



HOUSING NOW

Newfoundland and Labrador

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

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SECOND QUARTER 2004

Housing Performance Mixed in Second Quarter

Provincial housing markets posted a mixed performance during the second quarter as housing starts were slightly weaker than last year while MLS® residential sales hit record levels. Despite the slowdown in provincial starts, residential construction activity was still at its second highest level since 1989. On balance, overall performance is viewed as being quite healthy in historical terms and largely reflects underlying strength in the economy and low interest rates.

Urban Starts Post Slight Increase

Sustained strength in the St. John's region and a recovery in the Gander area more than offset losses in other

centres and supported a slight increase in urban starts during the second quarter. At 647 units, urban starts edged up 2.2 per cent between April and June, and were at their highest level in 15 years. Growing demand for townhouses and condominium units in the St. John's region underpinned a 48.1 per cent jump in multiple starts during the quarter. This shift towards the purchase of multiple style dwellings has had a moderating effect on demand for single-detached homes. Accordingly, single-detached starts in urban centres experienced a 9.5 per cent decline during the quarter. Year-to-date housing starts in urban centres are up 16.8 per cent to 841 units.

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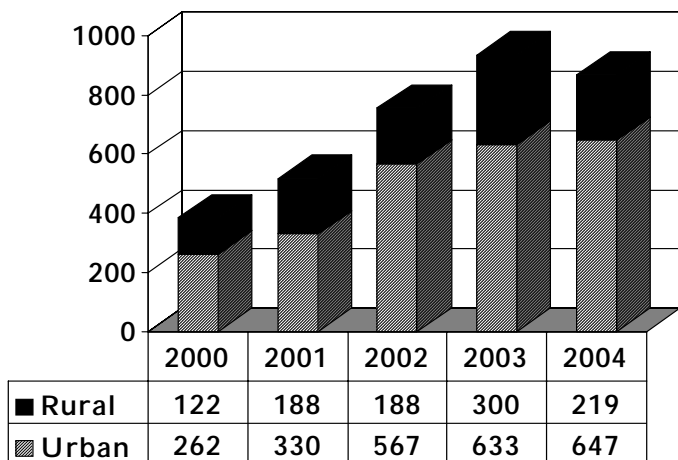
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MLS® is a registered certification mark of the Canadian Real Estate Association

Housing Starts – Newfoundland & Labrador
2nd Quarter



Source: CMHC.



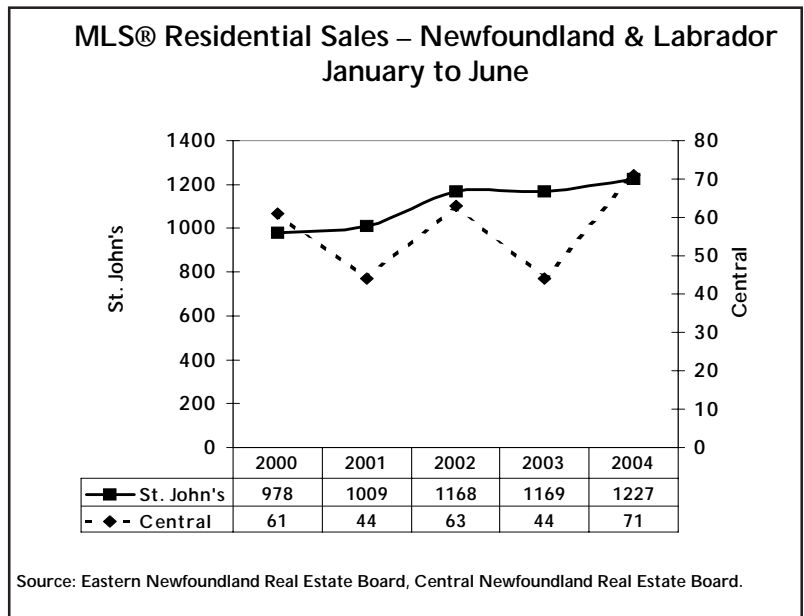
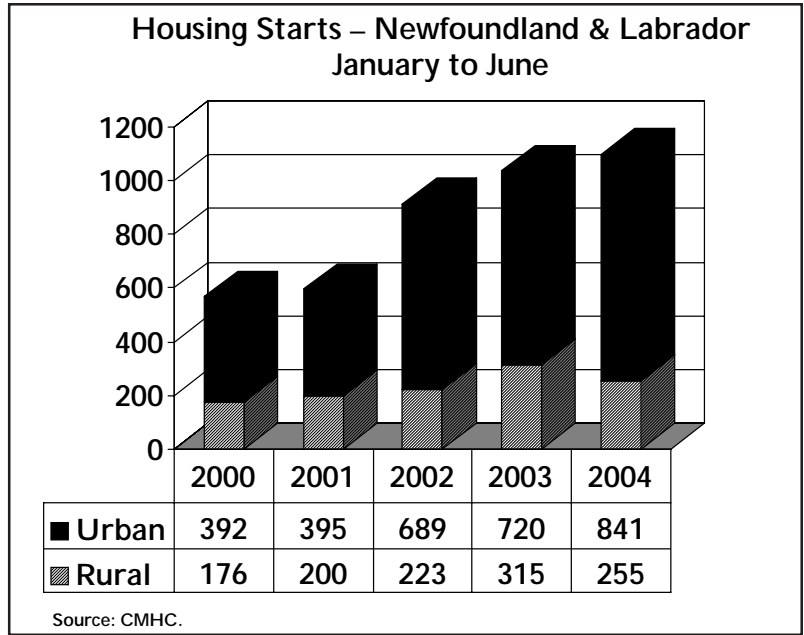
HOME TO CANADIANS
Canada

Rural Starts Weaker

Following a busy start to the year, demand for new homes in rural regions of the province were weaker during the second quarter. While rural starts recorded a 27 per cent decline over the second quarter of last year, at 219 units, they were still well ahead of the pace set during the latter part of the 1990's. The slowdown in rural starts is not surprising given the uncertainty within the fishing industry this year and the steady loss of people to urban centres both inside the province and to other parts of Canada. Demand for condominiums and other forms of multiple housing such as townhouses has also not materialized in rural areas as evidenced by the absence of multiple starts. Weakness in the second quarter has resulted in a 19 per cent decline in rural starts during the first half of 2004.

MLS® Sales at Record Levels in 2nd Quarter

Provincial MLS® residential sales were at record levels in the second quarter. Gains were widespread as both the Eastern Newfoundland and Central Newfoundland Real Estate Boards posted increased sales activity. In actual numbers, there were 853 MLS® residential sales during the second quarter of 2004 compared to 774 sales during the same period last year. Year-to-date sales, at 1,298 units, are 6.9 per cent above the 1,213 homes sold during first six months of 2003. While record sales activity and tight supplies helped to bolster price growth, ongoing sales of newly built homes through the MLS® system also had an impact. At \$127,778, the average MLS® house price jumped 10.1 per cent over the second quarter of 2003. During the first six months of 2004, the average MLS® price within the province is up 10.2 per cent to \$127,876.



Your Link to the Housing Market

Need More Detailed Information?

Market Analysis Products and Services are designed to suit your needs. CMHC is the source for expert analysis and comprehensive data on housing. If you are in the housing industry, it is critical that you understand the trends and factors behind Newfoundland and Labrador's housing markets. There is no substitute for the thorough, concise analysis of housing market developments that you get with CMHC's market data and analysis.

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TABLE 1
ACTIVITY SUMMARY BY AREA
Newfoundland and Labrador

Area	Starts						Completions						Under Construction		
	2nd Quarter			Year-to-Date			2nd Quarter			Year-to-Date			As at 30 June		
	2004	2003	% chg	2004	2003	%chg	2004	2003	% chg	2004	2003	%chg	2004	2003	% chg
St. John's CMA	566	536	5.6	758	622	21.9	357	263	35.7	733	569	28.8	925	739	25.2
Corner Brook CA	22	30	-26.7	22	30	-26.7	13	10	30.0	32	25	28.0	18	32	-43.8
Gander CA	25	20	25.0	25	21	19.0	12	24	-50.0	16	31	-48.4	21	19	10.5
Grand Falls Windsor CA	33	47	-29.8	35	47	-25.5	36	20	80.0	56	40	40.0	43	41	4.9
Labrador CA	1	0	100.0	1	0	100.0	0	0	NA	0	0	NA	1	0	100.0
TOTAL URBAN AREAS	647	633	2.2	841	720	16.8	418	317	31.9	837	665	25.9	1,008	831	21.3
TOTAL OTHER AREAS	219	300	-27.0	255	315	-19.0	148	226	-34.5	451	553	-18.4	245	342	-28.4
TOTAL NEWFOUNDLAND	866	933	-7.2	1,096	1,035	5.9	566	543	4.2	1,288	1,218	5.7	1,253	1,173	6.8

Source: C M H C

**TABLE 2
STARTS BY AREA AND DWELLING TYPE
ST. JOHN'S CMA**

Area/ Period	Single	Semi	Row	Apartment & Other	Total
St. John's City:					
Second Quarter 2004	130	76	7	70	283
Second Quarter 2003	139	10	31	52	232
Year-to-Date 2004	184	108	13	90	395
Year-to-Date 2003	159	10	44	54	267
Conception Bay South:					
Second Quarter 2004	85	0	0	0	85
Second Quarter 2003	69	0	0	0	69
Year-to-Date 2004	111	0	0	0	111
Year-to-Date 2003	89	0	0	0	89
Mount Pearl:					
Second Quarter 2004	24	0	0	4	28
Second Quarter 2003	31	0	0	4	35
Year-to-Date 2004	28	0	0	10	38
Year-to-Date 2003	37	0	0	4	41
Paradise:					
Second Quarter 2004	75	0	0	20	95
Second Quarter 2003	88	0	0	26	114
Year-to-Date 2004	93	0	0	30	123
Year-to-Date 2003	103	0	0	32	135
Torbay:					
Second Quarter 2004	19	0	0	6	25
Second Quarter 2003	36	0	0	0	36
Year-to-Date 2004	20	0	0	6	26
Year-to-Date 2003	39	0	0	0	39
Other Centres:					
Second Quarter 2004	48	2	0	0	50
Second Quarter 2003	50	0	0	0	50
Year-to-Date 2004	63	2	0	0	65
Year-to-Date 2003	51	0	0	0	51
Total St. John's CMA:					
Second Quarter 2004	381	78	7	100	566
Second Quarter 2003	413	10	31	82	536
Year-to-Date 2004	499	110	13	136	758
Year-to-Date 2003	478	10	44	90	622

Source: CMHC

Housing Now is published 4 times a year for the Newfoundland & Labrador market. Forecast Summary is included in the first and third quarter editions. Annual subscriptions to the Housing Now for Newfoundland & Labrador are \$55.00 plus applicable taxes. This publication is also available in French. For more information, or to subscribe, contact the Atlantic Business Centre at (902) 426-4708. Order no. 2084

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