

H

OUSING NOW

Victoria/Vancouver Island

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Home Starts On Rise

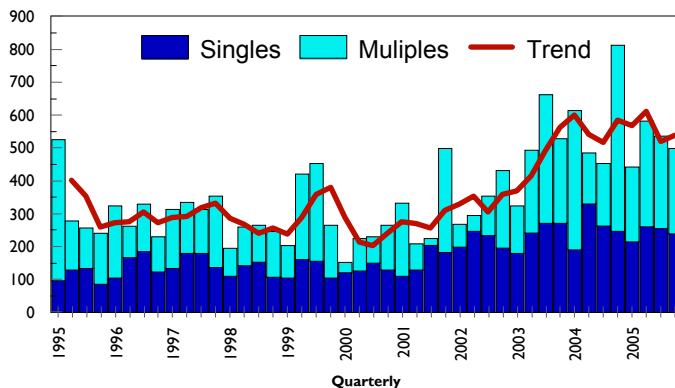
Victoria homebuilding double November levels

- ◆ New single detached house and condo apartment construction both jumped in Metro Victoria, pushing **December's** starts to double the previous month's level.
- ◆ **Victoria City** added 59 more apartment condo starts this month, bringing its annual **share of Metro Victoria condo starts to 49%**. In response to the hot market, several more downtown condo projects are poised to begin construction in 2006-07.
- ◆ Starts outpaced completions for the fourth consecutive month, pushing the number of units under construction higher. **Under construction totals**

are now at the highest levels seen since August 1990.

- ◆ **New home inventories edged down in December** as absorptions outpaced completions by 12 units.
- ◆ The new apartment **condo market moved toward a balanced market** as 19 suites sold, 18 completed and 126 got underway.
- ◆ **New townhouse inventory dipped** as four completed and ten sold. Seven new townhouses began construction.
- ◆ The median single-detached **house price hit a new high** in December. Prices are rising due to increased costs for lots, skilled labour and building supplies.

Victoria CMA - Housing Starts



CMHC Victoria (250) 363-8040

◆ Robust homebuilding in fourth quarter 2005, but below 2004 levels.

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Canada

DECEMBER 2005

IN THIS ISSUE

Monthly Highlights..... 1-2
Quarterly Resale Market Trends..... 2

STATISTICAL TABLES:

Metropolitan Victoria

Starts/Completions/Under Construction.. 3
Inventory & Absorptions by Municipality.. 4

Vancouver Island

New House Prices & Starts/ Completions.. 5
Starts/Completions/Under Construction.. 6
Inventory & Absorptions by Municipality.. 7
CMHC Market Watch..... 8
New Housing Inventory..... 8
Market Indicator Trends & MLS® Sales... 9

CMHC Victoria Noticeboard

◆ **Housing Market Outlook** - Spring 2006 edition available in May. Subscribe via website or call (604) 737-4088, lpreston@cmhc.ca

◆ **CMHC to test New Home Sales Survey in Victoria** - during 2006 CMHC will contact builders and developers to test feasibility of a new home sales survey. Questions? (250) 363-8045, pprill@cmhc.ca

◆ **Check out the expanded FREE market info on CMHC's website:**
www.cmhc-schl.gc.ca/mktinfo/store

◆ **CMHC tracks homebuilding** - next release February 8. (250) 363-8045, pprill@cmhc.ca

CMHC SCHL
HOME TO CANADIANS

Nanaimo homebuilding dips

- ◆ Homebuilding slowed in Nanaimo during December, but is **expected to pick up in the new year** as several new developments are planned.
- ◆ Nanaimo **new house prices** remained above \$390,000 this month - they first hit that level in November and are forecast to **edge up through 2006** due to rising costs for building supplies and higher lot prices.
- ◆ **Sales of new single and semi-detached houses matched completions**, maintaining Nanaimo's balanced market.

◆ **Two new townhouses and no new condo apartments sold in December.** However, robust presales continue for projects under construction or in preparation phases.

Other Van. Island Markets see starts wane

- ◆ **Courtenay CA, Duncan CA and Parksville-Qualicum** each saw fewer new starts in December compared with last month.
- ◆ **Duncan CA 2005 total housing starts doubled 2004 levels.** Many new homebuyers turn to Duncan CA

as a less expensive alternative to Victoria, with its higher house prices.

Employment, wage growth spur new homebuilding

- ◆ BC saw **strong employment growth in 2005**, particularly in areas outside the Lower Mainland, and this growth boosted new home starts. Metro Victoria's job growth surpassed 4% last year while wages rose 3%, **increasing demand for both new and existing homes, as well as rental suites.**

Resale Market Trends

- Metro Victoria recorded fewer single-detached and condo MLS® transactions during fourth quarter 2005 compared with the same period last year, as **buyer demand abated slightly** from the exceptional levels of the previous twelve months. Townhouse sales held steady.
- Strong demand and a limited number of listings meant **continued upward pressure on prices**, up 18.1% for single detached houses and 20% for both townhomes and condos.
- Sales-to-active listings ratios continued edging down from very

high levels seen in June-July 2005. However, the downtrend was not significant enough to change market conditions from a **sellers market classification** in Victoria.

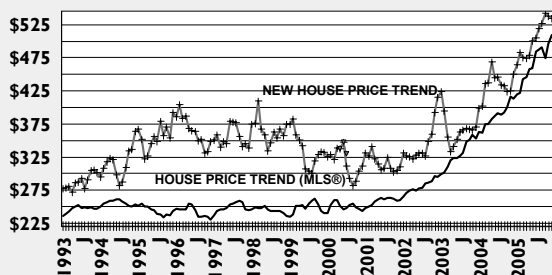
- Investors, retirees and people relocating to work on Vancouver Island kept housing markets active through 2005. Additionally, **steadily rising wage levels** meant more residents looking to purchase a home.
- In **Nanaimo markets, prices escalated** for all housing types in fourth quarter 2005 compared to 2004 levels as demand outstripped supply. Condo apartment and

townhouse sales eclipsed 2004 results while single-detached house sales levelled off.

- Other Vancouver Island markets followed the Nanaimo pattern, with **most markets favouring sellers** as demand remained robust.
- Increasingly, homebuyers are searching for less expensive options as prices rise further: many turned to **up-island markets or to condo units** in 2005.

METRO VICTORIA

Average House Price Trend Jan. 1993 - Dec. 2005
thousands

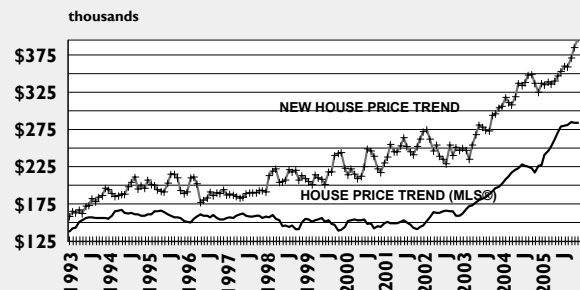


NOTE: Price trends calculated as 3 month moving average.
CMHC Market Analysis (250)363-8040 DATA: Victoria Real Estate Board, CMHC

- ◆ **Victoria new house price uptrend eases.**

NANAIMO

Average House Price Trend Jan. 1993 - Dec. 2005
thousands



NOTE: Price trends calculated as 3 month moving average.
CMHC Market Analysis (250) 363-8040 DATA: Vancouver Island Real Estate Board, CMHC

- ◆ **Nanaimo MLS prices level off.**

METROPOLITAN VICTORIA

Starts/Completions/Under Construction

December 2005

	STARTS					COMPLETIONS					UNDER CONSTRUCTION								
	Single	Semi	Row Condo	Row Rental	Apt Condo Rental	TOTAL	Single	Semi	Row Condo	Row Rental	Apt Condo Rental	TOTAL	Single	Semi	Row Condo	Row Rental	Apt Condo Rental	TOTAL	
Victoria City	1	0	7	0	59	20	87	1	5	0	0	0	0	0	0	0	0	0	6
Oak Bay	1	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1
Esquimalt	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	2
Saanich	10	0	0	0	0	0	10	18	2	0	0	0	0	0	0	0	0	0	20
C. Saanich	4	1	0	0	0	0	5	4	0	4	0	0	0	0	0	0	0	0	8
N. Saanich	5	0	0	0	0	0	5	2	0	0	0	0	0	0	0	0	0	0	2
Sidney	1	0	0	0	0	0	1	4	0	0	0	0	0	0	0	0	0	0	4
View Royal	2	0	0	0	0	0	2	4	0	0	0	0	0	0	0	0	0	0	4
RDA H	2	0	0	0	0	0	2	2	0	0	0	0	0	0	0	0	0	0	2
Highlands	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1
Langford	40	2	0	0	67	0	109	21	0	0	0	18	0	0	0	0	139	0	39
Colwood	9	0	0	0	0	0	9	12	4	0	0	0	0	0	0	0	31	0	16
Metchosin	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Sooke	15	0	0	0	0	0	15	11	0	0	0	0	0	0	0	0	0	0	11
Indian Res.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MONTH TOTAL	91	3	7	0	126	20	247	83	11	4	0	18	0	4	0	0	1306	20	116
YEAR-TO-DATE	974	94	111	0	856	23	2058	935	87	159	4	688	0	---	---	---	---	---	1873

NOTE: Rental category includes private rental, assisted and co-op housing.

METROPOLITAN VICTORIA

Inventory and Absorptions by Municipality

December 2005 AND YEAR-TO-DATE 2004 & 2005

INVENTORY OF NEW HOMES										ABSORPTION OF NEW HOMES									
	Apt Condo	Apt Rental	Row Condo	Row Rental	Multi. Total	Single & Semi	Grand Total		Apt Condo	Apt Rental	Row Condo	Row Rental	Multi. Total	Single & Semi	Grand Total				
Victoria City	12	0	1	0	13	8	21	Victoria City	1	0	1	0	2	5	7				
Oak Bay	0	0	0	0	0	1	1	Oak Bay	0	0	0	0	0	1	1				
Esquimalt	0	0	0	0	0	0	0	Esquimalt	0	0	0	0	0	4	4				
Saanich	0	0	0	0	0	12	12	Saanich	0	0	0	0	0	22	22				
C. Saanich	0	0	0	0	0	1	1	C. Saanich	0	0	4	0	4	4	8				
N. Saanich	0	0	0	0	0	4	4	N. Saanich	0	0	0	0	0	2	2				
Sidney	1	0	0	0	1	3	4	Sidney	0	0	0	0	0	3	3				
View Royal	0	0	0	0	0	3	3	View Royal	0	0	0	0	0	5	5				
RDA H	0	0	0	0	0	0	0	RDA H	0	0	0	0	0	2	2				
Highlands	0	0	0	0	0	0	0	Highlands	0	0	0	0	0	2	2				
Langford	0	0	0	0	0	13	13	Langford	18	0	0	0	18	22	40				
Colwood	0	0	7	0	7	6	13	Colwood	0	0	4	0	4	16	20				
Metchosin	0	0	0	0	0	1	1	Metchosin	0	0	0	0	0	0	0				
Sooke	0	0	1	0	1	4	5	Sooke	0	0	1	0	1	11	12				
Indian Res.	0	0	0	0	0	1	1	Indian Res.	0	0	0	0	0	0	0				
MONTH TOTAL	13	0	9	0	22	57	79	MONTH TOTAL	19	0	10	0	29	99	128				
Y.T.D. AVG. 2005	31	0	18	0	49	63	112	Y.T.D. TOTAL 2005	690	1	173	4	868	1028	1896				
Y.T.D. AVG. 2004	20	7	14	0	41	60	101	Y.T.D. TOTAL 2004	426	205	119	6	756	1103	1859				

Note 1): Absorptions are measured at project completion and do not include presales.

Note 2): Tenure is defined as intended market at completion. Inventory refers to unsold or unrented units

METROPOLITAN VICTORIA

ABSORBED NEW HOUSE PRICES

	NO. OF UNITS		AVERAGE PRICE			MEDIAN PRICE		
	2004	2005	2004	2005	% Chg	2004	2005	% Chg
January	80	63	\$378,880	\$482,247	27.3	\$359,900	\$450,000	25.0
February	97	72	453,973	480,806	5.9	385,900	433,450	12.3
March	67	81	372,211	488,360	31.2	359,900	419,900	16.7
April	71	58	481,230	458,350	-4.8	412,900	395,950	-4.1
May	90	85	458,695	475,354	3.6	416,200	459,900	10.5
June	58	74	466,053	501,696	7.6	399,450	483,500	21.0
July	78	82	408,943	524,561	28.3	359,450	493,700	37.3
August	89	73	463,498	488,153	5.3	432,500	489,900	13.3
September	80	68	428,044	546,007	27.6	417,400	499,900	19.8
October	78	86	407,190	546,067	34.1	399,900	497,500	24.4
November	53	66	438,053	536,200	22.4	394,000	487,900	23.8
December	79	88	431,206	532,416	23.5	409,999	519,950	26.8

NANAIMO CA *

ABSORBED NEW HOUSE PRICES

	NO. OF UNITS		AVERAGE PRICE			MEDIAN PRICE		
	2004	2005	2004	2005	% Chg	2004	2005	% Chg
January	26	33	\$299,948	\$330,330	10.1	\$282,700	\$316,900	12.1
February	28	35	331,957	353,569	6.5	335,640	349,900	4.2
March	42	38	289,925	321,282	10.8	269,900	322,400	19.5
April	26	37	274,842	343,431	25.0	259,900	312,900	20.4
May	42	51	291,363	346,055	18.8	272,750	307,000	12.6
June	23	42	335,317	333,481	-0.5	314,400	331,400	5.4
July	30	27	323,455	364,022	12.5	290,650	343,900	18.3
August	43	39	311,608	363,797	16.7	284,000	345,900	21.8
September	54	50	337,697	353,184	4.6	317,900	349,900	10.1
October	40	36	373,613	361,583	-3.2	327,500	343,900	5.0
November	42	55	313,224	399,625	27.6	293,900	375,000	27.6
December	47	26	327,451	395,358	20.7	309,900	389,900	25.8

* Nanaimo CA boundaries revised as per Statistics Canada Definitions effective January 2005, 2004 comparative figures reflect this boundary change as well

VANCOUVER ISLAND

STARTS/COMPLETIONS SUMMARY

2004 & 2005 Year-to-Date

	STARTS					STARTS					COMPLETIONS					COMPLETIONS				
	Jan.-Dec. 2005					Jan.-Dec. 2004 **					Jan.-Dec. 2005					Jan.-Dec. 2004**				
	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL
Campbell River *	220	22	15	82	339	121	22	6	21	170	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Courtenay	391	56	70	196	713	426	48	38	166	678	400	50	46	196	692	367	56	24	53	500
Parksville/Qualicum	206	38	16	29	289	272	103	53	0	428	224	82	31	9	346	224	59	36	0	319
Nanaimo **	581	92	10	222	905	573	56	15	117	761	543	64	12	64	683	531	51	7	0	589
Duncan	209	86	47	46	388	187	28	0	0	215	208	50	17	7	282	189	20	0	0	209
Port Alberni *	81	2	0	0	83	51	0	16	0	67	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Victoria	974	94	111	879	2058	1038	141	125	1059	2363	935	87	163	688	1873	971	139	130	627	1867
Total	2662	390	269	1454	4775	2668	398	253	1363	4682	2310	333	269	964	3876	2282	325	197	680	3484

* updated quarterly

** Nanaimo 2004 figures are shown for revised 2005 census agglomeration boundary definitions, for comparison purposes on the above table only

Preliminary

Page 5

VANCOUVER ISLAND

Starts/Completions/Under Construction

December 2005

	UNDER CONSTR: NOV. 2005				STARTS				COMPLETIONS				UNDER CONSTR: DEC. 2005							
	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total
Comox Town	24	2	12	22	60	0	0	4	0	4	10	0	0	0	10	14	2	16	22	54
Courtenay City	92	42	33	102	269	14	0	6	26	46	14	10	6	0	30	92	32	33	128	285
Cumberland	15	0	0	0	15	0	0	0	0	0	1	0	0	0	1	14	0	0	0	14
Comox Strath RDA A	25	0	0	0	25	2	0	0	0	2	1	0	0	0	1	26	0	0	0	26
Comox Strath RDA B	59	2	4	0	65	0	0	0	0	0	5	0	0	0	5	54	2	4	0	60
Indian Res.	2	0	0	0	2	0	0	0	0	0	0	0	0	0	0	2	0	0	0	2
Courtenay CA	217	46	49	124	436	16	0	10	26	52	31	10	6	0	47	202	36	53	150	441
Parksville City	31	42	6	0	79	4	0	0	0	4	3	4	0	0	7	32	38	6	0	76
Qualicum Beach Town	20	2	0	29	51	3	0	0	0	3	3	0	0	9	12	20	2	0	20	42
Nanaimo RDA G	71	2	0	0	73	7	0	0	0	7	10	0	0	0	10	68	2	0	0	70
Parksville-Qualicum	122	46	6	29	203	14	0	0	0	14	16	4	0	9	29	120	42	6	20	188
Nanaimo City	238	53	11	275	577	23	1	0	0	24	27	2	0	0	29	234	52	11	275	572
Lantzville	3	0	0	0	3	0	0	0	0	0	1	0	0	0	1	2	0	0	0	2
Nanaimo RDA A	22	0	0	0	22	0	0	0	0	0	1	0	0	0	1	21	0	0	0	21
Nanaimo RDA C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nanaimo RDA D	4	0	0	0	4	0	0	0	0	0	2	0	0	0	2	2	0	0	0	2
Nanaimo CA *	267	53	11	275	606	23	1	0	0	24	31	2	0	0	33	259	52	11	275	597
North Cowichan	89	28	20	24	161	8	4	8	0	20	13	8	10	0	31	84	24	18	24	150
Duncan City	1	20	0	22	43	0	0	0	0	0	0	0	0	0	0	1	20	0	22	43
Cowich. Valley RDA D	18	0	12	0	30	0	0	0	0	0	8	0	0	0	8	10	0	12	0	22
Cowich. Valley RDA E	12	0	0	0	12	0	0	0	0	0	1	0	0	0	1	11	0	0	0	11
Duncan CA	120	48	32	46	246	8	4	8	0	20	22	8	10	0	40	106	44	30	46	226
TOTAL	726	193	98	474	1491	61	5	18	26	110	100	24	16	9	149	687	174	100	491	1452

* Nanaimo CA boundaries revised as per Statistics Canada Definitions effective January 2005

Preliminary
Page 6

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NANAIMO CA

Inventory and Absorptions by Municipality

December 2005 AND YEAR-TO-DATE 2004 & 2005

INVENTORY OF NEW HOMES										ABSORPTION OF NEW HOMES									
	Apt		Row	Condo	Rental	Multi. Total	Single & Semi	Grand Total	Apt	Condo	Apt	Rental	Condo	Row	Rental	Multi. Total	Single & Semi	Grand Total	
	Condo	Rental																	Condo
Nanaimo City	31	0	1	0	0	32	37	69	4	0	0	2	0	0	6	29	35		
Lantzville	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1		
Nanaimo A,C,D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3		
MONTH TOTAL	31	0	1	0	0	32	37	69	4	0	0	2	0	0	6	33	39		
Y.T.D. AVG. 2005	9	0	1	0	0	10	30	40	10	0	0	11	0	0	21	592	613		
Y.T.D. AVG. 2004	1	0	1	0	0	2	22	24	4	0	0	14	0	0	18	575	593		

* Nanaimo CA boundaries revised as per Statistics Canada Definitions effective January 2005, comparatives for 2004 have been adjusted

COURTENAY CA

Inventory and Absorptions by Municipality

December 2005 AND YEAR-TO-DATE 2004 & 2005

INVENTORY OF NEW HOMES										ABSORPTION OF NEW HOMES									
	Apt		Row	Condo	Rental	Multi. Total	Single & Semi	Grand Total	Apt	Condo	Apt	Rental	Condo	Row	Rental	Multi. Total	Single & Semi	Grand Total	
	Condo	Rental																	Condo
Comox Town	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	10	10		
Courtenay	8	0	6	0	14	15	29	29	0	0	0	2	0	0	2	20	22		
Cumberland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1		
Comox Strath A,B	29	0	0	0	29	0	29	29	0	0	0	0	0	0	0	6	6		
Indian Res.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
MONTH TOTAL	37	0	6	0	43	18	61	61	0	0	0	2	0	0	2	37	39		
Y.T.D. AVG. 2005	27	0	3	0	30	19	49	49	101	59	38	4	4	4	202	414	616		
Y.T.D. AVG. 2004	0	0	3	0	3	13	16	16	36	16	27	4	4	4	83	391	474		

Note 1): Absorptions are measured at projection completion and do not include presales.

Note 2): Tenure is defined as intended market at completion. Inventory refers to unsold or unrented units

CMHC Market Watch

VICTORIA AND NANAIMO New Ownership Construction DECEMBER 2005

METRO VICTORIA

	Completed & Unoccupied ¹	Under Construction	Total Supply	Monthly Absorption Forecast ²	Duration of Supply (Months)	Surplus/Shortfall ³ (Months)	Market Classification ⁴
Single & Semi	57	711	768	90	8.5	1.5	Balanced.
Row Condo	9	69	78	9	8.7	-1.3	Balanced.
Apt Condo	13	1306	1319	82	16.1	2.1	Oversupplied, moving into balance.

need to know

NANAIMO CA

	Completed & Unoccupied ¹	Under Construction	Total Supply	Monthly Absorption Forecast ²	Duration of Supply (Months)	Surplus/Shortfall ³ (Months)	Market Classification ⁴
Single & Semi	37	284	321	43	7.5	0.5	Balanced.
Row Condo	1	11	12	2	6.0	-5.0	Undersupplied.
Apt Condo	31	250	281	22	12.8	-0.2	Balanced.

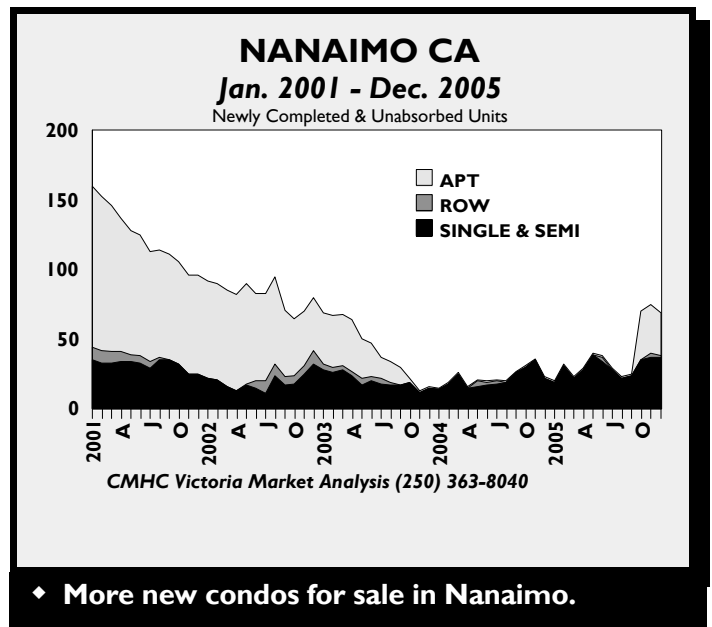
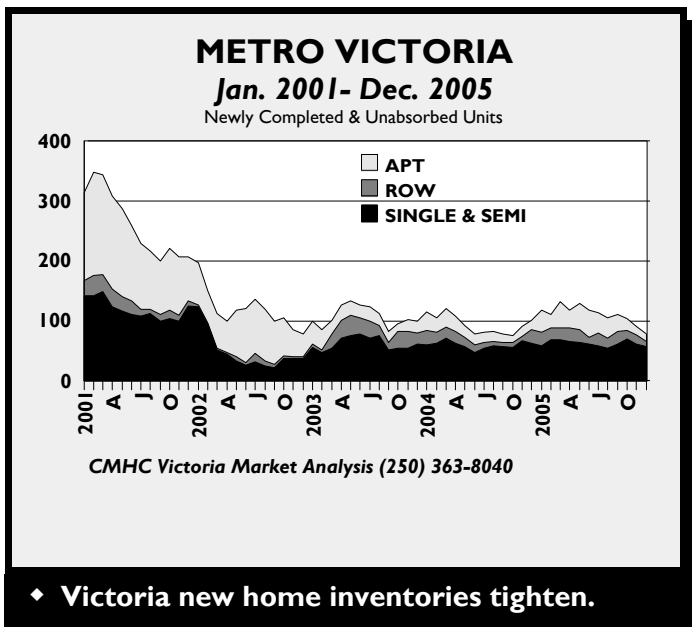
need to know

¹⁻⁴ Refer to CMHC Definitions insert.

VICTORIA AND NANAIMO

New Housing Inventory

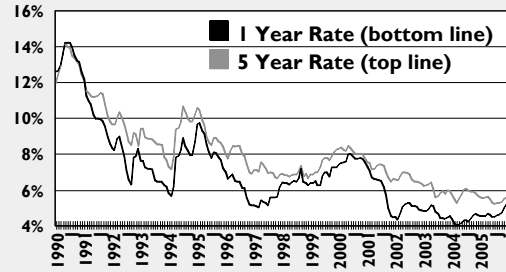
JANUARY 2001 to DECEMBER 2005



KEY ECONOMIC INDICATORS

MORTGAGE RATES

One & Five Year Terms Jan. 1990 - Dec. 2005



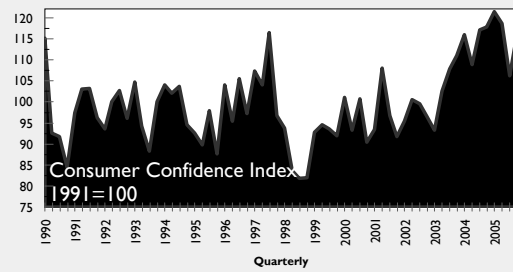
CMHC Market Analysis (250) 363-8040

◆ Mortgage rates edge up in December.

B.C. CONSUMER CONFIDENCE

1st Q 1990 - 4th Q 2005

Seasonally Adjusted



CMHC Victoria (250) 363-8040 DATA: Conference Board of Canada

◆ Cons. confidence rebounds in fourth quarter.

Vancouver Island Housing Markets MLS® Table

MLS® SALES SINGLE-FAMILY DETACHED	December 2005				January-December 2005			
	Sales Dec. 2005	% Change Dec. 2004	Avg Price Dec. 2005	% Change Dec. 2004	Sales Y.T.D.	% Chg. Y.T.D. 04-05	Avg Price Y.T.D.	% Chg. Y.T.D. 04-05
Metro Victoria	183	-23%	\$546,074	28%	4,214	-2%	\$463,399	20%
Nanaimo	94	6%	\$278,762	35%	1,641	0%	\$267,351	21%
Duncan-Cowichan Valley	41	-23%	\$299,014	31%	895	3%	\$264,636	22%
Port Alberni*	18	-25%	\$143,661	17%	429	-4%	\$152,684	25%
Parksville-Qualicum Beach	39	-15%	\$315,707	9%	787	-1%	\$306,510	20%
Comox Valley	46	5%	\$270,251	10%	902	-8%	\$252,516	19%
Campbell River	34	31%	\$242,038	22%	559	3%	\$224,131	25%

* Note: MLS® data represents a smaller portion of total sales in Port Alberni.

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