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# HOUSING NOW

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## Starts Increased in the First Quarter of 2006

### Multiple Starts Drove New Construction in Q1

Total urban starts on the Island reached 121 units in the first quarter of 2006 compared to 94 units in 2005. This rise was due to an increased level of multiple starts in the Charlottetown area.

In the Charlottetown area, total new construction reached 113 units in the first quarter; an increase of 53 units when compared to the previous year. This represents the best first quarter for housing starts in the Capital region since 1988. This increased level of starts was the result of two large apartment projects that began construction in the first two months of 2006. Both of these projects are located within the boundaries of Charlottetown City.

Charlottetown City posted more starts in the first quarter when compared to the same period last year. Even when the aforementioned

apartment units are removed, the level of activity for the City still exceeded the previous year. Single starts increased by 1 unit to 14 units, while semi-detached starts rose to 4 units from 2 units last year.

Starts in the Town of Stratford decreased marginally to 8 units this quarter from 12 units during the same period last year. This drop in starts was the result of a decreased level of new single-detached units to 4 units from 9 units, while 4 multiple units were reported compared to 3 units in 2005.

The Town of Cornwall recorded 2 starts in the first quarter, matching last year's level.

Residential construction in Charlottetown is expected to remain strong throughout 2006, as a result of strong multiple construction, which will primarily consist of semi-detached units.

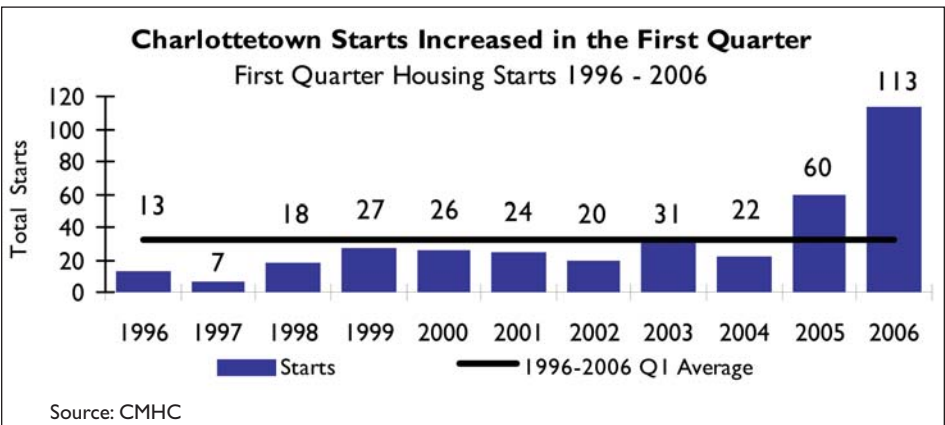
## Charlottetown

Date Released: Second Quarter 2006

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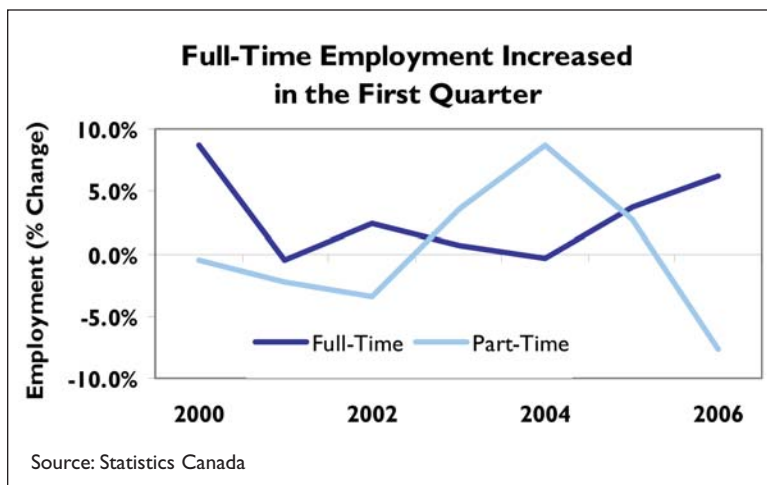
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## Employment Growth Continued in the First Quarter of 2006

In the Charlottetown CA total employment in the first quarter of 2006 increased by 3.2 per cent to 31,470 people employed. In addition the area's labour force also recorded positive growth of 2.9 per cent. With total employment outpacing labour force, the net effect was a decrease in the areas unemployment rate to 8.2 per cent.

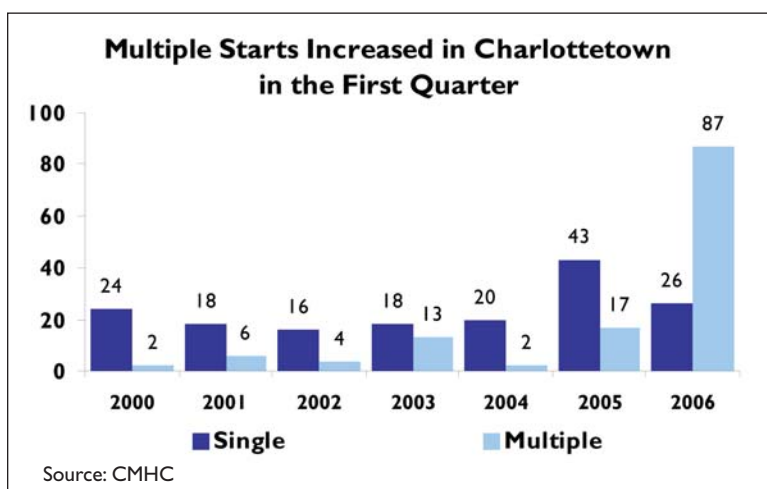
It is also important to note that in the Charlottetown CA, full-time employment increased 6.3 per cent in the first quarter. This increase is good news for the housing market as full-time employment has a much greater effect on housing markets than part-time. Typically full-time employment is more stable and offers higher incomes for employees. As such, they are in a better position to purchase a home.



## Demand for New Homes Continues to Remain Strong

Although single starts did not reach the level set in the first quarter of 2005, it was still the second highest level of starts for the quarter since 1988. It is expected that single starts will remain strong in historical terms, but will not reach the level set in 2005.

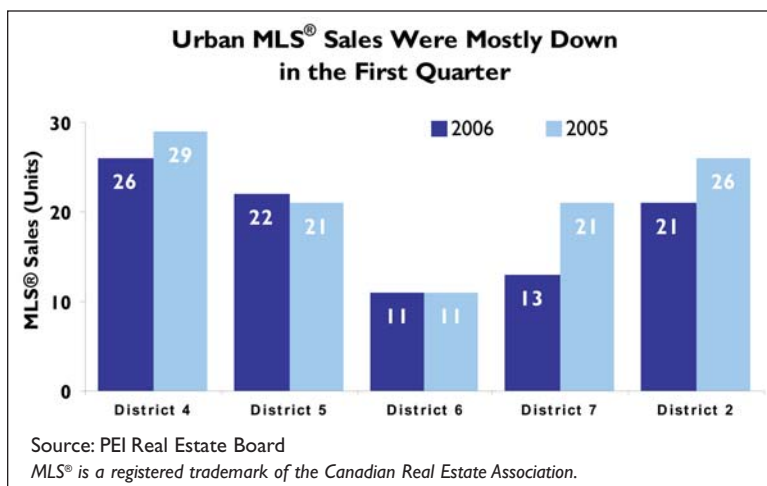
The construction of apartment units for the rental market remained strong in the first quarter of 2006 in light of two large projects getting underway that accounted for 79 of the 87 multiple starts in the Charlottetown area. It is also expected that the trend of multiple units aimed at the homeownership market will increase in 2006, due to the rising cost of single-detached homes.



## MLS® Sales in Charlottetown Fall Short of the 2005 Level

For the first three months of 2006, MLS® sales in the Capital region were down in all but one of the area's submarkets. However, the average sale price rose in all but one of the four submarkets. As a whole, sales in the Charlottetown area recorded 72 sales in the first quarter, compared to 82 during the same period last year. The average sales price for the Capital region rose to \$145,475 in the first three months, from \$139,080 a year earlier.

Sales in Summerside also declined in the first quarter to 21 units, from 26 in 2005. However, the average sale price rose by 11 per cent in the first quarter to \$126,141.



**Table 1**  
**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			
	2006	2005	% chg		2006	2005	% chg		2006	2005	% chg	
Charlottetown CA	113	60	88%		113	60	88%		187	91	105%	
Summerside CA	8	34	-76%		8	34	-76%		27	43	-37%	
Total Urban Areas	121	94	29%		121	94	29%		214	134	60%	
Total Rural Areas	22	39	-44%		22	39	-44%		40	44	-9%	
<b>Total PEI</b>	<b>143</b>	<b>133</b>	<b>8%</b>		<b>143</b>	<b>133</b>	<b>8%</b>		<b>254</b>	<b>178</b>	<b>43%</b>	

Source: CMHC

**Table 2: MLS Activity in Urban Centres\*\***

	1st Quarter				Year-to-Date			
	Sales		Avg Sale Price		Sales		Avg Sales Price	
	2006	2005	% Chg		2006	2005	% Chg	
Charlottetown CA**	26	29	-10%		26	29	-10%	
District 4	22	21	5%		22	21	5%	
District 5	11	11	0%		11	11	0%	
District 6	13	21	-38%		13	21	-38%	
District 7	72	82	-12%		72	82	-12%	
Total, CA	21	26	-19%		21	26	-19%	
Summerside CA	93	108	-14%		93	108	-14%	
<b>TOTAL</b>	<b>93</b>	<b>108</b>	<b>-14%</b>		<b>93</b>	<b>108</b>	<b>-14%</b>	

\* 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 & Winsloe

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

**TABLE 3**  
**STARTS BY AREA**  
**CHARLOTTETOWN CA**

<b>Area/ Period</b>	<b>Single</b>	<b>Semi</b>	<b>Row</b>	<b>Apartment &amp; Others</b>	<b>Total</b>
<b>Charlottetown City:</b>					
First Quarter 2006	14	4	0	79	97
First Quarter 2005	13	2	0	12	27
Year-to-Date 2006	14	4	0	79	97
Year-to-Date 2005	13	2	0	12	27
<b>Cornwall Town:</b>					
First Quarter 2006	2	0	0	0	2
First Quarter 2005	2	0	0	0	2
Year-to-Date 2006	2	0	0	0	2
Year-to-Date 2005	2	0	0	0	2
<b>Stratford Town:</b>					
First Quarter 2006	4	0	4	0	8
First Quarter 2005	9	0	3	0	12
Year-to-Date 2006	4	0	4	0	8
Year-to-Date 2005	9	0	3	0	12
<b>Remainder of Charlottetown CA:</b>					
First Quarter 2006	6	0	0	0	6
First Quarter 2005	19	0	0	0	19
Year-to-Date 2006	6	0	0	0	6
Year-to-Date 2005	19	0	0	0	19
<b>Total - Charlottetown CA:</b>					
First Quarter 2006	26	4	4	79	113
First Quarter 2005	43	2	3	12	60
Year-to-Date 2006	26	4	4	79	113
Year-to-Date 2005	43	2	3	12	60

Source: CMHC

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