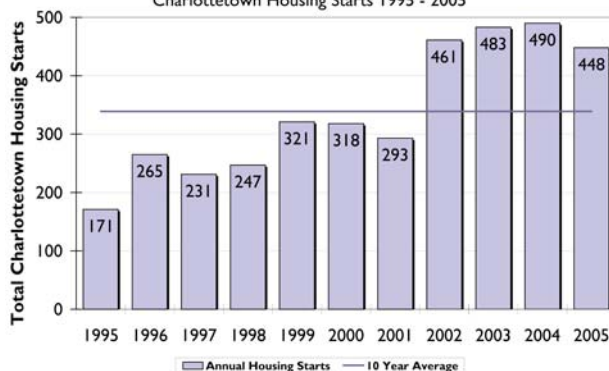
Semi-detached starts posted an increase

- Total starts on the Island reached 221 units in the fourth quarter of 2005 compared to 198 units in 2004. This increase was due to an increased level of starts in both Charlottetown and the rural areas.
- Housing starts in 2005 retreated slightly from the fifteen year high set in 2004. At the end of 2005, 862 new starts were recorded down from 919 units recorded during 2004. This decline was the result of slightly lower levels of activity in all areas of the province.
- In Charlottetown, new home construction during 2005 reached 448 units, a decrease of 42 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 338 units.
- Charlottetown City posted fewer starts in 2005 when compared to the previous year, as

the result of fewer large apartment projects. In 2004 Charlottetown City recorded 77 new apartment units, compared to 35 in 2005. Single starts recorded almost exactly the same level of starts with 131 in 2005, a decrease of only one unit. The only rise in activity came from semi-detached structures which reached 56 units in 2005, more than doubling last year's level.

- The story for the Town of Cornwall was similar to that of Charlottetown City. Single starts finished 2005 with almost the same number of starts as 2004, and semi-detached starts posted a large gain when compared to the previous year.
- The Town of Stratford posted slightly different results than the other two centres. Although the level of single starts was similar in both years, as with the other two centres, the difference came from an increase in row units, which doubled the 2004 level in 2005.

Housing Starts Remained Strong in 2005
Charlottetown Housing Starts 1995 - 2005



Charlottetown

December 2005

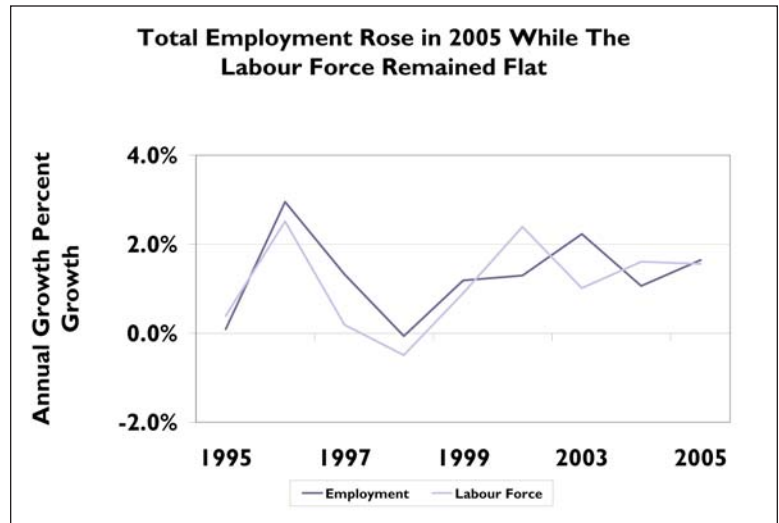
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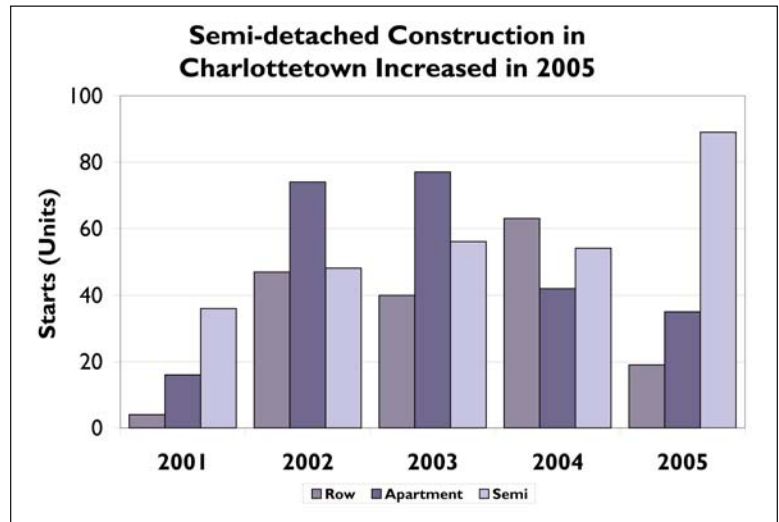
Total Employment Growth Accelerated in 2005

- In the Charlottetown area, total employment increased by 1.65 per cent in 2005 to 31,392 people working. This is the highest level of employment on record for the Capital region and represents the fifth consecutive year of positive employment growth for the area.
- In 2005, the ratio of full-time to total employment reached 81.0 per cent, a slight increase from the 2004 level. This means that there were more full-time jobs created in 2005 than part-time positions.
- The local labour force also posted positive growth in 2005 of 1.6 per cent. The end result of both the increased levels of employment and labour force is that the unemployment rate in Charlottetown remained essentially unchanged at around 8.2 per cent.



Semi-Detached Construction Set a New Record High in 2005

- In 2005, semi-detached starts in the Capital region reached 89 units, 35 more units than last year. This represents the highest annual level of activity for semi-detached units on record. The tenure of most of the new semi-detached units has also shifted from rental to homeownership. As recently as 2002, the vast majority of semi-detached units were for the rental market. However this has shifted significantly and in 2005 almost all of the new units were for homeownership. This shift in tenure is mainly the result of rising new home costs, which now have many first-time homebuyers looking to the semi-detached market. The trend of increased levels of semi-detached units for the homeownership market is expected to continue as the cost of new single-detached units continues to rise.



MLS® Sales Price Reached a New Record High in 2005

- MLS® sales in Charlottetown were mostly down in 2005. Only District 5, with 131 sales, posted an increase from the 2004 level. However, despite the decreased level of sales for the other districts, they all posted an increase in the average sales price. The average sales price continued to rise throughout 2005 and finished the year at \$144,036, up 3 per cent from 2004.
- On a provincial basis both sales and the average sales price followed the aforementioned trend, with sales dipping and the average price rising. Sales on the Island dropped 4 per cent to 1150 units, while the average sales price jumped 4.4 per cent to \$124,781.

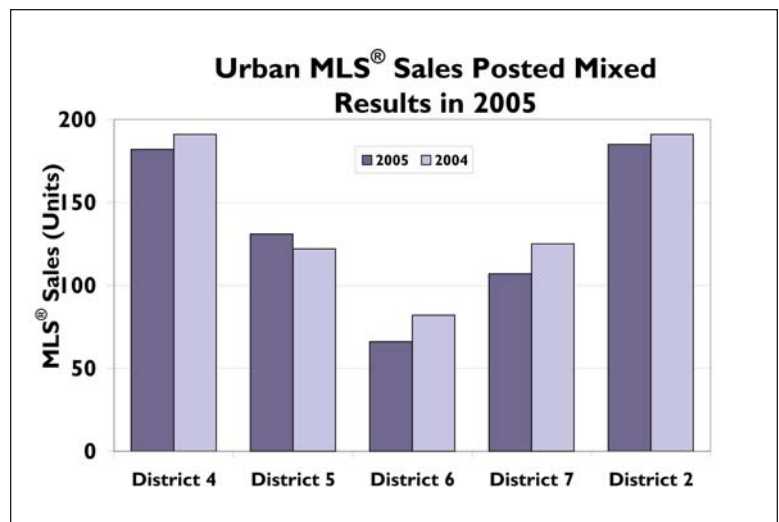


Table 1
Activity Summary By Area
Prince Edward Island

Area	TOTAL HOUSING STARTS				COMPLETIONS				UNDER CONSTRUCTION						
	4th Quarter		January-December		4th Quarter		January-December		As at December 30		As at December 30				
	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg	2005	2004	% chg			
Charlottetown CA	125	114	10%	448	490	-9%	203	130	56%	505	451	12%	139	189	-26%
Summerside CA	10	14	-29%	106	113	-6%	15	55	-73%	89	132	-33%	32	14	129%
Total Urban Areas	135	128	5%	554	603	-8%	222	185	20%	594	583	2%	171	203	-16%
Total Rural Areas	86	70	23%	308	316	-3%	88	150	-41%	281	304	-8%	87	70	24%
Total PEI	221	198	12%	862	919	-6%	310	335	-7%	875	887	-1%	258	273	-5%

Source: CMHC

Table 2: MLS Activity in Urban Centres**

	4th Quarter				Year-to-Date									
	Sales		% Chg		Avg Sale Price		% Chg		Sales		Avg Sales Price		% Chg	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Charlottetown CA**	53	56	-5%	\$148,205	\$145,805	2%	182	191	-5%	\$150,015	\$147,785	2%	182	191
District 4	38	46	-17%	\$128,385	\$118,183	9%	131	122	7%	\$130,138	\$123,266	6%	131	122
District 5	21	26	-19%	\$139,519	\$129,704	8%	66	82	-20%	\$139,437	\$135,789	3%	66	82
District 6	34	36	-6%	\$155,171	\$143,392	8%	107	125	-14%	\$153,718	\$146,716	5%	107	125
District 7	146	158	-8%	\$143,419	\$140,101	2%	486	520	-7%	\$144,036	\$139,884	3%	486	520
Total, CA	54	54	0%	\$118,522	\$105,536	12%	185	191	-3%	\$120,907	\$110,992	9%	185	191
Summerside CA	200	226	-12%	\$136,697	\$123,163	11%	671	711	-6%	\$137,659	\$132,122	4.2%	671	711
URBAN TOTAL	146	143	2%	\$112,725	\$116,627	-3%	479	493	-3%	\$106,742	\$101,487	5.2%	479	493
RURAL TOTAL	346	369	-6%	\$129,007	\$131,489	-2%	1150	1204	-4%	\$124,781	\$119,578	4.4%	1150	1204
PROVINCIAL TOTAL														

* 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 2005	32	22	0	21	75
Fourth Quarter 2004	36	6	0	10	52
Year-to-Date 2005	131	56	0	35	222
Year-to-Date 2004	132	22	0	77	231
Cornwall Town:					
Fourth Quarter 2005	2	12	0	0	14
Fourth Quarter 2004	0	0	9	0	9
Year-to-Date 2005	16	15	0	0	31
Year-to-Date 2004	14	4	9	0	27
Stratford Town:					
Fourth Quarter 2005	11	2	4	0	17
Fourth Quarter 2004	16	6	4	0	26
Year-to-Date 2005	61	16	19	0	96
Year-to-Date 2004	69	20	8	11	108
Remainder of Charlottetown CA:					
Fourth Quarter 2005	19	0	0	0	19
Fourth Quarter 2004	27	0	0	0	27
Year-to-Date 2005	97	2	0	0	99
Year-to-Date 2004	116	8	0	0	124
Total - Charlottetown CA:					
Fourth Quarter 2005	64	36	4	21	125
Fourth Quarter 2004	79	12	13	10	114
Year-to-Date 2005	305	89	19	35	448
Year-to-Date 2004	331	54	17	88	490

Source: CMHC

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