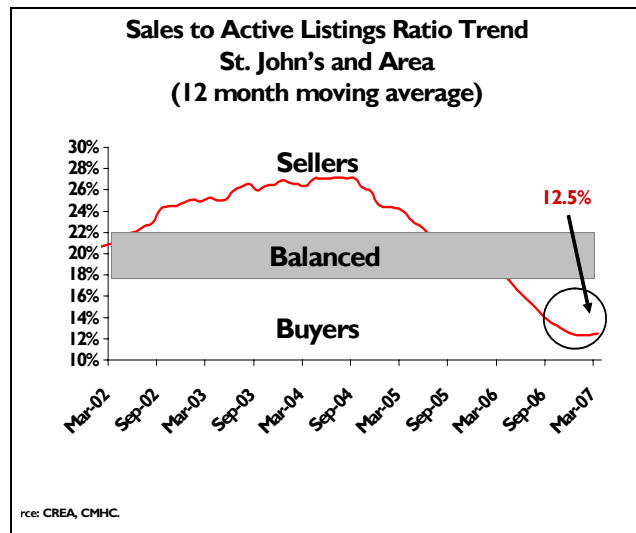
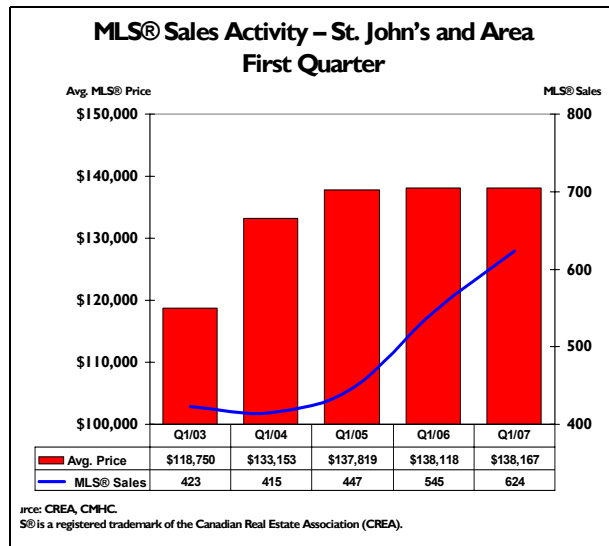




MLS® Trends

MLS® Residential Sales Post Solid Gains Over First Quarter 2006

First quarter residential sales posted solid gains over last year's first quarter results. MLS® sales within the St. John's region totalled 624 for the quarter compared to 545 during the same period in 2006. For the months of January, February and March, MLS® sales jumped almost 20 per cent compared to the first quarter of last year. During the quarter, the average MLS® residential house price was flat at \$138,167 compared to \$138,118 during the first three months of 2006. With the resale market firmly entrenched in buyers conditions, price growth is expected to be minimal throughout the remainder of the year.



Residential Resale Market Remains Classified as Buyers

Once again, the St. John's area resale market remained classified as buyers during the first quarter. This continues to be attributed to the sustained increase in the supply of active residential listings. At the end of the quarter, the 12 month moving average sales to active listings ratio was 12.5 per cent compared to 18.2 per cent a year ago. This means that approximately one in eight or 12.5 per cent of homes listed for sale actually sold. With buyers market conditions prevailing, expect longer days on market and flat-to-slight price growth during 2007.

MLS® - Multiple Listing Service is a registered certification mark owned by the Canadian Real Estate Association.

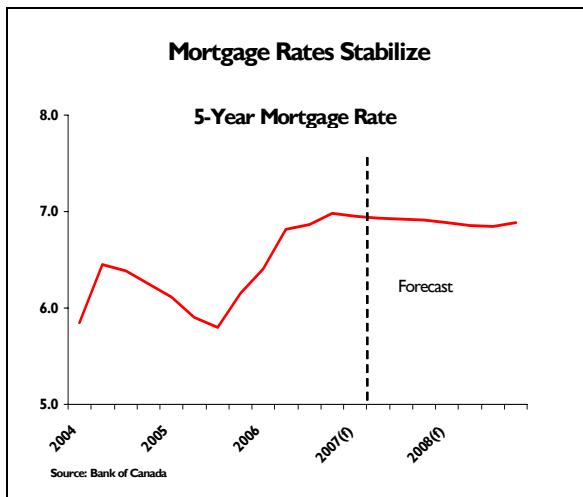
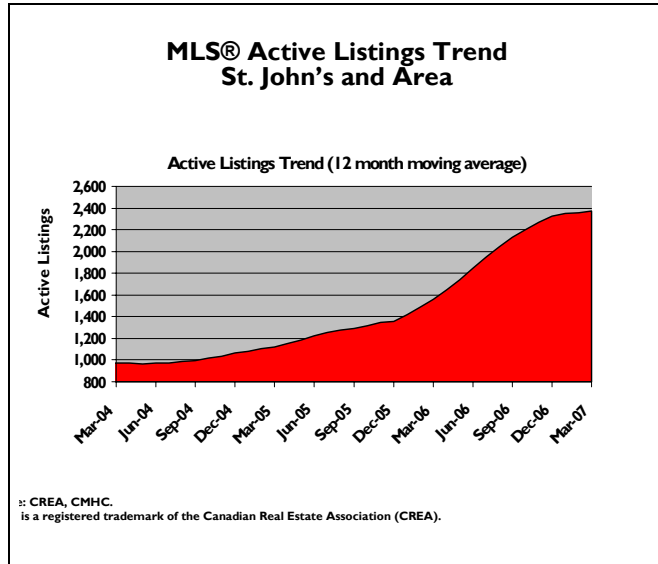


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Active Listings Upward Trend is Slowing

The supply of active residential listings remained relatively high during the first quarter, but the upward trend slowed considerably. Active listings within the St. John's region rose steadily since mid-2003. Last year alone, they surged 72 per cent. For the first quarter of this year, active listings climbed a more normalized 9.5 per cent to over 2,200. The on-going increase in supply largely reflects the recent trend of builders using the MLS® system to sell newly constructed homes, as well as homeowners attempting to capitalize on equity gains in their homes.



Mortgage Rates Relatively Steady

After several consecutive interest rate increases over the past two years, the monetary tightening cycle came to a halt in Canada. Economists now share the belief that the Bank of Canada will not alter its overnight lending rate again until mid-2007, if at all this year. The rate currently sits at 4.25 per cent with the prime lending rate at 6 per cent. With the exception of a couple of banks, mortgage rates remained unchanged during the first quarter of this year. One and five-year mortgage rates are currently forecast to remain within the 5.75-6.75 and 6.25-7.25 per cent range respectively. Canadian mortgage rates are expected to stay close to current levels in 2007.

CMHC's Enhanced Market Analysis Products and Services...

Following extensive consultations with our clients, throughout 2007, CMHC will be enhancing a number of its market analysis products to offer more comprehensive and timely information on the rental market, new products covering renovation expenditures and much more. For more information, please visit <http://www.cmhc.ca/housingmarketinfo/> and click on "NEW Enhancements to Market Analysis Products and Services".