HOUSING MARKET INFORMATION

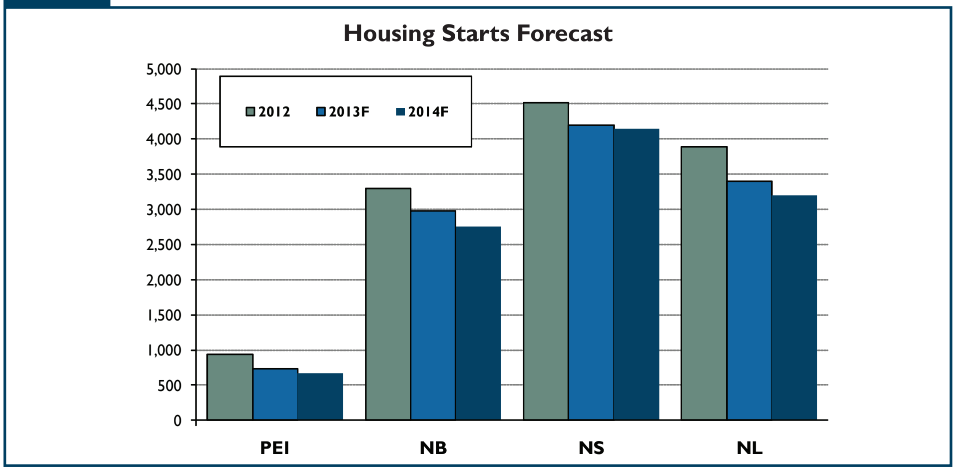
HOUSING MARKET OUTLOOK
Atlantic Region Highlights

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: First Quarter 2013

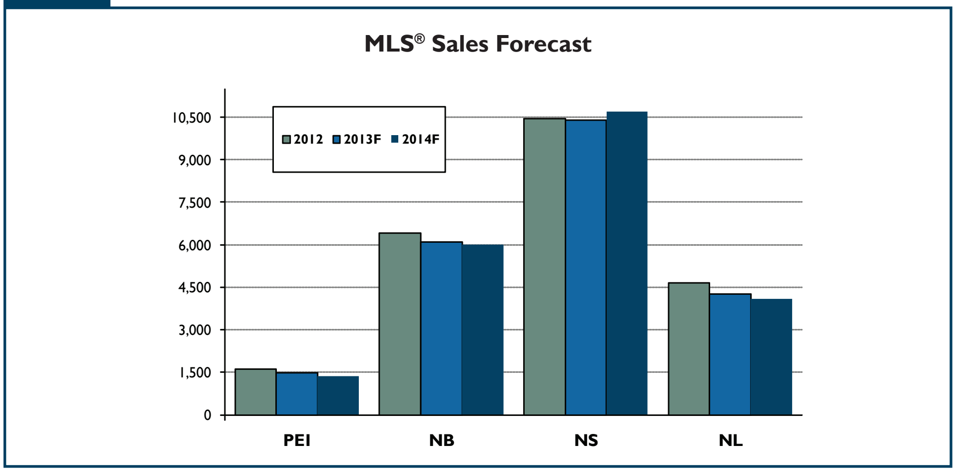
Residential Construction Down in Fourth Quarter

Figure 1



Source: CMHC

Figure 2



Source: Canadian Real Estate Association, CMHC Forecast
MLS® is a registered trademark of the Canadian Real Estate Association
[1]The outlook is subject to uncertainty. Although point forecasts are presented in this publication, CMHC also presents forecast ranges and risks where appropriate. The forecasts included in this document are based on information available as of January 21, 2013

Overview

Atlantic Canada housing starts decreased close to three per cent in the fourth quarter as a result of a six per cent decline in single starts. Multiple starts were up marginally at 0.5 per cent.

The small decline in starts for the quarter was evident in two provinces, including New Brunswick (NB) and Prince Edward Island (PE), whereas for Nova Scotia (NS) and Newfoundland-Labrador (NL), starts activity advanced.

Total starts in the fourth quarter were up eight per cent in NS as a result of an increase in single starts, while multiple starts were flat. Activity in NL was also up close to eight per cent due to a significant increase in multiple starts.

In PE, total starts were down 17 per cent as a result of a decline in single starts. Multiple starts increased close to one per cent. For NB, starts were down 24 per cent due to a similar decline in both single and multiple starts in the quarter.

Housing Starts to Decline

Housing starts are expected to fall just under eleven per cent in 2013 and a further five per cent in 2014. Notwithstanding the overall decline in 2013, the level of construction activity is forecast to remain above 11,000 units for the fourth year in a row, with the forecast for 2013 at 11,310 starts.

Multiple starts, including apartments, are forecast to decline nearly 20 per cent in 2013 and close to ten per cent in 2014. Despite moderate employment and wage growth, single starts are expected to decline about three per cent in 2013, followed by a further one per cent decline in 2014.

MLS® Outlook

MLS® prices in the fourth quarter of 2012 were up close to two per cent, with prices up four per cent overall in 2012. The full-year forecast for 2013 has been revised moderately downward to an overall increase of 2.6 per cent for 2013, with a further 2.4 per cent rise expected in 2014.

Existing sales were down close to ten per cent in the fourth quarter. Existing home sales for 2013 are forecast to decline moderately, in the four per cent range, with sales remaining close to the 2013 levels next year.

Provincial Economic Outlook

Overall aggregate GDP growth for Atlantic Canada will remain below two per cent in 2013 and 2014 as a result of only moderate employment growth and a reduction in spending and investment activity by both the public and private sectors.

Newfoundland and Labrador will have the second best economic performance in Atlantic Canada in 2013 and the best in 2014, in terms of GDP growth. For the province, GDP growth is expected to increase by 1.2 per cent in 2013 and by 2.0 per cent in 2014. Numerous energy and exploration projects and activities have begun to ramp up and these new projects due to their size and scope will continue to drive economic growth upward over the next five years.

Prince Edward Island's economic growth is forecast at 1.0 per cent in 2013 and 1.2 per cent in 2014. After some improvement in key sectors including aerospace, agriculture and seafood processing in 2012 the prospects for manufacturing and export growth from these sectors of the economy continue to look more positive for 2013. At the same time it is expected that the public sector's contribution to growth will be limited in 2013 and 2014.

Overall Nova Scotia should see economic growth of 1.4 per cent in 2013 and 1.7 per cent in 2014. This would be the best performance in Atlantic Canada for 2013 as the province finally begins to see a meaningful improvement in employment of close to one per cent. Although this would be the second year of stronger employment it is expected that this year's growth will be focused more on full-time jobs as opposed to 2012's level of growth which was the result of a substantial increase in part-time employment. There should also be a modest improvement in employment in 2014 as the province continues to focus on new opportunities tied to resource development.

GDP growth of 1.0 per cent is forecast for New Brunswick in 2013 and 1.4 per cent in 2014, while employment growth is not expected to exceed one per cent over the forecast period. Economic growth for New Brunswick has traditionally relied on the natural resources sector as well as manufacturing. Mining activity will moderate in 2013 due to mine closures that will not be offset with new mining capacity until 2014 at the earliest. The expansion of potash production will not contribute to growth either until 2014. However, the recent resurgence in home resale activity south of the border and a firming of US home building is expected to support a small resurgence in the forestry and the manufacturing sector including lumber production by mid-2013.

Mortgage rates		
1 Year	Q4 2012	3.07
	Change from Q4 2011	-0.43
	2013 (F)	3.45
	2014 (F)	4.47
5 Year	Q4 2012	5.24
	Change from Q4 2011	-0.05
	2013 (F)	5.32
	2014 (F)	5.78

Source: Bank of Canada, CMHC Forecast
NOTE: Mortgage rate forecast is based on Q4 2012 data

Atlantic Region Economic and Housing Indicators

		Labour Market				Housing Market				
		Emp. Growth SA[2] (%)	Unemp. Rate SA[2] (%)	Average Weekly Earnings ($)		Total Starts	Single-Detached Starts	Multiple Starts	MLS® Sales	MLS® Average Price ($)
St. John's	Q4 2012	3.7	7.0	948.42	Q4 2012	523	327	196	1,170	$277,785
	Q4 2011	4.7	7.5	906.56	Q4 2011	478	345	133	1,278	$256,151
	Change[1]	-1.1	-0.5	4.6%	% Change	9.4	-5.2	47.4	-8.5	8.4
Charlottetown[1]	Q4 2012	6.8	8.4	n/a	Q4 2012	138	62	76	141	$212,160
	Q4 2011	1.5	9.8	n/a	Q4 2011	155	64	91	91	$191,488
	Change[1]	5.3	-1.5	-	% Change	-11.0	-3.1	-16.5	54.9	10.8
Halifax[2]	Q4 2012	0.3	6.3	809.45	Q4 2012	847	249	598	1,021	$263,508
	Q4 2011	2.9	5.4	795.41	Q4 2011	762	230	532	1,258	$254,590
	Change[1]	-2.7	0.9	1.8%	% Change	11.2	8.3	12.4	-18.8	3.5
Fredericton	Q4 2012	-1.6	5.9	n/a	Q4 2012	160	93	67	324	$172,843
	Q4 2011	-6.9	5.7	n/a	Q4 2011	180	89	91	338	$163,162
	Change[1]	5.3	0.3	-	% Change	-11.1	4.5	-26.4	-4.1	5.9
Moncton	Q4 2012	-0.8	6.1	781.58	Q4 2012	171	73	98	458	$158,556
	Q4 2011	4.9	6.9	707.20	Q4 2011	316	96	220	503	$156,753
	Change[1]	-5.7	-0.8	10.5%	% Change	-45.9	-24.0	-55.5	-8.9	1.2
Saint John	Q4 2012	-1.0	9.9	827.96	Q4 2012	83	43	40	324	$162,545
	Q4 2011	-3.6	7.6	766.89	Q4 2011	80	55	25	327	$161,115
	Change[1]	2.6	2.3	8.0%	% Change	3.8	-21.8	60.0	-0.9	0.9
NL	December 12	3.7	11.5	905.11	Q4 2012	998	681	317	1,170	$277,785
	December 11	1.9	12.7	876.60	Q4 2011	927	713	214	1,278	$256,151
	Change[1]	1.8	-1.2	3.3%	% Change	7.7	-4.5	48.1	-8.5	8.4
PEI	December 12	1.4	11.0	734.52	Q4 2012	251	101	150	345	$152,128
	December 11	5.0	11.2	733.96	Q4 2011	303	155	148	398	$136,228
	Change[1]	-3.6	-0.2	0.1%	% Change	-17.2	-34.8	1.4	-13.3	11.7
NS	December 12	-1.9	9.3	767.01	Q4 2012	1,329	603	726	1,930	$207,256
	December 11	2.5	7.8	747.74	Q4 2011	1,230	507	723	2,226	$212,119
	Change[1]	-4.4	1.5	2.6%	% Change	8.0	18.9	0.4	-13.3	-2.3
NB	December 12	-1.9	10.8	766.62	Q4 2012	709	382	327	1,242	$155,918
	December 11	0.3	9.4	737.05	Q4 2011	933	505	428	1,295	$154,618
	Change[1]	-2.2	1.4	4.0%	% Change	-24.0	-24.4	-23.6	-4.1	0.8
Atlantic Region	December 12	-0.5	10.4	837.57	Q4 2012	3,287	1,767	1,520	4,687	$207,200
	December 11	1.8	9.6	769.72	Q4 2011	3,393	1,880	1,513	5,197	$202,807
	Change[1]	-2.4	0.8	8.8%	% Change	-3.1	-6.0	0.5	-9.8	2.2
Canada	December 12	1.8	7.1	874.58	Q4 2012	52,562	20,833	31,729	87,040	$357,796
	December 11	1.1	7.5	849.02	Q4 2011	52,157	21,647	30,510	95,794	$357,071
	Change[1]	0.7	-0.4	3.0%	% Change	0.8	-3.8	4.0	-9.1	0.2

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

[1] Changes to the Unemployment Rate and Employment Growth represent the ***absolute*** difference between current rates and the rates for the same period in the previous year.

[2] Seasonally adjusted Labour Force data is not available for Charlottetown, Fredericton, Moncton and, therefore, raw data was used.

Source: Statistics Canada (CANSIM), CMHC (Starts and Completions Survey), CREA, [1] PEI Real Estate Association, [2] Nova Scotia Association of REALTORS®

"SA" means Seasonally Adjusted n/a: Not Available

Newfoundland Housing Market Outlook

(units and percentage change)

	2007	2008	2009	2010	2011	2012	2013(F)	2012Q4(F)	2013Q1(F)	2013Q2(F)	2013Q3(F)	2013Q4(F)
Housing Starts:												
Single	2,184	2,725	2,606	2,941	2,612	2,523	2,500	2,491	2,600	2,550	2,450	2,400
%	17.2	24.8	-4.4	12.9	-11.2	-3.4	-0.9	9.3	-4.3	2.3	0.0	-6.7
Multiple	465	536	451	665	876	1,362	900	1,202	800	1,100	900	800
%	25.7	15.3	-15.9	47.5	31.7	55.5	-33.9	-12.1	-45.2	50.0	-16.7	0.0
Total	2,649	3,261	3,057	3,606	3,488	3,885	3,400	3,693	3,400	3,650	3,350	3,200
%	18.6	23.1	-6.3	18.0	-3.3	11.4	-12.5	-3.8	-27.2	22.4	-8.6	-3.5
Existing Home Markets:												
MLS® Sales	4,471	4,695	4,416	4,236	4,480	4,650	4,250	4,372	4,000	4,400	4,500	4,100
%	26.4	5.0	-5.9	-4.1	5.8	3.8	-8.6	-9.2	4.1	5.6	6.3	-5.0
MLS® Average Price	149,258	178,477	206,375	235,341	251,581	268,776	278,500	278,714	275,000	280,000	281,050	277,500
%	7.0	19.6	15.6	14.0	6.9	6.8	3.6	4.5	-1.3	1.8	0.4	-1.3

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

Source: CMHC (Starts and Completions Survey), CREA

All data in this table, except the MLS® average price, is seasonally adjusted at annual rates. The MLS® average price data is actual.

Prince Edward Island Housing Market Outlook

(units and percentage change)

	2007	2008	2009	2010	2011	2012	2013(F)	2012Q4(F)	2013Q1(F)	2013Q2(F)	2013Q3(F)	2013Q4(F)
Housing Starts:												
Single	573	521	430	396	431	387	350	379	350	350	350	345
%	11.9	-9.1	-17.5	-7.9	8.8	-10.2	-9.6	-17.2	8.6	3.1	0.0	-3.0
Multiple	177	191	447	360	509	554	385	589	400	400	375	364
%	-21.7	7.9	134.0	-19.5	41.4	8.8	-30.6	-9.0	-11.3	7.7	-3.6	0.0
Total	750	712	877	756	940	941	735	968	750	750	725	709
%	1.6	-5.1	23.2	-13.8	24.3	0.1	-21.9	-13.3	-1.3	5.2	-1.6	-1.7
Existing Home Markets:												
MLS® Sales	1,769	1,413	1,404	1,487	1,521	1,614	1,475	1,400	1,400	1,550	1,550	1,400
%	18.6	-20.1	-0.6	5.9	2.3	6.1	-8.6	-5.2	-3.0	5.1	1.6	-4.8
MLS® Average Price	133,457	139,944	146,043	147,196	149,618	152,250	153,750	134,160	142,000	155,000	160,000	157,200
%	6.4	4.9	4.4	0.8	1.6	1.8	1.0	1.6	5.8	9.2	3.2	-1.8

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

Source: CMHC (Starts and Completions Survey), CREA

All data in this table, except the MLS® average price, is seasonally adjusted at annual rates. The MLS® average price data is actual.

Nova Scotia Housing Market Outlook
(units and percentage change)

	2007	2008	2009	2010	2011	2012	2013(F)	2012Q4	2013Q1(F)	2013Q2(F)	2013Q3(F)	2013Q4(F)
Housing Starts:												
Single	2,887	2,636	2,193	2,392	2,045	2,258	2,200	2,299	2,200	2,250	2,250	2,100
%	4.7	-8.7	-16.8	9.1	-14.5	10.4	-2.6	9.3	-4.3	2.3	0.0	-6.7
Multiple	1,863	1,346	1,245	1,917	2,599	2,264	2,000	2,920	1,600	2,400	2,000	2,000
%	-12.9	-27.8	-7.5	54.0	35.6	-12.9	-11.7	-12.1	-45.2	50.0	-16.7	0.0
Total	4,750	3,982	3,438	4,309	4,644	4,522	4,200	5,219	3,800	4,650	4,250	4,100
%	-3.0	-16.2	-13.7	25.3	7.8	-2.6	-7.1	-3.8	-27.2	22.4	-8.6	-3.5
Existing Home Markets:												
MLS® Sales	11,857	10,869	10,021	10,036	10,312	10,437	10,400	9,412	9,800	10,350	11,000	10,450
%	10.8	-8.3	-7.8	0.1	2.8	1.2	-0.4	-9.2	4.1	5.6	6.3	-5.0
MLS® Average Price	180,989	189,932	196,690	206,186	212,512	220,413	226,500	218,534	221,000	226,475	230,000	228,000
%	7.3	4.9	3.6	4.8	3.1	3.7	2.8	1.0	1.1	2.5	1.6	-0.9

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).
Source: CMHC (Starts and Completions Survey), CREA
All data in this table, except the MLS® average price, is seasonally adjusted at annual rates. The MLS® average price data is actual.

New Brunswick Housing Market Outlook
(units and percentage change)

	2007	2008	2009	2010	2011	2012	2013(F)	2012Q4	2013Q1(F)	2013Q2(F)	2013Q3(F)	2013Q4(F)
Housing Starts:												
Single	2,733	2,519	2,154	2,068	1,823	1,697	1,625	1,473	1,600	1,650	1,650	1,600
%	11.8	-7.8	-14.5	-4.0	-11.8	-6.9	-4.2	-17.2	8.6	3.1	0.0	-3.0
Multiple	1,509	1,755	1,367	2,033	1,629	1,602	1,350	1,466	1,300	1,400	1,350	1,350
%	-8.0	16.3	-22.1	48.7	-19.9	-1.7	-15.7	-9.0	-11.3	7.7	-3.6	0.0
Total	4,242	4,274	3,521	4,101	3,452	3,299	2,975	2,939	2,900	3,050	3,000	2,950
%	3.8	0.8	-17.6	16.5	-15.8	-4.4	-9.8	-13.3	-1.3	5.2	-1.6	-1.7
Existing Home Markets:												
MLS® Sales	8,161	7,555	7,003	6,702	6,599	6,403	6,100	6,080	5,900	6,200	6,300	6,000
%	14.5	-7.4	-7.3	-4.3	-1.5	-3.0	-4.7	-5.2	-3.0	5.1	1.6	-4.8
MLS® Average Price	136,603	145,762	154,906	157,240	160,545	161,116	164,000	164,963	161,000	164,500	166,800	163,495
%	7.7	6.7	6.3	1.5	2.1	0.4	1.8	3.5	-2.4	2.2	1.4	-2.0

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).
Source: CMHC (Starts and Completions Survey), CREA
All data in this table, except the MLS® average price, is seasonally adjusted at annual rates. The MLS® average price data is actual.

Atlantic Region - Housing Forecast Ranges						
	2013			2014		
	Point Forecast	High Forecast	Low Forecast	Point Forecast	High Forecast	Low Forecast
Newfoundland						
Housing Starts	3,400	3,750	3,050	3,200	3,900	2,500
Multiple	900	1,050	750	800	1,100	500
Single	2,500	2,700	2,300	2,400	2,800	2,000
MLS® Sales	4,250	4,650	3,850	4,100	4,900	3,300
MLS® Average Price ($)	278,500	284,000	273,000	285,000	296,000	274,000
Prince Edward Island						
Housing Starts	735	820	650	675	845	505
Multiple	385	420	350	350	420	280
Single	350	400	300	325	425	225
MLS® Sales	1,475	1,625	1,325	1,375	1,675	1,075
MLS® Average Price ($)	153,750	156,250	151,250	155,250	160,250	150,250
Nova Scotia						
Housing Starts	4,200	4,700	3,700	4,150	5,150	3,150
Multiple	2,000	2,275	1,725	1,825	2,375	1,275
Single	2,200	2,425	1,975	2,325	2,775	1,875
MLS® Sales	10,400	11,300	9,500	10,700	12,500	8,900
MLS® Average Price ($)	226,500	231,500	221,500	232,750	242,750	222,750
New Brunswick						
Housing Starts	2,975	3,300	2,650	2,750	3,400	2,100
Multiple	1,350	1,500	1,200	1,200	1,500	900
Single	1,625	1,800	1,450	1,550	1,900	1,200
MLS® Sales	6,100	6,700	5,500	6,000	7,200	4,800
MLS® Average Price ($)	164,000	167,000	161,000	166,000	172,000	160,000
Canada						
Housing Starts	190,400	202,000	178,600	194,100	217,000	171,200
Multiple	110,000	116,200	103,800	112,300	125,100	99,500
Single	80,300	85,800	74,800	81,800	91,900	71,700
MLS® Sales	451,100	484,000	418,200	472,300	505,000	439,600
MLS® Average Price ($)	367,500	378,500	356,500	377,300	390,800	363,800

Source : CMHC

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

Atlantic Region Housing Forecast - New Construction									
	Housing Starts	2012	2013(F)*	% chg (2012/2013)	2014(F)*	% chg (2013/2014)	YTD 2012**	YTD 2011**	% chg (2011/2012)
St. John's	Single-Detached	1,292	1,400	8.4	1,350	-3.6	1,292	1,304	-0.9
	Multiple	861	550	-36.1	475	-13.6	861	619	39.1
	Total	2,153	1,950	-9.4	1,825	-6.4	2,153	1,923	12.0
Charlottetown	Single-Detached	224	200	-10.7	180	-10.0	224	201	11.4
	Multiple	388	260	-33.0	260	0.0	388	333	16.5
	Total	612	460	-24.8	440	-4.3	612	534	14.6
Halifax	Single-Detached	991	950	-4.1	1,050	10.5	991	900	10.1
	Multiple	1,763	1,620	-8.1	1,420	-12.3	1,763	2,054	-14.2
	Total	2,754	2,570	-6.7	2,470	-3.9	2,754	2,954	-6.8
Fredericton	Single-Detached	367	340	-7.4	320	-5.9	367	339	8.3
	Multiple	267	260	-2.6	220	-15.4	267	391	-31.7
	Total	634	600	-5.4	540	-10.0	634	730	-13.2
Moncton	Single-Detached	364	360	-1.1	340	-5.6	364	384	-5.2
	Multiple	933	760	-18.5	620	-18.4	933	810	15.2
	Total	1,297	1,120	-13.6	960	-14.3	1,297	1,194	8.6
Saint John	Single-Detached	190	200	5.3	210	5.0	190	220	-13.6
	Multiple	165	150	-9.1	140	-6.7	165	141	17.0
	Total	355	350	-1.4	350	0.0	355	361	-1.7

Source: CMHC (Starts and Completions Survey)
(F) = CMHC Forecast
* Although point forecasts are provided in this table, please refer to the "Housing Forecast Range" table to get the relevant ranges.
** YTD = January - December

Atlantic Region Housing Forecast - Resale Market									
		2012	2013(F)*	% chg (2012/2013)	2014(F)*	% chg (2013/2014)	YTD 2012**	YTD 2011**	% chg (2011/2012)
St. John's[1]	MLS® Sales(#)	3,871	3,600	-7.0	3,500	-2.8	3,871	4,480	-13.6
	MLS® Avg. Price ($)	285,529	297,500	4.2	306,000	2.9	285,529	251,581	13.5
Charlottetown[2]	MLS® Sales(#)	570	500	-12.3	550	10.0	570	495	15.2
	MLS® Avg. Price ($)	190,000	191,000	0.5	191,500	0.3	190,000	200,143	-5.1
Halifax[3]	MLS® Sales(#)	6,046	6,000	-0.8	6,200	3.3	6,046	4,681	29.2
	MLS® Avg. Price ($)	268,843	276,000	2.7	283,500	2.7	268,843	260,261	3.3
Fredericton	MLS® Sales(#)	1,907	1,850	-3.0	1,800	-2.7	1,907	2,075	-8.1
	MLS® Avg. Price ($)	180,485	182,000	0.8	181,500	-0.3	180,485	170,563	5.8
Moncton	MLS® Sales(#)	2,259	2,225	-1.5	2,200	-1.1	2,259	2,467	-8.4
	MLS® Avg. Price ($)	158,106	156,500	-1.0	156,000	-0.3	158,106	158,561	-0.3
Saint John	MLS® Sales(#)	1,610	1,600	-0.6	1,575	-1.6	1,610	1,572	2.4
	MLS® Avg. Price ($)	168,050	167,000	-0.6	166,500	-0.3	168,050	170,354	-1.4

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).
Source: CREA, [1] Newfoundland and Labrador Association of REALTORS®, [2] PEI Real Estate Association, [3] Nova Scotia Association of REALTORS®
(F) = CMHC Forecast n/a: Not Available
* Although point forecasts are provided in this table, please refer to the Housing Forecast Range table at the end of this report to get the relevant ranges.
** YTD = January - December

Atlantic Region Housing Forecast - Rental Market				
	Vacancy Rate		Average Rent 2-Bedroom Units	
	Oct 2012	Oct 2013(F)	Oct 2012	Oct 2013(F)
St. John's	2.8	3.5	798	825
Charlottetown	5.7	6.5	803	830
Halifax	3.0	4.0	954	980
Fredericton	4.0	4.3	771	785
Moncton	6.7	7.8	731	745
Saint John	9.7	10.2	691	700
Canada[1]	2.8	2.5	n/a	n/a

Source: CMHC Fall Rental Market Survey
(F) = CMHC Forecast
[1] All centres 100,000+

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 65 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable housing solutions that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at www.cmhc.ca

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.
Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is available for free on CMHC's website. You can view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to www.cmhc.ca/housingmarketinformation

For more information on MAC and the wealth of housing market information available to you, visit us today at www.cmhc.ca/housingmarketinformation

To subscribe to priced, printed editions of MAC publications, call 1-800-668-2642.