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## Metro Housing Market Performance Mixed in First Quarter

Housing markets within the St. John's region recorded a mixed performance during the first quarter of 2006. Housing starts were lower than the previous year while MLS® residential sales posted an increase.

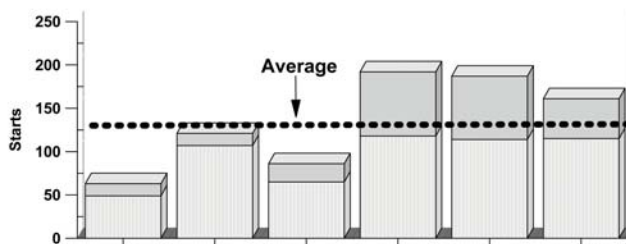
### Decline in Multiples Drags Down Overall Housing Starts

The downward trend in residential construction activity continued throughout the first quarter of 2006. Housing starts for St. John's and area decreased 13.9 per cent to 161 units compared to 187 during the first quarter of 2005. Single-detached starts were flat, up a mere 0.9 per cent to 115 units. After a large

run-up in the first quarter of the previous two years, multiple starts dropped 37 per cent to 46 units during the quarter and dragged down overall starts accordingly.

The housing starts decline remains closely linked to the sustained increase in the supply of competitively priced existing homes. The number of MLS® active listings reported through the Newfoundland and Labrador Association of Realtors® (NLAR®) rose sharply during the first quarter. This growing supply provided home buyers with more options to choose from and served to moderate the demand for new homes. The increase in choice within the existing market typically draws

**Housing Starts by Type**  
St. John's CMA  
1st Quarter



	2001	2002	2003	2004	2005	2006
□ Singles	49	107	65	118	114	115
□ Multiples	14	14	21	74	73	46
<b>Total</b>	<b>63</b>	<b>121</b>	<b>86</b>	<b>192</b>	<b>187</b>	<b>161</b>

Source: CMHC.

## St. John's

Date Released: Second Quarter 2006

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buyers away from the new home market. Furthermore, increasing input and development costs translated into higher prices and also impacted the demand for new homes.

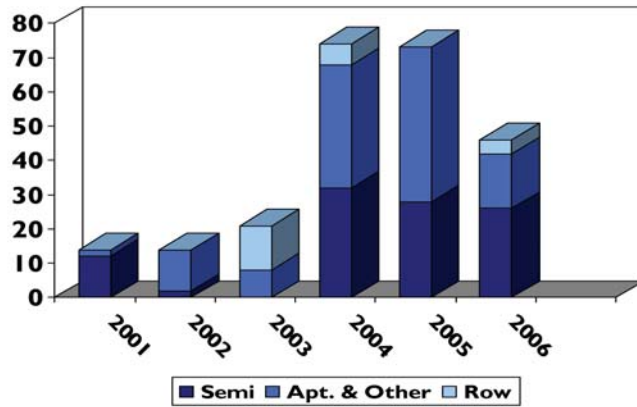
### MLS® Sales Strong in First Quarter

The positive activity during the latter part of 2005 carried over into the first three months of this year. The number of MLS® sales reported through NLAR® increased during the first quarter over the same period last year. At 545 units, MLS® residential sales advanced 20.3 per cent. The rate of growth in the average MLS® residential price eased substantially from the levels achieved last year. This largely reflects the impact of rising inventories as evidenced by a sharp rise in active listings in recent months. The average MLS® residential price increased 1.7 per cent during the quarter to \$138,614.

### Resale Market Remains Balanced

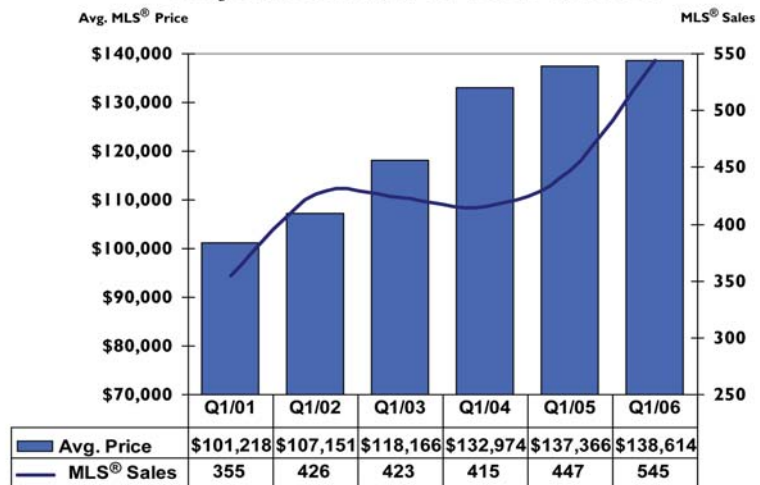
The resale market remained balanced throughout the first quarter, largely as a result of the steady rise in active listings being offset by an increase in sales. With more choice in the marketplace, home buyers are able to shop around. As a result, listing times are getting longer and the growth in house prices is also showing signs of easing. With home buying demand forecast to slow and listings expected to remain high, the local resale market should move to a buyers position by late-2006 to early-2007.

### Multiple Housing Starts Detail - St. John's and Area First Quarter



Source: CMHC.

### MLS® Sales Activity - St. John's and Area First Quarter



Source: NLAR®, CMHC.

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**TABLE I**  
**STARTS BY AREA AND DWELLING TYPE**  
**ST. JOHN'S CMA**

Area/ Period	Single	Semi	Row	Apartment & Other	Total
<b>St. John's City:</b>					
First Quarter 2006	41	20	4	14	79
First Quarter 2005	49	24	0	39	112
Year-to-Date 2006	41	20	4	14	79
Year-to-Date 2005	49	24	0	39	112
<b>Conception Bay South:</b>					
First Quarter 2006	21	0	0	0	21
First Quarter 2005	19	0	0	0	19
Year-to-Date 2006	21	0	0	0	21
Year-to-Date 2005	19	0	0	0	19
<b>Mount Pearl:</b>					
First Quarter 2006	6	4	0	0	10
First Quarter 2005	6	2	0	2	10
Year-to-Date 2006	6	4	0	0	10
Year-to-Date 2005	6	2	0	2	10
<b>Paradise:</b>					
First Quarter 2006	32	2	0	2	36
First Quarter 2005	20	2	0	4	26
Year-to-Date 2006	32	2	0	2	36
Year-to-Date 2005	20	2	0	4	26
<b>Torbay:</b>					
First Quarter 2006	3	0	0	0	3
First Quarter 2005	5	0	0	0	5
Year-to-Date 2006	3	0	0	0	3
Year-to-Date 2005	5	0	0	0	5
<b>Other Centres:</b>					
First Quarter 2006	12	0	0	0	12
First Quarter 2005	15	0	0	0	15
Year-to-Date 2006	12	0	0	0	12
Year-to-Date 2005	15	0	0	0	15
<b>Total St. John's CMA:</b>					
First Quarter 2006	115	26	4	16	161
First Quarter 2005	114	28	0	45	187
Year-to-Date 2006	115	26	4	16	161
Year-to-Date 2005	114	28	0	45	187

Source: CMHC



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