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St. John's

Demand for Housing Shows Signs of Easing in Fourth Quarter

Canada Mortgage and Housing Corporation

www.cmhc.ca

Demand for housing within the St. John's region showed signs of easing during the fourth quarter of 2004 as the pace of growth in housing starts slowed and MLS® residential sales declined from the previous year. Despite the slow down over the final three months, strong gains between January and September pushed total housing starts to 30 year highs while MLS® residential sales ended the year at record levels.

Pace of Growth in Housing Starts Slows in Fourth Quarter

Following healthy gains during the first three quarters, the pace of growth in housing starts slowed to 2.4 per cent between October and

December. This compared to an increase of 17.2 per cent during the third quarter and represented the smallest rate of quarterly growth in almost two years. The slight rise in housing starts was entirely due to a 3.5 per cent increase in single-detached units. In the face of dwindling demand, gains in single-detached starts were largely due to more speculative activity as builders opted to pour foundations before the winter freeze. This was unlike recent years, when home builders remained extremely busy during the early winter months just trying to keep up with current demand. In contrast to singles, multiple unit activity was flat during the fourth quarter with the number of starts matching the level of 166 units achieved in late 2003.

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Fourth quarter 2004

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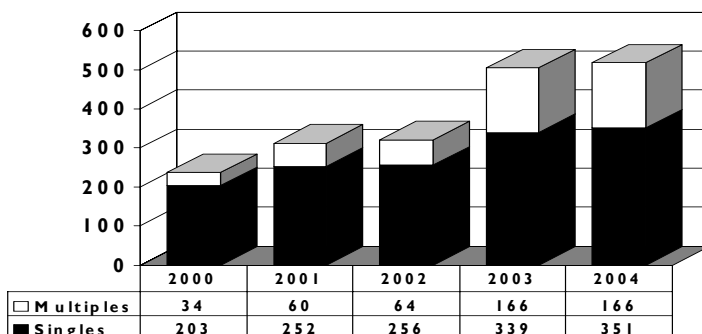
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* MLS® is a registered certification mark of the Canadian Real Estate Association

Housing Starts by Type
St. John's CMA
4th Quarter



Source: CMHC.

Canada



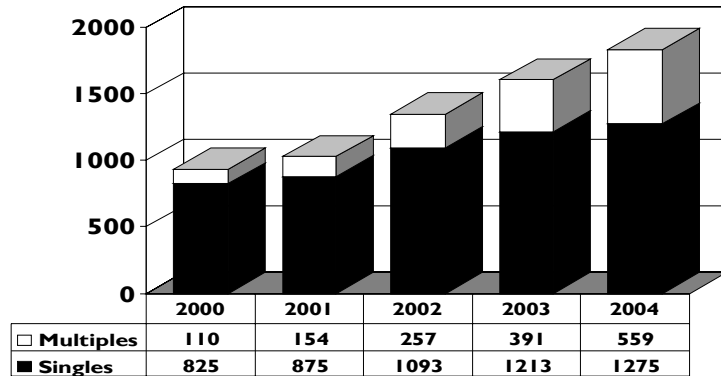
Housing Starts Hit 30 Year High in 2004

Despite signs of easing during the fourth quarter, local housing starts hit a 30 year high in 2004. At 1,834 units, total starts increased 14.3 per cent over the previous year and posted their strongest performance since 1975. While gains were widespread throughout the industry, the multiples segment of the market saw the largest increase. Underpinned by a four fold increase in semi-detached townhouses, multiple starts advanced 43.0 per cent to 559 units last year. Single-detached starts rose an additional 5.1 per cent to 1,275 units. Low interest rates, ongoing migration to the region and sustained income growth were major factors behind the fifth year of growth in housing starts.

MLS® Sales Weaker in 4th Quarter But Set New Record for Year

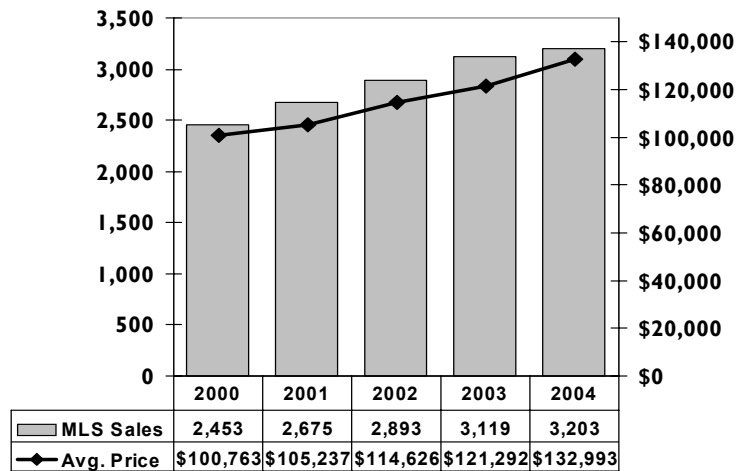
After posting the strongest quarter on record between July and September, MLS® residential sales through the Eastern Newfoundland Real Estate Board also showed signs of weakening during the final three months of 2004. At 821 units, MLS® residential sales decreased 9.0 per cent from the same period in 2003. Strong gains during the first nine months more than offset the recent decline, with MLS® residential sales climbing to 3,203 units and hitting record levels for the sixth consecutive year in 2004. Sustained demand and sales of more expensive homes served to push the average MLS® price up 9.6 per cent last year to another record level of \$132,993.

Housing Starts by Type
St. John's CMA



Source: CMHC.

MLS® Sales Activity - St. John's and Area



Source: Eastern Newfoundland Real Estate Board, CMHC.

Mark Your Calendar Now!

Date: Wednesday, March 23, 2005

Time: 7:30 a.m. - 10:45 a.m.

Place: Holiday Inn, St. John's

Cost: \$70.00 HST included

CMHC's Housing Outlook 2005

Call today to reserve your space or to receive additional information. Contact **Connie Hawkins** at phone: (709) 772-2048, fax: (709) 726-7014 or e-mail: chawkins@cmhc.ca

Bolstered by historically low mortgage rates, many of the urban resale and new home markets in Atlantic Canada continue to enjoy some of the best levels of performance in history. Looking ahead, there are good reasons to expect that the situation will slow down in some markets but positive momentum will continue in others.

Alex MacDonald, Regional Economist with CMHC, will present his analysis and forecast of housing as well as the Atlantic and Newfoundland and Labrador economy reflecting on how the sector will continue to respond.

Brian Martin, Senior Market Analyst for Newfoundland and Labrador, will discuss how the economic outlook and demographic trends will shape demand for new, resale, condominium and rental housing at the local level over the forecast period.

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

Area/ Period	Single	Semi	Row	Apartment & Other	Total
St. John's City:					
Fourth Quarter 2004	156	70	12	60	298
Fourth Quarter 2003	142	34	25	85	286
Year-to-Date 2004	465	238	37	192	932
Year-to-Date 2003	438	62	71	180	751
Conception Bay South:					
Fourth Quarter 2004	70	0	0	0	70
Fourth Quarter 2003	73	0	0	0	73
Year-to-Date 2004	281	0	0	0	281
Year-to-Date 2003	250	0	0	0	250
Mount Pearl:					
Fourth Quarter 2004	12	8	0	2	22
Fourth Quarter 2003	21	0	0	4	25
Year-to-Date 2004	61	8	0	12	81
Year-to-Date 2003	73	0	0	8	81
Paradise					
Fourth Quarter 2004	60	2	0	12	74
Fourth Quarter 2003	55	0	0	18	73
Year-to-Date 2004	230	4	0	60	294
Year-to-Date 2003	227	0	0	66	293
Torbay:					
Fourth Quarter 2004	13	0	0	0	13
Fourth Quarter 2003	22	0	0	0	22
Year-to-Date 2004	66	0	0	6	72
Year-to-Date 2003	91	0	0	2	93
Other Centres:					
Fourth Quarter 2004	40	0	0	0	40
Fourth Quarter 2003	26	0	0	0	26
Year-to-Date 2004	172	2	0	0	174
Year-to-Date 2003	134	0	0	2	136
Total St. John's CMA:					
Fourth Quarter 2004	351	80	12	74	517
Fourth Quarter 2003	339	34	25	107	505
Year-to-Date 2004	1,275	252	37	270	1,834
Year-to-Date 2003	1,213	62	71	258	1,604

TABLE 2
MLS® RESIDENTIAL SALES ACTIVITY
ST. JOHN'S AND AREA

MONTH	SALES	% CHG. PREV. YEAR	ACTIVE LISTINGS	% CHG. PREV. YEAR	TOTAL \$ VALUE	AVERAGE PRICE	% CHG. PREV. YEAR	SALES-TO-LIST RATIO
JAN01	77	-9.4%	886	-6.6%	\$ 7,884,975	\$ 102,402	3.7%	8.7%
FEB01	124	6.0%	871	-18.0%	\$ 12,625,210	\$ 101,816	0.7%	14.2%
MAR01	154	-9.4%	979	-17.0%	\$ 15,422,050	\$ 100,143	1.5%	15.7%
APR01	164	0.6%	976	-26.3%	\$ 16,561,415	\$ 100,984	-1.4%	16.8%
MAY01	230	-3.8%	1,167	-12.7%	\$ 23,479,030	\$ 102,083	2.8%	19.7%
JUN01	260	27.5%	1,351	6.0%	\$ 26,788,960	\$ 103,034	-6.7%	19.2%
JUL01	312	3.7%	1,348	4.5%	\$ 33,790,236	\$ 108,302	3.4%	23.1%
AUG01	346	19.7%	1,304	1.3%	\$ 38,141,505	\$ 110,236	9.1%	26.5%
SEP01	250	-6.7%	1,348	-0.2%	\$ 26,072,395	\$ 104,290	6.1%	18.5%
OCT01	273	18.7%	1,109	-8.8%	\$ 27,565,731	\$ 100,973	1.9%	24.6%
NOV01	261	36.6%	1,033	-3.5%	\$ 28,057,908	\$ 107,502	12.4%	25.3%
DEC01	224	14.3%	776	-24.2%	\$ 25,118,622	\$ 112,137	15.1%	28.9%
TOTAL	2,675	9.1%	13,148	-8.5%	\$ 281,508,037	\$ 105,237	2.7%	20.3%
JAN02	117	51.9%	843	-4.9%	\$ 12,586,944	\$ 107,581	5.1%	13.9%
FEB02	145	16.9%	822	-5.6%	\$ 14,796,528	\$ 102,045	0.2%	17.6%
MAR02	164	6.5%	923	-5.7%	\$ 18,262,972	\$ 111,360	11.2%	17.8%
APR02	205	25.0%	956	-2.0%	\$ 22,164,329	\$ 108,119	7.1%	21.4%
MAY02	291	26.5%	1,106	-5.2%	\$ 33,312,241	\$ 114,475	12.1%	26.3%
JUN02	246	-5.4%	1,174	-13.1%	\$ 28,597,464	\$ 116,250	12.8%	21.0%
JUL02	347	11.2%	1,173	-13.0%	\$ 40,659,334	\$ 117,174	8.2%	29.6%
AUG02	350	1.2%	1,147	-12.0%	\$ 39,356,201	\$ 112,446	2.0%	30.5%
SEP02	317	26.8%	948	-29.7%	\$ 36,093,500	\$ 113,860	9.2%	33.4%
OCT02	258	-5.5%	920	-17.0%	\$ 28,870,033	\$ 111,899	10.8%	28.0%
NOV02	236	-9.6%	929	-10.1%	\$ 29,150,422	\$ 123,519	14.9%	25.4%
DEC02	217	-3.1%	650	-16.2%	\$ 27,762,538	\$ 127,938	14.1%	33.4%
TOTAL	2,893	8.1%	11,591	-11.8%	\$ 331,612,506	\$ 114,626	8.9%	25.0%
JAN03	124	6.0%	761	-9.7%	\$ 15,164,841	\$ 122,297	13.7%	16.3%
FEB03	124	-14.5%	764	-7.1%	\$ 14,886,788	\$ 120,055	17.6%	16.2%
MAR03	175	6.7%	833	-9.8%	\$ 19,932,578	\$ 113,900	2.3%	21.0%
APR03	176	-14.1%	923	-3.5%	\$ 21,774,656	\$ 123,720	14.4%	19.1%
MAY03	269	-7.6%	1,006	-9.0%	\$ 30,694,103	\$ 114,104	-0.3%	26.7%
JUN03	301	22.4%	999	-14.9%	\$ 34,963,284	\$ 116,157	-0.1%	30.1%
JUL03	381	9.8%	1,074	-8.4%	\$ 47,489,407	\$ 124,644	6.4%	35.5%
AUG03	368	5.1%	1,093	-4.7%	\$ 45,025,630	\$ 122,352	8.8%	33.7%
SEP03	299	-5.7%	1,160	22.4%	\$ 37,216,078	\$ 124,468	9.3%	25.8%
OCT03	347	34.5%	1,031	12.1%	\$ 42,409,433	\$ 122,217	9.2%	33.7%
NOV03	268	13.6%	1,042	12.2%	\$ 32,562,810	\$ 121,503	-1.6%	25.7%
DEC03	287	32.3%	744	14.5%	\$ 36,191,051	\$ 126,101	-1.4%	38.6%
TOTAL	3,119	7.8%	11,430	-1.4%	\$ 378,310,659	\$ 121,292	5.8%	27.3%
JAN04	111	-10.5%	793	4.2%	\$ 15,097,246	\$ 136,011	11.2%	14.0%
FEB04	128	3.2%	857	12.2%	\$ 16,746,669	\$ 130,833	9.0%	14.9%
MAR04	176	0.6%	924	10.9%	\$ 23,340,202	\$ 132,615	16.4%	19.0%
APR04	250	42.0%	906	-1.8%	\$ 31,153,193	\$ 124,613	0.7%	27.6%
MAY04	264	-1.9%	989	-1.7%	\$ 35,934,825	\$ 136,117	19.3%	26.7%
JUN04	298	-1.0%	1,021	2.2%	\$ 38,167,772	\$ 128,080	10.3%	29.2%
JUL04	418	9.7%	1,128	5.0%	\$ 55,532,387	\$ 132,853	6.6%	37.1%
AUG04	402	9.2%	1,234	12.9%	\$ 53,587,468	\$ 133,302	8.9%	32.6%
SEP04	335	12.0%	1,307	12.7%	\$ 44,652,818	\$ 133,292	7.1%	25.6%
OCT04	310	-10.7%	1,295	25.6%	\$ 40,244,605	\$ 129,821	6.2%	23.9%
NOV04	266	-0.7%	1,229	17.9%	\$ 37,284,004	\$ 140,165	15.4%	21.6%
DEC04	245	-14.6%	1,079	45.0%	\$ 34,233,789	\$ 139,730	10.8%	22.7%
TOTAL	3,203	2.7%	12,762	11.7%	\$ 425,974,978	\$ 132,993	9.6%	25.1%

Source: Eastern Newfoundland Real Estate Board, CMHC.