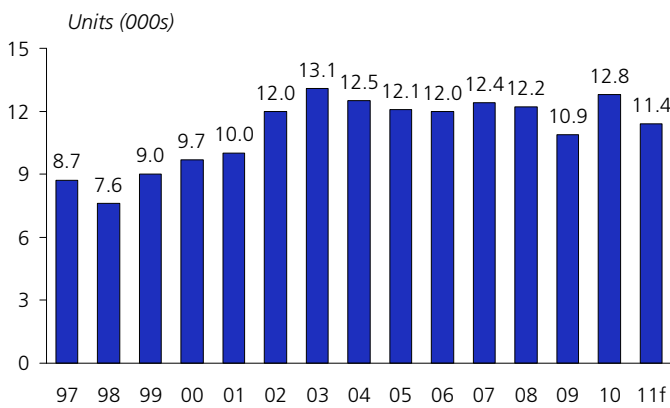




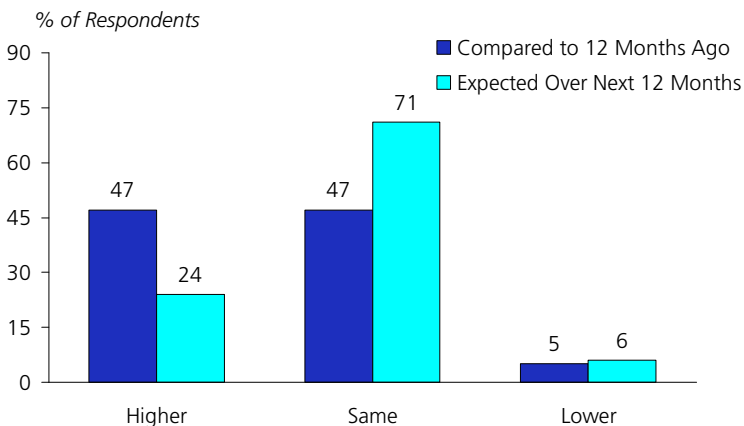
Atlantic Canada Home Builders Forecast Lower Housing Starts and Stronger Renovation Activity

Total Housing Starts Atlantic Canada



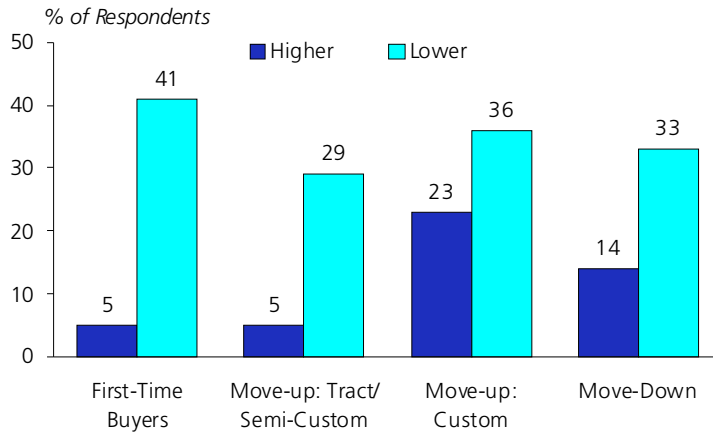
Source: CMHC (historical) and **Pulse Survey** (forecast)

Change in Renovation Activity Atlantic Canada

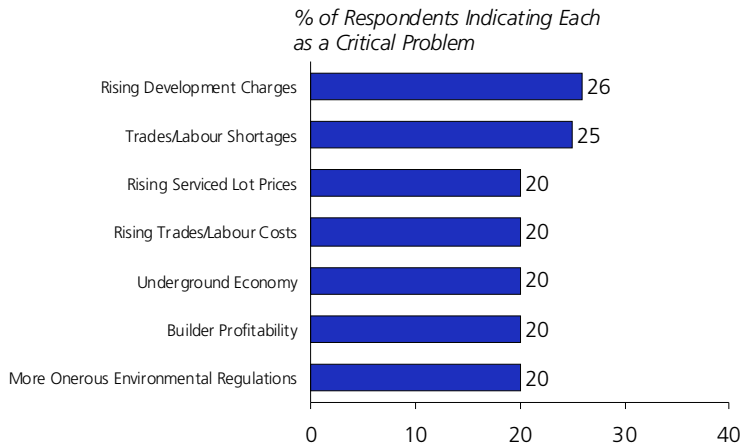


- New home builders in Atlantic Canada expect total housing starts to be about 11,400 units in 2011, down from the 12,772 units started in 2010, according to the latest **Pulse Survey** conducted in December 2010 and January 2011 by the Canadian Home Builders' Association (CHBA). Recent starts remain above the levels of the latter 1990s/early 2000s, but modestly below the levels of the 2002-2008 period.
- Canada-wide, new home builders are expecting about 172,100 starts in 2011, somewhat lower than the 189,930 starts in 2010 and below the levels of the 2002-2008 period.
- On average, Atlantic Canada renovators responding to the **Pulse Survey** report increased activity. Almost half of renovators in Atlantic Canada report that their renovation activity is higher than it was 12 months ago, only 5% 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 full-time employment in their companies is slightly higher than a year ago, and employment is expected to be stable over the next year.
- Atlantic Canada new home builders report lower traffic at new home sales sites across all market segments this year compared to a year ago, particularly among the first-time buyer segment.
- On average, new home builders in Atlantic Canada report that inventories of started-but-unsold single-detached units are higher than a year ago.
- New home builders in Atlantic Canada are planning modest shifts in the upcoming year towards targeting the custom segment of the move-up market, away from the first-time buyer segment and the semi-customer segment of the move-up market.
- The most often cited critical problems for new home builders in Atlantic Canada are rising development charges and serviced lot prices, shortages and associated rising cost of trades/labour, the underground economy, builder profitability and more onerous environmental regulations.
- About half of new home builders in Atlantic Canada expect new single-detached house prices to increase over the next year, only 4% 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).