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## Housing Starts Remain Ahead of Last Year's Pace

Following a strong start to the 2006 construction season, total housing starts in the second quarter remained strong and exceeded last year's level. This year, 1,394 housing units were started in the province during the second quarter, compared to 1,263 in 2005, a 10.4 per cent increase.

The increase in total starts stems mainly from increased multiple starts. Province wide, 618 multiple units were started during the second quarter of 2006, an increase of 40.1 per cent compared to the 441 units started during the same period last year. Two of the province's three main urban centres benefited from a surge in multiple unit construction. Saint John posted the most significant growth with a near threefold increase in second quarter multiple starts compared to 2005.

This notable upswing in multiple starts illustrates a shift in construction patterns, with an increased focus on multiple family dwellings. Consequently, single starts in the province were down 5.6 per cent in the second quarter with 776 starts compared to last year's level of 822 units. Most of the province's urban and rural areas experienced a moderate decline in single starts. However, both Moncton and Fredericton posted slight increases of 2.3 per cent and 3.9 per cent, respectively.

Year-to-date results mirror the second quarter totals with a 14.8 per cent increase in multiple starts, combined with a slight 2.7 per cent decline in single starts. Overall, total starts rose 14.8 per cent to 1,757 units after the first two quarters of 2006, up from last year's level of 1,530 units.

## Saint John, Moncton & Fredericton

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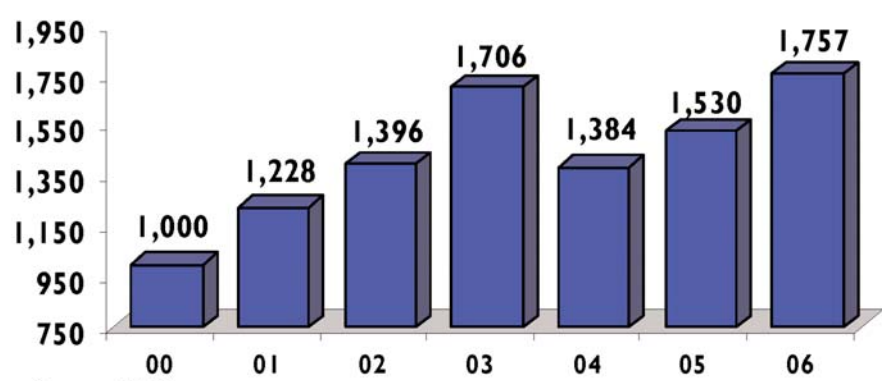
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Total New Brunswick Starts - 1st and 2nd Quarter

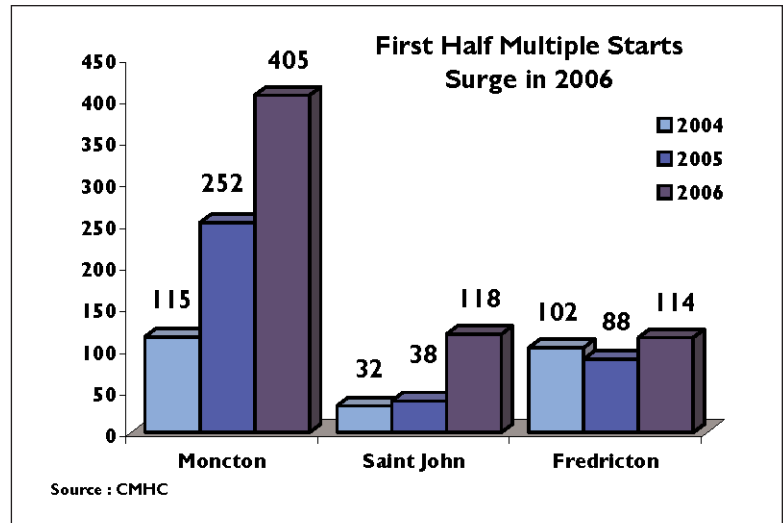


Source - CMHC

# Housing Market Overview (Saint John, Moncton, Fredericton)

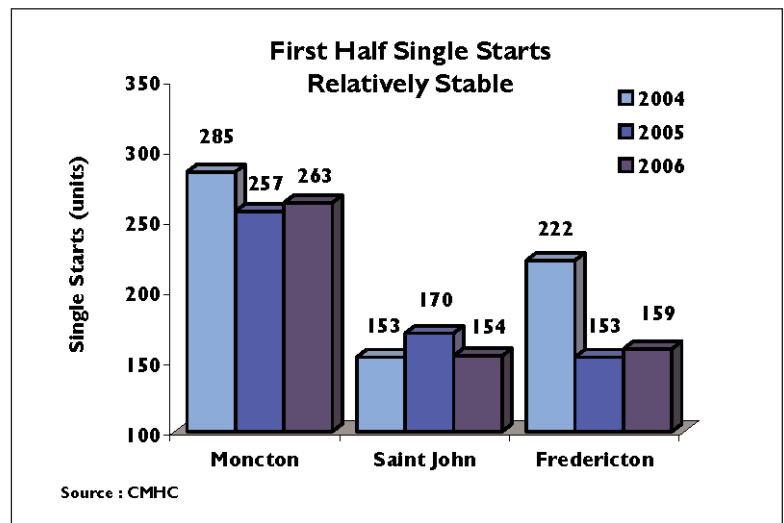
## Saint John Housing Starts Strong Growth in Second Quarter

Total housing starts in the second quarter of 2006 were 39.9 per cent higher than last year's second quarter total. Year-to-date results performed similarly, with a slightly lower 30.8 per cent year-over-year increase. The overall increase is attributable to a surge in second quarter multiple starts, which jumped from 36 units last year to 110 units this year. The jump was mostly due to increased construction of apartment style units as part of the federal/provincial affordable housing program. Conversely, single starts in Saint John dropped to 154 units in the first half of 2006, down 9.4 per cent from last year's total of 170 units, in part due to rising construction costs combined with a healthy resale market. For the first five months of 2006, MLS® sales and new listings were up 23.4 per cent and 11.5 per cent, respectively.



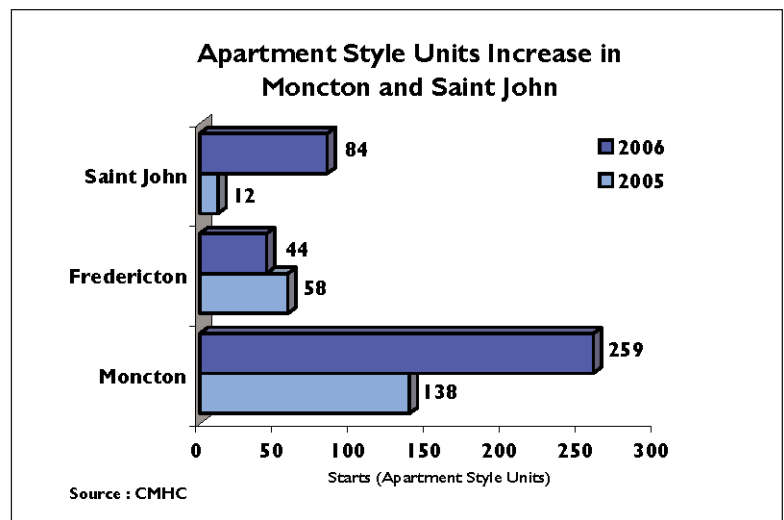
## Fredericton Starts Remain Positive

Total second quarter starts in 2006 fell by a moderate 3.9 per cent compared to last year. Nevertheless, year-to-date starts at the end of the second quarter were ahead of the previous year's total by 13.3 per cent. Single starts in Fredericton rose to 159 units during the first half of the year, compared to last year's total of 153 units. Multiple starts, which were down slightly in the second quarter, are nonetheless ahead of last year's pace due to a strong first quarter. Construction of row style units has been particularly strong, with 48 starts at the end of the second quarter, compared to 22 starts last year. Year-to-date, multiple starts have increased 29.6 per cent from last year's total. Existing homes sales have been equally positive, with a 5.1 per cent, year-over-year increase through the first five months of the year. Furthermore, new listings were 23.9 per cent higher than last year's level (year-to-date), partially brought on by concerns over rising mortgage rates.



## Multiple Starts Surge in Moncton

The surge in multiple unit construction established in the first quarter of 2006 persisted in the second quarter as starts jumped 50.4 per cent compared to last year. As a result, year-to-date multiple starts to the end of the second quarter are 60.7 per cent higher than last year. This upsurge is due to increased semi-detached starts, which have jumped 51.2 per cent compared to last year. Moreover, starts for apartment style units at the end of the second quarter are nearly double what they were last year. Rising construction, labour and raw material costs, combined with increasing mortgage rates have led some potential homeowners to consider multi-family dwellings as new housing moves out of reach. Despite the rising costs, single starts increased by a modest 2.3 per cent for the first five months as potential homeowners opt for existing homes on the resale market, as evidenced by the 19.2 per cent increase in MLS® sales as of the end of May.



**TABLE 1 - HOUSING STARTS BY AREA**

URBAN AREA	Singles						Multiples						Total Starts					
	Second Quarter			Year-to-date			Second Quarter			Year-to-date			Second Quarter			Year-to-date		
	2006	2005	% chg	2006	2005	% chg	2006	2005	% chg	2006	2005	% chg	2006	2005	% chg	2006	2005	% chg
Bathurst CA	11	14	-21.4	12	14	-14.3	14	6	-	14	6	-	25	20	25.0	26	20	30.0
Campbellton CA	0	2	-	1	2	-50.0	4	26	-84.6	4	26	-84.6	4	28	-85.7	5	28	-82.1
Edmunston CA	15	17	-11.8	16	17	-5.9	5	4	25.0	9	4	-	20	21	-4.8	25	21	19.0
Fredericton CA	117	117	0.0	159	153	3.9	78	86	-9.3	114	88	29.5	195	203	-3.9	273	241	13.3
Miramichi CA	13	13	0.0	14	13	7.7	0	0	-	14	0	-	13	13	0.0	28	13	-
Moncton CA	207	221	-6.3	263	257	2.3	346	230	50.4	405	252	60.7	553	451	22.6	668	509	31.2
Saint John CA	111	122	-9.0	154	170	-9.4	110	36	-	118	38	-	221	158	39.9	272	208	30.8
<b>Total Urban Areas</b>	<b>474</b>	<b>506</b>	<b>-6.3</b>	<b>619</b>	<b>626</b>	<b>-1.1</b>	<b>557</b>	<b>388</b>	<b>43.6</b>	<b>678</b>	<b>414</b>	<b>63.8</b>	<b>1,031</b>	<b>894</b>	<b>15.3</b>	<b>1,297</b>	<b>1,040</b>	<b>24.7</b>
<b>Total Starts Rural</b>	<b>302</b>	<b>316</b>	<b>-4.4</b>	<b>381</b>	<b>402</b>	<b>-5.2</b>	<b>61</b>	<b>53</b>	<b>15.1</b>	<b>79</b>	<b>88</b>	<b>-10.2</b>	<b>363</b>	<b>369</b>	<b>-1.6</b>	<b>460</b>	<b>490</b>	<b>-6.1</b>
<b>TOTAL NB STARTS</b>	<b>776</b>	<b>822</b>	<b>-5.6</b>	<b>1,000</b>	<b>1,028</b>	<b>-2.7</b>	<b>618</b>	<b>441</b>	<b>40.1</b>	<b>757</b>	<b>502</b>	<b>50.8</b>	<b>1,394</b>	<b>1,263</b>	<b>10.4</b>	<b>1,757</b>	<b>1,530</b>	<b>14.8</b>

**TABLE 2 - COMPLETIONS BY AREA**

URBAN AREA	Singles						Multiples						Total Completions					
	Second Quarter			Year-to-date			Second Quarter			Year-to-date			Second Quarter			Year-to-date		
	2006	2005	% chg	2006	2005	% chg	2006	2005	% chg	2006	2005	% chg	2006	2005	% chg	2006	2005	% chg
Bathurst CA	5	3	-	13	13	0.0	0	6	-	2	8	-75.0	5	9	-	15	21	-28.6
Campbellton CA	2	1	-	3	3	0.0	4	0	-	14	0	-	6	1	-	17	3	-
Edmunston CA	8	6	-	11	14	-21.4	0	0	-	0	0	-	8	6	-	11	14	-21.4
Fredericton CA	62	71	-12.7	120	159	-24.5	132	27	-	170	143	18.9	194	98	98.0	290	302	-4.0
Miramichi CA	5	8	-	9	19	-52.6	0	0	-	2	0	-	5	8	-	11	19	-42.1
Moncton CA	99	60	65.0	238	198	20.2	189	48	-	345	96	-	288	108	-	583	294	98.3
Saint John CA	71	104	-31.7	144	179	-19.6	21	53	-60.4	25	76	-67.1	92	157	-41.4	169	255	-33.7
<b>Total Urban Areas</b>	<b>252</b>	<b>253</b>	<b>-0.4</b>	<b>538</b>	<b>585</b>	<b>-8.0</b>	<b>346</b>	<b>134</b>	<b>-</b>	<b>558</b>	<b>323</b>	<b>72.8</b>	<b>598</b>	<b>387</b>	<b>54.5</b>	<b>1096</b>	<b>908</b>	<b>20.7</b>

**TABLE 3 - UNDER CONSTRUCTION BY AREA (as of June 30th)**

URBAN AREA	Singles			Multiples			Total		
	Second Quarter			Second Quarter			Second Quarter		
	2006	2005	% chg	2006	2005	% chg	2006	2005	% chg
Bathurst CA	14	16	-12.5	14	2	-	28	18	55.6
Campbellton CA	1	3	-	4	26	-84.6	5	29	-82.8
Edmunston CA	14	18	-22.2	9	4	-	23	22	4.5
Fredericton CA	111	100	11.0	194	121	60.3	305	221	38.0
Miramichi CA	18	10	-	14	0	-	32	10	-
Moncton CA	235	248	-5.2	427	334	27.8	662	582	13.7
Saint John CA	129	114	13.2	143	56	-	272	170	60.0
<b>Total Urban N.B.</b>	<b>522</b>	<b>509</b>	<b>2.6</b>	<b>805</b>	<b>543</b>	<b>48.3</b>	<b>1,327</b>	<b>1,052</b>	<b>26.1</b>

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**TABLE 4  
STARTS BY AREA AND DWELLING TYPE  
Fredericton / Moncton / Saint John**

Area/Period	Single	Semi	Row	Apartment & Other	Total	Area/Period	Single	Semi	Row	Apartment & Other	Total
<b>Fredericton City</b>						<b>Grand Bay - Westfield</b>					
Second Quarter 2006	59	18	20	38	135	Second Quarter 2006	2	0	0	0	2
Second Quarter 2005	62	6	22	58	148	Second Quarter 2005	1	0	0	0	1
Year-to-Date 2006	81	20	48	44	193	Year-to-Date 2006	2	0	0	0	2
Year-to-Date 2005	81	8	22	58	169	Year-to-Date 2005	2	0	0	0	2
<b>Fredericton CA</b>						<b>Quispamsis Town</b>					
Second Quarter 2006	117	20	20	38	195	Second Quarter 2006	37	0	0	4	41
Second Quarter 2005	117	6	22	58	203	Second Quarter 2005	52	0	6	0	58
Year-to-Date 2006	159	22	48	44	273	Year-to-Date 2006	56	0	4	6	66
Year-to-Date 2005	153	8	22	58	241	Year-to-Date 2005	70	0	6	0	76
<b>Moncton City</b>						<b>Rothesay Town</b>					
Second Quarter 2006	62	64	0	78	204	Second Quarter 2006	7	0	4	0	11
Second Quarter 2005	79	50	0	132	261	Second Quarter 2005	6	0	3	0	9
Year-to-Date 2006	78	86	0	78	242	Year-to-Date 2006	11	0	4	0	15
Year-to-Date 2005	90	52	0	134	276	Year-to-Date 2005	8	0	3	0	11
<b>Dieppe City</b>						<b>Saint John City</b>					
Second Quarter 2006	80	20	16	138	254	Second Quarter 2006	41	8	14	78	141
Second Quarter 2005	94	12	12	2	120	Second Quarter 2005	38	12	3	12	65
Year-to-Date 2006	92	22	16	138	268	Year-to-Date 2006	55	10	14	78	157
Year-to-Date 2005	104	14	28	2	148	Year-to-Date 2005	56	14	3	12	85
<b>Riverview Town</b>						<b>Saint John - Other outlying areas</b>					
Second Quarter 2006	26	22	0	8	56	Second Quarter 2006	24	2	0	0	26
Second Quarter 2005	19	20	0	2	41	Second Quarter 2005	25	0	0	0	25
Year-to-Date 2006	43	22	0	8	73	Year-to-Date 2006	30	2	0	0	32
Year-to-Date 2005	25	20	0	2	47	Year-to-Date 2005	34	0	0	0	34
<b>Total Moncton CA</b>						<b>Total Saint John CMA</b>					
Second Quarter 2006	207	106	16	224	553	Second Quarter 2006	111	10	18	82	221
Second Quarter 2005	221	82	12	136	451	Second Quarter 2005	122	12	12	12	158
Year-to-Date 2006	263	130	16	259	668	Year-to-Date 2006	154	12	22	84	272
Year-to-Date 2005	257	86	28	138	509	Year-to-Date 2005	170	14	12	12	208

Note: Other outlying areas include Greenwich Parish, Kingston Parish, Musquash Parish, St. Martins Parish, St Martins Village, Simonds Parish, Lepreau Parish, Petersville Parish, Hampton Town, Hampton Town and Upham Parish.

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