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Canada Mortgage and Housing Corporation

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New Homes

VOLUME 7, NUMBER 4
FOURTH QUARTER 2004

Construction in 2004 soars to 15-year record!

Despite slightly lower construction during the fourth quarter of 2004, historically low mortgages rates, a strong labour market and an influx of migrants from the Greater Toronto Area (GTA) fuelled housing starts in the Hamilton Census Metropolitan Area (hereafter referred to as Hamilton) during 2004. After trending lower since 2002, construction jumped by 26 per cent to 4,093 units in 2004, setting a record as the highest number of starts in 15 years.

The low price of homes in the City of Hamilton compared to that of Burlington is a key factor for the high demand for new homes within the City. Over 50 per cent of the housing construction took place within the City of Hamilton in 2004.

New home construction in Burlington was largely dominated by condominium developments. Home buyers looking for more affordable homes had driven demand for this type of housing construction in Burlington.

IN THIS ISSUE

New Homes

1 Construction in 2004 soars to 15-year record!

Resale Market

2 MLS® sales set all time record!

Statistical Tables

3 Housing activity summary

4 Housing starts by area

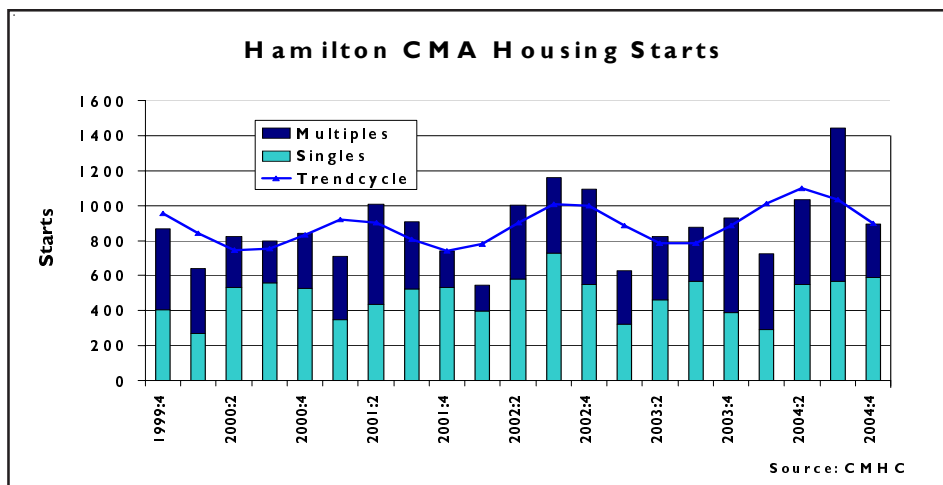
4 Average price of absorbed single detached dwelling

5 Single detached absorption activity by price range

6 MLS® housing activity

7 Economic indicators

8 Definitions



Multiples have dominated construction in Hamilton during 2004. They were up by 38 per cent from a year earlier. Low carrying costs due to low mortgage rates have encouraged first-time buyers to enter the housing market and thus encouraged

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demand for the more affordable home types. Such homes usually take the form of multiples such as condominiums and semi-detached houses.

Currently, age groups associated with move-up buying - those willing to sell their current house and move on to something larger or better - are growing. The steady rise in the average price of single-detached homes in 2004 is in part indicative of this growing move-up segment driving prices higher.

In 2004, the average price of a single-detached home in Hamilton topped \$316,700 and represented a jump of 11 per cent from the previous year. During the fourth quarter of 2004, it reached \$325,385.

Of special mention is the lessening gap between the average price of singles in the City of Hamilton and Burlington. In 2003, this gap stood at \$65,620. In 2004, it reduced to \$51,354. Shortage of available land for construction in the City of Hamilton had driven the price of singles higher in 2004 and thus brought its average singles price closer to that of Burlington.

Resale Market

MLS® sales set all time record in 2004!

Despite seasonally adjusted sales trending lower in the third and fourth quarters of 2004, existing home sales in Hamilton jumped by three per cent to an all time high of 13,176 units in 2004. The desire to live in established neighbourhoods and the lower prices compared to that of new homes, have ensured solid demand for resale homes in Hamilton.

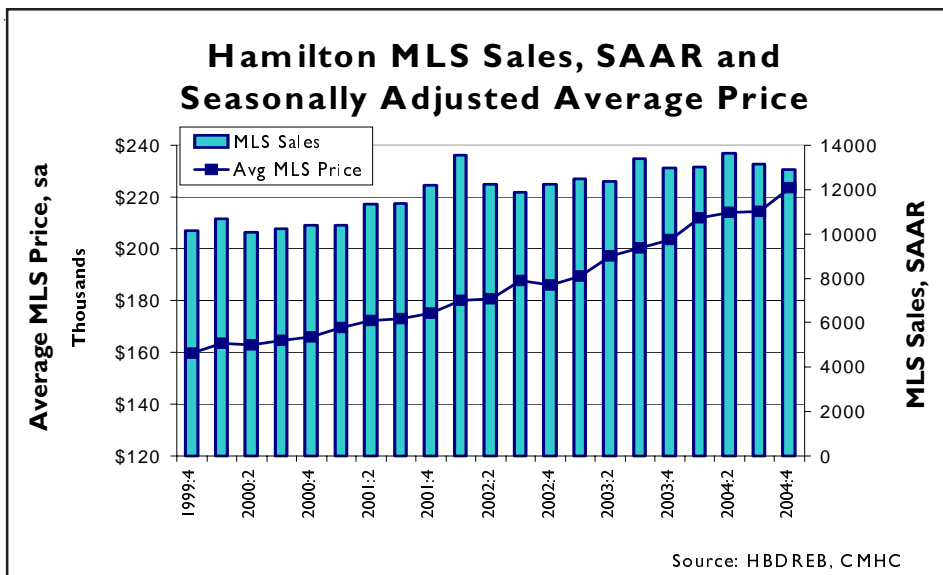
Since the early 1990s, Hamilton's resale home market was characterised by a shortage in the supply of new listings. In 2004, listings went up by four per cent and marked a slight diversion from this trend. As resale home prices continued to go up in 2004, some homeowners were encouraged to list their homes up for sale, some to cash in on equity gains made through price increases.

The tight resale market had put upward pressure on resale home prices throughout 2004. Hamilton's resale home market has been in strong seller's territory for the last four consecutive years, despite the

recent increase in supply. A sales-to-new listings ratio above 55 per cent is typically said to represent a seller's market, and a ratio below 35 per cent a buyer's. A ratio in-between represents a balanced market. In 2004, this ratio was 77 per cent or strongly in favour of sellers. During the fourth quarter of 2004, this ratio stood at a whopping 84 per cent, though declining marginally by three per cent from the same quarter a year earlier.

The average Multiple Listing Service® (MLS) price stood at \$215,922, and represented a gain of nine per cent from the previous year. This increase was well above the general rate of inflation in Hamilton. Shortage of supply coupled with increasing demand for resale homes from GTA residents and a strong labour market, have driven the average MLS price to an all time high in Hamilton during 2004.

Fourth quarter average MLS® price was above the annual average and stood at \$219,022, representing a gain of nine per cent from the same time a year ago.



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Table I: Housing Activity Summary for Hamilton CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q4 2004	589	16	69	158	62	0	0	894
Q4 2003	390	20	289	117	104	0	10	930
% Change	51.0	-20.0	-76.1	35.0	-40.4	NA	-100.0	-3.9
Year-to-date 2004	1,995	158	529	641	557	26	153	4,093
Year-to-date 2003	1,743	100	567	658	164	0	13	3,260
% Change	14.5	58.0	-6.7	-2.6	**	NA	**	25.6
UNDER CONSTRUCTION								
December 2004	925	44	261	462	708	26	141	2,601
December 2003	734	38	411	279	269	0	16	1,747
COMPLETIONS								
Q4 2004	510	44	253	116	56	0	12	991
Q4 2003	670	44	217	176	0	0	9	1,116
% Change	-23.9	0.0	16.6	-34.1	NA	NA	33.3	-11.2
Year-to-date 2004	1,802	152	725	407	118	0	29	3,233
Year-to-date 2003	1,987	105	616	551	20	3	21	3,303
% Change	-9.3	44.8	17.7	-26.1	**	-100.0	38.1	-2.1
COMPLETE & NOT ABSORBED								
December 2004	51	10	92	19	0	0	12	184
December 2003	47	19	34	16	6	0	0	122
ABSORPTIONS								
Q4 2004	510	46	193	114	56	0	1	920
Q4 2003	679	38	217	177	0	0	9	1,120
% Change	-24.9	21.1	-11.1	-35.6	NA	NA	-88.9	-17.9
Year-to-date 2004	1,796	161	662	413	124	0	17	3,173
Year-to-date 2003	2,126	117	629	583	61	3	14	3,533
% Change	-15.5	37.6	5.2	-29.2	103.3	-100.0	21.4	-10.2

*Includes all market types

**Year-over-year change greater than 200 per cent

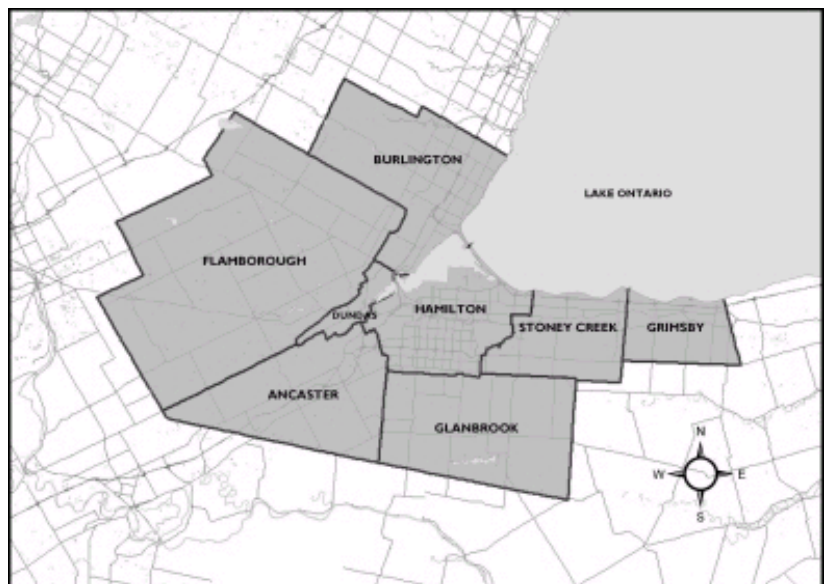


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q4 2003	Q4 2004	% change	Q4 2003	Q4 2004	% change	Q4 2003	Q4 2004	% change
Hamilton CMA	390	589	51.0	540	305	-43.5	930	894	-3.9
New City of Hamilton	249	342	37.3	116	257	121.6	365	599	64.1
Burlington City	98	213	117.3	311	27	-91.3	409	240	-41.3
Grimsby Town	43	34	-20.9	113	21	-81.4	156	55	-64.7
Hamilton City	75	109	45.3	10	67	**	85	176	107.1
Stoney Creek City	62	68	9.7	50	39	-22.0	112	107	-4.5
Ancaster Town	50	47	-6.0	49	31	-36.7	99	78	-21.2
Dundas Town	18	32	77.8	2	62	**	20	94	**
Flamborough	28	29	3.6	0	12	NA	28	41	46.4
Glanbrook	16	57	**	5	46	**	21	103	**

Table 2B: Starts by Area and by Intended Market - Year-to-Date

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	YTD 2003	YTD 2004	% change	YTD 2003	YTD 2004	% change	YTD 2003	YTD 2004	% change
Hamilton CMA	1,743	1,995	14.5	1,517	2,098	38.3	3,260	4,093	25.6
New City of Hamilton	1,090	1,217	11.7	409	973	137.9	1,499	2,190	46.1
Burlington City	494	606	22.7	869	1,009	16.1	1,363	1,615	18.5
Grimsby Town	159	172	8.2	239	116	-51.5	398	288	-27.6
Hamilton City	294	300	2.0	86	314	**	380	614	61.6
Stoney Creek City	292	278	-4.8	73	205	180.8	365	483	32.3
Ancaster Town	225	249	10.7	162	128	-21.0	387	377	-2.6
Dundas Town	47	69	46.8	2	66	**	49	135	175.5
Flamborough	107	102	-4.7	0	52	NA	107	154	43.9
Glanbrook	125	219	75.2	86	208	141.9	211	427	102.4

Table 3: Average Price of Completed and Absorbed Single-Detached Dwellings (\$)

Sub Market Area	Q4 2003	Q4 2004	% Change	YTD 2003	YTD 2004	% Change
Hamilton CMA	296,703	325,385	9.7	285,755	316,705	10.8
New City of Hamilton	281,876	315,048	11.8	265,749	303,510	14.2
Burlington City	337,801	363,633	7.6	331,369	354,864	7.1
Grimsby Town	273,976	297,262	8.5	266,059	284,344	6.9
Hamilton City	234,557	265,625	13.2	224,364	258,742	15.3
Stoney Creek City	277,143	273,355	-1.4	250,646	265,289	5.8
Ancaster Town	342,318	377,916	10.4	310,739	365,151	17.5
Dundas Town	433,587	341,845	-21.2	352,888	328,979	-6.8
Flamborough	368,679	453,688	23.1	389,342	422,200	8.4
Glanbrook	232,385	255,933	10.1	230,542	261,949	13.6

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

Table 4: Completed and Absorbed Single-Detached Units by Price Range

AREA	PRICE RANGES										
	<\$ 174,999		\$ 175-\$249,999		\$250-\$299,999		\$300-\$349,999		\$350,000+		TOTAL
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Hamilton CMA											
Q4 2004	7	1.4	119	23.3	146	28.6	101	19.8	137	26.9	510
Q4 2003	19	2.8	259	38.1	190	28.0	80	11.8	131	19.3	679
YTD 2004	22	1.2	438	24.4	532	29.6	340	18.9	464	25.8	1,796
YTD 2003	27	1.3	933	43.9	415	19.5	434	20.4	317	14.9	2,126
New City of Hamilton											
Q4 2004	7	2.2	100	30.8	84	25.8	46	14.2	88	27.1	325
Q4 2003	19	4.2	207	45.5	109	24.0	53	11.6	67	14.7	455
YTD 2004	22	2.0	372	34.3	306	28.2	137	12.6	249	22.9	1086
YTD 2003	27	2.0	791	58.2	256	18.8	131	9.6	155	11.4	1360
Burlington City											
Q4 2004	0	0.0	0	0.0	37	28.7	48	37.2	44	34.1	129
Q4 2003	0	0.0	43	23.2	57	30.8	22	11.9	63	34.1	185
YTD 2004	0	0.0	12	2.3	132	25.0	180	34.0	205	38.8	529
YTD 2003	0	0.0	89	13.8	112	17.3	287	44.4	159	24.6	647
Grimsby Town											
Q4 2004	0	0.0	19	33.9	25	44.6	7	12.5	5	8.9	56
Q4 2003	0	0.0	9	23.1	24	61.5	5	12.8	1	2.6	39
YTD 2004	0	0.0	54	29.8	94	51.9	23	12.7	10	5.5	181
YTD 2003	0	0.0	53	44.5	47	39.5	16	13.4	3	2.5	119
Hamilton City											
Q4 2004	3	4.5	24	36.4	26	39.4	8	12.1	5	7.6	66
Q4 2003	14	9.7	92	63.9	24	16.7	11	7.6	3	2.1	144
YTD 2004	10	3.9	113	44.3	92	36.1	26	10.2	14	5.5	255
YTD 2003	18	4.6	308	79.4	43	11.1	15	3.9	4	1.0	388
Stoney Creek City											
Q4 2004	0	0.0	25	37.9	29	43.9	5	7.6	7	10.6	66
Q4 2003	1	1.3	38	50.7	23	30.7	5	6.7	8	10.7	75
YTD 2004	1	0.4	129	49.4	94	36.0	13	5.0	24	9.2	261
YTD 2003	2	0.5	247	65.3	88	23.3	25	6.6	16	4.2	378
Ancaster Town											
Q4 2004	0	0.0	8	8.6	8	8.6	25	26.9	52	55.9	93
Q4 2003	0	0.0	12	13.6	18	20.5	23	26.1	35	39.8	88
YTD 2004	1	0.4	13	5.7	43	18.8	58	25.3	114	49.8	229
YTD 2003	0	0.0	81	31.8	49	19.2	51	20.0	74	29.0	255
Dundas Town											
Q4 2004	0	0.0	0	0.0	1	25.0	1	25.0	2	50.0	4
Q4 2003	0	0.0	1	6.3	13	81.3	1	6.3	1	6.3	16
YTD 2004	0	0.0	1	1.8	23	40.4	19	33.3	14	24.6	57
YTD 2003	0	0.0	4	6.8	25	42.4	18	30.5	12	20.3	59
Flamborough											
Q4 2004	4	13.8	2	6.9	1	3.4	3	10.3	19	65.5	29
Q4 2003	4	9.3	10	23.3	3	7.0	7	16.3	19	44.2	43
YTD 2004	10	9.1	17	15.5	6	5.5	8	7.3	69	62.7	110
YTD 2003	7	7.4	16	17.0	9	9.6	15	16.0	47	50.0	94
Glanbrook											
Q4 2004	0	0.0	41	61.2	19	28.4	4	6.0	3	4.5	67
Q4 2003	0	0.0	54	60.7	28	31.5	6	6.7	1	1.1	89
YTD 2004	0	0.0	99	56.9	48	27.6	13	7.5	14	8.0	174
YTD 2003	0	0.0	135	72.6	42	22.6	7	3.8	2	1.1	186

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

Table 5: Resale Housing Activity for Hamilton Real Estate Board

		Number of		Sales	Number of	New Listings	Sales-to-New	Average		Average
		Sales	Yr/Yr %	SAAR	New Listings	SAAR	Listings SA	Price (\$)	Yr/Yr %	Price (\$) SA
2003	January	751	-11.5	12,400	1,294	16,400	75.9	186,875	6.8	189,330
	February	1,067	-2.5	13,400	1,520	17,900	74.7	191,886	4.7	189,365
	March	1,076	-10.0	11,700	1,545	15,900	73.6	190,956	6.1	190,045
	April	1,207	-14.7	10,900	1,541	14,800	73.4	198,559	9.0	195,906
	May	1,281	-2.9	12,300	1,656	16,100	76.7	198,466	7.0	195,864
	June	1,313	24.0	13,800	1,644	17,100	80.9	205,718	10.8	199,479
	July	1,354	32.9	13,900	1,615	17,200	80.6	196,472	4.4	195,387
	August	1,035	5.8	12,700	1,259	16,400	77.7	199,421	7.5	201,715
	September	1,117	7.4	13,600	1,502	17,000	79.8	199,927	5.8	203,647
	October	1,040	1.9	12,900	1,242	15,700	82.5	202,408	10.6	203,674
	November	902	1.5	13,300	1,013	16,600	80.2	201,924	10.2	201,659
	December	664	9.9	12,700	724	17,600	72.2	195,144	10.2	205,564
2004	January	758	0.9	13,000	1,281	16,700	77.7	205,495	10.0	210,228
	February	956	-10.4	12,100	1,333	15,900	75.9	207,768	8.3	204,948
	March	1,393	29.5	13,900	1,766	17,100	81.4	217,984	14.2	219,552
	April	1,454	20.5	13,800	1,759	17,600	78.4	217,098	9.3	213,216
	May	1,341	4.7	13,600	1,734	17,500	77.6	216,121	8.9	211,922
	June	1,374	4.6	13,500	1,815	18,000	75.2	221,967	7.9	217,440
	July	1,210	-10.6	13,200	1,545	17,400	75.7	215,512	9.7	214,187
	August	1,119	8.1	13,500	1,402	17,700	76.2	208,998	4.8	212,605
	September	1,017	-9.0	12,800	1,541	17,900	71.4	218,742	9.4	216,280
	October	980	-5.8	13,100	1,314	17,800	73.3	218,204	7.8	221,191
	November	930	3.1	12,800	1,108	17,100	74.9	224,336	11.1	227,652
	December	644	-3.0	12,900	625	15,900	81.0	212,592	8.9	221,469
Q4 2003		2,606	3.7	13,000	2,979	16,600	78.1	200,389	10.3	203,603
Q4 2004		2,554	-2.0	12,900	3,047	16,900	76.3	219,022	9.3	223,413
YTD 2003		12,807	2.6		16,555			197,745	7.8	
YTD 2004		13,176	2.9		17,223			215,922	9.2	

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price (\$)	Yr/Yr %	
1994	8,345	7.7		23,833	-7.0		145,939	1.7	
1995	7,737	-7.3		21,983	-7.8		141,109	-3.3	
1996	10,224	32.1		19,133	-13.0		142,267	0.8	
1997	9,972	-2.5		17,755	-7.2		151,538	6.5	
1998	10,017	0.5		17,549	-1.2		153,628	1.4	
1999	10,543	5.3		16,208	-7.6		158,162	3.0	
2000	10,347	-1.9		19,496	20.3		164,168	3.8	
2001	11,334	9.5		18,585	-4.7		172,567	5.1	
2002	12,482	10.1		15,850	-14.7		183,442	6.3	
2003	12,807	2.6		16,555	4.4		197,745	7.8	

Source: Canadian Real Estate Association

Table 6: Economic Indicators

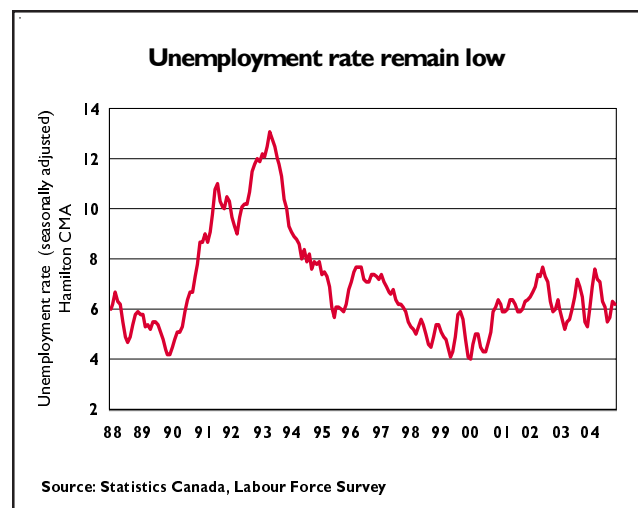
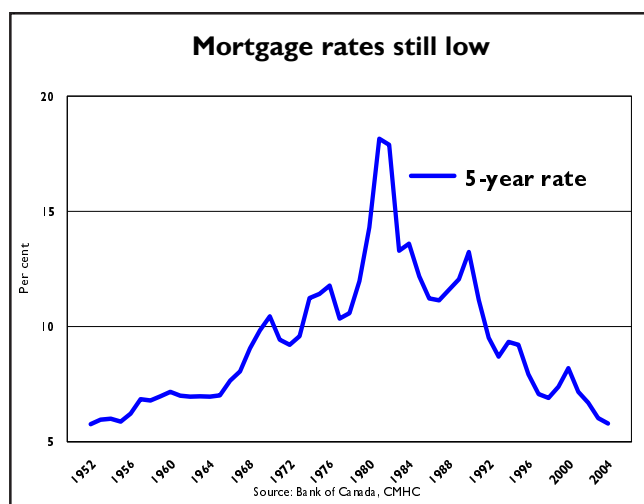
		Interest and Exchange Rates				Inflation Rate (%)	NHP*** % chg	Hamilton CMA Labour Market		
		P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)	Ontario	Hamilton CMA	Employment	Employment	Unemployment
			1 Yr. Term	5 Yr. Term		1996=100	1997=100	SA** (,000)	SA m/m (%)	Rate (%) SA
2003	January	666.80	4.9	6.5	0.657	4.3	7.2	359.0	0.3	6.5
	February	675.90	4.9	6.6	0.674	4.4	6.4	359.5	0.1	6.1
	March	691.18	5.4	6.9	0.681	3.3	7.6	361.0	0.4	5.6
	April	678.94	5.4	6.7	0.698	2.3	7.3	360.1	-0.2	5.2
	May	648.75	5.1	6.2	0.731	2.7	7.0	359.0	-0.3	5.5
	June	627.97	4.9	5.8	0.742	2.5	6.2	359.3	0.1	5.8
	July	651.74	4.6	6.2	0.712	1.9	7.0	362.0	0.8	6.1
	August	660.76	4.6	6.4	0.722	1.7	7.0	364.9	0.8	6.6
	September	657.75	4.6	6.3	0.741	2.2	6.2	365.6	0.2	7.1
	October	663.77	4.6	6.4	0.758	1.7	5.0	367.1	0.4	6.9
	November	669.82	4.8	6.5	0.770	1.7	4.6	367.9	0.2	6.5
	December	666.80	4.8	6.5	0.771	3.0	4.0	369.4	0.4	5.5
2004	January	642.78	4.3	6.1	0.755	1.5	4.3	369.3	0.0	5.3
	February	627.97	4.3	5.8	0.749	0.8	5.2	362.3	-1.9	6.0
	March	622.08	4.3	5.7	0.763	1.1	3.9	359.2	-0.9	6.9
	April	648.75	4.5	6.2	0.729	2.3	4.3	358.2	-0.3	7.6
	May	669.82	4.6	6.5	0.733	2.8	5.3	365.7	2.1	7.2
	June	681.99	4.7	6.7	0.750	2.4	6.2	370.0	1.2	7.1
	July	672.86	4.6	6.6	0.752	2.4	5.4	375.8	1.6	6.3
	August	657.75	4.4	6.3	0.762	1.5	4.5	377.3	0.4	6.1
	September	657.75	4.8	6.3	0.793	1.5	5.6	380.4	0.8	5.5
	October	663.77	4.9	6.4	0.821	2.1	5.8	377.5	-0.8	5.7
	November	657.75	5.0	6.3	0.843	2.2	6.7	372.9	-1.2	6.3
	December	642.78	4.8	6.1	0.832	1.9	6.7	369.9	-0.8	6.2

* Principal and Interest Payment assumes a five year mortgage rate and 25 year amortization period

** Seasonally Adjusted

*** New Housing Price Index

Source: CMHC, Statistics Canada Labour Force Survey



Definitions

- 1. Starts:** refers to units where construction has advanced to a stage where full (100%) footings are in place. For multiple dwellings (semi-detached, row housing and apartments) the definition of a start applies to the structure or block of row units rather than to the project as a whole.
- 2. Under Construction:** those units which have been started but which are not complete.
- 3. Completions - Single-detached/semi-detached units:** this generally is the stage at which all proposed construction work is complete. A unit may be completed at the 90% stage where the remaining work is largely cosmetic. **Row housing/ Apartment:** completions means that 90% or more of the dwelling units within a block of row units or an apartment structure are completed and ready for occupancy
- 4. Completed and Not Absorbed:** all completed units of new construction (excluding model homes not available for sale) which have never been sold or leased.
- 5. Absorptions:** the number of completed units (excluding model homes) that have been sold or leased.
- 6. Seasonally Adjusted (SA):** Actual monthly (or quarterly) figures adjusted to remove normal seasonal variation.
- 7. Seasonally Adjust Annual Rates (SAAR):** Seasonally adjusted monthly figures multiplied by 12 (or quarterly figures multiplied by 4) to reflect annualized levels of activity..
- 8. Definitions for CMA, NHPI, CPI, and Inflation Rate** can be found in the Statistics Canada website - <http://www.statcan.ca>

Your Guide to Renting a Home – CMHC’s new, online guide for tenants, landlords, and property managers

CMHC is breaking new ground with the introduction of “Your Guide to Renting a Home”. A comprehensive rental guide, developed by the Research and Information Transfer team, this free, online tool launched this spring. It will help the estimated four million Canadian households in rental accommodation, as well as landlords and property managers, to find plain language information on tenant and landlord rights and rental practices across the country.

“Your Guide to Renting a Home” is located on the CMHC Web site at www.cmhc.ca. From the left-hand menu, you can select “Buying or Renting a Home” and click on “Renting a Home”.

Ontario’s 2004 Retirement Homes Report

Do you want to learn more about the dynamic private retirement home market in Ontario? The 2004 Retirement Homes Report has detailed Ontario-wide survey findings by market area covering vacancy rates and per diems by bed type, capture rates, new supply and vacancy rates by rent range for private beds as well as rent distributions. Order your copy today by calling **1-800-493-0059**.

Housing Now is published four times yearly for the Hamilton Metropolitan market. Forecast Summary Supplement is included with the 1st and 3rd quarter reports. An annual subscription to the Hamilton Housing Now is \$55.00 plus GST. To order, please contact Ontario customer service at 1-800-493-0059.

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