HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Sales and Construction Declining, Prices Rising

Halifax

Date Released: July 2006

There were 229 total housing starts across Metro Halifax in June - five per cent higher than the 219 starts in June of last year. Single-detached housing starts continued to languish, falling 27 per cent short of June 2005's production level. Conversely, multiple unit housing starts were more than twice as high last month than in June 2005, fuelled mainly by more rental starts but also by continuing strength in the semi-detached segment. Although production of new housing units last month was higher in total than a year ago at this time, the pace of residential construction remained much slower than what was experienced in June from 1999 through 2004.

This bolsters the view that the Metro Halifax market is well past the recent peak in the housing cycle but that the descent remains gradual in nature. Rising existing home inventories, falling homeownership demand and a contraction in net migration are all contributing factors to the more deliberate pace of residential construction.

Through the first half of this year, total housing starts are 14 per cent higher than through the first half of last year. This is entirely due to a 42 per cent increase in multiple unit starts as single-detached housing starts through the first half of this year are lagging 13 per cent behind

Source: CMHC

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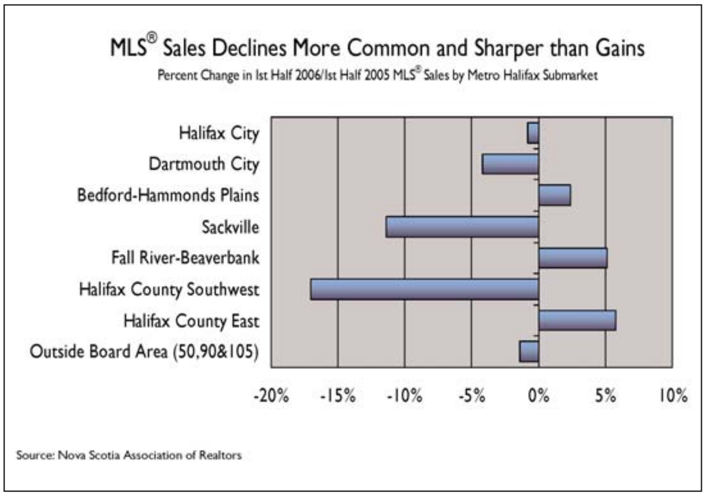
the pace set in the first six months of last year. Increased rental apartment construction and semi-detached homebuilding are the driving forces behind the higher level of multiple unit starts activity so far this year. However, the pace of multiple unit housing starts slowed in the second quarter of this year after a stellar first quarter performance.



Among the seven Metro Halifax submarkets, Dartmouth City posted a considerably higher level of housing starts in June than in June 2005 as a new rental apartment building began construction. Sackville and Fall River-Beaverbank also managed to surpass the total housing starts production level of a year ago, but only by a very narrow margin. Elsewhere, total housing starts were lower last month than at the same time last year. Through the first half of this year, only Halifax City has posted a significantly higher level of housing starts than through the first six months of last year, courtesy of surging condo and rental unit construction.

With 2,113 total residences under construction in June, the industry is busier than in June of last year when there were 1,989 units under construction. Furthermore, construction has concentrated somewhat in the Halifax City area which accounted for 52 per cent of all units under construction last month compared with 42 per cent at this time last year.

There were 70 new single-detached homes sold in June, considerably lower than the 95 homes sold last June. Through the first half of this year, new single-detached home sales are 13 per cent lower than in the first half of last year. Average sale price for these new single-detached homes reached $306,146 - almost $60,000 above the average price of $256,430 a year ago. Through the first half of this year, average sale price for newly-built single-detached homes is $289,027 which is approximately 17 per cent higher than the average price of $247,136 set in the first half of 2005.

Last month the under $200,000 segment of new single-detached home sales fell to only 10 per cent of total monthly sales while the $300,000 to $400,000 segment accounted for 30 per cent. Completed and unsold inventory of newly-built single-detached homes thinned to 26 units- the lowest level seen this year. However, inventory remains on par with the level of a year ago. Although sales slipped last month, completions dipped even more, resulting in the contraction in inventory.

On the resale market, MLS® sales in Metro Halifax were 14 per cent lower last month than in June 2005 with fewer sales reported in all areas except Bedford-Hammonds Plains. Average sale price reached $197,603 last month, eight per cent higher than in June 2005 when average sale price was $182,517. Average time to sell was 6 days longer last month than a year ago while the sale to list price ratio slipped to 97 per cent from 98 per cent over the same period. These developments can be attributed to continued expansion of inventory of homes for sale which is shifting the market further in favour of the buyer than was true a year ago. Consequently, the solid increase in average sale price last month is likely due to a shift toward move-up market activity rather than market pressure.

So far this year, MLS® sales trail the pace set in the first half of last year by 3 per cent. Only Bedford-Hammonds Plains, Fall River-Beaverbank and Halifax County East posted more MLS® trades in the first half of this year than in the first half of last year and in no instance was the increase above six per cent. Average sale price in the first half of this year is 8 per cent higher than in the first half of last year with all areas showing growth in prices led by Fall River-Beaverbank and Halifax County Southwest.

Across other areas of the province through the first half of this year total housing starts are 26 per cent lower in Cape Breton Regional Municipality than in the first half of last year and three per cent lower in Kentville. Total housing starts in the first six months of this year were 57 per cent higher than in the first six months of last year in New Glasgow, 22 per cent higher in Truro, and 23 per cent higher in the rural areas of the province.

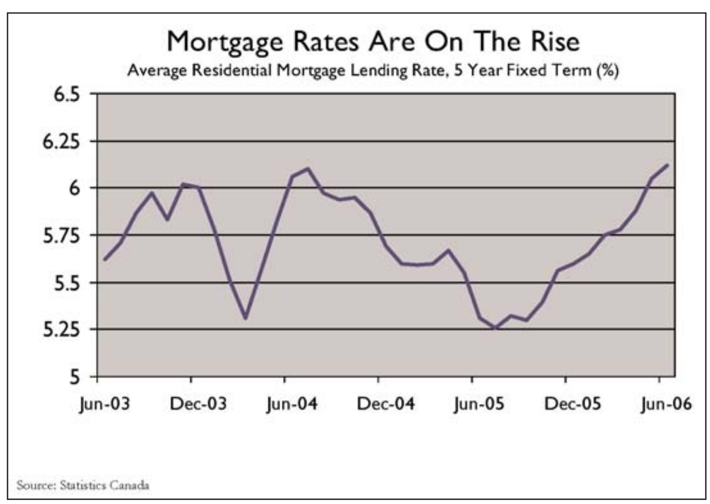


TABLE 1
ACTIVITY SUMMARY BY INTENDED MARKET
HALIFAX CMA
June 2006

		FREEHOLD					GRAND
		SINGLE	SEMI	ROW	CONDOMINIUM	RENTAL	TOTAL
PENDING STARTS	- Current Month	162	32	0	0	213	407
	- Previous Year	162	12	0	0	219	393
STARTS	- Current Month	130	12	4	0	83	229
	- Previous Year	178	4	9	0	28	219
	Year-To-Date 2006	498	62	40	139	500	1239
	Year-To-Date 2005	570	52	76	165	229	1092
UNDER CONSTRUCTION	- 2006	434	58	80	482	1059	2113
	- 2005	490	54	88	539	818	1989
COMPLETIONS	- Current Month	58	4	16	0	40	118
	- Previous Year	88	2	0	0	24	114
	Year-To-Date 2006	391	74	51	323	125	964
	Year-To-Date 2005	449	44	83	76	80	732
COMPLETED & NOT ABSORBED	- 2006	28	8	0	52	5	93
	- 2005	26	1	0	23	11	61
TOTAL SUPPLY	- 2006	462	66	80	534	1064	2206
	- 2005	516	55	88	562	829	2050
ABSORPTIONS	- Current Month	70	4	18	40	215	347
	- Previous Year	96	1	0	13	13	123
	Year-To-Date 2006	392	72	53	271	326	1114
	Year-To-Date 2005	452	47	91	116	165	871
	3-month Average	69	16	3	57	34	179
	12-month Average	102	12	10	33	28	185

Source: CMHC

TABLE 2
HOUSING ACTIVITY BY AREA AND BY INTENDED MARKET
HALIFAX CMA
June 2006

	OWNERSHIP							OWNERSHIP					
	FREEHOLD					GRAND		FREEHOLD					GRAND
STARTS	SINGLE	SEMI	ROW	CONDOMINIUM	RENTAL	TOTAL	**COMPLETIONS**	SINGLE	SEMI	ROW	CONDOMINIUM	RENTAL	TOTAL
HALIFAX CITY													
- Current Month	7	4	0	0	23	34	- Current Month	10	2	0	0	40	52
- Previous Year	16	2	0	0	28	46	- Previous Year	11	2	0	0	24	37
Year-To-Date 2006	42	24	19	139	432	656	Year-To-Date 2006	62	26	5	128	125	346
Year-To-Date 2005	60	16	37	60	179	352	Year-To-Date 2005	32	18	29	40	71	190
DARTMOUTH CITY													
- Current Month	19	4	4	0	60	87	- Current Month	4	0	16	0	0	20
- Previous Year	25	0	4	0	0	29	- Previous Year	7	0	0	0	0	7
Year-To-Date 2006	62	10	21	0	68	161	Year-To-Date 2006	52	12	41	116	0	221
Year-To-Date 2005	97	20	30	50	50	247	Year-To-Date 2005	85	14	40	0	3	142
BEDFORD-HAMMONDS PLAINS													
- Current Month	28	0	0	0	0	28	- Current Month	14	0	0	0	0	14
- Previous Year	34	2	5	0	0	41	- Previous Year	16	0	0	0	0	16
Year-To-Date 2006	121	4	0	0	0	125	Year-To-Date 2006	87	2	5	79	0	173
Year-To-Date 2005	106	2	9	55	0	172	Year-To-Date 2005	83	0	5	36	6	130
SACKVILLE													
- Current Month	10	0	0	0	0	10	- Current Month	10	0	0	0	0	10
- Previous Year	8	0	0	0	0	8	- Previous Year	8	0	0	0	0	8
Year-To-Date 2006	32	0	0	0	0	32	Year-To-Date 2006	32	0	0	0	0	32
Year-To-Date 2005	41	6	0	0	0	47	Year-To-Date 2005	41	6	0	0	0	47
FALL RIVER-BEAVERBANK													
- Current Month	20	2	0	0	0	22	- Current Month	9	0	0	0	0	9
- Previous Year	20	0	0	0	0	20	- Previous Year	6	0	0	0	0	6
Year-To-Date 2006	66	6	0	0	0	72	Year-To-Date 2006	53	0	0	0	0	53
Year-To-Date 2005	71	0	0	0	0	71	Year-To-Date 2005	49	2	0	0	0	51
HALIFAX COUNTY SOUTHWEST													
- Current Month	26	2	0	0	0	28	- Current Month	10	2	0	0	0	12
- Previous Year	33	0	0	0	0	33	- Previous Year	10	0	0	0	0	10
Year-To-Date 2006	98	18	0	0	0	116	Year-To-Date 2006	74	30	0	0	0	104
Year-To-Date 2005	111	8	0	0	0	119	Year-To-Date 2005	103	6	0	0	0	109
HALIFAX COUNTY EAST													
- Current Month	20	0	0	0	0	20	- Current Month	10	0	0	0	0	10
- Previous Year	42	0	0	0	0	42	- Previous Year	29	0	0	0	0	29
Year-To-Date 2006	77	0	0	0	0	77	Year-To-Date 2006	48	0	0	0	0	48
Year-To-Date 2005	84	0	0	0	0	84	Year-To-Date 2005	54	2	0	0	0	56

Source: CMHC

TABLE 3
UNDER CONSTRUCTION BY AREA
HALIFAX CMA
June 2006

	OWNERSHIP					
	FREEHOLD					
	SINGLE	SEMI	ROW	CONDO	RENTAL	GRAND TOTAL
HALIFAX CITY						
- Current Month	34	22	37	332	673	1098
- Previous Year	49	16	45	176	540	826
DARTMOUTH CITY						
- Current Month	74	10	43	95	370	592
- Previous Year	120	26	30	229	268	673
BEDFORD-HAMMONDS PLAINS						
- Current Month	94	4	0	55	16	169
- Previous Year	82	2	13	134	5	236
SACKVILLE						
- Current Month	25	0	0	0	0	25
- Previous Year	28	4	0	0	5	37
FALL RIVER-BEAVERBANK						
- Current Month	50	6	0	0	0	56
- Previous Year	54	0	0	0	0	54
HALIFAX COUNTY SOUTHWEST						
- Current Month	73	16	0	0	0	89
- Previous Year	86	6	0	0	0	92
HALIFAX COUNTY EAST						
- Current Month	84	0	0	0	0	84
- Previous Year	71	0	0	0	0	71

Source: CMHC

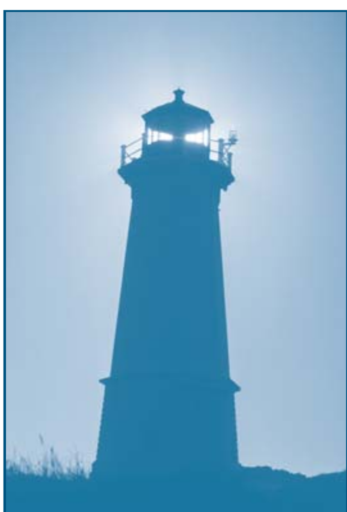


TABLE 4
SALES AND PRICE OF NEW SINGLE-DETACHED HOUSES BY TYPE
HALIFAX CMA
June 2006

Type	Current Month	Previous Year	Year-To-Date 2006	Year-To-Date 2005
Bungalow				
Sales	6	8	37	60
Average Price	$252,667	$292,319	$243,415	$209,633
Median Price	$230,000	$283,650	$215,000	$189,900
Split Level				
Sales	0	9	5	51
Average Price	$0	$198,078	$215,320	$213,847
Median Price	$0	$184,500	$225,000	$198,900
1.5 Storey				
Sales	0	0	1	2
Average Price	$0	$0	$355,000	$309,950
Median Price	$0	$0	$355,000	$309,950
2 Storey				
Sales	50	58	271	257
Average Price	$316,462	$289,286	$314,977	$283,996
Median Price	$291,000	$251,500	$279,800	$252,000
Other				
Sales	12	20	72	76
Average Price	$204,267	$173,053	$203,457	$174,597
Median Price	$215,000	$189,850	$207,950	$181,350
Unknown				
Sales	2	0	5	4
Average Price	$819,950	$0	$512,780	$212,675
Median Price	$819,950	$0	$300,000	$196,900
Total				
Sales	70	95	391	450
Average Price	$306,146	$256,430	$289,027	$247,136
Median Price	$282,000	$230,900	$259,900	$216,450

Source: CMHC

Note: Single-detached absorption data in Table 4,5 & 6 may not match single-detached absorption data in Table 1. Discrepancies occur because there are occasionally manufactured/mobile home sales on leased land for which sale price is not reported, so these are not included in Tables 4, 5 &6 data.

TABLE 5 - MONTHLY NEW SINGLE DETACHED HOUSE SALES BY PRICE RANGE HALIFAX CMA															
	<$174,999		$175,000-$199,999		$200,000-$249,999		$250,000-$299,999		$300,000-$399,999		>$400,000				
Period	sales	per cent	sales	per cent	sales	per cent	sales	per cent	sales	per cent	sales	per cent	Total Sales	Average Price	Median Price
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
January 2006	3	6.8%	3	6.8%	17	38.6%	11	25.0%	9	20.5%	1	2.3%	44	$274,711	$254,950
February 2006	5	8.2%	6	9.8%	23	37.7%	16	26.2%	7	11.5%	4	6.6%	61	$289,971	$249,000
March 2006	2	4.0%	12	24.0%	18	36.0%	7	14.0%	10	20.0%	1	2.0%	50	$259,002	$235,000
April 2006	2	3.2%	10	15.9%	17	27.0%	17	27.0%	14	22.2%	3	4.8%	63	$301,078	$267,950
May 2006	11	13.4%	12	14.6%	16	19.5%	19	23.2%	22	26.8%	2	2.4%	82	$289,902	$265,450
June 2006	4	5.9%	3	4.4%	18	26.5%	19	27.9%	20	29.4%	4	5.9%	68	$306,146	$282,800

Source: CMHC

TABLE 6 - MONTHLY NEW SINGLE-DETACHED UNOCCUPIED HOUSES BY PRICE RANGE HALIFAX CMA															
	<$174,999		$175,000-$199,999		$200,000-$249,999		$250,000-$299,999		$300,000-$399,999		>$400,000				
Period	units	per cent	units	per cent	units	per cent	units	per cent	units	per cent	units	per cent	Total Units	Average Price	Median Price
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
January 2006	2	9.1%	2	9.1%	4	18.2%	7	31.8%	6	27.3%	1	4.5%	22	$305,129	$284,500
February 2006	2	6.5%	2	6.5%	7	22.6%	8	25.8%	11	35.5%	1	3.2%	31	$316,511	$290,000
March 2006	2	5.7%	3	8.6%	11	31.4%	9	25.7%	9	25.7%	1	2.9%	35	$304,446	$287,000
April 2006	2	4.7%	2	4.7%	14	32.6%	14	32.6%	10	23.3%	1	2.3%	43	$296,466	$279,000
May 2006	3	8.1%	0	0.0%	9	24.3%	12	32.4%	11	29.7%	2	5.4%	37	$312,300	$290,000
June 2006	3	11.5%	0	0.0%	8	30.8%	5	19.2%	8	30.8%	2	7.7%	26	$309,329	$285,000

Source: CMHC

Table 7: Residential MLS® Sales Activity by Area

	June											
	2005				2006				Per Cent Change			
SUBMARKET	Sales	Average List Price	Average Sale Price	Average Days on Market	Sales	Average List Price	Average Sale Price	Average Days on Market	Sales	Average List Price	Average Sale Price	Average Days on Market
Halifax City	174	$230,739	$224,180	93	136	$237,998	$230,485	81	-21.8%	3.1%	2.8%	-12.9%
Dartmouth City	208	$175,583	$172,159	55	202	$191,166	$186,305	67	-2.9%	8.9%	8.2%	21.8%
Bedford-Hammonds Plains	71	$228,871	$222,442	80	78	$250,972	$244,956	103	9.9%	9.7%	10.1%	28.8%
Sackville	68	$150,744	$147,899	67	54	$159,072	$155,305	55	-20.6%	5.5%	5.0%	-17.9%
Fall River-Beaverbank	53	$188,251	$183,504	59	48	$243,474	$240,402	124	-9.4%	29.3%	31.0%	110.2%
Halifax County Southwest	78	$176,855	$172,913	78	53	$184,212	$179,061	92	-32.1%	4.2%	3.6%	17.9%
Halifax County East	54	$134,467	$128,759	118	49	$154,684	$149,412	98	-9.3%	15.0%	16.0%	-16.9%
Outside HRM (50,90 & 105)	72	$136,282	$155,081	72	47	$154,860	$148,463	54	-34.7%	13.6%	-4.3%	-25.0%
TOTAL	778	$185,110	$182,517	75	667	$203,084	$197,603	81	-14.3%	9.7%	8.3%	8.0%

	Year to Date											
	2005				2006				Per Cent Change			
SUBMARKET	Sales	Average List Price	Average Sale Price	Average Days on Market	Sales	Average List Price	Average Sale Price	Average Days on Market	Sales	Average List Price	Average Sale Price	Average Days on Market
Halifax City	792	$234,310	$228,113	97	786	$254,236	$246,254	94	-0.8%	8.5%	8.0%	-3.1%
Dartmouth City	923	$173,385	$169,603	58	884	$183,718	$178,969	69	-4.2%	6.0%	5.5%	19.0%
Bedford-Hammonds Plains	410	$240,796	$235,030	93	420	$260,080	$254,914	104	2.4%	8.0%	8.5%	11.8%
Sackville	317	$152,887	$149,920	64	281	$157,668	$153,976	53	-11.4%	3.1%	2.7%	-17.2%
Fall River-Beaverbank	236	$197,379	$192,242	75	248	$218,779	$213,761	101	5.1%	10.8%	11.2%	34.7%
Halifax County Southwest	342	$183,815	$178,748	88	284	$208,818	$202,274	116	-17.0%	13.6%	13.2%	31.8%
Halifax County East	206	$150,891	$146,211	104	218	$158,735	$153,208	117	5.8%	5.2%	4.8%	12.5%
Outside HRM (50,90 & 105)	292	$137,900	$138,342	82	288	$144,911	$138,531	85	-1.4%	5.1%	0.1%	3.7%
TOTAL	3518	$191,471	$187,070	80	3409	$207,004	$201,188	88	-3.1%	8.1%	7.5%	10.0%

Source: Nova Scotia Association of Realtors

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TABLE 8
STARTS AND COMPLETIONS BY AREA AND INTENDED MARKET
NOVA SCOTIA
SECOND QUARTER

STARTS	SINGLE	SEMI	ROW	APARTMENT	TOTAL	COMPLETIONS	SINGLE	SEMI	ROW	APARTMENT	TOTAL
CAPE BRETON RM											
- Current Quarter	52	18	0	7	77	- Current Quarter	57	28	0	3	88
- Previous Year	67	30	0	8	105	- Previous Year	59	16	0	4	79
Year-To-Date 2006	72	24	0	7	103	Year-To-Date 2006	72	30	0	3	105
Year-To-Date 2005	99	32	0	8	139	Year-To-Date 2005	80	18	0	4	102
NEW GLASGOW CA											
- Current Quarter	33	4	0	5	42	- Current Quarter	25	0	8	0	33
- Previous Year	27	2	0	0	29	- Previous Year	13	0	0	0	13
Year-To-Date 2006	46	4	0	5	55	Year-To-Date 2006	50	0	8	0	58
Year-To-Date 2005	33	2	0	0	35	Year-To-Date 2005	36	2	0	0	38
TRURO CA											
- Current Quarter	41	4	8	42	95	- Current Quarter	25	4	4	71	104
- Previous Year	41	6	0	15	62	- Previous Year	24	2	0	15	41
Year-To-Date 2006	59	8	8	46	121	Year-To-Date 2006	47	6	4	81	138
Year-To-Date 2005	59	6	0	34	99	Year-To-Date 2005	107	4	4	22	137
KENTVILLE CA											
- Current Quarter	30	8	0	0	38	- Current Quarter	11	6	8	24	49
- Previous Year	27	10	0	24	61	- Previous Year	10	4	0	0	14
Year-To-Date 2006	35	10	0	16	61	Year-To-Date 2006	23	26	8	24	81
Year-To-Date 2005	29	10	0	24	63	Year-To-Date 2005	29	10	0	24	63
RURAL NOVA SCOTIA											
- Current Quarter	367	43	13	76	499	- Current Quarter	276	19	7	14	316
- Previous Year	350	16	23	43	432	- Previous Year	174	2	0	6	182
Year-To-Date 2006	518	57	13	111	699	Year-To-Date 2006	689	46	10	71	816
Year-To-Date 2005	474	16	23	57	570	Year-To-Date 2005	661	12	18	12	703

Source: CMHC

KEY ECONOMIC INDICATORS
HALIFAX

Indicator	Period	2006	2005	% Change
Metro Halifax Labour Force (000's)	June	218.6	217.7	0.4%
Metro Halifax Employment (000's)	June	207.4	204.5	1.4%
Metro Halifax Unemployment Rate	June	5.1%	6.1%	---
Building Permits ($ 000's)	May			
Residential		57,725	45,007	28.3%
Non-Residential		19,805	20,443	-3.1%
Total		77,530	65,450	18.5%
Metro Halifax Consumer Price Index	May	131.5	127.6	3.1%
Metro Halifax New House Price Index	April			
Total		130.1	121.8	6.8%
House		132.0	123.9	6.5%
Land		126.6	117.1	8.1%

Sources:
Statistics Canada - Labour Force Survey
Statistics Canada - Monthly Building Permits Survey
Statistics Canada - Condumer Price Index
Statistics Canada - New House Price Index

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