



CMHC HOUSING

OUTLOOK: NATIONAL EDITION

Canada Mortgage and Housing Corporation

Housing construction to remain strong

Overview

Housing starts:

2004: 203,900

2005: 191,800

Resales:

2004: 414,300

2005: 388,900

Housing starts: Housing starts will ease in 2004 and continue to slow in 2005, due in part to less spillover of demand from the existing home market.

House prices: Strong demand and the scarcity of listings have driven prices up. Growth in house prices will continue to exceed overall inflation this year, however, as demand slows and new listings increase, price pressures will ease.

Resales: Rising house prices in 2004 will lead to lower sales of existing homes in 2004 and in 2005.

[\(Details on Page 3\)](#)

First Quarter, 2004

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CMHC Housing Outlook:

National Edition is your national sales, marketing, and business planning tool.

The Nation's HOT SPOTS

British Columbia: Domestic demand in B.C. will remain strong in 2004, boosted by low mortgage rates, growth in full-time employment and income. As a result, B.C. will lead the country in terms of growth in housing starts this year. [\(Details on Page 8\)](#)

New Brunswick: Despite modest economic growth, low mortgage rates and continuing intra-provincial migration to the larger urban centres will continue to stimulate housing starts in 2004. [\(Details on Page 14\)](#)

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HOME TO CANADIANS
Canada

CMHC — HOME TO CANADIANS

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As the Government of Canada's national housing agency, we play a major role in Canada's housing industry. CMHC develops new ways to finance home purchases. We encourage innovation in housing design and technology. Our mortgage loan insurance helps Canadians realize their dream of owning a home.

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National Housing Outlook

In Detail

Housing starts are expected to reach 203,900 units in 2004, down from 218,400 in 2003. Starts are expected to moderate further in 2005, falling to 191,800 units.

Single starts will continue to edge lower

Single detached starts are expected to taper off in 2004 following a small decline in 2003. There will be less spillover of buyers from the existing home into the new home market as the balance between individuals looking for a home and new listings of existing homes improves throughout 2004 and 2005. Thus, single starts are expected to edge downward to 115,900 units this year, 5.9 per cent below last year's level and are expected to decline further in 2005 to 109,100 units. In 2004, single starts growth is expected to remain strong in both British Columbia and New Brunswick. Overall, single starts will be down this year mainly due to decreases in Ontario, Alberta, Manitoba and three of the Atlantic provinces, although they will still be high by historical standards.

In 2003, demand for new housing far exceeded the supply, causing shortages of trade labour in many centres. Looking ahead, as the level of starts begins to taper off, we expect the pressure on the trade labourers to begin to moderate and the lags in construction times should begin to shorten.

Multiple starts have peaked

Multiple dwelling starts (semi-detached, row and apartment) were at their highest level in over a decade in 2003. Multiple starts were slightly over 95,000 units, up 19.5 per cent from the previous year. Since 1998, apartment starts had been the fastest growing segment of the multiple dwellings market. Most of the apartment units started were condominiums. In 2002

and 2003, there was a significant pick-up in starts of owner-occupied semi-detached and row houses, reflecting increased demand by homebuyers for relatively less expensive homes. We expect multiple dwelling starts to moderate to 88,100 units in 2004, down 7.5 per cent from 2003; they will still remain at a level not seen since 1989. Multiple starts are expected to decline further in 2005, falling to 82,700 units.

Another 400,000 plus MLS® resales this year

MLS® sales for all of Canada recorded an all-time high in 2003, reaching 432,400 units. A moderate increase in mortgage rates late this year combined with rising house prices are expected to tone down resale activity from last year's record pace. However, the annual total will still be the third best on record and is expected to remain above the 400,000 mark, with a projected 414,300 sales of existing homes in 2004. Additional price increases and higher mortgage rates in 2005 will cause resale activity to decline further, dropping to a level of 388,900 units.

More modest price gains for 2004 and 2005

Resale markets in 2003 were quite tight in many centres. However, the supply, in the form of new listings, has begun to respond to the tight markets. Indeed, strong price increases have encouraged more homeowners to list their homes. With demand expected to ease in 2004 and 2005, the resale market will move closer to a balanced position causing price gains to decelerate relative to last year's pace. We expect an average price increase of 4.7 per cent this year and 3.2 per cent in 2005.

Spotlight: Average mortgage debt across Canada

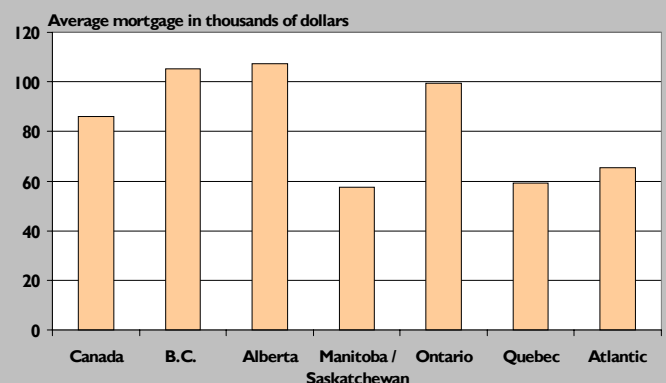
Canadians place a high value on home ownership and invest large amounts of money and effort into their homes. Lower mortgage rates over the past few years have helped reduce mortgage carrying costs, in spite of rising house prices, and have encouraged many renter households to become owner households.

This increase in home ownership has led to substantial growth in household mortgage debt with residential mortgage credit outstanding exceeding \$532 billion in the fall of 2003. According to the June 2003 Financial Industry Research Monitor (FIRM) Survey results, the average mortgage debt is about \$86,000 per mortgage holder, up from about \$82,000 in June 2002.

Looking across Canada, homeowners in Alberta led the way with an average mortgage debt level of \$107,000, while their counterparts in Manitoba and Saskatchewan carry the smallest mortgage debt at around \$57,000. Demographic factors, especially the age structure of individuals in Alberta, who tend to be younger, contributed to the higher

average mortgage debt held. As well, the recent jump in house prices in Alberta has contributed to this situation more so than in the past when the price increases were smaller.

Alberta has the highest average mortgage debt



Sources: CMHC, Clayton Research and Ipsos-Reid, The Firm Residential Mortgage Survey, June 2003

Trends Impacting Housing

The Economy

A string of unexpected events (SARS, Mad Cow, the Ontario blackout, forest fires in B.C. and hurricanes on the East coast) coupled with the sudden appreciation of the Canadian dollar contributed to the slower economic growth in 2003. Momentum is anticipated to increase following an expected strong fourth quarter in 2003 as the economy recovered from these external factors and the rapid improvement in the U.S. economy. Growth for Canada is expected to strengthen, rising to 3.0 per cent for 2004.

One of the key risks that could jeopardize our economic forecast would be a renewed strong appreciation of the Canadian dollar, which would make our exports less competitive and would worsen our trade balance, put pressure on corporate profits and stifle economic growth. The Canadian dollar, which appreciated rapidly early in 2003, has levelled off. Another risk would be a faltering of the U.S. recovery. Although the U.S. rebound looks to be in place, U.S. consumer spending could slow failing accompanied strong job growth over the next couple of quarters. Slow U.S. growth and a rising Canadian dollar would result in lower demand for Canadian exports.

Mortgage Rates

The Bank of Canada lowered its target for the overnight lending rate by 25 basis points on January 20th to 2.5 per cent. Previously the Bank had held rates steady at the December 2nd, 2003 announcement date after two consecutive decreases of 25 basis points in September and July 2003. There is a chance that the Bank of Canada will cut overnight rates again at the next meeting on March 2nd. However, as the Canadian economy rebounds and the output gap (the difference between the actual and the potential GDP) shrinks, interest rates will begin to rise late in 2004 in an effort to keep inflation within the target bands.

One, three and five-year posted closed mortgage rates are expected to be in the 4.25-5.00, 5.25-6.00, and 5.75-6.75 per cent range respectively this year. The mortgage rates are forecast to rise by 0.25-0.75 percentage points next year. Recent developments seem to suggest that the increase in mortgage rates in 2004 will be at the low end of our expectations, keeping rates low by historical standards. Higher interest rates, which will increase the

carrying cost of a mortgage, will contribute slightly to the decline in the demand for home ownership this year and have a slightly larger impact in 2005.

Migration

The immigration target for 2003 was for between 220,000 and 245,000 immigrants, however, the level of immigration last year dipped below 200,000 arrivals. The immigration target for this year and for 2005 remains between 220,000 and 245,000 immigrants. A relaxation in the criteria for admission was implemented in the latter half of 2003, which will allow for an increase in the number of immigrants entering Canada in 2004 and 2005. Immigrant housing demand tends to be initially for rental with movement into ownership about 10 years later. As for household composition, Statistics Canada's 2001 Census revealed additional demographic shifts that could have a significant impact on housing. There has been an increase in one-person and two-person households and a decline in the larger households, along with a larger proportion of young adults living with their parents, thus reducing demand for ownership housing.

Employment and Income

The share of the population actively participating in the labour force is near an all-time high, as is the proportion of people in the population that are employed. Therefore, we believe that the labour market in Canada is tight and that future employment growth will be more in line with labour force growth. Employment is forecast to grow by 1.8 per cent in 2004, increasing to 2.2 per cent in 2005. Real after tax income has grown more rapidly since 1997, however, had slowed in 2003 due to the run-up in inflation. Nevertheless, income growth and tight labour markets will continue to help support housing demand.

Consumer Confidence

Consumer confidence in Canada was relatively high in 2003 and will remain positive throughout 2004. Recent surveys reveal that the percentage of people who feel that now is a good time to buy big-ticket items is high and that consumers are optimistic about the future. The optimism of Canadian consumers will give them the confidence to make major purchases, which will help support housing demand in the near term.

Trends at a Glance

Key factors and their effects on residential construction

Factor	Comment
Mortgage rates	Mortgage rates are near 50 year lows, providing a significant boost to housing demand. Although rates will remain low, as they start to rise in late 2004 and in 2005, some stimulus to housing demand will be removed.
Employment	The pace of job creation is forecast to continue to strengthen. This will contribute to housing demand.
Incomes	The slowdown in employment growth in 2003 has slowed real wage gains, however, as job growth picks-up in 2004 so will income growth.
Net migration	Large migration inflows since 1987 have boosted housing demand. The more recent decline in net in-migration due to global geopolitical instability won't have a negative affect on housing starts for many years.
Natural population increase	Natural population growth is slowing, which will cause household formation to slow over time. However, the level of births that occurred 20 to 30 years ago are contributing to the increase in housing demand today.
Consumer confidence	Consumer confidence remains strong and will continue to support housing demand.
Resale market	A better balance between new listings and buyers in resale markets will eventually temper the demand for new housing.
Vacancy rates	Vacancy rates have risen in many centres and are highest in the most expensive segments of the rental market. This will curb multiple starts.

Special Report:

Rental market: A review of the rental market in 2003

Vacancy rates rose in 2003 reflecting both weaker demand for rental housing and new construction of rental apartments, which boosted supply.

Vacancy rates increased, but remain relatively low

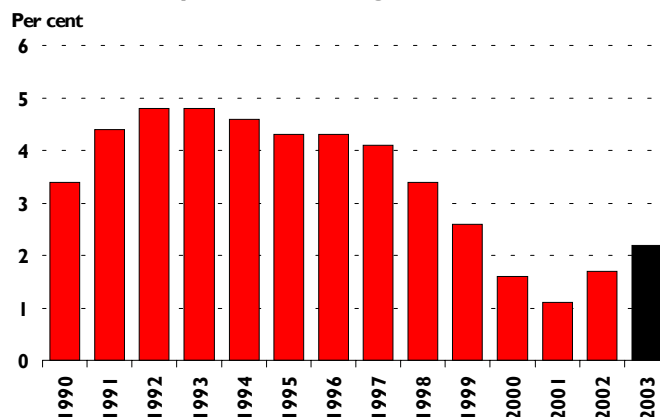
According to the CMHC Rental Market Survey, the average rental apartment vacancy rate in Canada's 28 metropolitan areas rose to 2.2 per cent in October 2003 from 1.7 per cent a year ago. This is the second consecutive annual increase in the vacancy rate. Nevertheless, the vacancy rate remains below the average of 3.4 per cent over the 1992 to 2002 period. Vacancy rates increased in 20 of the 28 CMAs in 2003.

Immigration has dropped by close to 31,000 in the first half of 2003 compared to the same period in 2002. Since immigrants are more likely to rent than to own when they first arrive in Canada, this drop is yet another factor that helped explain the rise in vacancy rates in 2003.

Vacancy rates moved up modestly in the Quebec CMA and in Montreal, but these remained among the tightest markets in the country. In 2003, vacancy rates more than doubled in Gatineau and Kingston, although these also remained relatively tight markets. The largest increases in vacancy rates were observed in Edmonton, Calgary, Hamilton and Toronto.

Although Montreal is the largest rental market in the country, it is one of the least expensive and tightest markets across Canada. On the other hand, Toronto, which is the second largest rental market across Canada, remains the most

Vacancy Rates - Metropolitan Areas
Private apartment buildings of 3 or more units



Source: CMHC's Rental Market Survey, October 2003

expensive market.

Vacancy rates declined in 8 CMAs, bucking the overall trend towards higher rates. In Thunder Bay, Sudbury and Saint John the change in vacancy rates was a decline from previously high observed levels. However, in Sherbrooke, Victoria and Trois-Rivières, the decline led to tight conditions in the rental market. The declines in Halifax and St. John's were relatively smaller than in the other centres (see table on page 7).

A number of factors were behind the rise in vacancy rates over the past year. Foremost among these are low mortgage rates, which reduced mortgage carrying costs and lessened demand for

Centres with largest increase in vacancy rates	Centres with largest decline in vacancy rates	Centres with highest vacancy rates	Centres with lowest vacancy rates
Edmonton (+1.7 percentage points)	Trois-Rivière (-1.5 percentage points)	Saint John N.B. (5.2 per cent)	Quebec (0.5 per cent)
Calgary (+1.5 percentage points)	Greater Sudbury (-1.5 percentage points)	Saguenay (5.2 per cent)	Sherbrooke (0.7 per cent)
Hamilton (+1.4 percentage points)	Thunder Bay (-1.4 percentage points)	Saskatoon (4.5 per cent)	Montreal (1.0 per cent)
Toronto (+1.3 percentage points)	Sherbrooke (-1.1 percentage points)	Calgary (4.4 per cent)	Victoria (1.1 per cent)
Ottawa (+1.0 percentage points)	Saint John N.B. (-1.1 percentage points)	Windsor (4.3 per cent)	Gatineau (1.2 per cent)
Kingston (+1.0 percentage points)			

Source: CMHC's Rental Market Survey, October 2003

rental housing by bringing home ownership within the reach of many renter households.

Vacancy rates also rose because rental apartment completions, which were up 34.8 per cent, added new rental supply in many centres. Rental apartments completed in the past year totalled about 16,400 units.

Condominium completions in Canada were high, reaching 37,900 units in 2003, up 27.8% from last year. Condominiums are an increasingly popular form of housing whose presence has an impact on vacancy rates. In general, condominiums are a relatively inexpensive form of housing that is often purchased by renter households making the switch to home ownership. Condos also help supplement the rental market because in some

cases they are purchased by investors, who in turn rent them out.

Rent increases were modest in most centres

Average rents were flat or rose modestly in most markets and for most apartment types. The average rent increase for a two-bedroom apartment across all the CMAs was 1.1 per cent. The largest increase in rent for a two-bedroom apartment, 7 per cent, was in Gatineau, followed by Kingston where the increase averaged 6 per cent. Average two-bedroom rents in London, Winnipeg, Saguenay and Montréal rose by about four per cent. Rents in the remaining centres rose by 3.4 per cent or less.

Indicators for metropolitan rental markets

	Vacancy Rate		Average Rent*		Per cent change average rent
	2002	2003	2002	2003	
St. John's	2.7%	2.0%	589	607	3.1%
Halifax	2.7%	2.3%	704	720	2.3%
Saint John	6.3%	5.2%	492	504	2.4%
Saguenay	4.9%	5.2%	440	457	3.9%
Gatineau	0.5%	1.2%	599	639	6.7%
Montréal	0.7%	1.0%	552	575	4.2%
Québec	0.3%	0.5%	550	567	3.1%
Sherbrooke	1.8%	0.7%	456	471	3.3%
Trois-Rivières	3.0%	1.5%	431	436	1.2%
Hamilton	1.6%	3.0%	765	778	1.7%
Kingston	0.9%	1.9%	727	768	5.6%
Kitchener	2.3%	3.2%	750	754	0.5%
London	2.0%	2.1%	705	736	4.4%
Oshawa	2.3%	2.9%	819	845	3.2%
Ottawa	1.9%	2.9%	930	932	0.2%
St. Catharines-Niagara	2.4%	2.7%	695	704	1.3%
Greater Sudbury	5.1%	3.6%	647	651	0.6%
Thunder Bay	4.7%	3.3%	657	672	2.3%
Toronto	2.5%	3.8%	1,047	1,040	-0.7%
Windsor	3.9%	4.3%	769	776	0.9%
Winnipeg	1.2%	1.3%	622	645	3.7%
Regina	1.9%	2.1%	581	589	1.4%
Saskatoon	3.7%	4.5%	567	576	1.6%
Calgary	2.9%	4.4%	804	804	0.0%
Edmonton	1.7%	3.4%	709	722	1.8%
Abbotsford	2.0%	2.5%	650	672	3.4%
Vancouver	1.4%	2.0%	954	965	1.2%
Victoria	1.5%	1.1%	771	789	2.3%
All CMA's	1.7%	2.2%	720	728	1.1%

*Average Rent by Metropolitan Area in Privately Initiated Three Apartment Units and Over, 2 bedrooms

Source: CMHC's Rental Market Survey, October 2003

British Columbia

Overview

BC's Economy to Rebound in 2004

The domestic and external sides of the British Columbia economy will grow in sync this year, resulting in a rebound in overall growth. Residential investment and consumer spending will continue to contribute to a strong domestic economy. On the trade side, a rebound in the U.S. economy and the accompanying increase in demand for B.C. exports will be partly offset by the higher valued Canadian dollar. Overall, the B.C. economy will expand by 3.0 per cent, up from the projected 1.7 per cent growth in 2003. In 2005, the B.C. economy will be firing on all cylinders, with growth projected to be 3.3 per cent. Stronger economic growth means more jobs. The number of people working in B.C. will increase by 1.8 per cent, or about 35,000 jobs in 2004. The labour force will also expand. As a result, the unemployment rate will average 8.2 per cent, virtually unchanged from 2003. Job

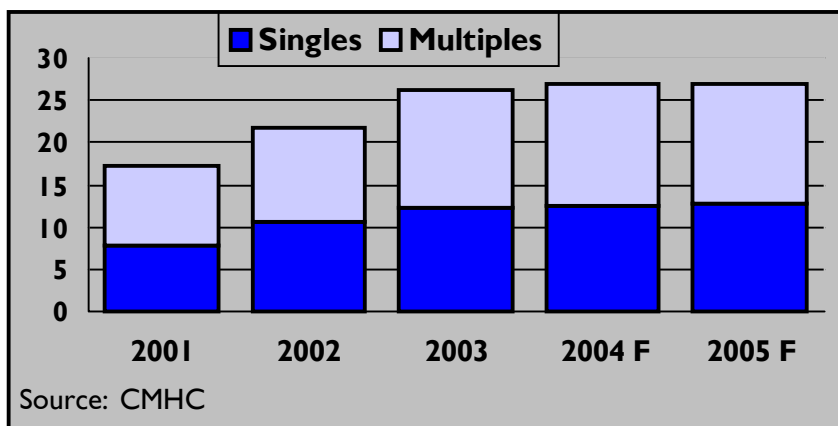
In Detail

Single Starts: Single-detached homes will remain the most desirable product type in 2004 but as interest rates begin to rise at the end of the year, demand will begin to shift away from this market segment. This year's forecast of 12,600 single-detached starts represents a modest increase from 2003 levels. In 2005, another 12,650 starts will be added to the provincial housing stock.

Multiple Starts: A surge in condominium apartment construction in most urban centres in the province pushed multiple home starts up sharply in 2003. Momentum in new construction of multiple unit projects will ease later in 2004 and into 2005 as interest rates rise, gradually increasing the difference between rents and mortgage carrying costs. In 2004, multiple unit starts will increase 3.4 per cent to 14,400 units and remain very near that level in 2005.

Resales: Last year, high levels of consumer confidence and a low interest rate

B.C. Starts (000's)



and income gains will result in higher levels of consumer confidence in 2004, supporting housing demand. As the B.C. economy improves, the number of people moving into the province from the rest of Canada will return to positive territory. International net in-migration will remain a key source of population growth for the province. Demand for new and existing housing will expand in 2004. However, B.C.'s hot real estate markets are expected to cool as higher prices bring more listings to the market. Most residential markets in the province will move towards more balanced levels of supply and demand by year-end.

New home construction will reach 27,000 units in 2004 and 2005, up from 26,000 units in 2003.

environment resulted in a level of resale activity that rivalled the population driven highs recorded in mid 1990's. Resale activity will moderate to 82,600 units in 2004 and 78,000 units in 2005 after reaching an 11-year high of 91,000 units in 2003.

Prices: Most residential markets in British Columbia will remain in seller's territory in 2004 moving towards a balance in 2005 as high prices entice more listings to the market. Average prices of existing homes will increase faster than the rate of inflation during the next two years. The average resale home price will increase by 4.7 per cent in 2004 and by 3.0 per cent in 2005.

Provincial Highlight

With about two-thirds of the province's population living in the region, it is no surprise that most of residential resale activity, new home construction and renovation spending in British Columbia takes place in and around Vancouver. Strong demand in the resale market has drawn down inventories, making ideal conditions for homebuilders to increase the number of units they build. Low mortgage rates have brought the average mortgage payment on a condominium closer to average rents. Therefore, investors and first-time buyers have contributed to the increase in housing demand and are expected to continue to do so over the next couple of years. Housing starts in the Vancouver CMA are projected to reach 16,600 units in 2004 and 17,000 units in 2005.

Alberta

Overview

Starts remain at robust levels

Thanks to high levels of consumer spending, continued investment in the energy sector and higher levels of oil and gas exports, annual economic growth will come in at about 3.5 per cent in 2004 and 3.8 per cent in 2005. Growth could potentially be higher with the re-opening of beef export markets when concerns over the existence of mad cow disease dissipate.

Economic growth will lead to employment growth. Over the next two years, nearly 90 thousand new jobs will be created in the province. However, the rate of job creation will be slightly lower than in recent years due to a shortage of skilled labour and because businesses are placing a greater emphasis on enhancing productivity.

Continued job growth will ensure that Alberta retains its place as the destination of choice for Canadians from other provinces seeking job opportunities. Nevertheless, compared to previous years, gains in migration are expected

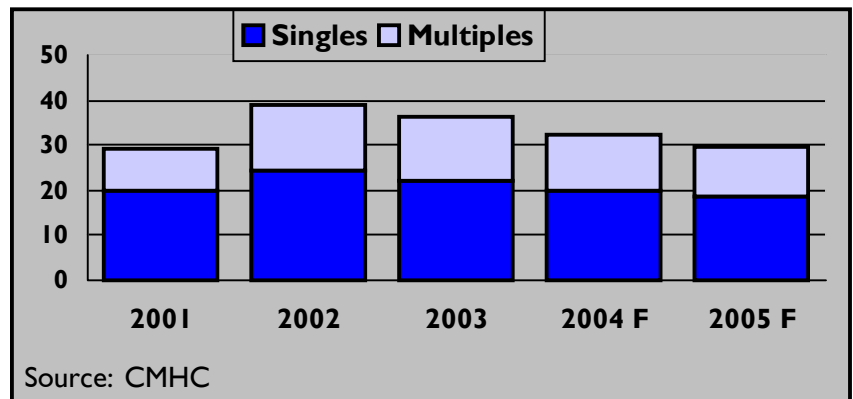
In Detail

Single Starts: In 2003, single-family starts posted the second best year on record. Single-family construction is expected to moderate in 2004 to 19,700 units and 18,400 units in 2005 due to a diminishing level of pent up demand and greater competition from the resale market. Despite the decline in activity, 2004 and 2005 are projected to be among the best years on record since 1981.

Multiple Starts: Multiple-unit construction has been at 20 year highs during the past two years. Construction activity is anticipated to pull back over the next 24 months as developers respond to a rise in the stock of new unoccupied apartment units. Moreover, the increase in rental vacancies will mitigate investor demand for rental properties as investors list their units. Nevertheless, the pace of multi-family starts in 2004 and 2005 will remain among the best on record since 1981 at 12,500 units and 11,100 units respectively.

Resales: Despite overall positive economic fundamentals, resale activity will drift downward over the coming months as higher prices raise the cost of home ownership. Activity will also be constrained due to a lack of listings at the lower end of the price spectrum. However, at 47,000 units in 2004 and 44,000 units in 2005, MLS® sales will be

Alberta Starts (000's)



to diminish because of improved economic prospects in other provinces. With more people moving in than moving out and births outstripping deaths, Alberta's population is projected to rise at an average annual rate of 1.5 per cent through 2005.

Higher population will fuel growth in the number of households. This phenomenon supplemented by continued consumer confidence will keep demand for rental and owned housing at robust levels. The slowing in the current cycle of housing starts will continue into 2004 and 2005. At 32,200 units in 2004, new home construction will post its fourth best performance on record since 1981. At 29,500 units in 2005, activity will be close to the average annual number for starts (29,700 units) from 1997 to 2003.

well above the ten-year average of 40,000 units.

Prices: With demand exceeding supply, the average Alberta resale price in 2002 and 2003 increased by 10.7 per cent and 7.5 per cent respectively. With the recent increase in active listings in the province's major resale markets, price gains are anticipated to moderate and moving closer to the overall inflation rate. The average price is forecast to rise 3.8 per cent in 2004 to \$190,000 and reach \$196,000 in 2005.

Provincial Highlight

The rate of job creation in the energy sector is expected to soften over the forecast period.

With wage gain out-pacing productivity growth in recent years, Alberta businesses have been voicing concerns about the future profitability of their ventures. The anxiety is particularly prevalent in the oil sands sector. Two additional factors have added to these concerns: (1) the rise in the value of the Canadian dollar relative to the U.S. dollar; and (2) continued increase in the price of natural gas. Several of these projects use natural gas to create steam for the oil recovery process. Some analysts in the energy industry estimate that a \$1 per thousand cubic feet hike in the price of natural gas increases the production cost of some of these projects by \$1 per barrel.

Since 1996, over \$24 billion of investment has taken place in this industry with total production now exceeding one million barrels per day. With another \$30 billion in proposed oil sands investment, this sector has the potential to fuel economic growth in the province over the next two decades. However, as these projects proceed, look for companies to place an added emphasis on measures that keep operating costs in line. As a result, the new projects may hire less workers and place a greater reliance on new technology to increase the productivity of existing workers.

Saskatchewan

Overview

Starts activity to remain firm

After declining for two consecutive years, economic growth is estimated to have returned to positive territory in 2003. The leading bright spot of the economy was the residential construction sector with total starts exceeding 3,000 units. Increased spending in the oil and gas sector and a rebound in crop production also underpinned growth. As was the case for Alberta, the impact of trade embargoes due to mad cow disease prevented the economic expansion from gaining further momentum. Economic growth has led to a job recovery and total employment now stands above the levels seen in 2000. At 5.6 per cent, the unemployment rate is the third lowest among the provinces and well below the national average.

Several factors are lining up in favour of stronger growth in the province's economy over the next two years. A tight labour market will sustain consumer confidence and consumer spending. Investment in the energy sector will continue as oil and natural

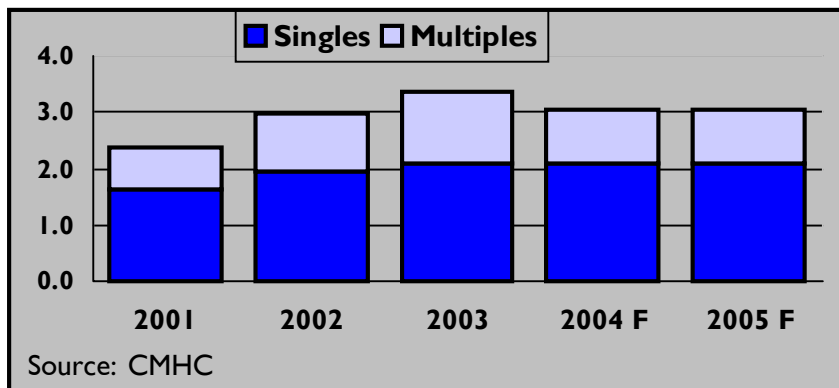
In Detail

Single Starts: Single-family starts will account for about 70 per cent of new home construction over the next two years. Activity will be sustained by household growth and a scarcity of listings in the resale market. Absorptions have risen steadily throughout 2003 but should remain at the present rate in 2004 and 2005. About 2,100 single-family housing starts are expected in 2004 and 2005.

Multiple Starts: In 2003, multi-family production, including condominium and rental housing starts, exceeded 1,000 units for a second consecutive year. The nearly 850 units under construction in Regina and Saskatoon is the highest level of activity seen since 1998. Multiple starts will moderate to 950 units in 2004 and 935 units in 2005 as developers concentrate on selling existing supply. Notwithstanding the surge in multiple building, absorption is proceeding at a pace sufficient to produce balanced market conditions in Regina and Saskatoon.

Resales: The number of existing housing sales will remain flat at 7,500 units in 2004 and 2005. Demand for good quality existing homes remains strong. However, several factors, including a scarcity of listings in

Saskatchewan Starts (000's)



gas prices remain well above the break-even point for firms. A rebound in the U.S. economy should aid manufacturing exports. The continuation of normal weather conditions and the re-opening of livestock export markets should boost agriculture exports. Economic output is projected to increase at an annual rate of three per cent in 2004 and 2005.

Economic growth will lead to job growth of 1.5 per cent in each of the next two years. The availability of job opportunities will reduce the outflow of workers to other provinces, further contributing to housing demand.

The combination of the above mentioned factors will enable the new home construction industry to post its best three-year performance since the mid 1980s. Total housing starts are forecast to be 3,050 units in 2004 and 3,035 units in 2005.

popular price ranges and rising prices are constraining sales volumes. Also, rent increases have moderated, encouraging some potential homebuyers to postpone a purchase. Regina and Saskatoon resale markets will continue to be balanced, nevertheless price increases will be slightly in excess of provincial inflation.

Prices: The average resale prices rose 3.7 per cent in 2003 and will increase about 2.9 per cent in 2004 and 2005. Price increases will stem from both the sale of higher-priced resale homes (thus causing an upward shift in the average price) as well as strong demand for a scarcity of homes in popular price ranges. In spite of the steady increase in price, Saskatchewan still remains one of the most affordable provinces within which to purchase an existing home.

Provincial Highlight

CMHC's annual Rental Market Survey results revealed that average vacancy rates were mixed, with declines in the cities of Prince Albert, Swift Current, Estevan and Moose Jaw. However, Yorkton and North Battleford saw significant increases in their average vacancy. Regina, Saskatoon and Lloydminster (Census Agglomeration) experienced a less than one percentage point change in the average vacancy rate. The average vacancy rate in Estevan (16.5 per cent) was the highest in the province and North Battleford jumped five percentage points to more than 10 per cent.

Average rents increased throughout the province, with the largest increases in Lloydminster and Prince Albert. The highest average rental rates were found in Lloydminster. A one-bedroom suite in Regina has an average rent of \$490 and an average rent of \$469 in Saskatoon.

Manitoba

Overview

Starts to remain above the five year average

Key indicators are conveying a mixed message about the province's economic environment. Since 1999, annual economic growth in the province has trailed the national average. With a rebound expected in the agriculture and manufacturing sectors, the pace of economic expansion will accelerate in 2004 and 2005. Nevertheless, weakness in the province's mining sector will once again cause growth to lag the national average.

Weaker than average economic growth is resulting in slower than average job growth. At one per cent, the pace of employment creation will be well below the national average of 1.8 per cent in 2004 and 2.2 per cent in 2005. However, at 4.9 per cent in 2004 and 4.8 per cent in 2005, the provincial unemployment rate will be nearly three percentage points lower than the national average.

Improved inter-provincial net migration

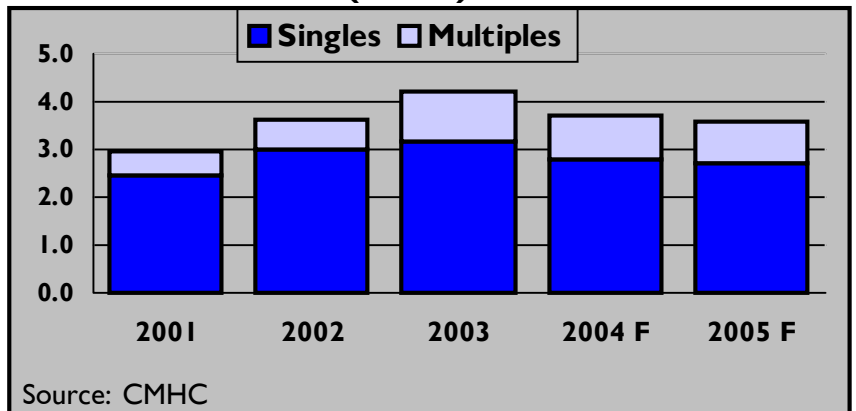
In Detail

Single Starts: With over 3,100 units started in 2003, single-family construction in the province exceeded the 3,000 mark for a second consecutive year. This was the strongest back to back performance since 1987-1988. Higher costs stemming from the scarcity of available land and rising labour costs are pushing up the price of new homes. Rising prices will cause demand for single-family homes to soften over the next two years. Single-detached starts are forecast to decline to 2,800 units in 2004 and 2,700 units in 2005.

Multiple Starts: Manitoba's multiple-family starts hit a 14-year high in 2003 at 1,040 units. Most of these starts occurred in the Winnipeg CMA. Multiple-family construction will continue to be strong with 900 starts in both 2004 and 2005. Developers are responding to demand from the 55 plus market and the rental market, which in Winnipeg, is currently one of the tightest in the country.

Resales: The Winnipeg CMA accounts for 90 per cent of the MLS® sales in Manitoba. Sales have remained strong in the Winnipeg market. However, a continued shortage of listings has restricted sales, preventing MLS® sales in 2003 from gaining much

Manitoba Starts (000's)



combined with positive net international migration means that overall net migration levels will become positive and contribute to population and household growth. About 2,800 new households will be created in the province this year and next.

Consumer confidence buoyed by a low unemployment rate and new household formation will keep housing demand firm over the forecast period. As a result, total housing starts will remain above the past five year average of about 3,300 units. At 3,700 units in 2004, new home construction will post its third best performance on record since 1989. At 3,600 units in 2005, activity will be at its fifth highest point since 1989. About 75 per cent of the starts will be single-family homes.

ground on the previous year's total. With mortgage rates expected to remain low for the near term, demand is expected to remain firm with no strong recovery anticipated in supply levels. Therefore sales will remain flat at 10,500 in 2004 and 2005.

Prices: In 2003, sellers' market conditions in Winnipeg drove house prices up by 11 per cent in the CMA while prices in Manitoba increased by almost nine per cent. Price gains will moderate in 2004 and 2005 as pent up demand becomes satisfied. The average MLS® price is projected to rise by 4.8 per cent in 2004 and 3.2 per cent in 2005. It should be noted that despite the continued increase in the average price, Manitoba will continue to be one of the most affordable provinces in the country. In 2005, only Saskatchewan, New Brunswick and P.E.I. will have a lower average MLS® price than Manitoba.

Provincial Highlight

In the late 1990's, deteriorating conditions in Winnipeg's inner-city neighbourhoods caused house prices to decline. Through a concerted effort that involved the community and three levels of government, a multi-faceted approach was undertaken to address issues in these neighbourhoods.

The effort appears to be bearing fruit. While the average MLS® price for the Winnipeg CMA has increased by 25 per cent since 1999, house prices in two of the inner-city neighbourhoods have increased by over 50 per cent, returning to where they were a decade ago. Renovations to the housing stock as well as a renewed sense of community in the inner-city have contributed to this recovery.

Ontario

Overview

Multiple starts lead the way in 2003

Low mortgage rates, appreciating home values and respectable job levels are fuelling a strong appetite for home ownership. Annual home sales through the Multiple Listings Services reached an all-time record in 2003. Home starts inched up to a 14 year record, with condominium apartment starts responsible for much of that increase. Rental apartment vacancies in the majority of the province's larger centres moved higher in 2003 as renters took advantage of the low mortgage carrying costs to move into their first homes.

Last year was likely the peak year for home construction. Expectations are that home starts will remain high by historical standards, but edge downward to 78,000 units this year and 72,500 units in 2005. Ownership demand will be mitigated by a creeping up of mortgage rates and the latent effects of a pull-back in net in-migration to the province since mid 2002.

Population growth is key to housing demand, and since the birth rates are low, is driven by migration. Net migration to Ontario spiked significantly in late 1999 before dropping back to its longer term average in mid 2002. Ontario attracts over half of Canada's

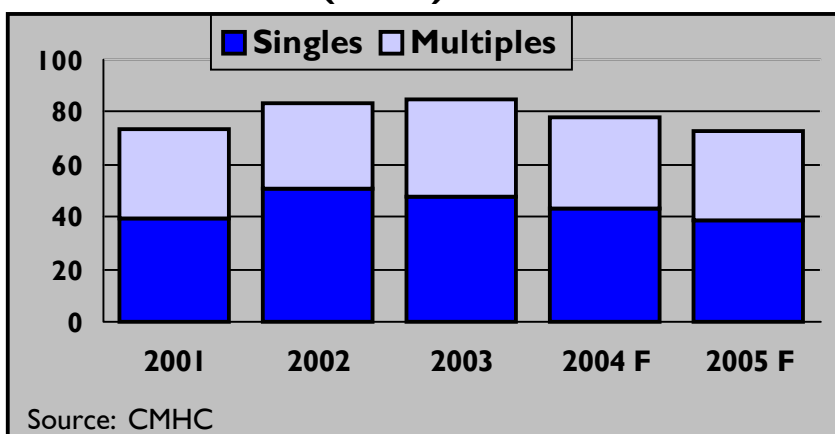
In Detail

Single Starts: Detached home starts will edge lower to 43,000 units in 2004 and 39,000 units in 2005, but remain at strong levels. The mid-40s population, which tends to prefer ground oriented units and have the means to purchase them, is growing rapidly. High home prices in many of the province's larger centres such as Toronto will cause some to choose longer commutes for better home value.

Multiple Starts: Multiple-family home starts will edge down from 2003 levels which were the highest in 14 years to the second highest in 2004 to 35,000 units and down a bit more in 2005 to 33,500 units. Low carrying costs will keep condominium apartments and freehold town homes attractive to first-time home buyers and those looking for the amenities downtown living offers.

Resales: Home sales through MLS[®] continued to be strong in the fourth quarter of 2003, albeit down from their highest seasonally adjusted quarterly value on record. Mortgage rates near historic lows, high consumer confidence and a growing supply of resale home listings will keep resale markets active. However, sales will pull back marginally

Ontario Starts (000's)



newcomers so that future housing demand will benefit from Citizenship and Immigration Canada's September 2003 announcement of a relaxation of the pass mark for federal skilled worker applicants. Inter-provincial migration was negative for the first three quarters of 2003 and was dwarfed by the international inflows.

On the economic front, indicators are mixed. Economic recovery in the United States will offset the higher Canadian dollar to add to demand for Ontario's manufactured goods. Ontario retail sales are high. Business bankruptcies are low. Consumer confidence is strong. However, declining numbers of vehicles purchased in the province throughout 2003 suggests saturation is occurring in the markets for some durable goods.

Annual job growth set a three year record in 2003 despite the drag the SARS outbreak caused on the hospitality industry and August's power blackout on manufacturing. Similar respectable job growth is anticipated over the next couple of years.

over the next couple of years as rising prices and mortgage rates make ownership slightly less affordable. MLS[®] sales will drop to 178,000 sales in 2004 and 165,000 sales in 2005.

Prices: Home prices are high in most centres and rising rapidly. Ottawa's are in record territory and still growing. Sales to new listings ratios, a leading indicator of home prices, are at levels consistent with above inflation home price growth in almost all the province's centres. High home prices will encourage more sellers to put their homes on the market and set the stage to ease home price pressures. Expect price growth to moderate in 2004 and 2005, but to out-pace the general rate of inflation. As a result, home prices will continue to rise by 5.6 per cent in 2004 and by 4.1 per cent in 2005.

Provincial Highlight

First-time home buyers are active when borrowing costs are low. Rental apartment vacancies in the majority of the province's larger centres moved higher as renters took advantage of the low mortgage carrying costs to move into their first homes. Ontario's average vacancy rate moved up for the third consecutive year to 3.5 per cent in October 2003 from 2.7 per cent a year ago. All bedroom types registered higher vacancy rates. Ontario's average two bedroom apartment rent stayed essentially unchanged, edging up by 0.3 per cent from last year, which was less than one fifth of October's 1.6 per cent Consumer Price Index inflation rate. Toronto remains Canada's most expensive market.

Quebec

Overview

Similar levels of residential construction expected in 2004

Economic and demographic factors underpinned growth in residential construction in Quebec in 2003 and will continue to do so as more than 48,000 units will be started in the province in 2004.

The Quebec economy will remain strong in 2004 as it benefits from a variety of factors including the long awaited U.S. economic recovery, which should lead to increased demand for Quebec exports and a decreased pressure on the exchange rate. Moreover, investment growth in the U.S. will likely lift overall consumer and business confidence both in the U.S. and in Quebec. As economic growth gains momentum in 2004, so will the province's labour markets. As job growth picks up speed it will continue to boost disposable income and support continued growth in domestic

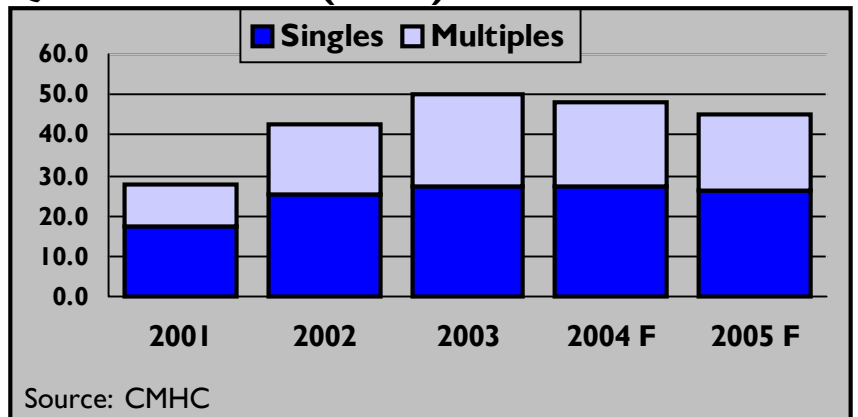
In Detail

Single Starts: After a slight drop in 2003, conditions should lead to a rebound in single starts as recent high employment levels, ongoing low mortgage rates, relatively strong consumer confidence, and tight resale housing markets continue to act on demand and sustain single detached home building. Starts in this market segment are forecast to increase to 27,300 units in 2004 and to fall to 26,500 units in 2005.

Multiple Starts: Multiple housing construction in Quebec will drop following two years of very strong growth. However, demand will continue to benefit from a variety of key factors notably continued popularity of condominiums and seniors residences, and tight rental markets. This will translate into more than 20,000 multi-family starts in 2004 and 18,700 units in 2005.

Resales: Low mortgage rates, employment growth and weak inventories will continue to support the existing home market. Sales of existing homes will edge up to 70,000

Quebec Starts (000's)



demand. While conditions for private investment remain generally favourable, the public sector faces increased spending constraints this year.

Given this environment, economic growth in the province is poised to pick up momentum and GDP will increase by just over three per cent in 2004. Similarly employment and the labour force will grow at an increased pace this year leaving the unemployment rate above 9 per cent in 2004. Mortgage rates will creep up a bit but will stay low in 2004 and net migration will continue to increase throughout 2004 and 2005. Tight housing markets will again support residential construction and housing starts will reach 48,000 units in 2004, and 45,200 units in 2005.

transactions in 2004 and will drop to 65,000 transactions in 2005.

Prices: With slightly higher sales expected in 2004 and a continued tight supply, resale markets will continue to be favourable to sellers and will experience an upward, albeit lesser, pressure on prices. The average price in this market is expected to rise by 8.1 per cent in 2004 and by a further 3.1 per cent in 2005.

Provincial Highlight

According to the results of Statistics Canada's 2001 census, roughly ten per cent of the province of Quebec's population is composed of immigrants. The overwhelming majority of this group is located in Montreal, where over 18 per cent of the population is made up of people who have come from abroad. This compares to barely three per cent for Quebec City, and two per cent for the rest of the province.

The large majority of immigrants in Montreal is explained by its much larger labour market, well established ethnic community infrastructures, and of course its considerable rental stock (immigrants tend to be renters during the first years following their arrival). As well, the latest census results also show signs of a newer phenomenon: "immigrant suburbanization".

In fact, according to census results, while immigrants stay mainly on the Island of Montreal (within central and northern districts of Montreal), during the 1990s they have moved to the suburbs (namely the city's first crown) like many other segments of the population. Moreover, as this phenomenon continues, an increasing number of new immigrants now land directly in the suburbs, thus magnifying the trend.

New Brunswick

Overview

Employment Growth to Bounce back in 2004

In 2003, employment growth in health care, management, administrative, professional and scientific services was not enough to offset job losses in accommodation, food services, transportation, warehousing and public administration. After no growth in 2003, employment is expected to bounce back in 2004 rising 1.5 per cent. Job growth in 2004 should stimulate consumer spending, which was weak in 2003. Major capital projects such as the twinning of the Trans-Canada Highway and the conversion of the Coleson Cove Generating Station will also continue to fuel economic growth in 2004. The refurbishment of the Point Lepreau nuclear power plant and the construction of a liquified natural gas facility could also generate tremendous economic growth, if the projects are given the green light. An expected U.S. economic recovery,

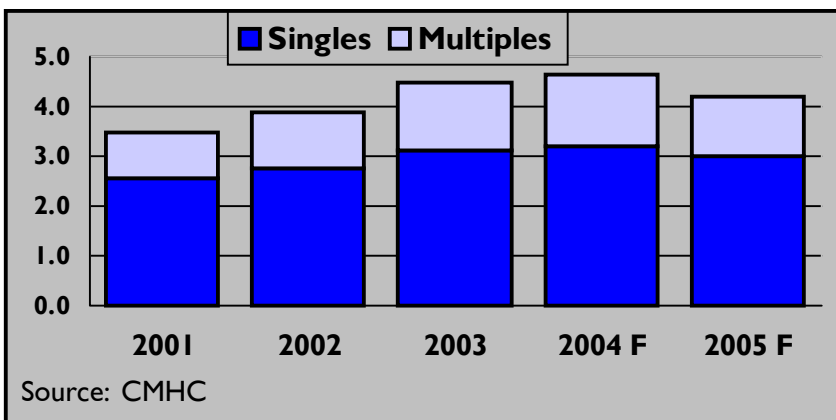
In Detail

Single Starts: Growth in single starts has been particularly strong the past few years, but the pace of growth is not expected to gain further momentum in 2004. Rising construction costs, and an increase in active listings on the resale market will cause the growth in single starts to flatten out in 2004. Expect single starts to be a bit higher than 2003 levels reaching 3,200 units in 2004 then falling to 3,000 units in 2005.

Multiple Starts: Despite rising vacancies in the majority of the province's larger urban centres, developers will continue to take advantage of low borrowing costs resulting in more multi-unit dwellings in 2004. The increase in growth may not be as strong as in previous years, but expect multiple starts to exceed the 2003 levels by more than five per cent in 2004 but sliding to 1,200 units in 2005.

Resales: Despite slight increases expected in 2004, mortgage rates will remain low in historical terms and will continue to allow many households to remain active in changing addresses. A burst of activity by both first-time and move up buyers will cause MLS® sales to support a similar level of activity in 2004 as seen in 2003. MLS®

New Brunswick Starts (000's)



and a potential resolution of the softwood lumber dispute would also impact positively on economic growth in New Brunswick. However, a stronger Canadian dollar will most likely offset some of the stimulus to N.B.'s international exports, which generated close to half of the province's real GDP last year. As a result, expect the provincial economy to grow by a modest 2.5 per cent in 2004.

Despite modest economic growth, low mortgage rates and continuing intra-provincial migration to the larger urban centres, will continue to stimulate housing starts in 2004. Our current forecast indicates that total housing starts should reach a high of 4,625 units in 2004 and 4,200 units in 2005.

sales will expand, to a record high, of close to 8 per cent in 2004 to 5,925 units and by nearly 6 per cent in 2005 to 6,275 units.

Prices: A rise in listings should ease the pressure on the currently tight resale market conditions. However, this will be offset by potential homebuyers continuing to take advantage of low mortgage rates to purchase larger, more expensive homes. As a result, the average MLS® price is expected to increase by nearly 4 per cent in 2004, exceeding the \$110,000 level for the first time. In 2005, a rise of 2.5 per cent will put the average MLS price at nearly \$113,000.

Provincial Highlight

The apartment vacancy rate for New Brunswick's urban centres edged up from 4.2 per cent in October 2002 to 4.3 per cent in October 2003, according to CMHC's latest Rental Market Survey. Five of the seven urban centres had a higher vacancy rate than a year ago, while vacancies declined in Saint John and Miramichi.

The provincial vacancy rate rose marginally as higher vacancies in Moncton, Fredericton and the majority of northern urban centres were mostly offset by a decline in vacancies in Saint John, the largest rental market in New Brunswick. Weaker demand for rental accommodations has caused an increase in vacancies in northern urban centres, while in Fredericton and Moncton, the rise in vacancies was mainly due to a significant increase in the supply of new rental units. Developers of apartment projects took advantage of low interest rates in 2003 to borrow money at a lower cost, fuelling multiple starts. A similar scenario is expected in 2004.

Nova Scotia

Overview

Further weakness expected in 2004

Residential construction activity will continue to decline in Nova Scotia in 2004 as the stimulus of low mortgage rates finally acquiesces to the shortage of good news on the economic front. In the absence of solid employment growth and related immigration to the province in recent years, home sales and new construction activity have been sustained by the attractiveness of historically low mortgage rates making monthly carrying costs relatively more affordable. As a result, many home buyers accelerated their housing purchases over the past two years, which will contribute to the tempering of future housing demand in the province for 2004 and 2005.

With a high likelihood of fiscal belt tightening at all levels of government, including unforeseen provincial and municipal costs associated with the cleanup from Hurricane Juan, there will be little new government related spending to spur on the economy. In addition, with the lull in

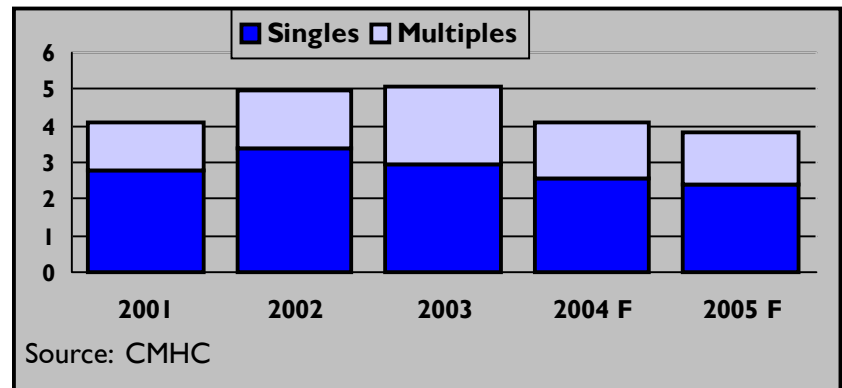
In Detail

Single Starts: Single detached housing starts are poised to post significant declines in 2004 and 2005, following the general slowdown in single detached starts across the province witnessed in 2003. As home ownership demand continues to soften and housing prices maintain their upward track, expect to see 2,575 single starts this year and only 2,400 next year as builders start to shift to offering more affordable multi-unit and middle density homes.

Multiple Starts: With declining single starts, multiple unit construction activity is expected to capture a larger share of the total provincial residential construction market over the next two years. With declining vacancy rates in almost all of the province's urban centres, developers are expected to respond with new rental projects while changing demographics and consumer tastes will drive the condominium market especially in Halifax. Semi-detached, row and apartment starts are expected to post only minor declines in both 2004 and 2005 to 1,525 units and 1,400 units, respectively.

Resales: Sales of existing homes declined significantly in 2003 following the record

Nova Scotia Starts (000's)



new activity in the province's fledgling offshore energy industry, one of the only potential bright spots for the Nova Scotia economy is the prospective spin-off from the long anticipated economic rebound in the United States. Accordingly, expect provincial GDP growth to lag the national average at or just above the two percent mark for the next two years.

Last year marked the turning point in the province's new home construction business cycle, and as a result, the outlook for the next two years will see a slowing in the pace of residential construction activity in Nova Scotia. Expect total housing starts to decline in 2004 to 4,100 units. In 2005, starts will post a further modest decline with concrete flowing into 3,800 new foundations across the province.

results of the previous two years, and the province's resale market is expected to continue to weaken in 2004 and 2005. With tenants and move-up buyers taking advantage of low mortgage rates, some potential future housing demand was brought forward over the past two years, which is part of the reason why MLS® sales are expected to fall to 8,550 homes in 2004 and 8,500 homes in 2005 from 9,100 homes in 2003.

Prices: With declining demand and an increasing number of active listings, resale home price growth is expected to moderate over the next two years to a rate on par with or just slightly below the provincial rate of inflation. As a result, the average MLS price will reach \$138,000 in 2004, and climb to \$140,000 in 2005.

Provincial Highlight

In the early 1980's, Nova Scotia's international trade was only half the value of inter-provincial trade (i.e. trade that took place with the other provinces in Canada). Since 1981, the province's value of international trade has expanded at a faster pace than the growth of inter-provincial trade. In fact, in 1997 (and every year since then), the value of international trade in Nova Scotia has surpassed the value of inter-provincial trade for the Nova Scotia economy.

P.E.I.

Overview

Multiple Starts to Decrease in 2004

The pace of economic growth in PEI is forecast to accelerate in 2004. It is expected that the province's GDP will advance by 2.5 per cent in both 2004 and 2005. A number of industries are poised to see growth over the forecast period.

The construction industry will get a boost from another surge in non-residential construction. The Island currently has a number of projects in the planning phase with the largest being the new \$48 million federal building in the Capital Region. It is also predicted that output from the agricultural sector will remain stable at more normal levels over the next two years. As a result, there will be an ample supply of locally grown raw materials for the food-processing sector, which will reduce the industry's reliance on imports. Tourism, which also contributes significantly to the Island's economy, is expected to surpass the 2003 level modestly in both 2004 and 2005.

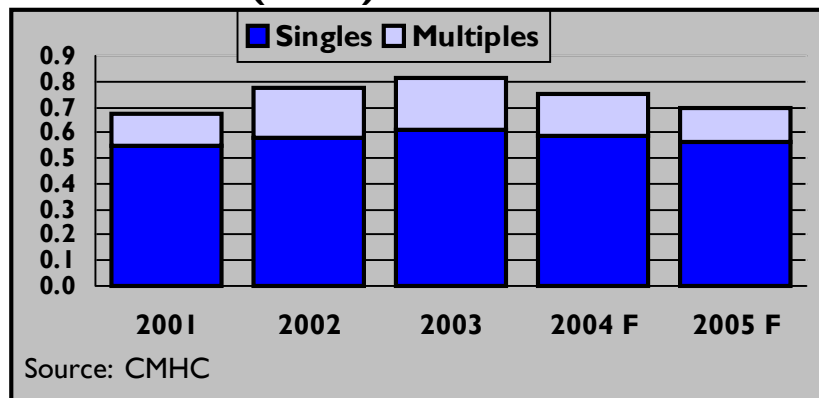
In Detail

Single Starts: The construction of single-family homes is expected to remain strong in both 2004 and 2005, with 590 single starts in 2004 and 565 single starts in 2005. While this forecast represents a slight decrease from the 2003 level, starts will remain strong in historical terms.

Multiple Starts: Multiple starts in 2004 are expected to be around 160 units, a decrease of 40 units from 2003. This decrease is not unexpected considering the high levels of multiple construction that have occurred in the Charlottetown area over the past three years. In 2005, multiple starts are expected to be 135 units.

Resales: MLS® sales in PEI have hovered around the 1,200 mark for the past five years. This is expected to continue in both 2004 and 2005. While the demand for existing homes remains strong, the diminished supply of listings continues to be the main factor limiting a further increase in sales.

P.E.I. Starts (000's)



The rate of employment and labour force growth on the Island is expected to remain positive for the entire forecast period. The majority of this employment growth will come from the manufacturing and service sectors of the economy, while the labour force growth will continue through a combination of more Islanders looking for work and positive net migration.

As the provincial economy in general is expected to remain positive in 2004 and 2005, housing starts will remain strong as well. The strength of the housing market in 2004 will again be in the Charlottetown area, where both single and multiple starts should come close to the 2003 levels. Province wide, housing starts are expected to decline slightly in 2004 with total starts reaching a level of 750, down from 814 in 2003, falling further to reach 700 units in 2005.

Prices: The continued strong demand for existing homes in the urban areas of the province and for recreational properties (which tend to be increasing), combined with a decrease in listings, will cause the average MLS® resale price to rise to \$97,100 this year, a growth rate of 1.0 per cent. In 2005, the average MLS® price will rise to \$98,500.

Provincial Highlight

Results of the Fall 2003 Rental Market Survey were compiled after the enumeration of 3,969 row and apartment units in the Charlottetown area. The results of the survey indicated that the vacancy rate in Charlottetown increased to 3.4 per cent in October of 2003, from 2.1 per cent a year earlier. The average rent also increased, reaching \$566 in Charlottetown in 2003 compared to \$539 in 2002.

The main reason behind both the increased vacancy rate and average rents is the higher level of multiple construction experienced over the past 3 years. However, in considering the number of units added to the local rental universe, the market has remained surprisingly resilient over this period.

Newfoundland and Labrador

Overview

Economic Growth to Moderate from Recent Highs

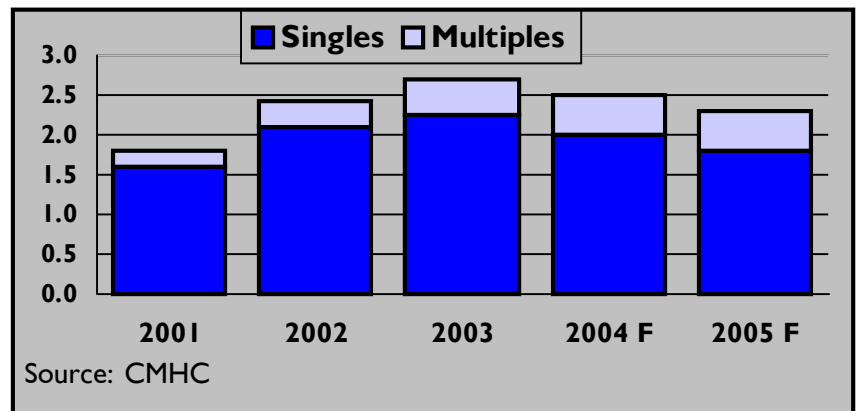
Following two years as the nation's strongest performer in terms of the rate of growth in gross domestic product, the pace of economic growth in Newfoundland and Labrador will moderate to a more sustainable level in 2004 and 2005. Offshore oil production is expected to level off with expansion in the economy becoming largely dependent on consumer spending and increased expenditures on both the Voisey's Bay and White Rose projects. Direct investment related to the White Rose project will peak this year with employment levels swelling to an estimated 1,600 from 1,000 jobs in 2003. Expenditures on Voisey's Bay are forecast to reach \$450 million in 2004 with direct employment climbing almost 70 per cent over last year. Consumer spending, which makes up the largest component of provincial GDP, will remain buoyant over the next two years

In Detail

Single Starts: With labour and material costs becoming increasingly more expensive, affordability is also becoming an issue. These concerns will be exacerbated by rising interest rates in 2005 and will temper single-detached starts and likely accentuate the shift towards more affordable higher density homes. Despite the expected decline, single starts will remain well above the levels achieved during most of the last decade. Single starts are expected to be 2,000 units in 2004 and 1,800 units in 2005.

Multiple Starts: Several factors will converge to support continued strength in the multiples market. Steady growth in the number of smaller households, reduced affordability associated with detached versus multiple style homes and an infusion of public funds in support of affordable housing will stimulate multiple starts. While multiples will remain concentrated in the ownership market (condos and semi-detached and row townhouses) further tightening in a number of rental markets within the province will likely prompt a modest recovery in apartment starts. Multiple starts are expected to increase to 500 units in 2004 and remain steady at that level for 2005.

Newfoundland and Labrador Starts (000's)



and underpin the modest economic expansion that is predicted. While higher levels of consumer debt and modest interest rate increase in late 2004 will likely limit growth in consumer spending, healthy gains in disposable income will more than offset these impacts. Accordingly, further increases in retail trade are also anticipated. Housing market performance will also moderate from the levels achieved in 2003 but will remain strong relative to most of the last decade. Expect St. John's to outperform the rest of the province reflecting steady intra-migration provincial flows and a more resilient economy. It should be noted that recent announcements surrounding the provincial debt and possible cuts in government expenditures are cause for concern and pose some downside risk to the forecast. Starts are expected to ease to 2,500 units in 2004 and to 2,300 units in 2005.

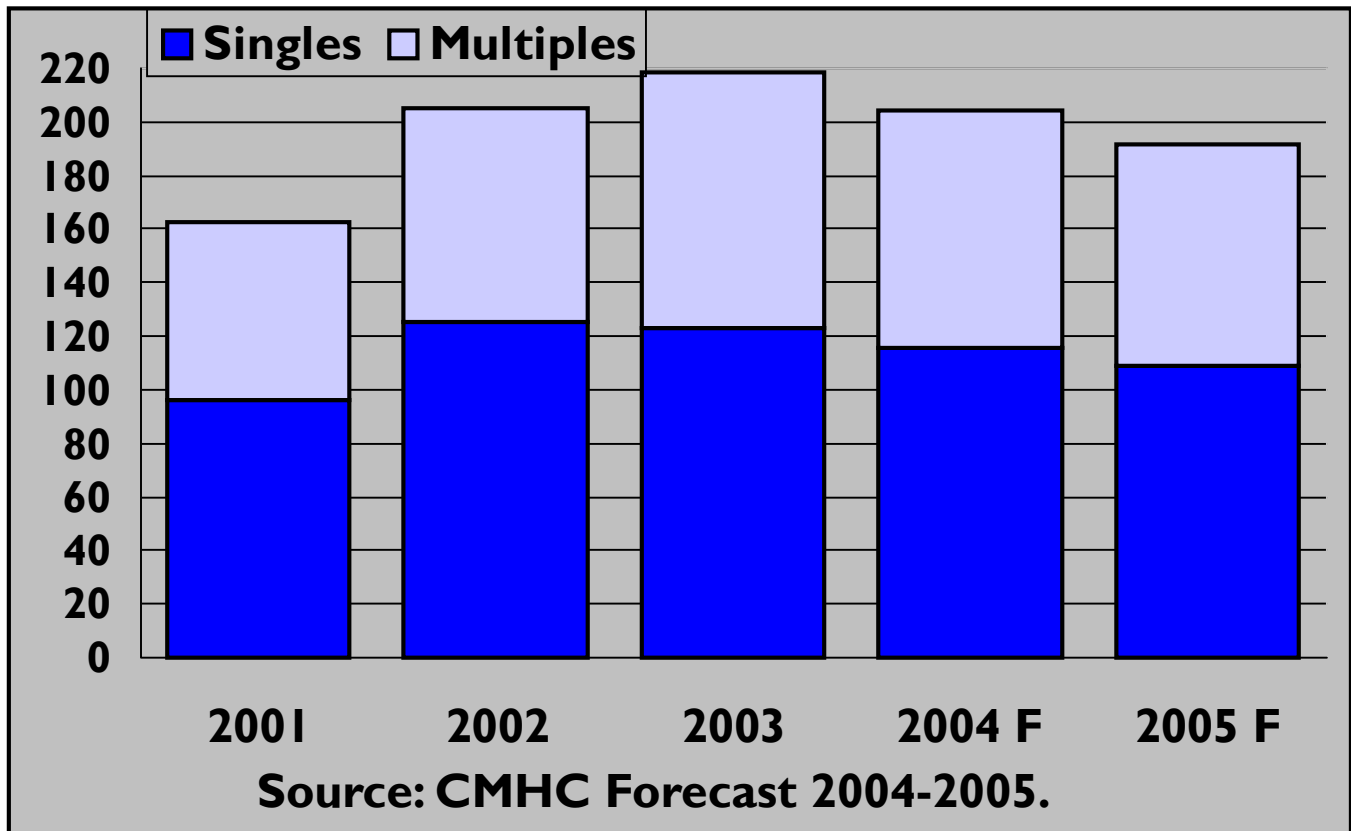
Resales: The lowest interest rates in 50 years which prevailed throughout most of 2003, brought forward a portion of future demand. Rising prices and higher interest rates will serve to lower MLS® sales from recent record levels but they will remain strong in historical terms. MLS® sales are expected to ease to 3,000 sales in 2004 and fall further to 2,900 sales in 2005.

Prices: As sales cool and the supply of listings inches higher, expect price growth to also moderate but remain in the two to four per cent range in 2004 and 2005.

Provincial Highlight

At 2.0 per cent, the apartment vacancy rate within the St. John's region fell to its lowest level in 13 years during the latter part of 2003. A seventh consecutive year of employment growth combined with an increase in the number of students from outside the province attending the region's major educational institutions were the major factors behind the sustained upturn in rental demand. A sharp rise in house prices in recent years and reduced supplies of homes being placed on the market for sale have also impeded the ability of some renter households to move into home ownership. The gap between market rents and rents required to ensure project viability also continues to discourage developers from building new apartment projects. This lack of new construction combined with growing demand has resulted in a further tightening within the rental market. Average market rents also increased across all bedroom types for the second consecutive year. In 2003, gains ranged from a high of 9.9 per cent for bachelor units to a low of 2.0 per cent for one bedroom apartments.

Canada Starts (000's)



Total Housing Starts (units and annual percent change)							
	1999	2000	2001	2002	2003	2004(F)	2005 (F)
NFLD	1,371	1,459	1,788	2,419	2,692	2,500	2,300
%	-5.4	6.4	22.5	35.3	11.3	-7.1	-8.0
PEI	616	710	675	775	814	750	700
%	17.6	15.3	-4.9	14.8	5.0	-7.9	-6.7
NS	4,250	4,432	4,092	4,970	5,096	4,100	3,800
%	35.5	4.3	-7.7	21.5	2.5	-19.5	-7.3
NB	2,776	3,079	3,462	3,862	4,489	4,625	4,200
%	13.4	10.9	12.4	11.6	16.2	3.0	-9.2
QUE	25,742	24,695	27,682	42,452	50,289	48,000	45,200
%	11.3	-4.1	12.1	53.4	18.5	-4.6	-5.8
ONT	67,235	71,521	73,282	83,597	85,180	78,000	72,500
%	24.9	6.4	2.5	14.1	1.9	-8.4	-7.1
MAN	3,133	2,560	2,963	3,617	4,206	3,700	3,600
%	8.2	-18.3	15.7	22.1	16.3	-12.0	-2.7
SASK	3,089	2,513	2,381	2,963	3,315	3,050	3,035
%	4.2	-18.6	-5.3	24.4	11.9	-8.0	-0.5
ALTA	25,447	26,266	29,174	38,754	36,171	32,200	29,500
%	-6.2	3.2	11.1	32.8	-6.7	-11.0	-8.4
BC	16,309	14,418	17,234	21,625	26,174	27,000	27,000
%	-18.2	-11.6	19.5	25.5	21.0	3.2	0.0
Canada	149,968	151,653	162,733	205,034	218,400	*203,900	*191,800
%	9.1	1.1	7.3	26.0	6.5	-6.6	-5.9

Source: CMHC Forecast 2004-2005.
 (F) Forecast.
 * Total does not add due to rounding.

Single-detached Starts (units and annual percent change)

	1999	2000	2001	2002	2003	2004 (F)	2005 (F)
NFLD	1,233	1,315	1,598	2,092	2,240	2,000	1,800
%	13.5	6.7	21.5	30.9	7.1	-10.7	-10.0
PEI	472	614	551	582	613	590	565
%	22.0	30.1	-10.3	5.6	5.3	-3.8	-4.2
NS	3,345	2,856	2,761	3,363	2,968	2,575	2,400
%	48.2	-14.6	-3.3	21.8	-11.7	-13.2	-6.8
NB	2,201	2,442	2,573	2,769	3,139	3,200	3,000
%	10.7	10.9	5.4	7.6	13.4	1.9	-6.3
QUE	15,798	15,349	17,193	25,257	27,225	27,300	26,500
%	7.6	-2.8	12.0	46.9	7.8	0.3	-2.9
ONT	39,421	41,087	39,632	51,114	47,610	43,000	39,000
%	20.4	4.2	-3.5	29.0	-6.9	-9.7	-9.3
MAN	2,231	2,348	2,460	3,016	3,165	2,800	2,700
%	-5.8	5.2	4.8	22.6	4.9	-11.5	-3.6
SASK	2,070	1,890	1,627	1,931	2,097	2,100	2,100
%	-3.9	-8.7	-13.9	18.7	8.6	0.1	0.0
ALTA	16,688	16,835	19,769	24,520	21,918	19,700	18,400
%	-16.9	0.9	17.4	24.0	-10.6	-10.1	-6.6
BC	8,731	7,448	7,862	10,730	12,252	12,600	12,650
%	0.5	-14.7	5.6	36.5	14.2	2.8	0.4
CAN	92,190	92,184	96,026	125,374	123,200	*115,900	*109,100
%	6.7	0.0	4.2	30.6	-1.7	-5.9	-5.9

Source: CMHC Forecast 2004-2005.

(F) Forecast.

* Total does not add due to rounding.

Multiple Starts (units and annual percent change)

	1999	2000	2001	2002	2003	2004 (F)	2005 (F)
NFLD	138	144	190	327	452	500	500
%	-62.1	4.3	31.9	72.1	38.2	10.6	0.0
PEI	144	96	124	193	201	160	135
%	5.1	-33.3	29.2	55.6	4.1	-20.4	-15.6
NS	905	1,576	1,331	1,607	2,128	1,525	1,400
%	2.8	74.1	-15.5	20.7	32.4	-28.3	-8.2
NB	575	637	889	1,093	1,350	1,425	1,200
%	25.5	10.8	39.6	22.9	23.5	5.6	-15.8
QUE	9,944	9,346	10,489	17,195	23,064	20,700	18,700
%	17.6	-6.0	12.2	63.9	34.1	-10.2	-9.7
ONT	27,814	30,434	33,650	32,483	37,570	35,000	33,500
%	31.9	9.4	10.6	-3.5	15.7	-6.8	-4.3
MAN	902	212	503	601	1,041	900	900
%	71.2	-76.5	137.3	19.5	73.2	-13.5	0.0
SASK	1,019	623	754	1,032	1,218	950	935
%	25.6	-38.9	21.0	36.9	18.0	-22.0	-1.6
ALTA	8,759	9,431	9,405	14,234	14,253	12,500	11,100
%	24.3	7.7	-0.3	51.3	0.1	-12.3	-11.2
BC	7,578	6,970	9,372	10,895	13,922	14,400	14,350
%	-32.6	-8.0	34.5	16.3	27.8	3.4	-0.3
CAN	57,778	59,469	66,707	79,660	95,200	*88,100	*82,700
%	13.3	2.9	12.2	19.4	19.5	-7.5	-6.1

Source: CMHC Forecast 2004-2005.

(F) Forecast.

* Total does not add due to rounding.

		Multiple Housing Starts by Type (Units)						
		1999	2000	2001	2002	2003	2004 (F)	2005 (F)
NF	Semi-detached	50	44	30	36	66	140	100
	Row	9	23	36	42	107	110	100
	Apartment	79	77	124	249	279	250	300
	Total	138	144	190	327	452	500	500
PEI	Semi-detached	32	46	56	64	72	40	35
	Row	31	21	10	47	40	20	25
	Apartment	81	29	58	82	89	100	75
	Total	144	96	124	193	201	160	135
NS	Semi-detached	218	266	228	253	338	275	250
	Row	29	17	40	144	277	200	150
	Apartment	658	1,293	1,063	1,210	1,513	1,050	1,000
	Total	905	1,576	1,331	1,607	2,128	1,525	1,400
NB	Semi-detached	134	113	114	186	254	275	250
	Row	94	26	153	68	143	150	150
	Apartment	347	498	622	839	953	1,000	800
	Total	575	637	889	1,093	1,350	1,425	1,200
QC	Semi-detached	1,586	1,291	1,309	1,855	2,432	2,400	2,200
	Row	1,184	858	869	964	773	1,500	1,500
	Apartment	7,174	7,197	8,311	14,376	19,859	16,800	15,000
	Total	9,944	9,346	10,489	17,195	23,064	20,700	18,700
ON	Semi-detached	6,445	7,167	7,106	6,886	6,379	6,000	5,700
	Row	10,425	10,846	10,269	11,849	12,191	12,000	11,700
	Apartment	10,944	12,421	16,275	13,748	19,000	17,000	16,100
	Total	27,814	30,434	33,650	32,483	37,570	35,000	33,500
MAN	Semi-detached	90	52	51	68	88	90	80
	Row	151	63	84	76	62	70	70
	Apartment	661	97	368	457	891	740	750
	Total	902	212	503	601	1,041	900	900
SK	Semi-detached	155	148	116	142	95	120	110
	Row	104	173	240	456	594	200	225
	Apartment	760	302	398	434	529	630	600
	Total	1,019	623	754	1,032	1,218	950	935
ALB	Semi-detached	1,570	1,518	1,957	2,869	2,567	2,000	1,800
	Row	1,424	1,545	1,779	2,531	2,859	2,500	2,300
	Apartment	5,765	6,368	5,669	8,834	8,827	8,000	7,000
	Total	8,759	9,431	9,405	14,234	14,253	12,500	11,100
B.C.	Semi-detached	816	885	916	1,225	1,353	1,260	1,210
	Row	1,444	1,675	1,686	2,305	3,297	3,240	3,190
	Apartment	5,318	4,410	6,770	7,365	9,272	9,900	9,950
	Total	7,578	6,970	9,372	10,895	13,922	14,400	14,350
CAN	Semi-detached	11,096	11,530	11,883	13,584	13,644	12,600	11,735
	Row	14,895	15,247	15,166	18,482	20,343	19,990	19,410
	Apartment	31,787	32,692	39,658	47,594	61,212	55,470	51,575
	Total	57,778	59,469	66,707	79,660	95,200	*88,100	*82,700

Source: CMHC Forecast 2004-2005.

* Total does not add due to rounding.

Total Residential Resales (units and annual percent change)

	1999	2000	2001	2002	2003 (E)	2004 (F)	2005 (F)
NFLD	2,437	2,593	2,808	3,014	3,238	3,000	2,900
%	6.5	6.4	8.3	7.3	7.4	-7.4	-3.3
PEI	1,184	1,206	1,234	1,221	1,200	1,200	1,200
%	5.2	1.9	2.3	-1.1	-1.7	0.0	0.0
NS	8,827	8,577	9,441	10,243	9,100	8,550	8,500
%	9.6	-2.8	10.1	8.5	-11.2	-6.0	-0.6
NB	4,376	4,524	4,779	5,089	5,518	5,925	6,275
%	12.0	3.4	5.6	6.5	8.4	7.4	5.9
QUE	49,792	53,755	61,620	71,071	69,000	70,000	65,000
%	10.2	8.0	14.6	15.3	-2.9	1.4	-7.1
ONT	148,659	147,158	162,318	177,406	186,000	178,000	165,000
%	7.4	-1.0	10.3	9.3	4.8	-4.3	-7.3
MAN	10,867	10,612	11,440	11,108	10,800	10,500	10,500
%	1.0	-2.3	7.8	-2.9	-2.8	-2.8	0.0
SASK	8,053	7,552	7,971	7,933	7,500	7,500	7,500
%	-0.2	-6.2	5.5	-0.5	-5.5	0.0	0.0
ALTA	42,684	43,311	48,989	51,042	49,000	47,000	44,000
%	-1.6	1.5	13.1	4.2	-4.0	-4.1	-6.4
BC	58,084	54,179	69,554	82,737	91,000	82,600	78,000
%	9.8	-6.7	28.4	19.0	10.0	-9.2	-5.6
CAN**	334,963	333,467	380,154	420,864	432,400	*414,300	*388,900
%	6.6	-0.4	14.0	10.7	2.7	-4.2	-6.1

Sources: Canadian Real Estate Association and Real Estate Board of the Fredericton Area Inc.,

CMHC Forecast 2004-2005.

(E) Estimate (F) Forecast.

* Total does not add due to rounding. **Canada totals are for 10 provinces

Average Residential Resale Price (dollars and annual percent change)

	1999	2000	2001	2002	2003 (E)	2004 (F)	2005 (F)
NFLD	94,359	99,525	104,376	113,081	119,822	123,500	126,500
%	3.1	5.5	4.9	8.3	6.0	3.1	2.4
PEI	82,138	82,884	87,696	95,117	96,100	97,100	98,500
%	3.2	0.9	5.8	8.5	1.0	1.0	1.4
NS	102,628	109,839	115,485	126,669	135,600	138,000	140,000
%	5.8	7.0	5.1	9.7	7.1	1.8	1.4
NB	88,072	91,624	95,947	100,129	105,809	110,075	112,850
%	2.5	4.0	4.7	4.4	5.7	4.0	2.5
QUE	107,501	111,260	115,865	129,508	149,000	161,000	166,000
%	3.4	3.5	4.1	11.8	15.1	8.1	3.1
ONT	174,049	183,841	193,357	210,699	228,200	241,000	251,000
%	4.1	5.6	5.2	9.0	8.3	5.6	4.1
MAN	86,423	87,884	93,192	96,531	105,000	110,000	113,500
%	0.0	1.7	6.0	3.6	8.8	4.8	3.2
SASK	91,396	94,047	98,310	101,297	105,000	108,000	111,250
%	4.4	2.9	4.5	3.0	3.7	2.9	3.0
ALTA	139,621	146,258	153,737	170,253	183,000	190,000	196,000
%	5.1	4.8	5.1	10.7	7.5	3.8	3.2
BC	215,283	221,371	222,822	238,877	258,000	270,000	278,000
%	1.5	2.8	0.7	7.2	8.0	4.7	3.0
CAN**	158,180	164,095	171,916	188,131	206,800	*216,500	*223,500
%	3.8	3.7	4.8	9.4	9.9	4.7	3.2

Sources: Canadian Real Estate Association and Real Estate Board of the Fredericton Area Inc.,

CMHC Forecast 2004-2005.

(E) Estimate (F) Forecast.

* Total does not add due to rounding. **Canada totals are for 10 provinces

Employment (annual percent change)							
	1999	2000	2001	2002	2003	2004 (F)	2005 (F)
NFLD	5.6	0.0	3.3	1.3	1.6	1.5	1.0
PEI	1.6	5.3	2.0	1.8	2.5	1.5	1.5
NS	2.4	2.7	0.9	1.2	1.8	1.2	1.5
NB	3.4	1.8	0.0	3.4	-0.2	1.5	2.5
QUE	2.4	2.4	1.1	3.4	1.6	1.8	2.4
ONT	3.6	3.2	1.5	1.8	2.7	1.7	2.2
MAN	1.3	2.2	0.6	1.6	0.3	1.0	1.0
SASK	0.8	1.0	-2.6	2.0	1.0	1.5	1.5
ALTA	2.5	2.2	2.8	2.5	2.8	2.5	2.5
BC	1.9	2.2	-0.4	1.6	2.5	1.8	2.0
CAN	2.8	2.6	1.1	2.2	2.2	1.8	2.2

Sources: Statistics Canada, CMHC Forecast 2004-2005.
(F) Forecast.

Unemployment Rate (percent)							
	1999	2000	2001	2002	2003	2004 (F)	2005 (F)
NFLD	16.9	16.7	16.1	16.9	16.8	16.4	16.0
PEI	14.4	12.0	11.9	12.1	11.1	11.1	11.0
NS	9.6	9.1	9.7	9.7	9.3	9.3	9.0
NB	10.2	10.0	11.2	10.4	10.6	10.3	9.7
QUE	9.3	8.4	8.7	8.6	9.1	9.6	9.6
ONT	6.3	5.7	6.3	7.1	6.9	6.8	6.6
MAN	5.6	4.9	5.0	5.2	5.0	4.9	4.8
SASK	6.1	5.2	5.8	5.7	5.6	5.5	5.4
ALTA	5.7	5.0	4.6	5.3	5.1	5.1	4.6
BC	8.3	7.2	7.7	8.5	8.1	8.2	8.0
CAN	7.6	6.8	7.2	7.6	7.6	7.7	7.5

Sources: Statistics Canada, CMHC Forecast 2004-2005.
(F) Forecast.

Real Gross Domestic Product (annual percent change)							
	1999	2000	2001	2002	2003 (E)	2004 (F)	2005 (F)
NFLD	5.5	5.8	0.9	15.4	4.5	2.0	2.0
PEI	4.2	3.0	0.2	5.7	2.0	2.5	2.5
NS	5.5	4.0	2.6	4.4	2.5	2.0	2.4
NB	6.2	3.1	1.0	4.0	2.0	2.5	2.8
QUE	6.2	4.7	1.8	4.0	2.0	3.2	3.4
ONT	7.5	5.6	1.8	3.6	2.0	3.3	3.5
MAN	1.6	4.6	1.2	2.1	1.5	2.5	2.5
SASK	0.2	3.2	-0.7	-1.5	2.5	3.0	3.0
ALTA	1.4	5.7	2.7	1.5	3.5	3.5	3.8
BC	3.2	4.8	-0.1	2.4	1.7	3.0	3.3
CAN	5.5	5.3	1.9	3.3	1.7	3.0	3.3

Sources: Statistics Canada, CMHC Estimate 2003, CMHC Forecast 2004-2005.
(E) Estimation (F) Forecast.

Total Net Migration* (persons)							
	1999	2000	2001	2002	2003 (E)	2004 (F)	2005 (F)
NFLD	-3,384	-4,725	-3,850	-1,950	-1,200	-1,000	-1,000
PEI	366	20	329	321	525	550	500
NS	2,313	-564	-334	1,002	525	50	350
NB	35	-1,411	-1,331	410	300	800	1,050
QUE	10,983	14,848	26,557	25,925	19,500	25,000	27,000
ONT	109,972	151,099	158,339	125,674	91,000	99,500	100,000
MAN	820	-377	-973	2,442	100	100	600
SASK	-6,102	-7,648	-7,979	-6,324	-5,700	-5,700	-4,700
ALTA	27,793	34,012	36,820	27,084	29,700	27,200	27,200
BC	16,231	14,483	28,231	20,459	24,300	28,600	32,300
CAN**	159,027	199,737	253,809	195,043	159,050	*175,100	*183,300

Sources: Statistics Canada, CMHC Estimate 2003, CMHC Forecast 2004-2005.
(E) Estimate (F) Forecast.
* Sum of interprovincial migration, international migration, and non-permanent residents.
** Excludes Yukon, Northwest Territories, and Nunavut.

24 CMHC Housing Outlook, National Edition

Local Market Indicators							
Census Metropolitan Area		Total housing starts	Single-detached housing starts	New housing price index ¹ , annual % chg.	MLS [®] sales	MLS [®] average price	Rental vacancy rate structures of 3 units +
Victoria	2003	2,008	969	5.7	7,581	280,625	1.1
	2004(F)	2,100	1,020	6.0	7,700	288,500	1.3
	2005(F)	1,850	970	5.0	7,400	293,000	--
Vancouver	2003	15,626	5,382	4.0	39,022	329,447	2.0
	2004(F)	16,600	5,700	3.2	40,000	334,000	2.3
	2005(F)	17,000	6,250	3.5	38,000	342,000	--
Abbotsford	2003	1,056	634	n.a.	n.a.	n.a.	2.5
	2004(F)	1,230	710	n.a.	3,600	205,000	2.8
	2005(F)	1,300	750	n.a.	3,550	210,000	--
Edmonton	2003	12,380	6,391	5.8	16,277	165,541	3.4
	2004(F)	10,250	5,500	6.0	15,800	174,000	3.0
	2005(F)	9,500	5,250	5.0	15,600	183,000	--
Calgary	2003	13,642	8,526	4.5	24,359	211,155	4.4
	2004(F)	12,250	7,750	4.0	22,850	220,300	4.0
	2005(F)	11,400	7,400	3.5	21,750	228,000	--
Saskatoon	2003	1,455	676	4.7	2,848	125,191	4.5
	2004(F)	1,300	700	5.0	3,000	132,000	4.0
	2005(F)	1,400	700	4.0	3,200	138,000	--
Regina	2003	889	521	6.3	2,640	104,419	2.1
	2004(F)	700	500	6.0	2,800	108,000	3.0
	2005(F)	700	500	5.0	2,900	112,000	--
Winnipeg	2003	2,430	1,641	3.7	10,201	108,812	1.3
	2004(F)	2,000	1,400	3.5	10,000	113,000	1.5
	2005(F)	1,800	1,300	3.0	9,900	117,500	--
Thunder Bay	2003	211	199	1.0	1,662	111,927	3.3
	2004(F)	280	210	1.0	1,712	114,166	3.0
	2005(F)	300	250	1.5	1,806	117,591	--
Sudbury	2003	306	296	1.0	2,191	117,359	3.6
	2004(F)	330	320	1.0	2,250	119,900	3.3
	2005(F)	380	330	1.5	2,340	122,900	--
Windsor	2003	2,237	1,632	0.1	5,381	151,524	4.3
	2004(F)	2,200	1,600	0.8	5,100	158,000	4.5
	2005(F)	2,200	1,600	1.5	5,000	164,000	--
London	2003	3,027	1,893	4.5	8,412	153,637	2.1
	2004(F)	2,705	1,775	3.7	7,990	158,500	2.6
	2005(F)	2,370	1,650	2.9	7,575	161,500	--
Kitchener	2003	3,955	2,663	3.1	5,310	188,905	3.2
	2004(F)	3,700	2,650	4.5	5,050	198,975	2.9
	2005(F)	3,725	2,450	5.0	4,850	206,950	--
St. Catharines-Niagara	2003	1,444	1,154	4.0	n.a.	n.a.	2.7
	2004(F)	1,425	1,135	4.5	6,000	160,500	2.9
	2005(F)	1,360	1,095	3.8	5,900	166,000	--
Hamilton	2003	3,260	1,743	6.4	12,807	197,744	3.0
	2004(F)	3,550	1,800	3.8	12,300	210,000	3.5
	2005(F)	3,475	1,700	3.5	12,000	218,000	--
Toronto	2003	45,475	19,626	4.5	79,366	293,308	3.8
	2004(F)	42,000	19,000	3.5	75,000	307,000	4.5
	2005(F)	37,000	16,000	2.0	70,000	315,000	--

Local Market Indicators							
Census Metropolitan Area		Total housing starts	Single-detached housing starts	New housing price index ¹ annual % chg.	MLS® sales	MLS® average price	Rental vacancy rate Structures of 3 units +
Oshawa	2003	3,907	3,074	n.a.	9,025	219,341	2.9
	2004(F)	3,900	3,100	n.a.	9,100	228,000	3.2
	2005(F)	3,750	3,000	n.a.	8,900	237,000	--
Kingston	2003	1,131	718	n.a.	n.a.	n.a.	1.9
	2004(F)	950	750	n.a.	4,000	170,000	2.2
	2005(F)	800	700	n.a.	3,700	176,000	--
Ottawa	2003	6,381	3,055	4.0	12,877	219,713	2.9
	2004(F)	6,200	2,900	3.0	12,800	235,000	2.5
	2005(F)	5,800	2,700	2.5	12,400	244,500	--
Gatineau*	2003	2,801	1,507	3.5	4,602	129,933	1.2
	2004(F)	2,500	1,400	4.0	4,200	137,000	1.7
	2005(F)	2,200	1,250	3.5	3,800	142,000	--
Montréal*	2003	24,321	10,360	6.2	35,323	185,883	1.0
	2004(F)	23,000	10,300	6.5	37,100	202,000	1.5
	2005(F)	22,000	10,000	6.0	35,000	216,000	--
Trois-Rivières*	2003	635	346	n.a.	799	90,941	1.5
	2004(F)	500	310	n.a.	780	95,000	1.8
	2005(F)	465	275	n.a.	790	101,000	--
Sherbrooke*	2003	1,070	511	n.a.	n.a.	n.a.	0.7
	2004(F)	970	470	n.a.	1,075	121,000	1.4
	2005(F)	850	450	n.a.	1,100	125,000	--
Québec*	2003	5,599	2,674	9.2	6,413	120,885	0.5
	2004(F)	6,000	2,700	6.5	7,000	130,500	1.0
	2005(F)	5,000	2,600	4.0	6,800	135,000	--
Chicoutimi-Jonquière*	2003	435	244	n.a.	1,013	93,800	5.2
	2004(F)	295	220	n.a.	1,000	98,000	4.7
	2005(F)	290	190	n.a.	950	99,500	--
Saint John	2003	580	405	2.8	1,636	106,473	5.2
	2004(F)	640	440	2.5	1,575	108,000	5.5
	2005(F)	615	425	2.0	1,525	110,000	--
Halifax	2003	3,066	1,483	4.2	5,813	162,486	2.3
	2004(F)	2,275	1,225	4.0	5,350	164,500	3.0
	2005(F)	2,275	1,125	3.2	5,400	166,500	--
St. John's	2003	1,604	1,213	5.0	3,119	121,292	2.0
	2004(F)	1,525	1,075	4.0	2,900	125,000	1.8
	2005(F)	1,450	1,050	3.0	2,800	128,000	--
Charlottetown	2003	483	310	1.0	n.a.	n.a.	3.4
	2004(F)	390	290	1.0	500	120,000	4.0
	2005(F)	375	275	1.0	500	121,000	--
ALL METRO AREAS	2003	161,414	79,846	4.5	298,677		2.2
	2004(F)	151,765	76,950	3.9	308,532		2.6
	2005(F)	141,630	72,235	3.2	295,436		--

Sources: CMHC, Canadian Real Estate Association, Local real estate boards, Statistics Canada, CMHC Forecast 2004-2005

n.a.: data not available

* the data for Quebec is gathered from the local real estate boards

¹ New housing price index for 2003 is an estimate

Major Housing Indicators

Seasonally Adjusted Annual Rates (levels and quarterly percent change)

	02:Q1	02:Q2	02:Q3	02:Q4	03:Q1	03:Q2	03:Q3	03:Q4
New housing								
Building permits, units, thousands	209.2	215.6	218.9	217.4	216.9	218.3	235.8	n.a.
%	14.0	3.1	1.5	-0.7	-0.2	0.6	8.0	n.a.
Housing starts, total, thousands	206.8	199.7	204.3	210.9	220.9	202.2	229.2	226.2
%	20.0	-3.4	2.3	3.2	4.7	-8.5	13.4	-1.3
Housing starts, singles, thousands	124.2	124.9	125.0	127.9	123.0	118.0	125.1	128.1
%	19.2	0.6	0.1	2.3	-3.8	-4.1	6.0	2.4
Housing starts, multiples, thousands	82.6	74.8	79.3	83.0	97.9	84.2	104.1	98.1
%	21.3	-9.4	6.0	4.7	18.0	-14.0	23.6	-5.8
Housing completions, total, thousands	37.0	39.6	54.7	54.3	40.8	47.8	55.7	55.0
%	-9.8	7.0	38.1	-0.7	-24.9	17.3	16.4	-1.2
New house price index, 1997=100	109.2	110.9	111.9	113.4	114.6	115.9	117.3	n.a.
%	1.1	1.6	0.9	1.3	1.1	1.1	1.2	n.a.
Existing housing								
MLS® resales, units, thousands	454.9	417.9	400.8	409.9	415.4	420.5	470.9	447.1
%	7.8	-8.1	-4.1	2.3	1.4	1.2	12.0	-5.0
MLS® average resale price, \$C thousands	184.4	188.1	187.7	192.8	200.2	203.2	208.1	213.6
%	4.6	2.0	-0.2	2.7	3.8	1.5	2.4	2.6
Mortgage market								
1-year mortgage rate, per cent*	4.80	5.50	5.33	5.03	5.05	5.08	4.55	4.68
5-year mortgage rate, per cent*	7.05	7.37	6.85	6.80	6.63	6.20	6.28	6.45
Residential investment**								
Total, \$1997 billions	56.8	56.4	58.4	59.9	60.4	61.0	n.a.	n.a.
%	6.7	-0.8	3.6	2.5	0.9	0.9	n.a.	n.a.
New, \$1997 billions	27.2	27.8	29.5	30.6	30.1	29.8	n.a.	n.a.
%	10.7	2.0	6.4	3.7	-1.8	-1.0	n.a.	n.a.
Alterations, \$1997 billions	20.3	20.4	20.7	21.0	21.9	22.7	n.a.	n.a.
%	1.5	0.3	1.3	1.8	4.1	3.8	n.a.	n.a.
Transfer costs, \$1997 billions	9.2	8.2	8.3	8.2	8.5	8.6	n.a.	n.a.
%	7.0	-10.5	0.3	-0.1	3.3	0.6	n.a.	n.a.
Deflator, 1997=100	111.9	113.2	113.2	114.8	115.8	116.4	n.a.	n.a.
%	1.8	1.1	0.1	1.3	0.9	0.5	n.a.	n.a.

Sources: CMHC, Statistics Canada, Bank of Canada, Canadian Real Estate Association.

n.a. Data not available.

* All indicators are seasonally adjusted, except 1-year and 5-year mortgage rates.

** Residential Investment includes outlays for new permanent housing, conversion costs, cost of alterations and improvements, supplementary costs, and transfer costs.