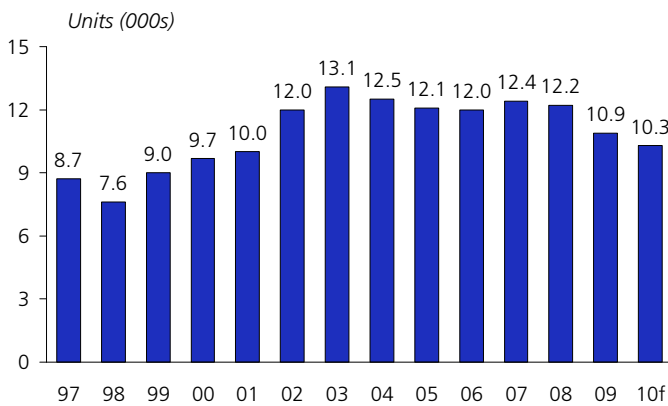


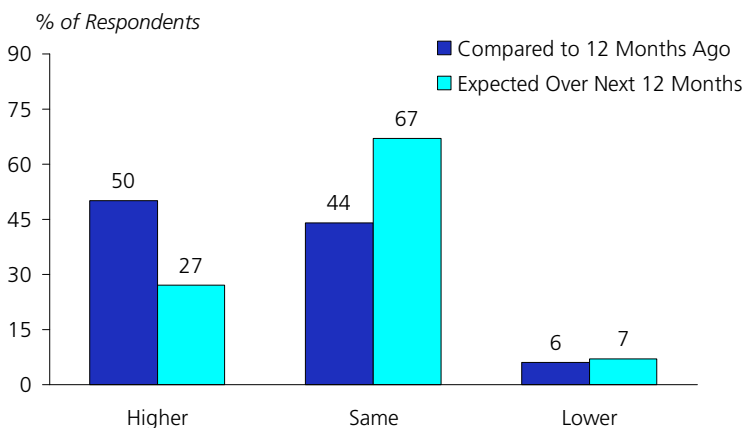
Atlantic Canada Home Builders Forecast Lower Housing Starts and Stronger Renovation Activity

Total Housing Starts Atlantic Canada



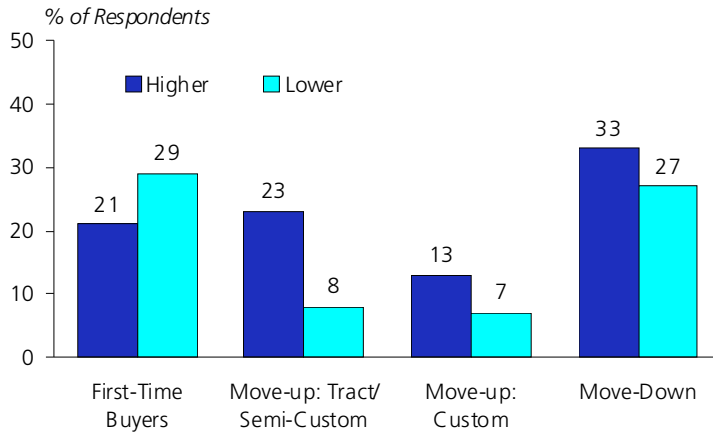
Source: CMHC (historical) and **Pulse Survey** (forecast)

Change in Renovation Activity Atlantic Canada

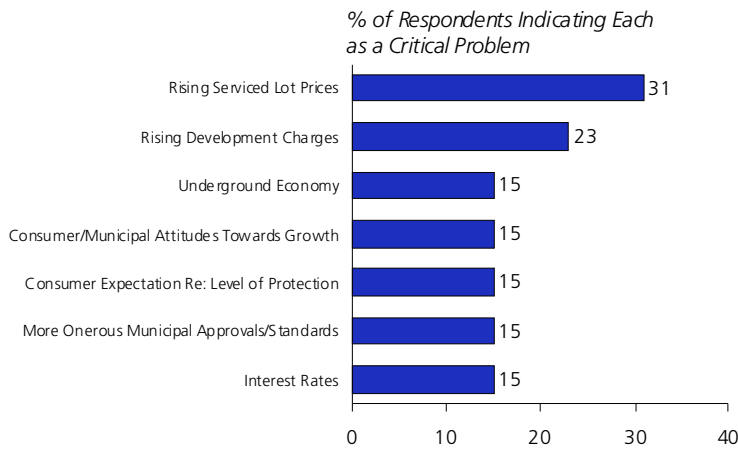


- New home builders in Atlantic Canada expect total housing starts to be about 10,275 units in 2010, down marginally from the 10,983 units started in 2009, according to the latest **Pulse Survey** conducted in December 2009 and January 2010 by the Canadian Home Builders' Association (CHBA). Recent starts remain above the levels of the latter 1990s/early 2000s, but well below the levels of the 2002-2008 period.
- Canada-wide, new home builders are expecting about 143,000 starts in 2010, modestly lower than the 149,100 starts in 2009 and well below the levels of the 2002-2008 period.
- On average, Atlantic Canada renovators responding to the **Pulse Survey** report increased activity. About half of renovators in Atlantic Canada report that their renovation activity is higher than it was 12 months ago, only 6% reported lower activity.
- On average, renovators in Atlantic Canada expect renovation activity to increase further over the next 12 months.
- The average project reported by renovators in Atlantic Canada is \$50,000 and takes 6 weeks to complete.

Changes in Traffic Compared to Last Year Atlantic Canada



Top Problems for New Home Builders Atlantic Canada



- New home builders and renovators in Atlantic Canada report that both full-time and part-time employment in their companies is higher than a year ago, and expect some additional increases in the next year.
- Atlantic Canada new home builders report higher traffic at new home sales sites among the move-up and move-down segments this year compared to a year ago. First-time buyer traffic is down compared to a year ago in Atlantic Canada.
- On average, new home builders in Atlantic Canada report that inventories of started-but-unsold single-detached units are slightly higher than a year ago.
- New home builders in Atlantic Canada are planning modest shifts in the upcoming year towards targeting the move-down market, away from the custom segment of the move-up market.
- The most often cited critical problems for new home builders in Atlantic Canada are rising serviced lot prices and rising development charges.
- More than three quarters of new home builders (76%) in Atlantic Canada expect new single-detached house prices to increase over the next year, only 18% of the respondents expect a decline.

The **Pulse Survey** was conducted by the CHBA with assistance from Canada Mortgage and Housing Corporation and Natural Resources Canada. The survey was tabulated and analyzed by Altus Group Economic Consulting. Copies of the detailed results are available from the CHBA (chba@chba.ca).