

RELEASE

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Continued Growth in St. John's Housing Market

ST. JOHN'S, May, 2010 – Resilient consumer spending, large capital projects and employment growth will continue to support the St. John's region housing market throughout the remainder of 2010 and in 2011, 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 2010 at 1,775 units, with 1,900 starts forecast for 2011. The resale or MLS^{®1} market will post 3,650 sales by the end of this year and reach the 3,600 level in 2011. The average MLS[®] house price is expected to end 2010 at \$245,000 compared to \$218,862 in 2009 and increase to \$255,000 in 2011.

“Despite the recent global economic uncertainty, strong fundamentals will continue to support demand for housing throughout the remainder of 2010 and in 2011,” 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.

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

Forecast Summary							
St. John's CMA							
Spring 2010							
	2007	2008	2009	2010f	% chg	2011f	% chg
Resale Market							
MLS® Sales	NA	3,835	3,642	3,650	0.2	3,600	-1.4
MLS® New Listings	NA	7,520	7,427	7,500	1.0	7,450	-0.7
MLS® Average Price (\$)	NA	187,571	218,862	245,000	11.9	255,000	4.1
New Home Market							
Starts:							
Single-Detached	1,174	1,485	1,385	1,450	4.7	1,550	6.9
Multiples	306	378	318	325	2.2	350	7.7
Starts - Total	1,480	1,863	1,703	1,775	4.2	1,900	7.0
Average Price (\$):							
Single-Detached	211,123	230,473	281,803	315,250	11.9	328,250	4.1
Median Price (\$):							
Single-Detached	189,900	215,372	260,000	291,000	11.9	303,000	4.1
New Housing Price Index (% chg.)	5.0	19.6	11.5	8.0	n/a	5.0	n/a
Rental Market							
October Vacancy Rate (%)	2.6	0.8	0.9	1.0	0.1	1.3	0.3
Two-bedroom Average Rent (October) (\$)	614	630	677	725	6.0	775	11.0
Economic Overview							
Mortgage Rate (1 year) (%)	6.90	6.70	4.02	4.23	0.20	5.56	1.34
Mortgage Rate (5 year) (%)	7.07	7.06	5.63	6.20	0.57	7.06	0.86
Annual Employment Level	94,400	98,000	99,200	100,000	0.8	102,000	2.0
Employment Growth (%)	1.4	3.8	1.3	0.8	n/a	2.0	n/a
Unemployment rate (%)	6.9	7.8	8.1	8.0	n/a	7.5	n/a
Net Migration ⁽¹⁾	1,386	2,408	2,750	3,000	9.1	2,850	-5.0

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) 2009 migration data is forecasted

Information on this release:

Chris Janes

Senior Market Analyst – NL

(709) 772-2403

cjanes@cmhc.ca