

H

OUSING NOW

Victoria/Vancouver Island

YOUR LINK TO THE HOUSING MARKET

Homebuilding slips in July

Canada Mortgage and Housing Corporation

Victoria new condo construction skips a beat

- ◆ Victoria saw almost no new multiple projects get underway in July, which contributed to overall housing starts coming in well below monthly levels recorded both during the past quarter and during July 2005.
- ◆ Year-to-date totals are now 4% below 2005: single-detached house construction is 4% ahead of last year while apartment condo projects lag 16% behind 2005 levels.
- ◆ The July 2006 median house price dipped to a four-month low, at \$457,000, but is expected to rebound this autumn.
- ◆ No new townhouses got underway in July and none sold; the market remained balanced.
- ◆ Apartment condo sales again eclipsed completions, drawing down inventory levels. The market remains balanced but demand is rising faster than supply, evidenced by a presale rate of 73%.

Nanaimo sees fewer new homes start in July

- ◆ Despite a slip in July, homebuilding is 20% ahead of last year in Nanaimo.
- ◆ July's sales came in 21 below the number of units completed in July, but balanced market conditions prevailed for single/semi detached houses and for apartments.
- ◆ The new townhouse market remains undersupplied with just four units under construction, five in inventory, and no sales or completions.

Parksville-Qualicum sees more new homes in 2006

- ◆ Parksville-Qualicum was the only market to see more new homes get underway in July 2006 (22) than the previous July. Courtenay (35) and Duncan (36) followed Victoria and Nanaimo trends. Builders are working close to capacity all over Vancouver Island, reflected in the high number of homes under construction.

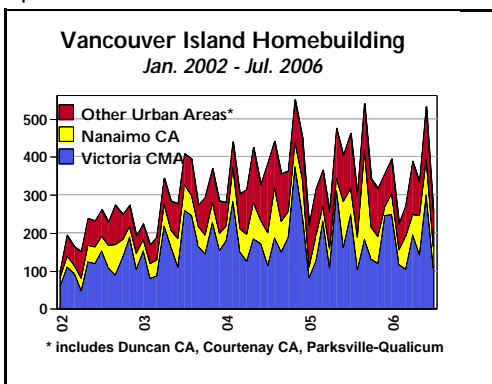
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CMHC Victoria Noticeboard

- ◆ **CMHC B.C. Seniors' Housing Market Report** - available October 2006, order via website or call 1-800-668-2642.
www.cmhc.ca/en/hoficlincl/homain
- ◆ **CMHC tracks homebuilding** - next release September 11. (250) 363-8045, prrill@cmhc.ca
- ◆ **Plan now to attend CMHC's annual Housing Outlook Conference** November 14 in Vancouver. Register via web beginning mid September or call 1-800-668-2642 to learn more.



◆ Homebuilding slows in July.

Higher mortgage rates cool housing market heat

- ◆ This summer's slight increase in mortgage rates is providing a cooling influence to 2006's hot housing markets. Housing demand continues strong but is not as overheated as seen in early 2006. Although rates have risen, they remain well below the 30 year average of 10% (5 year term).

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METROPOLITAN VICTORIA
Starts/Completions/Under Construction

July 2006

	STARTS							COMPLETIONS							UNDER CONSTRUCTION						
	Single	Semi	Row Condo	Row Rental	Apt Condo	Apt Rental	TOTAL	Single	Semi	Row Condo	Row Rental	Apt Condo	Apt Rental	TOTAL	Single	Semi	Row Condo	Row Rental	Apt Condo	Apt Rental	TOTAL
Victoria City	0	1	0	0	1	0	2	0	5	0	0	0	0	5	27	35	34	0	608	5	709
Oak Bay	2	0	0	0	0	0	2	0	0	0	0	0	0	0	17	1	0	0	0	0	18
Esquimalt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	4	0	0	155	0	170
Saanich	23	4	0	0	0	0	27	7	0	0	0	0	0	7	155	10	11	0	202	23	401
C. Saanich	2	2	0	0	0	0	4	4	0	0	0	0	0	4	16	7	0	0	0	0	23
N. Saanich	3	0	0	0	0	0	3	2	0	0	0	0	0	2	44	0	3	0	20	0	67
Sidney	3	5	0	0	0	0	8	0	0	0	0	0	0	0	17	14	5	0	58	0	94
View Royal	3	0	0	0	0	0	3	2	0	0	0	0	0	2	35	2	0	0	0	0	37
RDA H	8	0	0	0	0	0	8	7	0	0	0	0	0	7	56	0	0	0	0	0	56
Highlands	2	1	0	0	0	0	3	1	0	0	0	0	0	1	16	1	0	0	0	0	17
Langford	40	0	0	0	0	0	40	34	0	0	0	0	0	34	176	8	33	0	189	0	406
Colwood	2	0	0	0	0	0	2	10	0	0	0	0	0	10	55	26	0	0	0	0	81
Metchosin	2	0	0	0	0	0	2	1	0	0	0	0	0	1	12	0	0	0	0	0	12
Sooke	5	0	0	0	0	0	5	14	0	0	0	0	0	14	64	2	0	0	0	0	66
MONTH TOTAL	95	13	0	0	1	0	109	82	5	0	0	0	0	87	701	110	86	0	1232	28	2157
YEAR-TO-DATE	594	83	64	0	450	28	1219	551	50	46	0	524	20	1191	---	---	---	---	---	---	---

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

METROPOLITAN VICTORIA

Inventory and Absorptions by Municipality

July 2006 AND YEAR-TO-DATE 2005 & 2006

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	5	0	1	0	6	11	17	Victoria City	0	0	0	0	0	4	4
Oak Bay	0	0	0	0	0	1	1	Oak Bay	0	0	0	0	0	0	0
Esquimalt	0	0	0	0	0	2	2	Esquimalt	0	0	0	0	0	0	0
Saanich	2	0	0	0	2	18	20	Saanich	0	0	0	0	0	6	6
C. Saanich	0	0	0	0	0	2	2	C. Saanich	0	0	0	0	0	3	3
N. Saanich	0	0	0	0	0	7	7	N. Saanich	0	0	0	0	0	3	3
Sidney	1	0	0	0	1	2	3	Sidney	0	0	0	0	0	0	0
View Royal	0	0	0	0	0	2	2	View Royal	0	0	0	0	0	2	2
RDA H	0	0	0	0	0	4	4	RDA H	0	0	0	0	0	6	6
Highlands	0	0	0	0	0	0	0	Highlands	0	0	0	0	0	1	1
Langford	1	0	0	0	1	29	30	Langford	2	0	0	0	2	26	28
Colwood	0	0	0	0	0	16	16	Colwood	0	0	0	0	0	8	8
Metchosin	0	0	0	0	0	0	0	Metchosin	0	0	0	0	0	1	1
Sooke	0	0	0	0	0	7	7	Sooke	0	0	0	0	0	13	13
MONTH TOTAL	9	0	1	0	10	101	111	MONTH TOTAL	2	0	0	0	2	73	75
Y.T.D. AVG. 2006	16	3	5	0	24	80	104	Y.T.D. TOTAL 2006	528	20	54	0	602	556	1158
Y.T.D. AVG. 2005	37	0	20	0	57	64	121	Y.T.D. TOTAL 2005	504	1	103	4	612	614	1226

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

Preliminary

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METROPOLITAN VICTORIA
ABSORBED NEW HOUSE PRICES

	NO. OF UNITS		AVERAGE PRICE			MEDIAN PRICE		
	2005	2006	2005	2006	% Chg	2005	2006	% Chg
January	63	39	\$482,247	\$585,528	21.4	\$450,000	\$549,900	22.2
February	72	56	480,806	591,323	23.0	433,450	512,400	18.2
March	81	70	488,360	504,746	3.4	419,900	429,900	2.4
April	58	93	458,350	515,781	12.5	395,950	459,800	16.1
May	85	87	475,354	609,371	28.2	459,900	539,000	17.2
June	74	90	501,696	558,280	11.3	483,500	474,450	-1.9
July	82	71	524,561	513,714	-2.1	493,700	457,000	-7.4
August	73		488,153			489,900		
September	68		546,007			499,900		
October	86		546,067			497,500		
November	66		536,200			487,900		
December	88		532,416			519,950		

NANAIMO CA

ABSORBED NEW HOUSE PRICES

	NO. OF UNITS		AVERAGE PRICE			MEDIAN PRICE		
	2005	2006	2005	2006	% Chg	2005	2006	% Chg
January	33	49	\$330,330	\$351,255	6.3	\$316,700	\$349,900	10.5
February	35	31	353,569	372,003	5.2	349,900	369,900	5.7
March	38	37	321,282	363,751	13.2	322,400	369,900	14.7
April	37	42	343,431	428,390	24.7	312,900	398,200	27.3
May	51	49	346,055	370,492	7.1	307,000	349,900	14.0
June	42	31	333,431	429,239	28.7	331,400	379,900	14.6
July	27	30	364,022	485,190	33.3	343,900	474,900	38.1
August	39		363,797			345,900		
September	50		353,184			349,900		
October	36		361,583			343,900		
November	55		399,625			375,000		
December	26		395,358			389,900		

VANCOUVER ISLAND

STARTS/COMPLETIONS SUMMARY

2005 & 2006 Year-to-Date

	STARTS					STARTS					COMPLETIONS					COMPLETIONS				
	Jan.-July 2006					Jan.-July 2005					Jan.-July 2006					Jan.-July 2005				
	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL	Single	Semi	Row	Apt	TOTAL
Campbell River *	138	18	8	0	164	88	4	8	28	128	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Courtenay	189	70	50	26	335	220	40	31	113	404	177	20	48	48	293	226	18	21	83	348
Parksville/Qualicum	132	35	9	0	176	103	22	10	29	164	126	34	9	4	173	142	50	28	0	220
Nanaimo	356	66	0	69	491	332	38	3	35	408	312	66	7	78	463	300	30	9	24	363
Duncan	118	52	14	0	184	124	64	17	46	251	89	44	7	0	140	86	12	0	7	105
Port Alberni *	36	2	3	0	41	37	0	0	0	37	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Victoria	594	83	64	478	1219	569	54	78	571	1272	551	50	46	544	1191	550	60	105	523	1238
Total	1563	326	148	573	2610	1473	222	147	822	2664	1255	214	117	674	2260	1304	170	163	637	2274

* updated quarterly

Preliminary
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VANCOUVER ISLAND
Starts/Completions/Under Construction
July 2006

	UNDER CONSTR: JUNE 2006					STARTS					COMPLETIONS					UNDER CONSTR: JULY 2006				
	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total	Single	Semi	Row	Apt	Total
Comox Town	26	2	26	22	76	1	0	2	0	3	4	0	13	8	25	23	2	15	14	54
Courtenay City	96	78	35	158	367	20	6	0	0	26	23	2	9	40	74	93	82	26	118	319
Cumberland	24	2	0	0	26	6	0	0	0	6	7	0	0	0	7	23	2	0	0	25
Comox Strath RDA A	27	0	0	0	27	0	0	0	0	0	4	0	0	0	4	23	0	0	0	23
Comox Strath RDA B	27	2	0	0	29	0	0	0	0	0	0	0	0	0	0	27	2	0	0	29
Courtenay CA	200	84	61	180	525	27	6	2	0	35	38	2	22	48	110	189	88	41	132	450
Parksville City	41	41	6	0	88	7	0	0	0	7	7	2	0	0	9	41	39	6	0	86
Qualicum Beach Town	26	2	0	16	44	5	0	0	0	5	3	0	0	0	3	28	2	0	16	46
Nanaimo RDA G	56	2	0	0	58	10	0	0	0	10	8	0	0	0	8	58	2	0	0	60
Parksville-Qualicum	123	45	6	16	190	22	0	0	0	22	18	2	0	0	20	127	43	6	16	192
Nanaimo City	258	54	4	261	577	36	9	0	7	52	47	11	0	0	58	247	52	4	268	571
Lantzville	4	0	0	0	4	0	0	0	0	0	0	0	0	0	0	4	0	0	0	4
Nanaimo RDA A	20	0	0	0	20	3	0	0	0	3	1	0	0	0	1	22	0	0	0	22
Nanaimo RDA C	26	0	0	0	26	2	0	0	0	2	0	0	0	0	0	28	0	0	0	28
Nanaimo RDA D	2	0	0	0	2	0	0	0	0	0	0	0	0	0	0	2	0	0	0	2
Nanaimo CA	310	54	4	261	629	41	9	0	7	57	48	11	0	0	59	303	52	4	268	627
North Cowichan	99	47	17	24	187	18	10	8	0	36	9	8	0	0	17	108	49	25	24	206
Duncan City	4	2	0	22	28	0	0	0	0	0	0	0	0	0	0	4	2	0	22	28
Cowich. Valley RDA D	9	0	12	0	21	0	0	0	0	0	1	0	0	0	1	8	0	12	0	20
Cowich. Valley RDA E	16	1	0	0	17	0	0	0	0	0	1	0	0	0	1	15	1	0	0	16
Duncan CA	128	50	29	46	253	18	10	8	0	36	11	8	0	0	19	135	52	37	46	270
TOTAL	761	233	100	503	1597	108	25	10	7	150	115	23	22	48	208	754	235	88	462	1539

NANAIMO CA

Inventory and Absorptions by Municipality

July 2006 AND YEAR-TO-DATE 2005 & 2006

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
Nanaimo City	45	0	5	0	50	67	117	Nanaimo	0	0	0	0	0	37	37
Lantzville	0	0	0	0	0	0	0	Lantzville	0	0	0	0	0	0	0
Nanaimo A,C,D	0	0	0	0	0	0	0	Nanaimo A,C,D	0	0	0	0	0	1	1
MONTH TOTAL	45	0	5	0	50	67	117	MONTH TOTAL	0	0	0	0	0	38	38
Y.T.D. AVG. 2006	49	1	2	0	52	38	90	Y.T.D. TOTAL 2006	39	25	2	0	66	348	414
Y.T.D. AVG. 2005	1	0	0	0	1	29	30	Y.T.D. TOTAL 2005	0	9	0	0	9	324	333

COURTENAY CA

Inventory and Absorptions by Municipality

July 2006 AND YEAR-TO-DATE 2005 & 2006

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
Comox Town	1	0	7	0	8	0	8	Comox Town	7	0	6	0	13	4	17
Courtenay	5	0	12	0	17	8	25	Courtenay	6	34	5	0	45	27	72
Cumberland	0	0	0	0	0	3	3	Cumberland	0	0	0	0	0	6	6
Comox Strath A,B	27	0	0	0	27	1	28	Comox Strath A,B	0	0	0	0	0	4	4
MONTH TOTAL	33	0	19	0	52	12	64	MONTH TOTAL	13	34	11	0	58	41	99
Y.T.D. AVG. 2006	34	0	11	0	45	22	67	Y.T.D. TOTAL 2006	18	34	39	0	91	175	266
Y.T.D. AVG. 2005	16	0	2	0	18	21	39	Y.T.D. TOTAL 2005	47	0	15	4	66	224	290

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

Preliminary

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CMHC Market Watch

VICTORIA AND NANAIMO New Ownership Construction JULY 2006

METRO VICTORIA

need to know

	Completed & Unoccupied ¹	Under Construction	Total Supply	Monthly Absorption Forecast ²	Duration of Supply (Months)	Surplus/Shortfall ³ (Months)	Market Classification ⁴
Single & Semi	101	782	883	98	9.0	2.0	Balanced.
Row Condo	1	86	87	8	10.9	0.9	Balanced.
Apt Condo	9	1232	1241	83	15.0	1.0	Balanced.

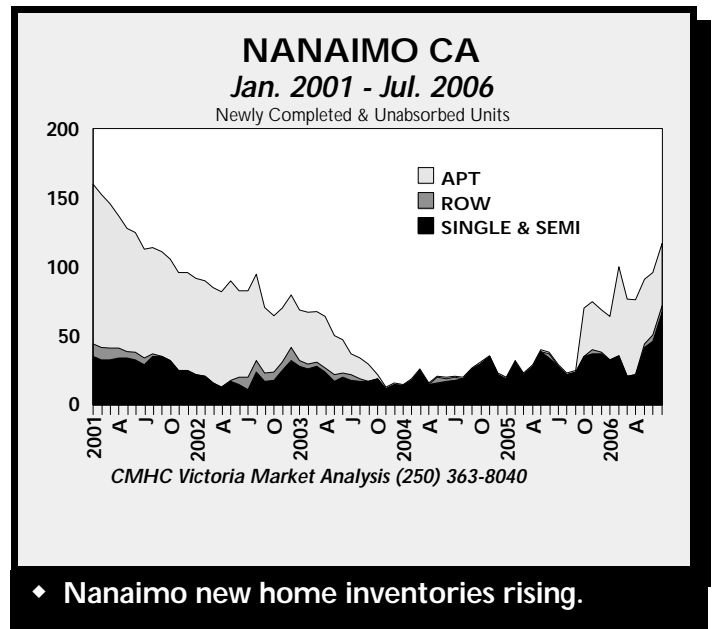
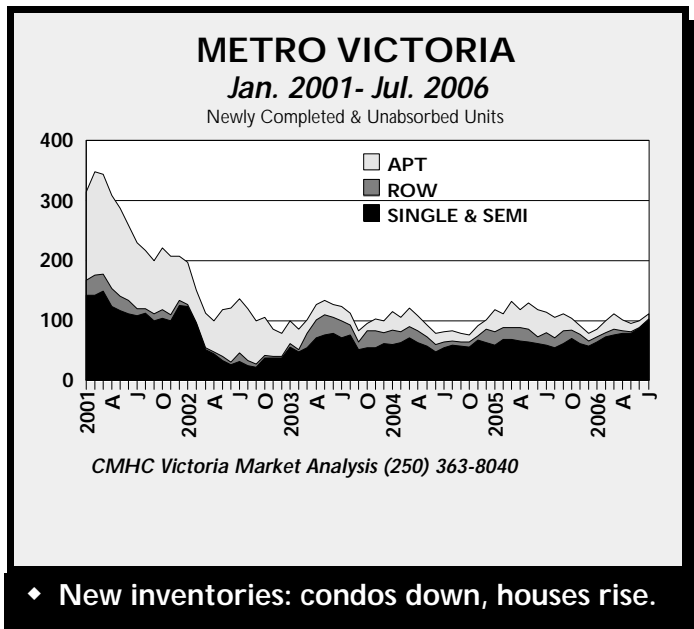
NANAIMO CA

need to know

	Completed & Unoccupied ¹	Under Construction	Total Supply	Monthly Absorption Forecast ²	Duration of Supply (Months)	Surplus/Shortfall ³ (Months)	Market Classification ⁴
Single & Semi	67	303	370	51	7.3	0.3	Balanced.
Row Condo	5	4	9	2	4.5	-6.5	Undersupplied.
Apt Condo	45	268	313	21	14.9	1.9	Balanced.

¹⁻⁴ Refer to CMHC Definitions insert.

VICTORIA AND NANAIMO New Housing Inventory JANUARY 2001 to JULY 2006

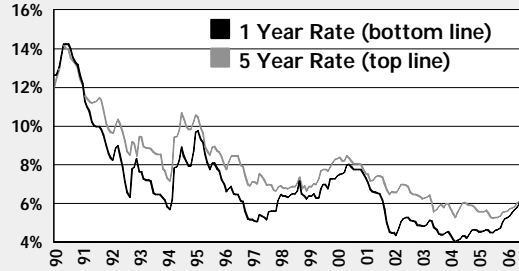


Preliminary
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KEY ECONOMIC INDICATORS

MORTGAGE RATES

One & Five Year Terms Jan. 1990 - Jul. 2006

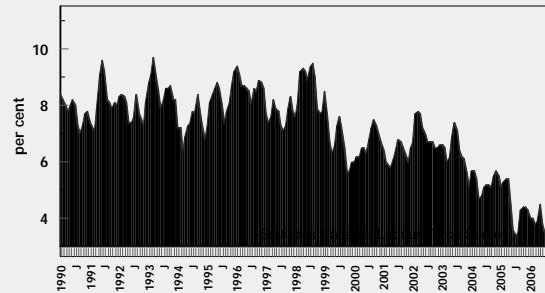


CMHC Market Analysis (250) 363-8040

◆ Mortgage rates edge up further.

METRO VICTORIA

Unemployment Rate: Jan. 1990 - Jul. 2006

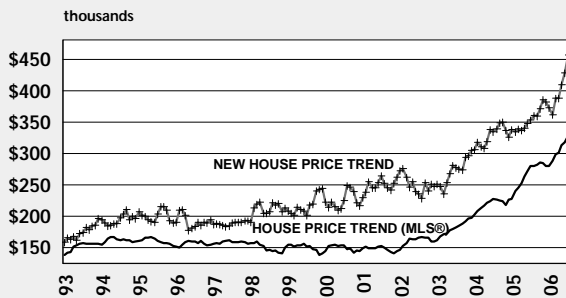


CMHC Market Analysis (250) 363-8040

◆ Victoria unemployment nears all-time low.

NANAIMO

Average House Price Trend Jan. 1993 - Jul. 2006

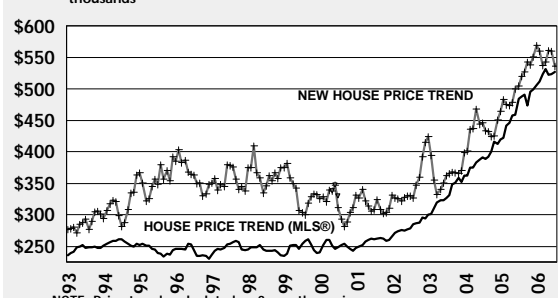


NOTE: Price trends calculated as 3 month moving average.
CMHC Market Analysis (250) 363-8040 DATA: Vancouver Island Real Estate Board, CMHC

◆ Nanaimo house price trends on rise.

METRO VICTORIA

Average House Price Trend Jan. 1993 - Jul. 2006



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

◆ Victoria house price trends level off.

Vancouver Island Housing Markets

MLS® SALES SINGLE-FAMILY DETACHED	July 2006				January-July 2006			
	Sales July 2006	% Change July 2005	Avg Price July 2006	% Change July 2005	Sales Y.T.D.	% Chg. Y.T.D. 05-06	Avg Price Y.T.D.	% Chg. Y.T.D. 05-06
Metro Victoria	341	-5%	\$514,358	12%	2,617	-5%	\$520,181	17%
Nanaimo	139	-9%	\$318,716	14%	922	-11%	\$305,215	18%
Duncan-Cowichan Valley	79	-6%	\$310,086	17%	578	7%	\$308,278	20%
Port Alberni*	39	-13%	\$200,644	38%	238	-11%	\$182,422	25%
Parksville-Qualicum Beach	54	-35%	\$349,829	11%	418	-15%	\$340,403	15%
Comox Valley	74	-26%	\$310,637	23%	572	-2%	\$300,657	23%
Campbell River	44	-8%	\$298,617	31%	384	12%	\$269,929	25%

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

MLS® - Multiple Listing Service® is a registered trademark owned by The Canadian Real Estate Association (CREA). Data courtesy of the **Victoria Real Estate Board** and the **Vancouver Island Real Estate Board**.

CMHC – HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years.

Together with other housing stakeholders, we help ensure that Canada maintains one of the best housing systems in the world. We are committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country.

For more information, visit our website at www.cmhc.ca

You can also reach us by phone at 1 800 668-2642 or by fax at 1 800 245-9274.

Outside Canada call (613) 748-2003 or fax to (613) 748-2016.

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