



HOUSING NOW

Prince Edward Island

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 7, EDITION 1
FIRST QUARTER 2004

2004 Starts at a Faster Pace Than Last Year

Multiple Starts in Summerside Help to Buoy Housing Starts

✓ New home construction during the first quarter of 2004 increased to 91 units compared to 65 during the same period last year, an increase of 40 per cent.

✓ The increase in housing starts in the first quarter was due to a higher level of urban starts compared to the previous year. Rural starts reached 21 units in the first quarter compared to 26 last year, while urban starts rose to 70 units from 39 in 2003.

✓ Urban and rural single starts on the Island reached 48 units in the first quarter, an increase of 42 units from 2003. Urban single starts rose to 27 units in the first three months of 2004, compared to 26 units in 2003. Rural single starts decreased to 21 units from 26, when compared to the same period last year.

✓ Multiple starts on the Island also edged higher than 2003 in the first quarter of 2004. Multiple starts reached 43 units in this time frame, compared to 23 during the same period last year.

✓ Charlottetown saw a slightly higher level of single starts in 2004. Single starts reached 20 units in 2004, compared to 18 units the previous year.

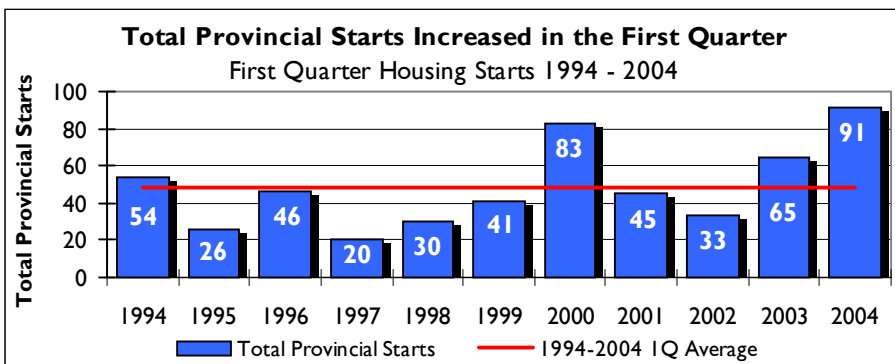
✓ The first quarter of 2004 in Summerside saw a significant increase in multiple starts from the 2003 level. Multiple starts in the area increased to 41 units this year, compared to none in 2003.

✓ Residential construction in P.E.I. is expected to remain strong throughout 2004. One of the main forces driving this will be another strong year for single-detached construction in the Charlottetown area and multiple construction in Summerside.

IN THIS ISSUE

- 1 Multiple Starts in Summerside Help to Buoy Housing Starts
- 1 Total Provincial Starts Increase in the First Quarter—Graph 1
- 2 Employment Growth Continued in the First Quarter of 2004
- 2 Demand for New Homes Continues to Remain Strong
- 2 MLS® Sales in Charlottetown Fall Short of the 2003 Level
- 3 Activity Summary by Area—Table 1
- 3 MLS® Activity in Urban Centres—Table 2
- 4 Starts by Area—Table 3

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



Source: CMHC



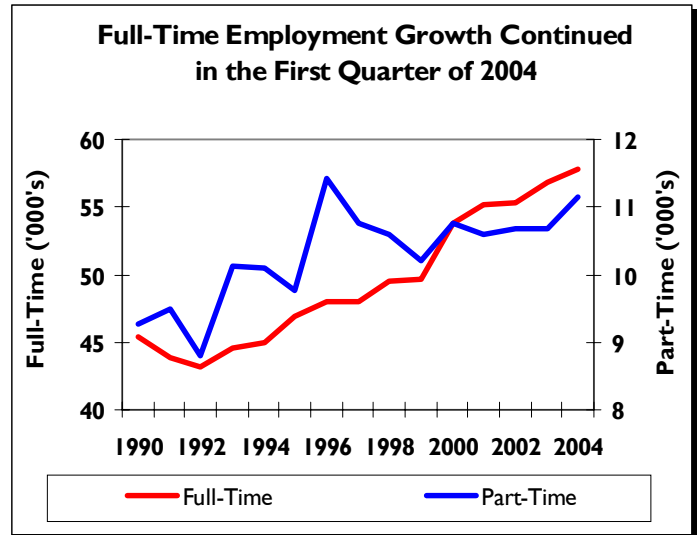
HOME TO CANADIANS
Canada

CHARLOTTETOWN and SUMMERSIDE

Housing Market Overview

Employment Growth Continued in the First Quarter of 2004

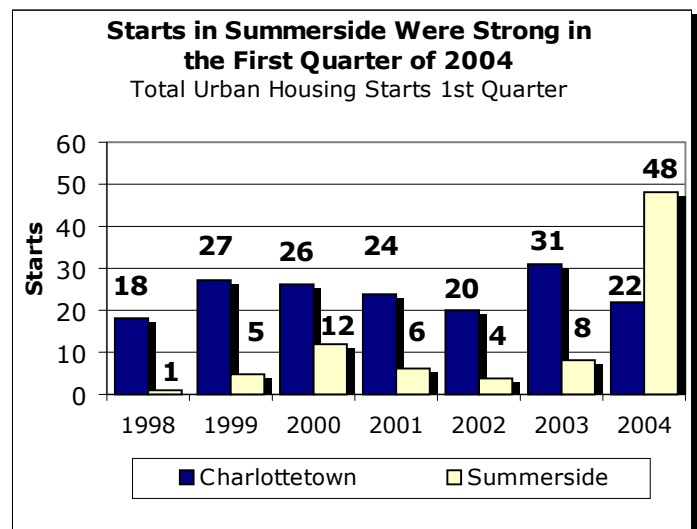
- ✓ On a provincial basis the first quarter of 2004 saw the number of people employed increase by 2.1 per cent. This means that there were about 1,400 more Islanders working in the first quarter of 2004 than in 2003.
- ✓ In the first three months of 2004, the ratio of full-time to total employment was 83.8 per cent, a slight decrease from the 2003 level.
- ✓ In the Charlottetown area employment remained unchanged from the first quarter of 2003, at 18,800. This is the second-strongest first quarter on record for Charlottetown.



Source: Statistics Canada

Demand for New Homes Continues to Remain Strong

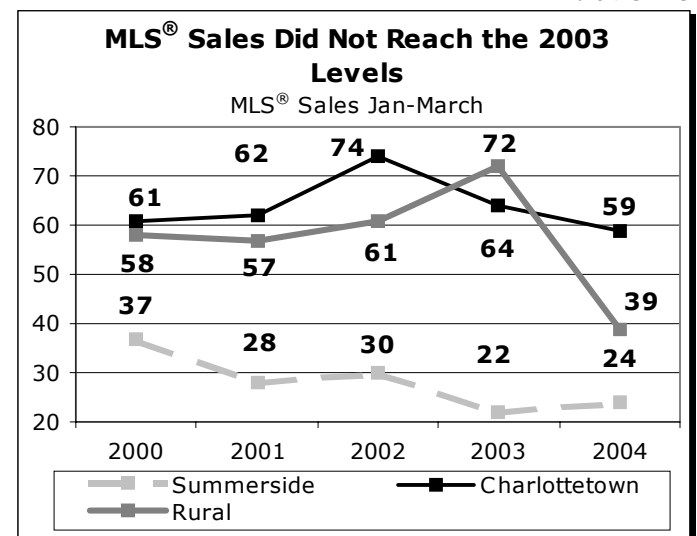
- ✓ Strong consumer confidence combined with attractive labour market conditions and low interest rates continued to stimulate the demand for new single-family homes in both of the province's urban centres.
- ✓ In the Summerside area, the increase in residential activity was due mainly to a strong demand for new rental units in the City of Summerside. Multiple starts in Summerside rose to 41 units in the first quarter of 2004, from none during the same period last year.



Source: CMHC

MLS® Sales in Charlottetown Fall Short of the 2003 Level

- ✓ Total provincial MLS® sales decreased by 22.8 per cent in the first quarter of 2004, to 122 units. While the province's urban areas recorded levels similar to the 2003 levels, rural starts posted a significant decrease. Charlottetown saw a slight decrease in sales from 64 in 2003 to 59 in 2004, while MLS® sales in Summerside increased to 24. Rural sales were the main reason for the decrease in 2004, with sales falling from 72 in 2003 to 24 during the first quarter of 2004. It is important to note that when comparing sales from the previous year that the past three years have set records for MLS sales in P.E.I.
- ✓ Despite the drop in sales in the first quarter, the average sales price continues to climb higher. In the first quarter of 2004 the average sales price in Charlottetown increased by two per cent to \$120,778, while in Summerside the average price increased by six per cent to \$100,225. Both of these levels are record highs.



Source: PEI Real Estate Board

Table I
Activity Summary By Area
Prince Edward Island

Area	TOTAL HOUSING STARTS						COMPLETIONS						UNDER CONSTRUCTION		
	1st Quarter			January-March			1st Quarter			January-March			As at March 31		
	2004	2003	%chg	2004	2003	%chg	2004	2003	%chg	2004	2003	%chg	2004	2003	%chg
Charlottetown CA	22	31	-29%	22	31	-29%	96	52	85%	96	52	85%	72	127	-43%
Summerside CA	48	8	500%	48	8	500%	26	17	53%	26	17	53%	57	6	850%
Total Urban Areas	70	39	79%	70	39	79%	122	69	77%	122	69	77%	129	133	-3%
Total Rural Areas	21	26	-19%	21	26	-19%	38	115	-67%	38	115	-67%	38	72	-47%
Total PEI	91	65	40%	91	65	40%	160	184	-13%	160	184	-13%	167	205	-19%

Source: CMHC

Table 2: MLS Activity in Urban Centres*

	1st Quarter						Year-to-Date					
	Sales			Avg Sale Price			Sales			Avg Sales Price		
	2004	2003	% Chg	2004	2003	% Chg	2004	2003	% Chg	2004	2003	% Chg
Charlottetown CA**												
District 4	14	27	-48%	136,278 \$	120,690 \$	13%	14	27	-48%	136,278 \$	120,690 \$	13%
District 5	16	14	14%	114,404 \$	117,429 \$	-3%	16	14	14%	114,404 \$	117,429 \$	-3%
District 6	11	13	-15%	104,045 \$	87,638 \$	19%	11	13	-15%	104,045 \$	87,638 \$	19%
District 7	15	10	50%	125,381 \$	151,990 \$	-18%	15	10	50%	125,381 \$	151,990 \$	-18%
Total, CA	56	64	-13%	120,778 \$	118,154 \$	2%	56	64	-13%	120,778 \$	118,154 \$	2%
Summerside CA	24	22	9%	100,225 \$	94,841 \$	6%	24	22	9%	100,225 \$	94,841 \$	6%
TOTAL	80	86	-7%	114,612 \$	112,190 \$	2%	80	86	-7%	114,612 \$	112,190 \$	2%

* Source: PEI Real Estate Association

**District 4: Charlottetown City, Spring Park & West Royalty

**District 5: Sherwood, Parkdale, East Royalty & Hillsborough Parks

**District 6: Cornwall, North River & Wmnsloe

**District 7: Bunbury, Southport, Crossroads, Keppoch, Kinlock, Tea Hill, Alexandra to Cherry Valley

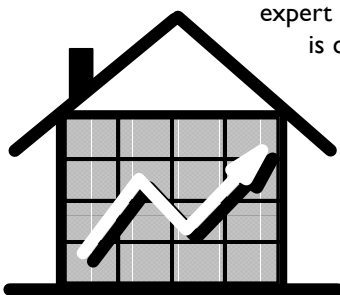
**TABLE 3
STARTS BY AREA
CHARLOTTETOWN CA**

Area/ Period	Single	Semi	Row	Apartment & Others	Total
Charlottetown City:					
First Quarter 2004	12	2	0	0	14
First Quarter 2003	10	2	0	0	12
Year-to-Date 2004	12	2	0	0	14
Year-to-Date 2003	10	2	0	0	12
Cornwall Town:					
First Quarter 2004	2	0	0	0	2
First Quarter 2003	3	0	0	0	3
Year-to-Date 2004	2	0	0	0	2
Year-to-Date 2003	3	0	0	0	3
Stratford Town:					
First Quarter 2004	3	0	0	0	3
First Quarter 2003	1	0	0	11	12
Year-to-Date 2004	3	0	0	0	3
Year-to-Date 2003	1	0	0	11	12
Remainder of Charlottetown CA:					
First Quarter 2004	3	0	0	0	3
First Quarter 2003	4	0	0	0	4
Year-to-Date 2004	3	0	0	0	3
Year-to-Date 2003	4	0	0	0	4
Total - Charlottetown CA:					
First Quarter 2004	20	2	0	0	22
First Quarter 2003	16	4	0	0	20
Year-to-Date 2004	20	2	0	0	22
Year-to-Date 2003	16	4	0	0	20

Source: CMHC

NEED MORE DETAILED INFORMATION?

Market Analysis Products and Services are designed to suit your needs. CMHC is the source for expert analysis and comprehensive data on housing. If you are in the housing industry, it is critical that you understand the trends and factors behind Prince Edward Island's housing markets. There is no substitute for the thorough, concise analysis of housing market developments that you get with CMHC's market data and analysis. Contact CMHC's Market Analyst for Prince Edward Island:



Your Link to the Housing Market

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