

RELEASE

FOR IMMEDIATE RELEASE

Sustained Demand for Housing in St. John's

St. John's – May 15, 2008 – Economic growth, positive net-migration and stable consumer confidence will sustain the demand for housing within the St. John's region both this year and next, according to Canada Mortgage and Housing Corporation's Spring Housing Market Outlook - St. John's Census Metropolitan Area (CMA) report. Housing starts will increase nearly 17 per cent to 1,725 units this year, with 1,750 starts expected in 2009. The MLS® market will eclipse the 4,000 unit sales level once again, with 4,250 sales in 2008 and 4,200 in 2009. The average MLS® house price is expected to climb 10.5 per cent to \$165,000 this year and reach \$175,000 by the end of 2009.

"The current demand for housing within the St. John's region is being driven by solid economic growth, positive net-migration and stable consumer confidence, and we expect it to continue throughout this year and next," said Chris Janes, Senior Market Analyst with CMHC in Newfoundland and Labrador. However, with homeownership costs rising, some prospective buyers remain sensitive to higher prices when considering the purchase of a home. "With prices expected to continue to climb, the total cost of homeownership will be the determining factor as to whether consumers choose to build new or purchase a lower priced existing home in 2008 and 2009," added Janes.

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 60 years. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country.

(Ce document existe également en français.)

- 30 -

Forecast Summary St. John's CMA Spring 2008							
	2005	2006	2007	2008f	% chg	2009f	% chg
Resale Market							
MLS® Sales	3,211	3,537	4,471	4,250	-4.9	4,200	-1.2
MLS® Active Listings	6,793	7,292	7,416	7,000	-5.6	6,850	-2.1
MLS® Average Price (\$)	141,167	139,542	149,258	165,000	10.5	175,000	6.1
New Home Market							
Starts:							
Single-Detached	1,096	985	1,174	1,400	19.3	1,450	3.6
Multiples	438	290	306	325	6.2	300	-7.7
Starts - Total	1,534	1,275	1,480	1,725	16.6	1,750	1.4
Average Price (\$):							
Single-Detached	196,437	202,698	211,123	226,600	7.3	242,500	7.0
Median Price (\$):							
Single-Detached	170,000	175,812	189,900	203,750	7.3	218,000	7.0
New Housing Price Index (% chg.)	5.6	3.7	5.0	7.5	n/a	5.0	n/a
Rental Market							
October Vacancy Rate (%)	4.5	5.1	2.6	2.5	-0.1	2.0	-0.5
Two-bedroom Average Rent (October) (\$)	634	635	614	650	-	675	-
Economic Overview							
Mortgage Rate (1 year) (%)	5.80	6.30	7.35	6.95	-0.40	6.83	-0.12
Mortgage Rate (5 year) (%)	6.30	6.45	7.54	7.01	-0.53	6.97	-0.04
Annual Employment Level	90,300	93,400	94,500	97,600	3.3	99,700	2.2
Employment Growth (%)	0.9	3.4	1.2	3.3	n/a	2.2	n/a
Unemployment rate (%)	8.9	8.1	6.9	6.8	n/a	6.7	n/a
Net Migration ⁽¹⁾	779	1,051	1,500	1,750	16.7	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) 2007 migration data is forecasted

For more information please contact:

Chris Janes

Senior Market Analyst – NL

(709) 772-2403

cjanec@cmhc.ca