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Saint John, Moncton and Fredericton

Canada Mortgage and Housing Corporation

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2004: Good Year for Builders Despite Slowdown When Compared to 2003

Total housing starts in all areas of the province reached 3,947 units in 2004 compared to 4,489 units in 2003. Despite the 12 per cent drop, housing starts remained strong in historical terms. In fact, 2004 represents the second best year in two decades for new home construction in New Brunswick.

With 3,947 units, housing starts ended 2004 slightly above of our 3,750-unit forecast. This was mainly due to stronger than expected multiple starts in the fourth quarter. Total provincial multiple starts reached 422 units in the fourth quarter of 2004, a 37.5 per cent increase when compared to the previous year. Multiple starts bounced back in both urban and rural areas. The rise in

multiple starts in rural areas was mainly due to new multi-unit projects launched through the new affordable housing program. In urban areas, the rise was due to a significant increase in multiple starts in both Fredericton and Saint John.

Despite a strong fourth quarter, total multiple starts in 2004 came 27.6 per cent short of the 30-year high of 1,350 units set in 2003. The significant drop in multiple starts in 2004 was mainly due to the fact that builders focused on completing projects that they started in 2003 rather than starting new ones. This explains the significant increase in provincial completions of multiple units in 2004 (1,931 units in 2004 compared to 763 units in 2003).

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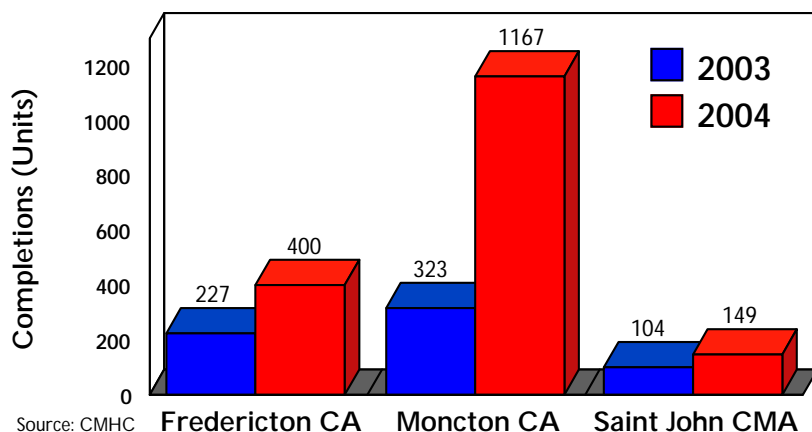
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Completions of Multiple Units Up in All Larger Urban Centres



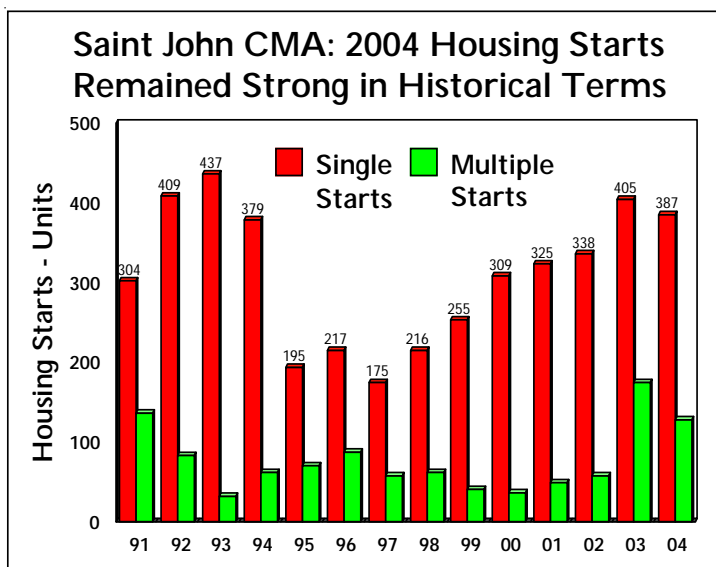
SAINT JOHN MONCTON FREDERICTON

Housing Market Overview

Saint John CMA: Slight Drop in Both Single and Multiple Starts in 2004

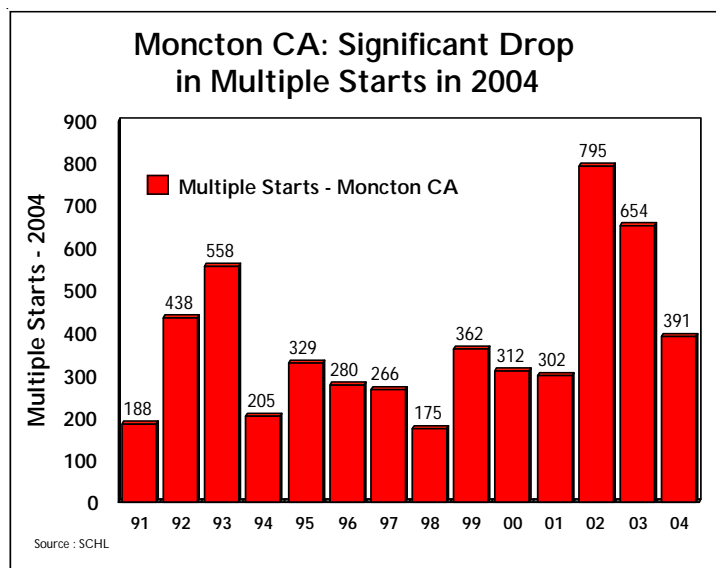
In 2004, total housing starts in the Saint John CMA did not reach the 2003 level. Single starts dropped from 405 units in 2003 to 387 units in 2004, while multiple starts dropped from 175 to 129 units over the same period. Despite the drop in construction activity, 2004 represents one of the best years for builders since the early '90s.

Furthermore, at the end of October 2004, the monthly employment average was up by more than a 1,100 when compared to the same period in 2003. A rise in employment combined with low mortgage rates lead us to believe that single starts will remain strong in 2005. Multiple starts will also remain strong in 2005.



Moncton CA: Multiple Starts Down

Total housing starts in the Greater Moncton area dropped by nearly 20 per cent in 2004 when compared to the previous year. The decline in construction activity was mainly due to a significant drop in multiple starts, rental units in particular. At the end of October 2004, only 85 rental units were started in Greater Moncton compared to 445 units in 2003. The slow down in rental starts was mainly attributed to a significant number of new units coming onto the market. In fact, 1,167 multiple units were completed in 2004 when compared to only 323 units in the previous year. The rise in completions is viewed as one of the key factors that caused the vacancy rate to rise to 5 per cent in October 2004. This represents the highest vacancy rate in Greater Moncton since October 1998.



Fredericton CA: Single Starts Remained Strong in 2004

2004 marked the second best year for residential construction in the Greater Fredericton area since the early '80s. With 494 units started in 2004, the construction of single-detached homes remained particularly solid, considering the record level of transactions on the resale market. Solid labour markets, intra-provincial migration patterns and low mortgage rates are all key factors that continued to stimulate the demand for single-family dwellings.

Multiple dwellings also had a banner year with 309 units in 2004 compared to 327 units in the previous year. 2003 and 2004 represent the only 2 years where multiple starts in Greater Fredericton exceeded the 300-mark. The increase in new rental units coming on to the market has caused the vacancy rate to rise to 3.7 per cent in October 2004, its highest level since October 1997.

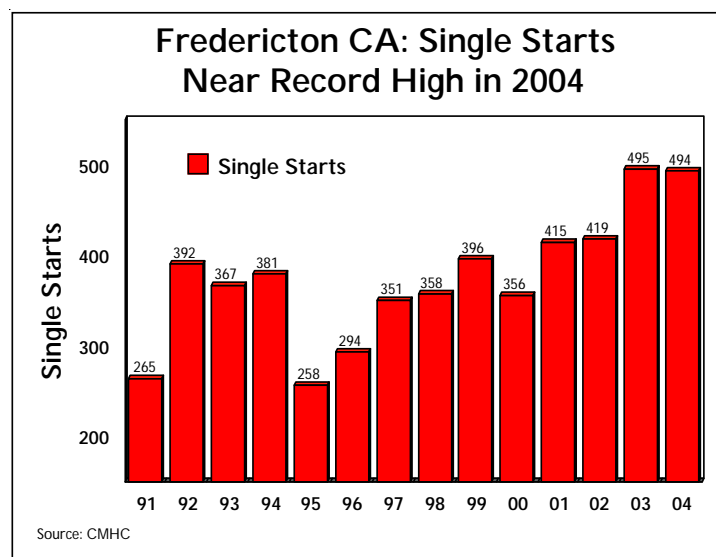


TABLE 1 - HOUSING STARTS BY AREA

AREA	SINGLES						MULTIPLES						TOTAL STARTS					
	Fourth Quarter			Year-to-date			Fourth Quarter			Year-to-date			Fourth Quarter			Year-to-date		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Bathurst CA	7	22	-68.2	39	49	-20.4	4	2	--	17	8	--	11	24	-54.2	56	57	-1.8
Campbellton CA	5	3	--	16	14	14.3	0	0	--	0	0	--	5	3	66.7	16	14	14.3
Edmundston CA	2	11	--	42	56	-25.0	20	2	--	24	2	--	22	13	69.2	66	58	13.8
Fredericton CA	118	155	-23.9	494	495	-0.2	136	74	83.8	309	327	-5.5	254	229	10.9	803	822	-2.3
Miramichi CA	6	4	--	34	38	-10.5	0	0	--	0	0	--	6	4	50.0	34	38	-10.5
Moncton CA	192	195	-1.5	760	781	-2.7	114	175	-34.9	391	654	-40.2	306	370	-17.3	1,151	1,435	-19.8
Saint John CMA	99	123	-19.5	387	405	-4.4	50	26	92.3	129	175	-26.3	149	149	0.0	516	580	-11.0
TOTAL Urban Areas	429	513	-16.4	1,772	1,838	-3.6	324	279	16.1	870	1,166	-25.4	753	792	-4.9	2,642	3,004	-12.1
TOTAL Rural Areas	330	378	-12.7	1,198	1,301	-7.9	98	28	--	107	184	-41.8	428	406	5.4	1,305	1,485	-12.1
TOTAL New Brunswick	759	891	-14.8	2,970	3,139	-5.4	422	307	37.5	977	1,350	-27.6	1,181	1,198	-1.4	3,947	4,489	-12.1

TABLE 2 - COMPLETIONS BY AREA

AREA	SINGLES						MULTIPLES						TOTAL STARTS					
	Fourth Quarter			Year-to-date			Fourth Quarter			Year-to-date			Fourth Quarter			Year-to-date		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Bathurst CA	5	13	-61.5	49	43	14.0	10	0	--	21	2	--	15	13	15.4	70	45	55.6
Campbellton CA	5	7	-28.6	16	14	14.3	-5	0	--	0	0	--	0	7	--	16	14	14.3
Edmundston CA	2	17	-88.2	48	55	-12.7	22	0	--	26	4	--	24	17	41.2	74	59	25.4
Fredericton CA	151	172	-12.2	478	490	-2.4	139	163	-14.7	400	227	76.2	290	335	-13.4	878	717	22.5
Miramichi CA	6	15	-60.0	30	48	-37.5	-6	0	--	0	0	--	0	15	--	30	48	-37.5
Moncton CA	363	261	39.1	960	725	32.4	284	74	283.8	1,167	323	261.3	647	335	93.1	2,127	1,048	103.0
Saint John CMA	111	139	-20.1	379	364	4.1	75	67	11.9	149	104	43.3	186	206	-9.7	528	468	12.8
TOTAL Urban Areas	643	624	3.0	1,960	1,739	12.7	519	304	70.7	1,763	660	167.1	1,162	928	25.2	3,723	2,399	55.2
TOTAL Rural Areas	32	640	-95.0	1,322	1,573	-16.0	0	19	--	168	103	63.1	32	659	-95.1	1,490	1,676	-11.1
TOTAL New Brunswick	675	1,264	-46.6	3,282	3,312	-0.9	519	323	60.7	1,931	763	153.1	1,194	1,587	-24.8	5,213	4,075	27.9

TABLE 3 - UNDER CONSTRUCTION BY AREA (as at Dec. 31)

AREA	SINGLES			MULTIPLES			TOTAL		
	2004	2003	% chg	2004	2003	% chg	2004	2003	% chg
Bathurst CA	15	25	-40.0	4	8	--	19	33	-42.4
Campbellton CA	4	4	--	0	0	--	4	4	--
Edmundston CA	15	21	-28.6	0	2	--	15	23	-34.8
Fredericton CA	106	90	17.8	176	267	-34.1	282	357	-21.0
Miramichi CA	16	12	--	0	0	--	16	12	--
Moncton CA	189	389	-51.4	178	952	-81.3	367	1,341	-72.6
Saint John CMA	125	125	0.0	92	112	-17.9	217	237	-8.4
TOTAL Urban Areas	470	666	-29.4	450	1,341	-66.4	920	2,007	-54.2
TOTAL Rural Areas	358	486	-26.3	75	137	--	433	623	-30.5
TOTAL New Brunswick	828	1,152	-28.1	525	1,478	-64.5	1,353	2,630	-48.6

TABLE 2
STARTS BY AREA AND DWELLING TYPE
Fredericton / Moncton / Saint John

Area/ Period	Single	Semi	Row	Apartment & other	Total	Area/ Period	Single	Semi	Row	Apartment & other	Total
Fredericton City						Grand Bay-Westfield					
Oct. - Dec. 2004	54	4	30	102	190	Oct. - Dec. 2004	6	0	0	0	6
Oct. - Dec. 2003	52	8	40	46	146	Oct. - Dec. 2003	4	0	0	0	4
Jan. - Dec. 2004	224	10	98	197	529	Jan. - Dec. 2004	18	0	0	0	18
Jan. - Dec. 2003	200	24	64	231	519	Jan. - Dec. 2003	16	0	0	0	16
Total Fredericton						Quispamsis Town					
Oct. - Dec. 2004	118	4	30	102	254	Oct. - Dec. 2004	33	0	10	2	45
Oct. - Dec. 2003	127	0	0	6	133	Oct. - Dec. 2003	47	4	6	2	59
Jan. - Dec. 2004	494	14	98	197	803	Jan. - Dec. 2004	143	0	16	10	169
Jan. - Dec. 2003	495	24	64	239	822	Jan. - Dec. 2003	160	4	12	6	182
Moncton City						Rothesay Town					
Oct. - Dec. 2004	61	44	0	0	105	Oct. - Dec. 2004	6	6	0	0	12
Oct. - Dec. 2003	80	20	0	137	237	Oct. - Dec. 2003	15	0	0	0	15
Jan. - Dec. 2004	260	154	24	73	511	Jan. - Dec. 2004	35	6	0	0	41
Jan. - Dec. 2003	306	98	4	328	736	Jan. - Dec. 2003	50	2	3	0	55
Dieppe City						Saint John City					
Oct. - Dec. 2004	62	10	40	8	120	Oct. - Dec. 2004	28	6	4	18	56
Oct. - Dec. 2003	38	16	14	0	68	Oct. - Dec. 2003	26	8	6	0	40
Jan. - Dec. 2004	279	42	52	14	387	Jan. - Dec. 2004	106	26	10	48	190
Jan. - Dec. 2003	248	46	33	76	403	Jan. - Dec. 2003	90	18	17	109	234
Riverview Town						Saint John - Other outlying areas					
Oct. - Dec. 2004	24	6	0	0	30	Oct. - Dec. 2004	26	0	4	0	30
Oct. - Dec. 2003	20	0	0	0	20	Oct. - Dec. 2003	37	0	0	0	37
Jan. - Dec. 2004	91	16	0	4	111	Jan. - Dec. 2004	85	0	13	0	98
Jan. - Dec. 2003	86	26	0	38	150	Jan. - Dec. 2003	89	0	4	0	93
Total Moncton CA						Total Saint John CMA					
Oct. - Dec. 2004	192	62	40	12	306	Oct. - Dec. 2004	99	12	18	20	149
Oct. - Dec. 2003	304	52	18	161	535	Oct. - Dec. 2003	129	12	12	2	155
Jan. - Dec. 2004	760	216	76	99	1,151	Jan. - Dec. 2004	387	32	39	58	516
Jan. - Dec. 2003	781	170	37	447	1,435	Jan. - Dec. 2003	405	24	36	115	580

Note: Other outlying areas include Greenwich Parish, Kingston Parish, Musquash Parish, St. Martins Parish, St. Martins Village, Simonds Parish, Lepreau Parish, Petersville Parish, Hampton Town, Hampton Parish and Upham Parish.

