

# H

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## YOUR LINK TO THE HOUSING MARKET

### Sudbury and Thunder Bay new housing starts outstrip last year

Housing starts levels in Sudbury and Thunder Bay were both leading last year's marks both for the quarter and for the year-to-date. The chart below shows a history of quarterly starts in both markets. Sudbury's 126 units from April 1st to June 30th was the strongest quarterly figure going back to at least 1997.

The mark is 70 per cent ahead of the 5 year average for the Sudbury market. Thunder Bay's 70 starts are well up over the 51 units last year and 22 units up on the 5 year average for Thunder Bay. (see chart below)

North Bay is ahead of last year while Sault Ste. Marie and Timmins are behind last year to June 30th in

Canada Mortgage and Housing Corporation

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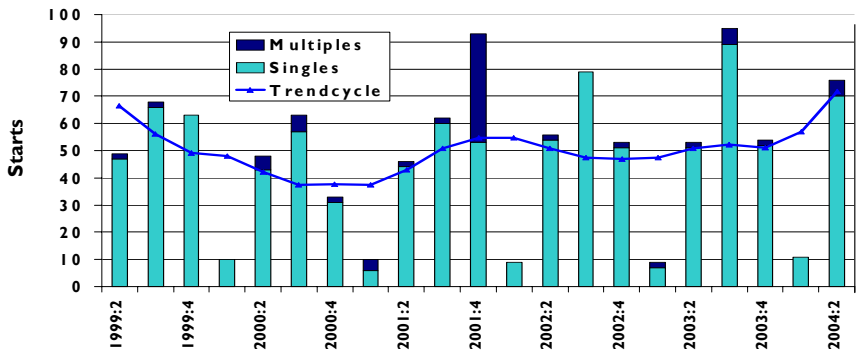
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terms of total housing starts. Sault Ste. Marie had a stronger second quarter than last year and is only a matter of two starts off last year's six month total. Vacancy rates have been coming down in some of our Northern Ontario markets but anecdotally, we are hearing that the market in Thunder Bay and Sudbury may be poised to change as low interest rates coax more and more renters to become homeowners. Tightening move-up markets have also helped housing starts.

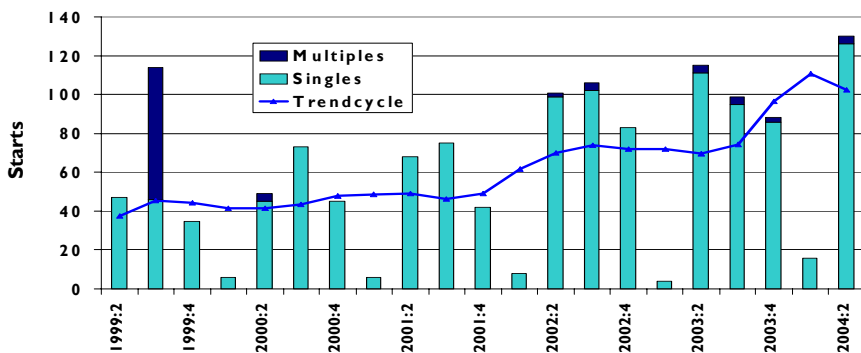
In other parts of Northern Ontario, things continued at least on pace with last year in the second quarter for the most part. Dryden is exception with second quarter starts being significantly behind last year. Job losses at the town's major employer, Weyerhaeuser may explain the weaker numbers. (see Table 2). Year-to-date numbers for the same markets are found in Table 2B.

Thunder Bay CMA Housing Starts



Source: CMHC

Sudbury CMA Housing Starts



Source: CMHC

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Table 4 presents new construction absorption information by volume and by price range. The \$150,000 to \$199,999 price range remains the most popular in Sudbury and Sault Ste. Marie while the \$200,000 plus range is most common in Thunder Bay and North Bay.

### Resale Markets in Northern Ontario

Resale market information is provided in **Table 5** for all markets that have Real Estate Boards in Northern Ontario. With mortgage rates continuing at historical lows, affordability continues to be a key factor in boosting resale markets in Northern Ontario.

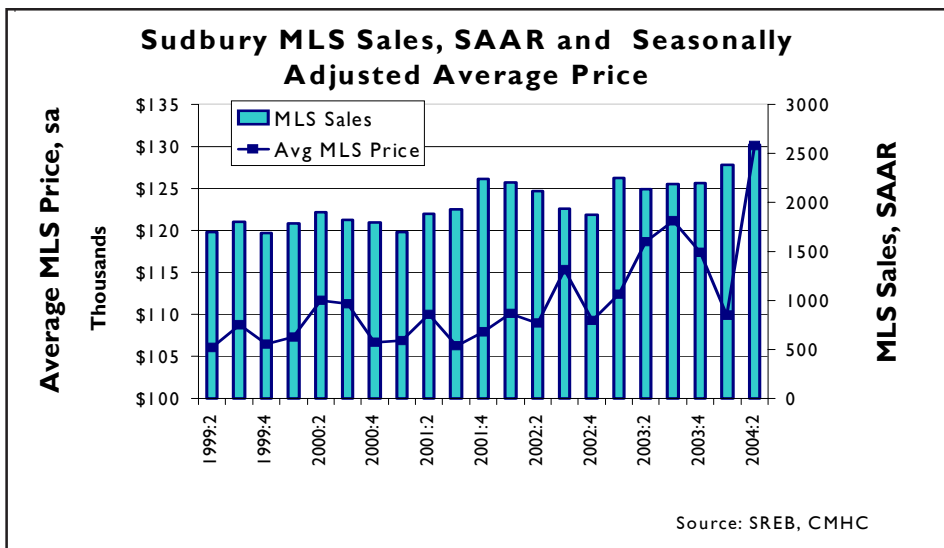
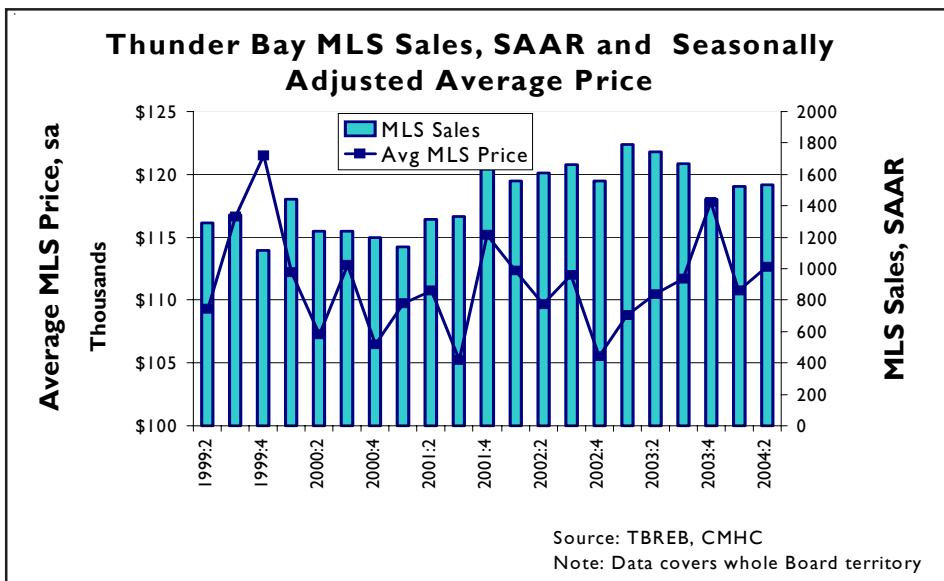
### Thunder Bay Q2 Review

- Sales continued on the downswing from above average sales activity over the past couple years. Residential MLS sales fell to 391 in 2004:Q2, off 7.3 per cent from 2003:Q2.
- After trending down in Q1, Thunder Bay new listings rebounded in Q2 and finished up 7.5 per cent. Listings increased to 686 units from 638 in 2003:Q2.
- Prices picked up in 2004:Q2 finishing up 1.7 per cent for the quarter to \$117,635 from one year prior.
- The lower interest rates, reasonable employment levels, decent demand and firming

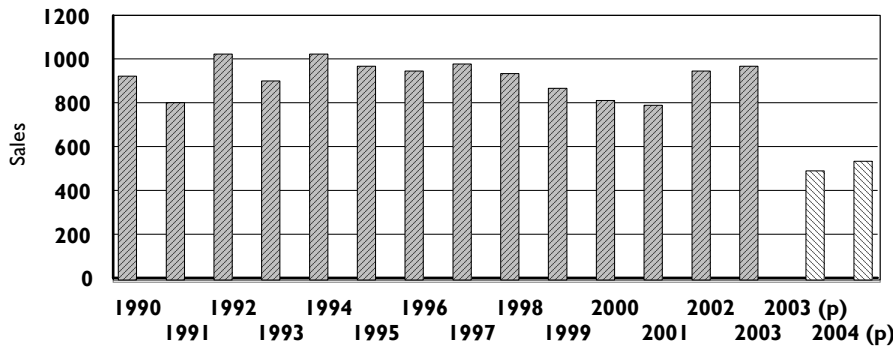
prices support a balanced market classification at the present time although, like Greater Sudbury, this single classification is not consistent across market segments.

### Sudbury Q2 Review

- Greater Sudbury sales are up 23.8 per cent in the second quarter compared to last year's second quarter. The 828 sales in 2004:Q2 marked the strongest second quarter every recorded by the Sudbury Real Estate Board. All counted, Sudbury sales are 17.6 per cent up from last year. Seasonally adjusted sales finished markedly higher than the previous quarter and represent the second consecutive all-time high for the market.
- Listings have troughed in Greater Sudbury. For the second straight quarter, the new listings count showed an improvement, jumping 10.8 per cent over 2003:Q2. The perception that rates may be about to rise may be bringing forward listings as move-up buyers look to trade up before mortgage rates move higher. The 1298 new listings represented the continuation of this listings turnaround that began in the first three months of 2004.
- Average prices continue strong. Average prices are up 5.7 per cent in the first six months of 2004. The average price in the second quarter was \$127,976 up 7.6 per cent from a year prior and is not surprising given the still-high sales to new listings ratio in the Sudbury market.
- All things considered, Sudbury's market is still considered balanced with pockets of the market, depending on price range and neighbourhood, being stronger or weaker as the case may be.



**After another strong year last year, SSM sales volumes are up almost eight per cent to June 30th**



(p) to June 30th.  
Source: SSMREB.

**Sault Ste. Marie Second Quarter Sales Strongest on Record**

After two strong years of sales, the resale market in Sault Ste. Marie is on pace to top 1,000 sales for the first time since 1994. Sales to June 30<sup>th</sup> are ahead eight per cent through the six months ending June 30, 2004. There were 353 sales in the second quarter, the highest numbers recorded by the SSMREB. New listings were off, as has been the trend, 5.8 per cent. The Sault's average priced unit sold for \$95,817, in the first six months of 2004.

**Table IA: Housing Activity Summary for Thunder Bay CMA**

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
<b>STARTS</b>								
Q2 2004	70	6	0	0	0	0	0	76
Q2 2003	51	2	0	0	0	0	0	53
% Change	37.3%	200.0%	NA	NA	NA	NA	NA	43.4%
Year-to-date 2004	81	6	0	0	0	0	0	87
Year-to-date 2003	58	4	0	0	0	0	0	62
% Change	39.7%	50.0%	NA	NA	NA	NA	NA	40.3%
<b>UNDER CONSTRUCTION</b>								
June 2004	94	6	0	0	0	0	0	100
June 2003	93	2	0	0	38	0	0	133
<b>COMPLETIONS</b>								
Q2 2004	42	2	0	0	0	0	0	44
Q2 2003	35	4	0	0	0	0	0	39
% Change	20.0%	-50.0%	NA	NA	NA	NA	NA	12.8%
Year-to-date 2004	87	2	0	0	0	0	0	89
Year-to-date 2003	77	4	0	0	0	0	6	87
% Change	13.0%	-50.0%	NA	NA	NA	NA	-100.0%	2.3%
<b>COMPLETE &amp; NOT ABSORBED</b>								
June 2004	6	2	0	0	0	0	0	8
June 2003	2	1	0	0	0	0	0	3
<b>ABSORPTIONS</b>								
Q2 2004	38	0	0	0	0	0	0	38
Q2 2003	37	3	0	0	0	0	3	43
% Change	2.7%	-100.0%	NA	NA	NA	NA	-100.0%	-11.6%
Year-to-date 2004	83	1	0	0	0	0	0	84
Year-to-date 2003	85	3	0	0	0	0	6	94
% Change	-2.4%	-66.7%	NA	NA	NA	NA	-100.0%	-10.6%

\*Includes all market types

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

Source: CMHC

## Table 1B: Housing Activity Summary for Sudbury CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	SINGLE	SEMI	ROW	ROW	APT			
<b>STARTS</b>								
Q2 2004	126	4	0	0	0	0	0	130
Q2 2003	111	4	0	0	0	0	0	115
% Change	13.5%	0.0%	NA	NA	NA	NA	NA	13.0%
Year-to-date 2004	142	4	0	0	0	0	0	146
Year-to-date 2003	115	4	0	0	0	0	0	119
% Change	23.5%	0.0%	NA	NA	NA	NA	NA	22.7%
<b>UNDER CONSTRUCTION</b>								
June 2004	131	4	0	0	0	0	0	135
June 2003	116	4	0	0	0	0	0	120
<b>COMPLETIONS</b>								
Q2 2004	51	0	0	0	0	0	0	51
Q2 2003	37	0	0	0	0	0	0	37
% Change	37.8%	NA	NA	NA	NA	NA	NA	37.8%
Year-to-date 2004	104	0	0	0	0	0	0	104
Year-to-date 2003	91	0	0	0	0	0	0	91
% Change	14.3%	NA	NA	NA	NA	NA	NA	14.3%
<b>COMPLETE &amp; NOT ABSORBED</b>								
June 2004	12	0	0	0	0	0	0	12
June 2003	11	0	0	0	0	0	0	11
<b>ABSORPTIONS</b>								
Q2 2004	48	0	0	0	0	0	0	48
Q2 2003	36	0	0	0	0	0	0	36
% Change	33.3%	NA	NA	NA	NA	NA	NA	33.3%
Year-to-date 2004	98	0	0	0	0	0	0	98
Year-to-date 2003	90	0	0	0	0	0	0	90
% Change	8.9%	NA	NA	NA	NA	NA	NA	8.9%

\*Includes all market types

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

Source: CMHC

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

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q2 2003	Q2 2004	% change	Q2 2003	Q2 2004	% change	Q2 2003	Q2 2004	% change
North Bay	36	41	13.9%	2	8	**	38	49	28.9%
Sault Ste. Marie	32	34	6.3%	0	4	NA	32	38	18.8%
Timmins	3	5	66.7%	0	0	NA	3	5	66.7%
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	3	3	0.0%	0	0	NA	3	3	0.0%
Kenora	2	5	150.0%	0	0	NA	2	5	150.0%
Fort Frances	1	3	200.0%	0	0	NA	1	3	200.0%
Dryden	9	2	-77.8%	0	0	NA	9	2	-77.8%

## 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
North Bay	39	43	10.3%	2	8	**	41	51	24.4%
Sault Ste. Marie	36	38	5.6%	0	4	NA	36	42	16.7%
Timmins	9	5	-44.4%	0	0	NA	9	5	-44.4%
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	4	3	-25.0%	0	0	NA	4	3	-25.0%
Kenora	2	6	200.0%	0	0	NA	2	6	200.0%
Fort Frances	7	3	-57.1%	4	0	-100.0%	11	3	-72.7%
Dryden	11	2	-81.8%	0	0	NA	11	2	-81.8%

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

Sub Market Area	Q2 2003	Q2 2004	% Change	YTD 2003	YTD 2004	% Change
Sudbury	\$222,444	\$213,000	-4.2%	\$214,978	\$203,286	-5.4%
Thunder Bay	\$218,784	\$206,053	-5.8%	\$205,294	\$209,277	1.9%
North Bay	\$192,500	\$205,545	6.8%	\$188,971	\$186,581	-1.3%
Sault Ste. Marie	\$176,200	\$176,000	-0.1%	\$194,488	\$187,606	-3.5%

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

AREA	PRICE RANGES						TOTAL
	<\$149,999		\$150 - \$199,999		\$200,000 +		
	Units	Share (%)	Units	Share (%)	Units	Share (%)	
<b>Sudbury CMA</b>							
Q2 2004	3	6.3%	24	50.0%	21	43.8%	48
Q2 2003	6	16.7%	17	47.2%	13	36.1%	36
YTD 2004	17	17.3%	44	44.9%	37	37.8%	98
YTD 2003	15	16.7%	41	45.6%	34	37.8%	90
<b>Thunder Bay CMA</b>							
Q2 2004	3	7.9%	15	39.5%	20	52.6%	38
Q2 2003	2	5.4%	10	27.0%	25	67.6%	37
YTD 2004	8	9.6%	28	33.7%	47	56.6%	83
YTD 2003	5	5.9%	33	38.8%	47	55.3%	85
<b>Sault Ste. Marie CA</b>							
Q2 2004	0	0.0%	5	100.0%	0	0.0%	5
Q2 2003	4	21.1%	10	52.6%	5	26.3%	19
YTD 2004	26	24.5%	39	36.8%	41	38.7%	106
YTD 2003	6	18.8%	17	53.1%	9	28.1%	32
<b>North Bay CA</b>							
Q2 2004	2	18.2%	3	27.3%	6	54.5%	11
Q2 2003	1	8.3%	8	66.7%	3	25.0%	12
YTD 2004	12	32.4%	12	32.4%	13	35.1%	37
YTD 2003	7	20.0%	17	48.6%	11	31.4%	35

Source: CMHC

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

## Table 5: Resale Housing Activity for Northern Ontario

	Number of Sales	Yr/Yr %	Number of New Listings	Sales-to-New Listings	Average Price (\$)	Yr/Yr %
<b>Thunder Bay CMA</b>						
Q2 2003	538	8.7%	851	63.2	\$115,276	3.7%
Q2 2004	470	-12.6%	825	57.0	\$118,355	2.7%
YTD 2003	884	10.5%	1,521		\$110,729	-0.4%
YTD 2004	788	-10.9%	1,396		\$112,239	1.4%
<b>Sudbury CMA</b>						
Q2 2003	669	1.7%	1,174	57.0	\$118,907	-1.5%
Q2 2004	828	23.8%	1,299	63.7	\$127,821	7.5%
YTD 2003	1,142	2.6%	2,099		\$116,868	5.8%
YTD 2004	1,343	17.6%	2,301		\$123,486	5.7%
<b>Sault Ste Marie CA</b>						
Q2 2003	305	18.7%	630	48.4	\$96,797	3.2%
Q2 2004	353	15.7%	631	55.9	\$98,797	2.1%
YTD 2003	486	6.3%	1,083		\$94,371	1.7%
YTD 2004	535	10.1%	1,040		\$95,807	1.5%
<b>North Bay CA</b>						
Q2 2003	438	5.5%	639	68.5	\$127,862	5.9%
Q2 2004	526	20.1%	682	77.1	\$143,398	12.2%
YTD 2003	653	-0.9%	1,085		\$128,421	8.1%
YTD 2004	800	22.5%	1,121		\$137,162	6.8%
<b>Timmins CA</b>						
Q2 2003	233	-17.7%	663	35.1	\$84,502	-5.1%
Q2 2004	329	41.2%	632	52.1	\$91,713	8.5%
YTD 2003	394	-13.0%	1,088		\$85,533	1.5%
YTD 2004	537	36.3%	1,111		\$87,981	2.9%

Note: Thunder Bay figures taken from Subdistricts 1-32, a subset of the whole Board territory, representing the City proper.

Note: Timmins figures taken from Subdistricts 210,220,230,240,250 &270, a subset of the whole Board territory, representing the Timmins

Source: Canadian Real Estate Association

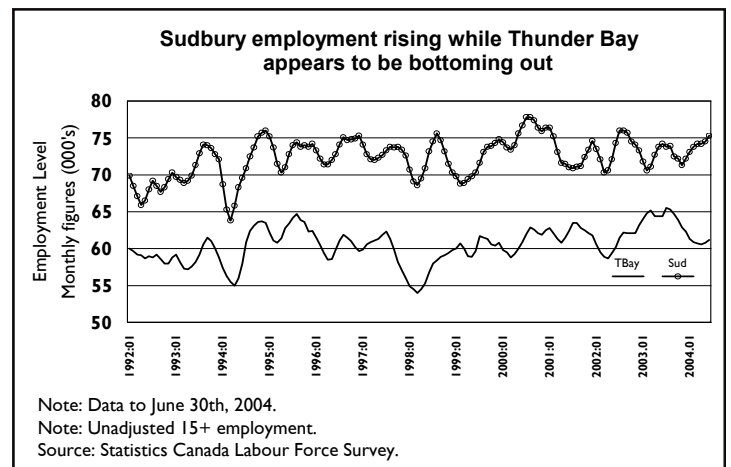
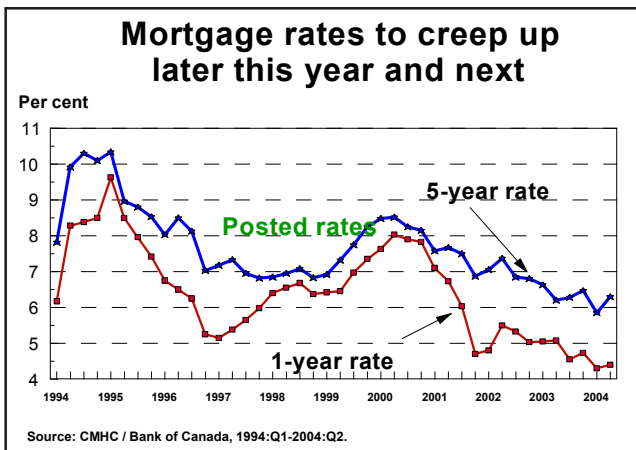
## Table 6: Economic Indicators

	Interest and Exchange Rates				Inflation Rate	Thunder Bay Labour Market		Sudbury Labour Market	
	P & I* Per \$100,000	Mortgage Rate		Exch. Rate (\$US/\$Cdn)	Ontario 1996=100	Employment SA** (,000)	Unemployment Rate (% SA)	Employment SA** (,000)	Unemployment Rate (% SA)
		1 Yr. Term	5 Yr. Term						
2003 January	\$666.80	4.9%	6.5%	0.657	4.3%	64.2	5.9%	71.9	8.3%
February	\$675.90	4.9%	6.6%	0.674	4.4%	65.5	5.1%	71.7	8.3%
March	\$691.18	5.4%	6.9%	0.681	3.3%	66.2	5.2%	72.9	7.6%
April	\$678.94	5.4%	6.7%	0.698	2.3%	65.6	5.2%	74.1	7.6%
May	\$648.75	5.1%	6.2%	0.731	2.7%	65.1	5.7%	74.2	7.5%
June	\$627.97	4.9%	5.8%	0.742	2.5%	64.5	5.7%	73.5	7.9%
July	\$651.74	4.6%	6.2%	0.712	1.9%	64.5	5.7%	72.6	8.1%
August	\$660.76	4.6%	6.4%	0.722	1.7%	64.1	5.6%	72.4	8.5%
September	\$657.75	4.6%	6.3%	0.741	2.2%	63.9	5.6%	71.8	8.8%
October	\$663.77	4.6%	6.4%	0.758	1.7%	63.4	5.9%	71.8	8.9%
November	\$669.82	4.8%	6.5%	0.770	1.7%	62.8	6.3%	71.4	9.7%
December	\$666.80	4.8%	6.5%	0.771	3.0%	62.1	7.0%	72.0	9.9%
2004 January	\$642.78	4.3%	6.1%	0.755	1.5%	61.6	7.6%	73.3	9.6%
February	\$627.97	4.3%	5.8%	0.749	0.8%	61.6	8.1%	74.7	8.5%
March	\$622.08	4.3%	5.7%	0.763	1.1%	61.6	7.2%	75.6	7.8%
April	\$648.75	4.5%	6.2%	0.729	2.3%	61.8	6.6%	75.3	8.2%
May	\$669.82	4.6%	6.5%	0.733	2.8%	61.6	6.9%	74.7	8.9%
June	\$681.99	4.7%	6.7%	0.750	2.4%	61.4	8.1%	74.6	9.2%
July									
August									
September									
October									
November									
December									

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

\*\* Seasonally Adjusted

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, and Inflation Rate** can be found in the Statistics Canada website - <http://www.statcan.ca>

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Tuesday, October 5, 2004 - Kitchener  
Thursday, October 7, 2004 - Sudbury  
Tuesday, October 19, 2004 - St. Catharines  
Thursday, October 21, 2004 - Windsor

Tuesday, October 26, 2004 - Thunder Bay  
Thursday, October 28, 2004 - Ottawa  
Tuesday, November 2, 2004 - Hamilton  
Tuesday, November 9, 2004 - London

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