

H

OUSING NOW

London

YOUR LINK TO THE HOUSING MARKET

New Homes

Canada Mortgage and Housing Corporation

New home market off to strong opening quarter

Single-detached new home starts were up 15 per cent in the first quarter of 2004 from 315 to 362 units, the highest opening quarter since 1990 in the London census metropolitan area (CMA). Total new construction continues to trend up. Attractive financing options, a robust resale market and year long rising employment levels have sustained new home demand.

Picking up from last year's impressive rental apartment construction starts of 837 units, a 175-unit downtown London luxury rental apartment project was started in March. In Febru-

ary, construction started on an 80-unit, 14 storey condominium apartment, London's first since 1989. Prices start at \$245,000. These luxury developments and one floor row and cluster single condos are tapping the growing empty nester segment.

In March, we assessed the sales status of 418 singles under construction in London and found that an estimated 56% were sold and 8 units were for rent. This left about 175 homes under construction for sale + 66 model homes + 59 homes completed and available for sale. An inventory of 300 singles is manageable when compared to an average monthly absorption rate of 105 single units over the past two years.

ISSUE 22
FIRST QUARTER 2004

IN THIS ISSUE

New Homes

- 1 Demand strong
- 2 Location map: single starts
- 3 Stages of construction
- 4 Single starts and prices by municipality
- 5 Single-detached new home sales by price range

Resale Market

- 6 March MLS sales record; New listings up; Prices up 9.9%; = Sellers' market

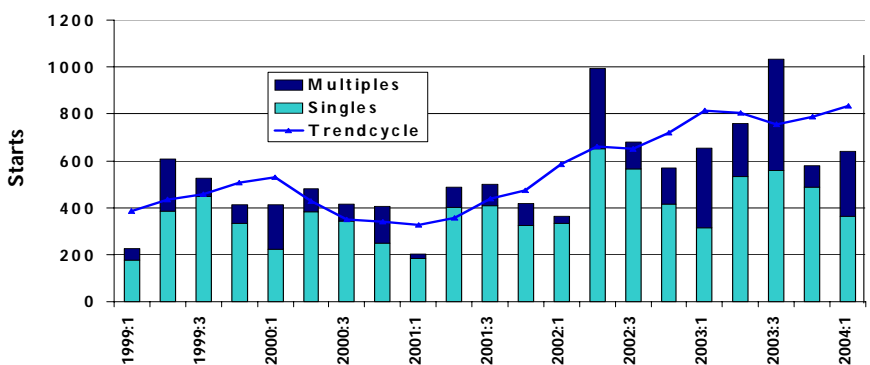
Economic Indicators

- 7 Employment still rising

London's share of single starts increased to 76% in Q1 from 70% average in 2003, as even more land become available in new subdivisions, especially in annexed areas. In St. Thomas, 48 singles were underway in Q1:2004, up an impressive 30%.

The average new home sales price continues to rise with 15% of absorbed singles in Q1 priced above \$300,000. The New Housing Price Index for the London CMA was up 6.1% in February.

London CMA Housing Starts



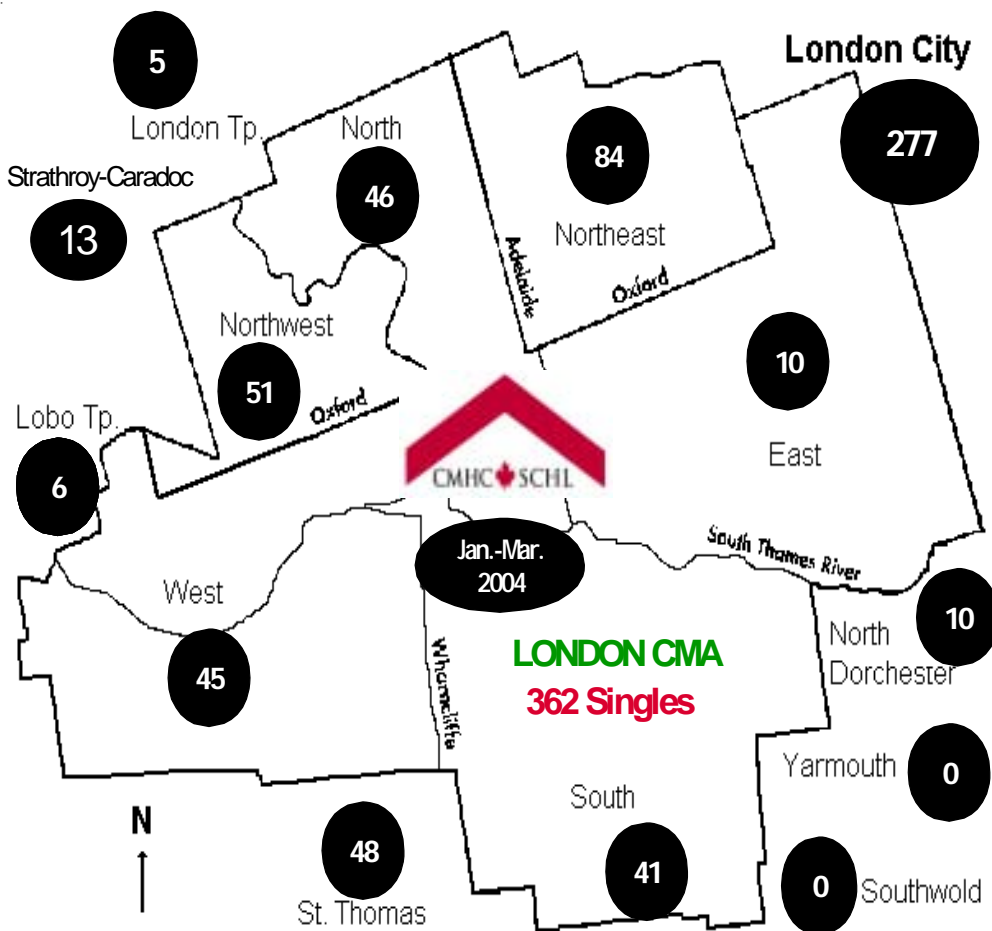
Source: CMHC

Ken Sumnall, Senior Market Analyst
CMHC London, Market Analysis
Direct Line: 519.873-2410 * Fax: 519.438-5266
ksumnall@cmhc.ca * www.cmhc.ca



HOME TO CANADIANS
Canada

WHERE'S THE HAMMERING BY SUB-MARKET



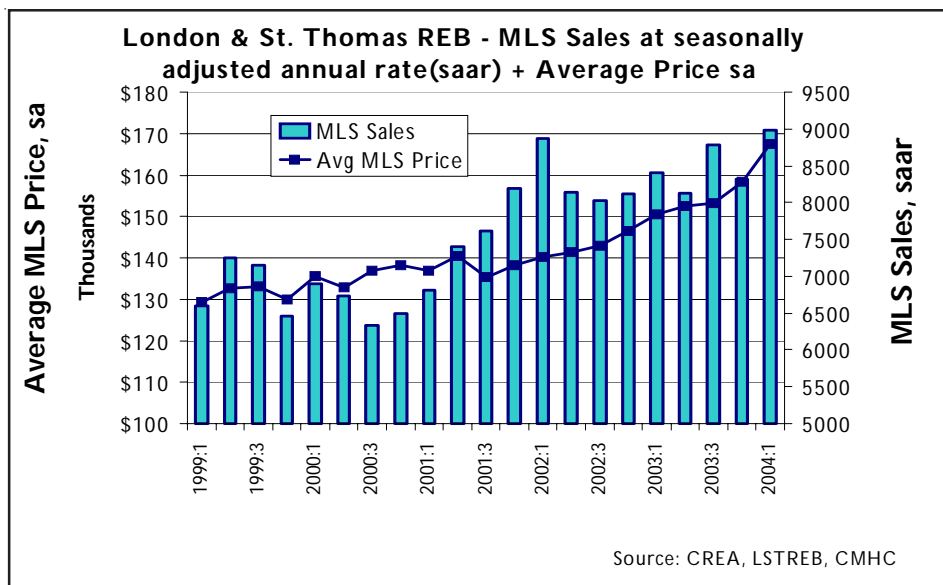
First quarter single detached home starts

The map shows the location of single-detached new home starts in the City of London and the surrounding markets which make up the London CMA (census metropolitan area). 76.5% of the activity took place in London and 13.2% in St. Thomas. Not shown are Port Stanley (1 unit) and Delaware (2 units).

Source: CMHC

March MLS sales set all time record

Spurred by declining interest rates and rising prices more than 1,000 homes changed hands in March. This was the highest monthly total ever recorded by the London & St. Thomas Real Estate Board. The average MLS price was up 9.9 per cent, rising almost \$15,000 to \$165,236.



The impact of brisk sales and rising prices has encouraged more new listings. However, the market is clearly in favour of the seller with the sales to new listings ratio hitting 71.2 % in March - an indicator of a Seller's market condition and signal for further price increases.



Table 1: Housing Activity Summary for London CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q1 2004	362	0	0	16	80	7	175	640
Q1 2003	315	2	17	19	0	0	301	654
% Change	14.9%	-100.0%	-100.0%	-15.8%	NA	NA	-41.9%	-2.1%
Year-to-date 2004	362	0	0	16	80	7	175	640
Year-to-date 2003	315	2	17	19	0	0	301	654
% Change	14.9%	-100.0%	-100.0%	-15.8%	NA	NA	-41.9%	-2.1%
UNDER CONSTRUCTION								
March 2004	564	2	22	187	80	46	1,216	2,117
March 2003	491	8	38	159	0	0	599	1,295
COMPLETIONS								
Q1 2004	393	14	12	21	0	0	0	440
Q1 2003	344	8	9	66	0	0	0	427
% Change	14.2%	75.0%	33.3%	-68.2%	NA	NA	NA	3.0%
Year-to-date 2004	393	14	12	21	0	0	0	440
Year-to-date 2003	344	8	9	66	0	0	0	427
% Change	14.2%	75.0%	33.3%	-68.2%	NA	NA	NA	3.0%
COMPLETE & NOT ABSORBED								
March 2004	72	3	6	37	0	0	1	119
March 2003	61	1	8	56	0	0	3	129
ABSORPTIONS								
Q1 2004	382	11	11	20	0	0	0	424
Q1 2003	344	7	5	54	0	0	2	412
% Change	11.0%	57.1%	120.0%	-63.0%	NA	NA	-100.0%	2.9%
Year-to-date 2004	382	11	11	20	0	0	0	424
Year-to-date 2003	344	7	5	54	0	0	2	412
% Change	11.0%	57.1%	120.0%	-63.0%	NA	NA	-100.0%	2.9%

* Includes all market types

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

Source: CMHC

**CMHC's 9th Annual
London
Housing Outlook Conference**

MARK YOUR CALENDAR

Tuesday, Nov. 9th 2004

**Four Points Sheraton
London, ON**

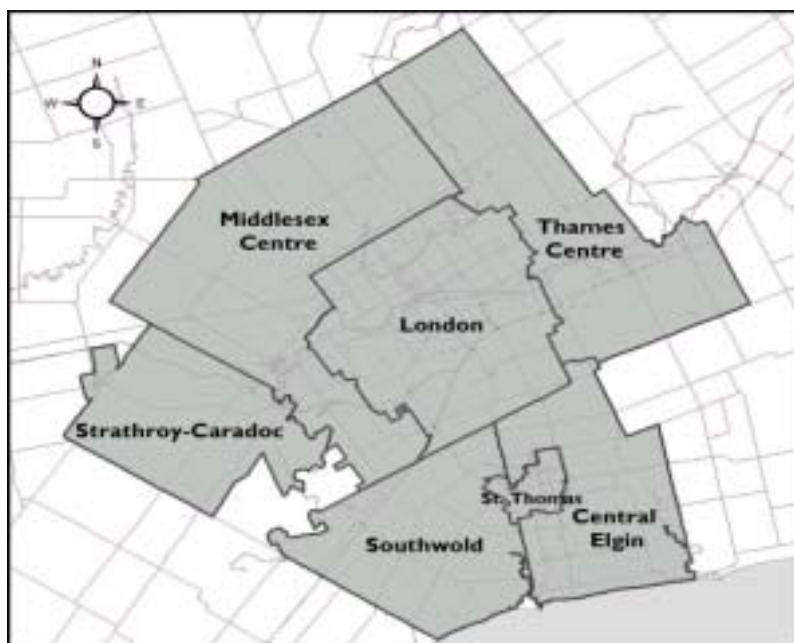


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q1 2003	Q1 2004	% change	Q1 2003	Q1 2004	% change	Q1 2003	Q1 2004	% change
London CMA	315	362	14.9%	339	278	-18.0%	654	640	-2.1%
London City	235	277	17.9%	339	278	-18.0%	574	555	-3.3%
St. Thomas City	37	48	29.7%	0	0	NA	37	48	29.7%
Central Elgin	4	1	-75.0%	0	0	NA	4	1	-75.0%
Middlesex Centre	19	13	-31.6%	0	0	NA	19	13	-31.6%
Southwold Twp.	1	0	-100.0%	0	0	NA	1	0	NA
Strathroy-Caradoc Twp.	11	13	18.2%	0	0	NA	11	13	18.2%
Thames Centre	8	10	25.0%	0	0	NA	8	10	25.0%

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
London CMA	315	362	14.9%	339	278	-18.0%	654	640	-2.1%
London City	235	277	17.9%	339	278	-18.0%	574	555	-3.3%
St. Thomas City	37	48	29.7%	0	0	NA	37	48	29.7%
Central Elgin	4	1	-75.0%	0	0	NA	4	1	-75.0%
Middlesex Centre	19	13	-31.6%	0	0	NA	19	13	-31.6%
Southwold Twp.	1	0	-100.0%	0	0	NA	1	0	-100.0%
Strathroy-Caradoc Twp.	11	13	18.2%	0	0	NA	11	13	18.2%
Thames Centre	8	10	25.0%	0	0	NA	8	10	25.0%

Table 3: Average Price of Completed and Absorbed Single-Detached Dwellings

Sub Market Area	Q1 2003	Q1 2004	% Change	YTD 2003	YTD 2004	% Change
London CMA	\$224,652	\$239,272	6.5%	\$224,652	\$239,272	6.5%
London City	\$237,007	\$239,086	0.9%	\$237,007	\$239,086	0.9%
St. Thomas City	\$177,636	\$184,550	3.9%	\$177,636	\$184,550	3.9%
Central Elgin	\$231,250	\$214,357	-7.3%	\$231,250	\$214,357	-7.3%
Middlesex Centre	\$230,298	\$287,351	24.8%	\$230,298	\$287,351	24.8%
Southwold Twp.	\$260,875	NA	NA	\$260,875	NA	NA
Strathroy-Caradoc Twp.	\$168,750	\$185,350	9.8%	\$168,750	\$185,350	9.8%
Thames Centre	\$252,255	\$342,560	35.8%	\$252,255	\$342,560	35.8%

Note: NA may appear where CMHC data suppression rules apply

Source: CMHC

Note: Municipal amalgamations resulted in the creation of the Municipality of Central Elgin (formerly Belmont, Port Stanley and Yarmouth Township); the Municipality of Thames Centre (formerly the Townships of North Dorchester and West Nissouri); and, the Township of Middlesex Centre (formerly the Townships of Delaware, Lobo, and London). The amalgamated centre of Strathroy-Caradoc Township was first surveyed as component of the London Census Metropolitan Area (CMA) in 2002. The change in the components of the London CMA was based on the results of the 2001 Census of Canada.

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

AREA	PRICE RANGES										
	<\$149,999		\$150-\$174,999		\$175-\$249,999		\$250-\$299,999		\$300,000+		TOTAL
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
London CMA											
Q1 2004	16	4%	64	17%	179	47%	67	18%	56	15%	382
Q1 2003	33	10%	75	22%	155	45%	50	15%	31	9%	344
YTD 2004	16	4%	64	17%	179	47%	67	18%	56	15%	382
YTD 2003	33	10%	75	22%	155	45%	50	15%	31	9%	344
London City											
Q1 2004	6	2%	43	17%	119	46%	50	20%	38	15%	256
Q1 2003	19	8%	41	18%	107	46%	40	17%	25	11%	232
YTD 2004	6	2%	43	17%	119	46%	50	20%	38	15%	256
YTD 2003	19	8%	41	18%	107	46%	40	17%	25	11%	232
St. Thomas City											
Q1 2004	7	18%	14	35%	15	38%	4	10%	0	0%	40
Q1 2003	4	12%	12	36%	16	48%	0	0%	1	3%	33
YTD 2004	7	18%	14	35%	15	38%	4	10%	0	0%	40
YTD 2003	4	12%	12	36%	16	48%	0	0%	1	3%	33
Central Elgin											
Q1 2004	0	0%	1	7%	10	71%	1	7%	2	14%	14
Q1 2003	0	0%	0	0%	2	50%	2	50%	0	0%	4
YTD 2004	0	0%	1	7%	10	71%	1	7%	2	14%	14
YTD 2003	0	0%	0	0%	2	50%	2	50%	0	0%	4
Middlesex Centre											
Q1 2004	0	0%	1	4%	8	35%	5	22%	9	39%	23
Q1 2003	0	0%	0	0%	11	79%	2	14%	1	7%	14
YTD 2004	0	0%	1	4%	8	35%	5	22%	9	39%	23
YTD 2003	0	0%	0	0%	11	79%	2	14%	1	7%	14
Southwold Twp.											
Q1 2004	0	0%	2	67%	0	0%	1	33%	0	0%	3
Q1 2003	5	63%	0	0%	1	13%	0	0%	2	25%	8
YTD 2004	0	0%	2	67%	0	0%	1	33%	0	0%	3
YTD 2003	5	63%	0	0%	1	13%	0	0%	2	25%	8
Strathroy-Caradoc Twp.											
Q1 2004	3	15%	3	15%	13	65%	1	5%	0	0%	20
Q1 2003	5	13%	22	58%	10	26%	1	3%	0	0%	38
YTD 2004	3	15%	3	15%	13	65%	1	5%	0	0%	20
YTD 2003	5	13%	22	58%	10	26%	1	3%	0	0%	38
Thames Centre											
Q1 2004	0	0%	0	0%	14	54%	5	19%	7	27%	26
Q1 2003	0	0%	0	0%	8	53%	5	33%	2	13%	15
YTD 2004	0	0%	0	0%	14	54%	5	19%	7	27%	26
YTD 2003	0	0%	0	0%	8	53%	5	33%	2	13%	15

Note: N/A may appear where CMHC data suppression rules apply.

Market shares by price range rounded to nearest whole number

Source: CMHC

Table 5: Resale Housing Activity for London & St. Thomas Real Estate Board

	Number of Sales	Yr/Yr %	Sales SAAR	Number of New Listings	New Listings SAAR	Sales-to-New Listings SA	Average Price (\$)	Yr/Yr %	Average Price (\$) SA
2003 January	504	-1.8%	9,200	1,013	12,000	76.3	\$147,527	10.8%	\$150,218
February	641	-12.4%	7,900	1,020	11,900	66.3	\$148,486	1.9%	\$148,365
March	749	-3.9%	8,100	1,242	12,900	62.7	\$153,924	12.1%	\$152,734
April	888	-7.1%	7,900	1,303	12,500	63.4	\$150,488	5.8%	\$151,494
May	859	-1.5%	8,000	1,378	13,200	61.0	\$156,732	6.3%	\$151,847
June	853	9.5%	8,400	1,153	12,800	66.0	\$156,328	10.1%	\$153,979
July	920	21.2%	9,300	1,350	14,200	65.6	\$153,509	5.9%	\$148,856
August	700	-1.4%	8,400	970	12,700	65.8	\$155,500	9.6%	\$157,421
September	694	14.7%	8,600	1,142	13,300	64.8	\$153,267	5.3%	\$153,922
October	644	4.4%	8,700	934	12,800	68.2	\$156,331	8.3%	\$156,279
November	556	-3.6%	8,400	773	12,600	66.8	\$151,770	7.5%	\$157,205
December	404	3.3%	7,900	567	13,100	60.0	\$159,529	9.5%	\$162,069
2004 January	443	-12.1%	8,200	1,010	12,200	67.1	\$167,090	13.3%	\$169,375
February	701	9.4%	8,500	1,024	12,300	68.5	\$163,715	10.3%	\$171,767
March	1049	40.1%	10,300	1,519	14,500	71.2	\$165,469	7.5%	\$162,449
April									
May									
June									
July									
August									
September									
October									
November									
December									
Q1 2003	1,894	-6.4%	8,400	3,275	12,300	68.3	\$150,382	8.0%	\$150,447
Q1 2004	2,193	15.8%	9,000	3,553	13,000	69.1	\$165,236	9.9%	\$167,479
YTD 2003	1,894	-6.4%		3,275			\$150,381	8.0%	
YTD 2004	2,193	15.8%		3,553			\$165,236	9.9%	

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price	Yr/Yr %	
1994	5,954	-0.2%		16,107	3.8%		\$135,597	0.0%	
1995	5,510	-7.5%		15,843	-1.6%		\$128,643	-5.1%	
1996	6,906	25.3%		16,421	3.6%		\$129,338	0.5%	
1997	6,454	-6.5%		15,784	-3.9%		\$131,382	1.6%	
1998	6,562	1.7%		15,258	-3.3%		\$131,299	-0.1%	
1999	6,864	4.6%		13,661	-10.5%		\$131,254	0.0%	
2000	6,616	-3.6%		13,598	-0.5%		\$135,857	3.5%	
2001	7,503	13.4%		13,434	-1.2%		\$137,717	1.4%	
2002	8,290	10.5%		12,907	-3.9%		\$142,745	3.7%	
2003	8,412	1.5%		12,845	-0.5%		\$153,637	7.6%	

Source: Canadian Real Estate Association

Table 6: Economic Indicators

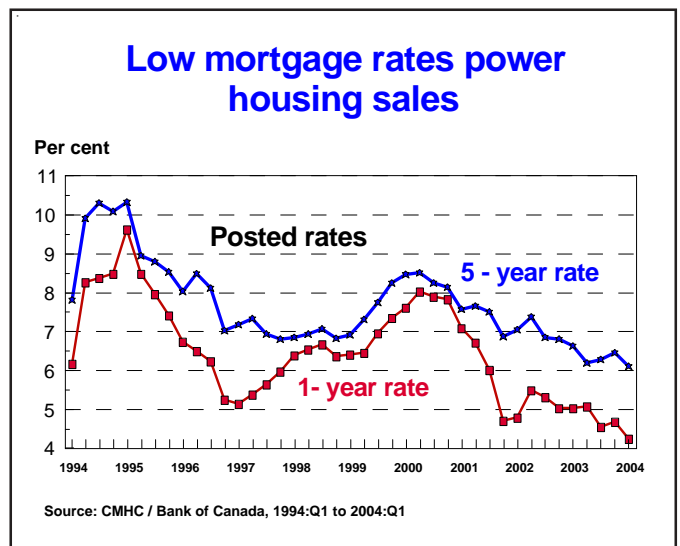
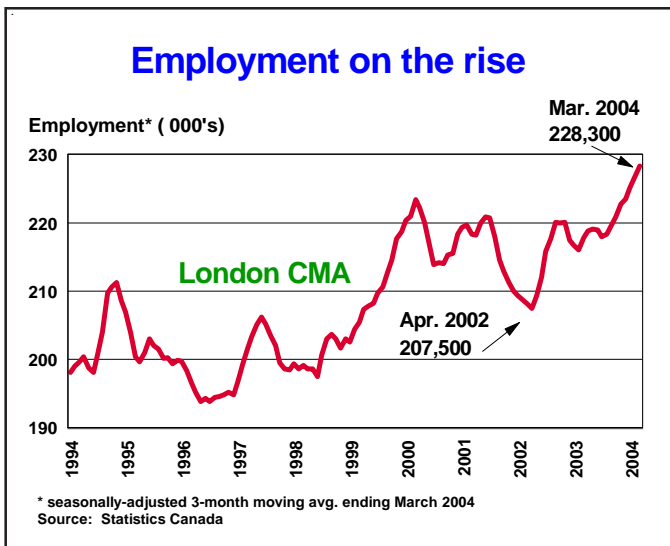
		Interest and Exchange Rates			Inflation Rate	NHPI**** % chg.	London CMA Labour Market			
		P & I*	Mortgage Rate				Exch. Rate	Ontario	London CMA	Employment
			Per \$100,000	1 Yr. Term	5 Yr. Term	1996=100				
2003	January	\$666.80	4.9%	6.5%	0.657	4.3%	2.6%	216.7	-0.4%	6.7%
	February	\$675.90	4.9%	6.6%	0.674	4.4%	3.3%	216.1	-0.3%	6.8%
	March	\$691.18	5.4%	6.9%	0.681	3.3%	4.7%	217.8	0.8%	6.7%
	April	\$678.94	5.4%	6.7%	0.698	2.3%	5.0%	218.8	0.5%	6.8%
	May	\$648.75	5.1%	6.2%	0.731	2.7%	5.5%	219.1	0.1%	6.9%
	June	\$627.97	4.9%	5.8%	0.742	2.5%	4.9%	219.0	0.0%	6.7%
	July	\$651.74	4.6%	6.2%	0.712	1.9%	5.3%	218.0	-0.5%	6.3%
	August	\$660.76	4.6%	6.4%	0.722	1.7%	5.1%	218.3	0.1%	6.6%
	September	\$657.75	4.6%	6.3%	0.741	2.2%	4.9%	219.7	0.6%	7.1%
	October	\$663.77	4.6%	6.4%	0.758	1.7%	3.6%	220.8	0.5%	7.7%
	November	\$669.82	4.8%	6.5%	0.770	1.7%	5.4%	222.7	0.9%	7.4%
	December	\$666.80	4.8%	6.5%	0.771	3.0%	6.2%	223.5	0.4%	7.2%
2004	January	\$642.78	4.3%	6.1%	0.755	1.5%	5.0%	225.1	0.7%	7.0%
	February	\$627.97	4.3%	5.8%	0.749	0.8%	6.1%	226.8	0.8%	7.0%
	March	\$622.08	4.3%	5.7%	0.763	1.1%		228.3	0.7%	6.3%
	April	\$648.75	4.5%	6.2%						
	May									
	June									
	July									
	August									
	September									
	October									
	November									
	December									

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

** Seasonally Adjusted

*** New Housing Price Index

Sources: CMHC, Statistics Canada, Bank of Canada



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>

Eco-tech Village Pilot Project: Sustainability

CMHC has recently published a new report – *Town of Milton Eco-tech Village Pilot Project Urban Design Charrette: Making Choices Toward Sustainability*. The report details the results of a two-day design charrette in Milton, Ontario that examined ways to shift away from contemporary community planning to achieve sustainability. To learn more about this project and the sustainable alternatives that were developed during the charrette, download the Research Highlight or order the full report on-line at www.cmhc.ca.

For more information, or to order by phone, call 1-800-668-2642.

About Your House

Are you looking to pass on valuable information to your clients that will assist them in operating and maintain their homes? If yes, consider using Canada Mortgage and Housing Corporation's free **About Your House** series as a resource. Easy to read and understand, **About Your House** fact sheets provide homeowners with information on common housing questions, issues and problems. To download the series or order them on-line click on www.cmhc.ca.

For more information, or to order by phone, call 1-800-668-2642.

Housing Now is published four times a year. An annual subscription to the London Housing Now is \$55+ GST. The subscription also includes a 4-page Forecast Summary, London's housing market outlook to be released May 4 and October 28 in 2004.

For more information and to order, please call Ontario Market Analysis at 1 800 493-0059.

© 2004 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of

Canada Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and

opinions contained in this publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.

