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Housing Market Mixed within St. John's Region

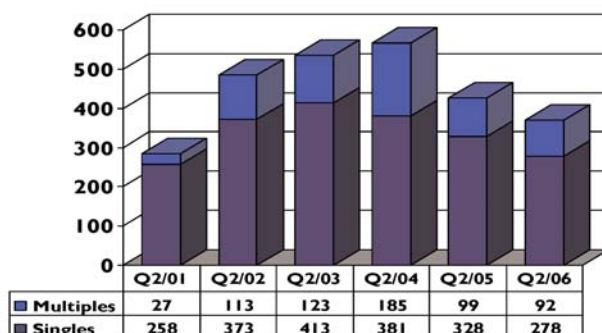
The St. John's region's housing market posted mixed results during the second quarter. The decline in residential construction activity continued, albeit at a slower pace. On the MLS® front, residential sales increased, active listings surged, while the average MLS® house price declined.

Decline in Housing Starts Activity Continues

The overall downward trend in the residential construction market continued throughout the second quarter. Housing starts within the St. John's region decreased 13 per cent to

370 units compared to 427 units during the second quarter of 2005. Single-detached starts dropped 15 per cent to 278 units versus 328 units last year, while multiple starts were down seven per cent to 92 units. The housing starts decline remains closely linked to the recent consecutive increases in interest rates as well as the growing supply of existing homes available for sale. Year-to-date, there were 531 housing starts compared to 614 a year ago. Overall, the level of activity continued to moderate during the quarter, as rising new home prices and marginally higher mortgage rates softened the demand for new homes.

**Housing Starts by Type - St. John's and Area
Second Quarter**



Source: CMHC.

St. John's

Date Released: Third Quarter 2006

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Resale Market Shifts Towards Buyers' Conditions

The number of MLS® active listings reported through the Newfoundland and Labrador Association of Realtors® (NLAR®) rose sharply during the second quarter; shifting the resale market towards Buyers' conditions. With more choice within the marketplace, home buyers were able to shop around, as days on market increased and house prices declined. The supply of active residential listings climbed steadily and peaked at 2,714 by the end of June. The quarter started off with 2,250 active listings and by May there were 2,534. Active listings within the Eastern region have been rising steadily since mid-2003. The sizable increase in supply largely reflects the ongoing use of the MLS® system by new home builders and the fact that more home owners continue to attempt to capitalize on the large equity gains from their homes.

MLS® Sales Remain Active

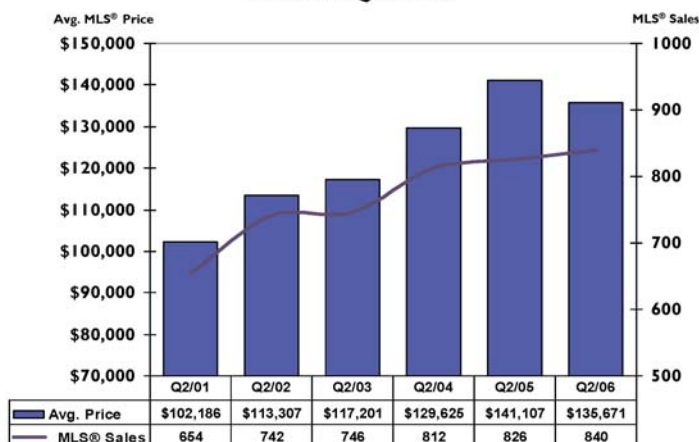
The positive sales activity during the first three months of this year carried over into the second quarter; as the sale of existing homes remained active. MLS® residential sales totalled 840 for the quarter; up two per cent compared to the same period last year. For the months of April, May and June, sales were 222 units, 258 units and 360 units respectively. The recent surge in active listings increased the selection available to buyers, drawing them away from the higher priced new home market. This is viewed as a key reason behind the solid level of MLS® sales experienced to date. The average MLS® residential price decreased four per cent during the quarter to \$135,671 compared to \$141,107 during the same period last year.

**Sales to Active Listings Ratio Trend
St. John's and Area
(12 month moving average)**



Source: CREA, CMHC.

**MLS® Sales Activity – St. John's and Area
Second 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
St. John's City:					
Second Quarter 2006	121	44	0	32	197
Second Quarter 2005	129	28	1	50	208
Year-to-Date 2006	162	64	4	46	276
Year-to-Date 2005	178	52	1	89	320
Conception Bay South:					
Second Quarter 2006	43	0	0	0	43
Second Quarter 2005	69	0	0	0	69
Year-to-Date 2006	64	0	0	0	64
Year-to-Date 2005	88	0	0	0	88
Mount Pearl:					
Second Quarter 2006	1	0	0	0	1
Second Quarter 2005	9	2	0	6	17
Year-to-Date 2006	7	4	0	0	11
Year-to-Date 2005	15	4	0	8	27
Paradise:					
Second Quarter 2006	60	2	0	14	76
Second Quarter 2005	56	0	0	12	68
Year-to-Date 2006	92	4	0	16	112
Year-to-Date 2005	76	2	0	16	94
Torbay:					
Second Quarter 2006	21	0	0	0	21
Second Quarter 2005	24	0	0	0	24
Year-to-Date 2006	24	0	0	0	24
Year-to-Date 2005	29	0	0	0	29
Other Centres:					
Second Quarter 2006	32	0	0	0	32
Second Quarter 2005	41	0	0	0	41
Year-to-Date 2006	44	0	0	0	44
Year-to-Date 2005	56	0	0	0	56
Total St. John's CMA:					
Second Quarter 2006	278	46	0	46	370
Second Quarter 2005	328	30	1	68	427
Year-to-Date 2006	393	72	4	62	531
Year-to-Date 2005	442	58	1	113	614

Source: CMHC

TABLE 2
MLS® RESIDENTIAL SALES ACTIVITY
ST. JOHN'S AND AREA

MONTH	SALES	% CHG. PREV. YEAR	ACTIVE LISTINGS	% CHG. PREV. YEAR	TOTAL \$ VALUE	AVERAGE PRICE	% CHG. PREV. YEAR	SALES-TO-LIST RATIO
JAN03	124	6.0%	761	-9.7%	\$ 15,164,841	\$ 122,297	13.7%	16.3%
FEB03	124	-14.5%	764	-7.1%	\$ 14,886,788	\$ 120,055	17.6%	16.2%
MAR03	175	6.7%	833	-9.8%	\$ 19,932,578	\$ 113,900	2.3%	21.0%
APR03	176	-14.1%	923	-3.5%	\$ 21,774,656	\$ 123,720	14.4%	19.1%
MAY03	269	-7.6%	1,006	-9.0%	\$ 30,694,103	\$ 114,104	-0.3%	26.7%
JUN03	301	22.4%	999	-14.9%	\$ 34,963,284	\$ 116,157	-0.1%	30.1%
JUL03	381	9.8%	1,074	-8.4%	\$ 47,489,407	\$ 124,644	6.4%	35.5%
AUG03	368	5.1%	1,093	-4.7%	\$ 45,025,630	\$ 122,352	8.8%	33.7%
SEP03	299	-5.7%	1,160	22.4%	\$ 37,216,078	\$ 124,468	9.3%	25.8%
OCT03	347	34.5%	1,031	12.1%	\$ 42,409,433	\$ 122,217	9.2%	33.7%
NOV03	268	13.6%	1,042	12.2%	\$ 32,562,810	\$ 121,503	-1.6%	25.7%
DEC03	287	32.3%	744	14.5%	\$ 36,191,051	\$ 126,101	-1.4%	38.6%
TOTAL	3,119	7.8%	11,430	-1.4%	\$ 378,310,659	\$ 121,292	5.8%	27.3%
JAN04	111	-10.5%	793	4.2%	\$ 15,097,246	\$ 136,011	11.2%	14.0%
FEB04	128	3.2%	857	12.2%	\$ 16,746,669	\$ 130,833	9.0%	14.9%
MAR04	176	0.6%	924	10.9%	\$ 23,340,202	\$ 132,615	16.4%	19.0%
APR04	250	42.0%	906	-1.8%	\$ 31,153,193	\$ 124,613	0.7%	27.6%
MAY04	264	-1.9%	989	-1.7%	\$ 35,934,825	\$ 136,117	19.3%	26.7%
JUN04	298	-1.0%	1,021	2.2%	\$ 38,167,772	\$ 128,080	10.3%	29.2%
JUL04	418	9.7%	1,128	5.0%	\$ 55,532,387	\$ 132,853	6.6%	37.1%
AUG04	402	9.2%	1,234	12.9%	\$ 53,587,468	\$ 133,302	8.9%	32.6%
SEP04	335	12.0%	1,307	12.7%	\$ 44,652,818	\$ 133,292	7.1%	25.6%
OCT04	310	-10.7%	1,295	25.6%	\$ 40,244,605	\$ 129,821	6.2%	23.9%
NOV04	266	-0.7%	1,229	17.9%	\$ 37,284,004	\$ 140,165	15.4%	21.6%
DEC04	245	-14.6%	1,079	45.0%	\$ 34,233,789	\$ 139,730	10.8%	22.7%
TOTAL	3,203	2.7%	12,762	11.7%	\$ 425,974,978	\$ 132,993	9.6%	25.1%
JAN05	118	6.3%	1,044	31.7%	\$ 16,857,909	\$ 142,864	5.0%	11.3%
FEB05	150	17.2%	1,097	28.0%	\$ 20,128,172	\$ 134,188	2.6%	13.7%
MAR05	179	1.7%	1,130	22.3%	\$ 24,416,538	\$ 136,405	2.9%	15.8%
APR05	213	-14.8%	1,267	39.8%	\$ 31,140,489	\$ 146,199	17.3%	16.8%
MAY05	304	15.2%	1,395	41.1%	\$ 41,168,192	\$ 135,422	-0.5%	21.8%
JUN05	309	3.7%	1,441	41.1%	\$ 43,785,962	\$ 141,702	10.6%	21.4%
JUL05	342	-18.2%	1,498	32.8%	\$ 49,075,257	\$ 143,495	8.0%	22.8%
AUG05	428	6.5%	1,572	27.4%	\$ 61,953,747	\$ 144,752	8.6%	27.2%
SEP05	333	-0.6%	1,484	13.5%	\$ 45,965,362	\$ 138,034	3.6%	22.4%
OCT05	313	1.0%	1,601	23.6%	\$ 45,176,396	\$ 144,334	11.2%	19.6%
NOV05	280	5.3%	1,550	26.1%	\$ 39,202,720	\$ 140,010	-0.1%	18.1%
DEC05	227	-7.3%	1,144	6.0%	\$ 33,542,395	\$ 147,764	5.7%	19.8%
TOTAL	3,196	-0.2%	16,223	27.1%	\$ 452,413,139	\$ 141,556	6.4%	19.7%
JAN06	163	38.1%	1,847	76.9%	\$ 22,257,418	\$ 136,549	-4.4%	8.8%
FEB06	189	25.3%	1,913	74.4%	\$ 25,139,398	\$ 134,085	-0.3%	9.8%
MAR06	193	7.8%	2,048	81.2%	\$ 27,944,962	\$ 144,793	6.1%	9.4%
APR06	222	4.2%	2,250	77.6%	\$ 31,280,304	\$ 140,902	-3.6%	9.9%
MAY06	258	-15.1%	2,534	81.6%	\$ 34,453,631	\$ 133,541	-1.4%	10.2%
JUN06	360	16.5%	2,714	88.3%	\$ 47,725,402	\$ 132,571	-6.4%	13.3%
JUL06								
AUG06								
SEP06								
OCT06								
NOV06								
DEC06								
TOTAL	1,384	8.7%	13,306	80.4%	\$ 188,801,115	\$ 136,417	-2.2%	10.4%

Source: NLAR®

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