

RELEASE

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St. John's Housing Market Growth to Continue

ST. JOHN'S, November 2, 2009 – Resilient consumer spending, large capital projects and improved employment will continue to support the St. John's region housing market throughout the remainder of 2009 and in 2010, according to Canada Mortgage and Housing Corporation's (CMHC'S) Housing Market Outlook - St. John's report released today.

Housing starts are expected to end 2009 at 1,675 units, with 1,800 starts forecast for 2010. The resale or MLS^{®1} market will post 3,450 sales by the end of this year and reach the 3,575 level in 2010. The average MLS[®] house price is expected to end 2009 at \$215,500 compared to \$187,571 in 2008 and increase to \$225,500 in 2010.

“Despite the recent global economic uncertainty, strong fundamentals will continue to support demand for housing throughout the remainder of 2009 and in 2010,” said Chris Janes, senior market analyst with CMHC in Newfoundland and Labrador. “Overall, the positive outlook for the St. John's area housing market will be reinforced by favourable trends in demographic and economic fundamentals, as well as on-going economic momentum fuelled by a lengthy list of major capital projects,” added Janes.

As Canada's national housing agency, CMHC draws on more than 60 years of experience to help Canadians access a variety of quality, environmentally sustainable and affordable homes. CMHC also provides reliable, impartial and up-to-date housing market reports, analysis and knowledge to support and assist consumers and the housing industry in making vital decisions.

¹MLS[®] is a registered trademark of the Canadian Real Estate Association.

For more information, visit www.cmhc.ca or call 1-800-668-2642.

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(Ce document existe également en français)

Forecast Summary St. John's CMA Fall 2009							
	2006	2007	2008	2009f	% chg	2010f	% chg
Resale Market							
MLS® Sales	NA	NA	3,835	3,450	-10.0	3,575	3.6
MLS® Active Listings	7,292	7,416	7,520	7,000	-6.9	6,850	-2.1
MLS® Average Price (\$)	139,542	149,258	187,571	215,500	14.9	225,500	4.6
New Home Market							
Starts:							
Single-Detached	985	1,174	1,485	1,375	-7.4	1,450	5.5
Multiples	290	306	378	300	-20.6	350	16.7
Starts - Total	1,275	1,480	1,863	1,675	-10.1	1,800	7.5
Average Price (\$):							
Single-Detached	202,698	211,123	230,473	275,000	19.3	290,000	5.5
Median Price (\$):							
Single-Detached	175,812	189,900	200,000	238,500	19.3	251,500	5.5
New Housing Price Index (% chg.)	3.7	5.0	19.6	15.0	n/a	4.0	n/a
Rental Market							
October Vacancy Rate (%)	5.1	2.6	0.8	1.0	0.2	1.5	0.5
Two-bedroom Average Rent (October) (\$)	635	614	630	700	6.0	725	11.0
Economic Overview							
Mortgage Rate (1 year) (%)	6.28	6.90	6.70	4.16	-2.54	4.45	0.29
Mortgage Rate (5 year) (%)	6.66	7.07	7.06	5.72	-1.34	6.24	0.52
Annual Employment Level	93,200	94,400	98,000	99,500	1.5	102,000	2.5
Employment Growth (%)	2.9	1.4	3.8	1.5	n/a	2.5	n/a
Unemployment rate (%)	8.2	6.9	7.8	8.0	n/a	7.5	n/a
Net Migration ⁽¹⁾	121	1,978	2,000	1,750	-12.5	2,000	14.3

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

Source: CMHC (Starts and Completions Survey, Market Absorption Survey), adapted from Statistics Canada (CANSIM), CREA, Statistics Canada (CANSIM)

NOTE: Rental universe = Privately initiated rental apartment structures of three units and over

(1) 2008 migration data is forecasted