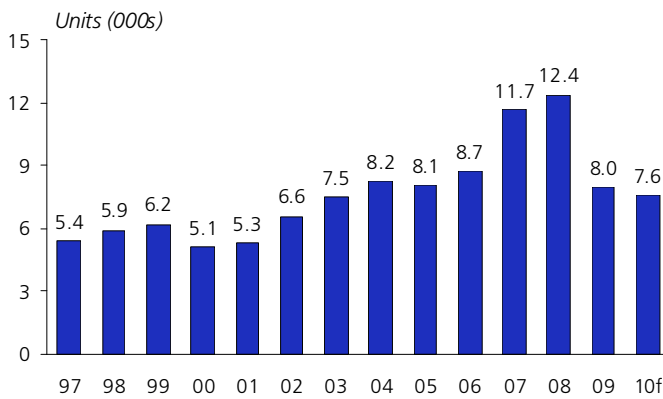


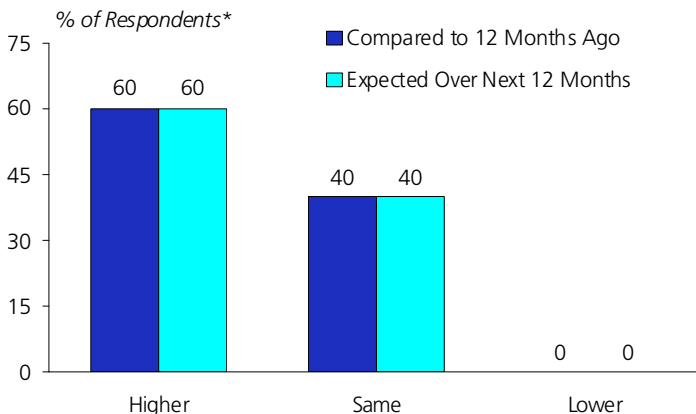
Manitoba/Saskatchewan Home Builders Forecast Housing Starts to Remain Steady and Renovation Activity to Rise

Total Housing Starts Manitoba/Saskatchewan



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

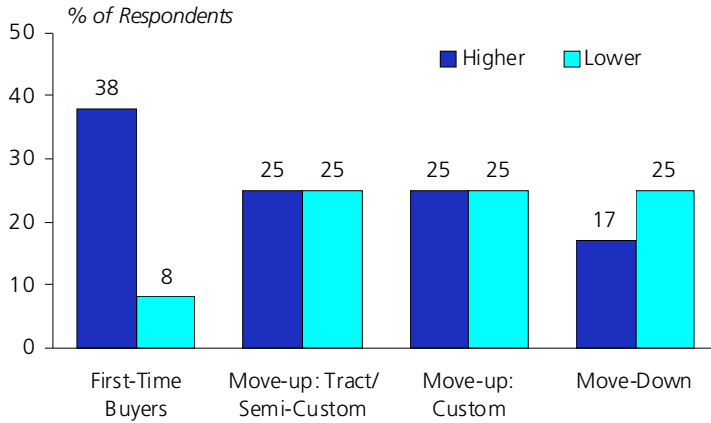
Change in Renovation Activity Manitoba/Saskatchewan



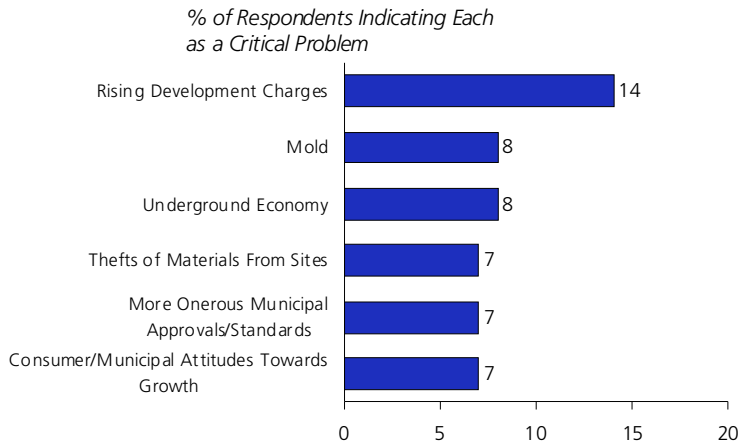
* Very small sample

- New home builders in Manitoba/Saskatchewan expect combined total housing starts for these two provinces to be 7,600 units in 2010, generally steady with the 8,040 units started 2009, according to the latest **Pulse Survey** conducted in December 2009 and January 2010 by the Canadian Home Builders' Association (CHBA). Starts in 2010 are expected to remain lower than the exceptional performance of 2007-2008, but generally similar to the period 2003-2006.
- Canada-wide, new home builders are expecting about 142,900 starts in 2010, modestly lower than the 149,100 starts in 2009 and well below the levels of the 2002-2008 period.
- On average, renovators in Manitoba/Saskatchewan responding to the **Pulse Survey** report increased activity. Nearly two-thirds of renovators report that their renovation activity is higher than 12 months ago, while none reported lower activity.
- Renovators in Manitoba/Saskatchewan on average expect further increases in renovation activity over the next 12 months.
- The average project reported by renovators in Manitoba/Saskatchewan is some \$100,000 and takes 10 weeks to complete.

Changes in Traffic Compared to Last Year Manitoba/Saskatchewan



Top Problems for New Home Builders Manitoba/Saskatchewan



- New home builders and renovators in Manitoba/Saskatchewan report that, on average, employment in their companies is up over a year ago with further increases expected over the next year.
- New home builders in Manitoba/Saskatchewan combined report higher traffic for first-time buyers and lower traffic for move-down buyers at new home sales sites compared to a year ago. The move-up buyers' traffic has remained stable.
- On average, new home builders in Manitoba/Saskatchewan report that inventories of started-but-unsold single-detached units are unchanged this year compared to a year ago.
- New home builders in Manitoba/Saskatchewan are planning some shift in the upcoming year away from the move-up market, towards the first-time buyers' market.
- The most often cited critical problems for new home builders in Manitoba/Saskatchewan is rising development charges, followed by mold, the underground economy, thefts of materials from sites, more onerous municipal approvals/standards and consumer/municipal attitudes towards growth.
- More than 4 in 5 new home builders in Manitoba/Saskatchewan expect new single-detached house prices to increase over the next year, while none of them expect declines.

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).