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## YOUR LINK TO THE HOUSING MARKET

### Strong Fourth Quarter

Canada Mortgage and Housing Corporation

www.cmhc.ca

Above average fourth quarter home starts in Greater Sudbury and Thunder Bay brought 2004 to a strong conclusion. The October to December period saw 105 singles and *six* semis started in the City of Greater Sudbury bringing the year-

end total to 374 and 14 multi-family units. The home construction jump in 2004 represented the fifth straight year that single-detached starts rose in Greater Sudbury.

Meanwhile, to the west, in Thunder Bay, relatively high year-

### VOLUME 3, ISSUE 4 FOURTH QUARTER 2004

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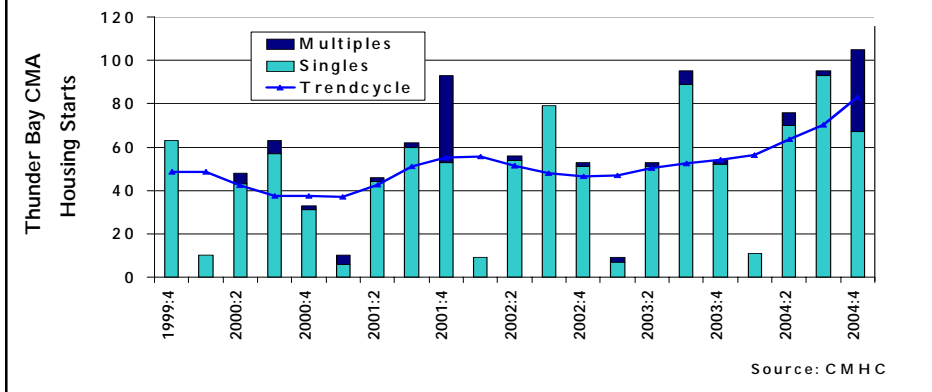
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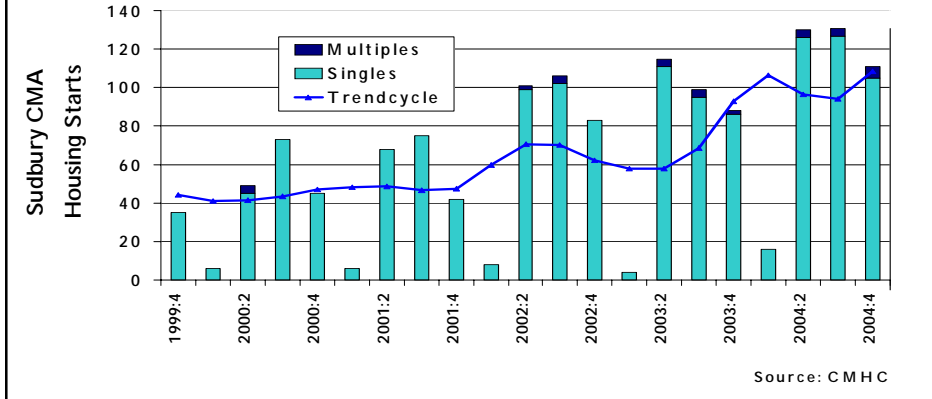
end home construction boosted housing starts to the highest level in over a decade. The 67 single-detached starts in 2004:Q4 lifted the total number of 2004 housing starts to 241, up by over one-fifth from 199 in 2003. In both Northern Ontario centres, low mortgage rates and tight resale markets in move-up home-buying price ranges helped to buoy the market. (see chart below)

While the fourth quarter is typically lower, North Bay's final quarter was nearly equal to the earlier two quarters with singles starts hitting 44 units, up one third from 2003:Q4. Sault Ste. Marie starts moved up again to 102 units from 97 in 2003 after a better-than-average fourth quarter where a near-doubling of single-detached housing starts in 2004:Q3 was experienced. Timmins starts were weaker, finishing behind

### Thunder Bay Starts Up



### Strong Sudbury Starts



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Rapport aussi disponible en francais

last year's weaker total despite a tightening resale market. The spread between the average new construction price and the resale home prices and the shortage of local builders appear to be two issues preventing people from building new homes in Timmins.

Elsewhere in Northern Ontario, weaker housing starts were observed. Haileybury, Fort Frances and Dryden construction declined from last year's starts marks. Kenora bucked the trend with 34 singles and two semis starts for the year up from 22 total starts one year ago. (see Tables 2A and 2B)

Tables 3 and 4 present new construction absorption averages

and by volume and by price range. Absorbed prices have climbed over \$200,000 in three of four markets monitored. Only Sault Ste. Marie has an average absorbed price of \$185,000. Lower prices in Sault Ste. Marie are also found in the resale market. 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.

### Sudbury Resales Record

Sudbury resales reached new heights in 2004 and the fourth quarter was no exception. Fourth quarter resales hit 437 in Sudbury, the second highest

figure in the last nine years. (see **Chart below and Table 5**)

New listings have fallen continually in Sudbury since 1996 leading to a tightening in the resale market but finally in 2004 we observed an increase of 6.6 per cent. Sudbury homeowners are seeing opportunities to capitalize on the renewed interest in housing and the listings' rise reflects that.

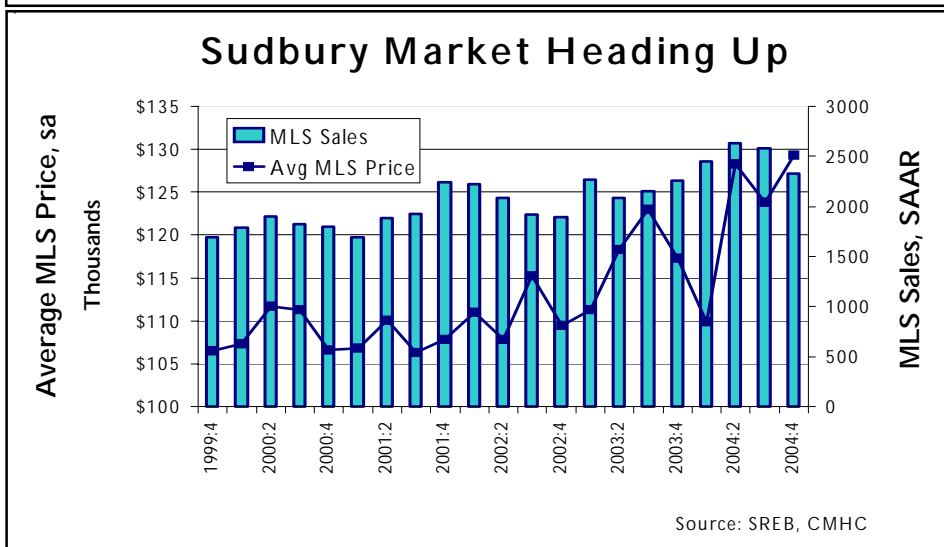
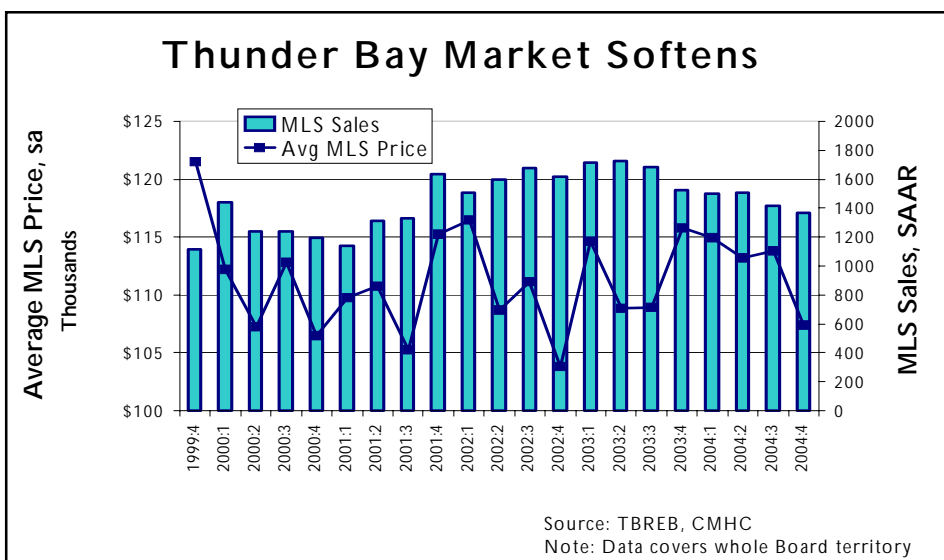
Strengthening employment, improving incomes and a stabilizing population are key factors contributing to Sudbury's relative market strength.

### Thunder Bay Q4 Resale Market Review

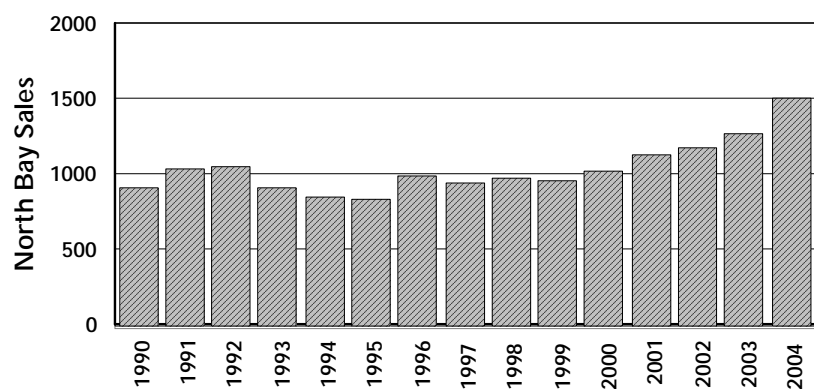
Fourth quarter Thunder Bay sales were more tepid with only 267 sales counted, lowest mark since 2000. Despite slackening demand, average price still climbed, but only modestly. (see **Chart at left**)

New listings were up sharply in the fourth quarter while active listings remained very low. This low active listings count through the spring and summer, especially in higher move-up price ranges brought on interest in new construction. (see **Table 5**)

The lower interest rates, stabilizing net migration, reasonable demand support a weaker balanced market classification at the present time but this classification is not consistent across market segments.



## All-Time Sales High



Source: NBREB.

## North Bay Sales Break Record

The hot North Bay resale market moderated slightly in the fourth quarter but sales still closed the year 19.1 per cent higher than 2003. New listings were strong too finishing 14.7 per cent ahead. Demand continues to outpace supply, an ongoing story in the last two years in North Bay. North Bay's average priced unit sold for \$133,515, up 6.5 per cent from 2003.

Table 1A: Housing Activity Summary for Thunder Bay CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
<b>STARTS</b>								
Q4 2004	67	2	5	0	31	0	0	105
Q4 2003	52	2	0	0	0	0	0	54
% Change	28.8	0.0	NA	NA	NA	NA	NA	94.4
Year-to-date 2004	241	10	5	0	31	0	0	287
Year-to-date 2003	199	12	0	0	0	0	0	211
% Change	21.1	-16.7	NA	NA	NA	NA	NA	36.0
<b>UNDER CONSTRUCTION</b>								
December 2004	121	6	5	0	31	0	0	163
December 2003	100	2	0	0	0	0	0	102
<b>COMPLETIONS</b>								
Q4 2004	85	0	0	0	0	0	0	85
Q4 2003	80	6	0	0	38	0	0	124
% Change	6.3	-100.0	NA	NA	-100.0	NA	NA	-31.5
Year-to-date 2004	217	6	0	0	0	0	0	223
Year-to-date 2003	209	12	0	0	38	0	6	265
% Change	3.8	-50.0	NA	NA	-100.0	NA	-100.0	-15.8
<b>COMPLETE &amp; NOT ABSORBED</b>								
December 2004	3	0	0	0	0	0	0	3
December 2003	2	1	0	0	0	0	0	3
<b>ABSORPTIONS</b>								
Q4 2004	86	0	0	0	0	0	0	86
Q4 2003	80	6	0	0	38	0	0	124
% Change	7.5	-100.0	NA	NA	-100.0	NA	NA	-30.6
Year-to-date 2004	216	7	0	0	0	0	0	223
Year-to-date 2003	217	11	0	0	38	0	6	272
% Change	-0.5	-36.4	NA	NA	-100.0	NA	-100.0	-18.0

\*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>								
Q4 2004	105	2	0	0	0	4	0	111
Q4 2003	86	2	0	0	0	0	0	88
% Change	22.1	0.0	NA	NA	NA	NA	NA	26.1
Year-to-date 2004	374	10	0	0	0	4	0	388
Year-to-date 2003	296	10	0	0	0	0	0	306
% Change	26.4	0.0	NA	NA	NA	NA	NA	26.8
<b>UNDER CONSTRUCTION</b>								
December 2004	129	4	0	0	0	4	0	137
December 2003	93	0	0	0	0	0	0	93
<b>COMPLETIONS</b>								
Q4 2004	127	4	0	0	0	0	0	131
Q4 2003	113	6	0	0	0	0	0	119
% Change	12.4	-33.3	NA	NA	NA	NA	NA	10.1
Year-to-date 2004	338	6	0	0	0	0	0	344
Year-to-date 2003	295	10	0	0	0	0	0	305
% Change	14.6	-40.0	NA	NA	NA	NA	NA	12.8
<b>COMPLETE &amp; NOT ABSORBED</b>								
December 2004	8	0	0	0	0	0	0	8
December 2003	6	0	0	0	0	0	0	6
<b>ABSORPTIONS</b>								
Q4 2004	123	4	0	0	0	0	0	127
Q4 2003	120	6	0	0	0	0	0	126
% Change	2.5	-33.3	NA	NA	NA	NA	NA	0.8
Year-to-date 2004	336	6	0	0	0	0	0	342
Year-to-date 2003	299	10	0	0	0	0	0	309
% Change	12.4	-40.0	NA	NA	NA	NA	NA	10.7

\*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		
	Q4 2003	Q4 2004	% change	Q4 2003	Q4 2004	% change	Q4 2003	Q4 2004	% change
North Bay	33	44	33.3	0	2	NA	33	46	39.4
Sault Ste. Marie	39	31	-20.5	0	4	NA	39	35	-10.3
Timmins	8	7	-12.5	0	0	NA	8	7	-12.5
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	2	3	50.0	0	0	NA	2	3	50.0
Kenora	9	18	100.0	0	0	NA	9	18	100.0
Fort Frances	3	2	-33.3	0	0	NA	3	2	-33.3
Dryden	0	2	NA	2	0	-100.0	2	2	0.0

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
North Bay	123	139	13.0	2	12	**	125	151	20.8
Sault Ste. Marie	97	109	12.4	2	10	**	99	119	20.2
Timmins	30	20	-33.3	0	0	NA	30	20	-33.3
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	17	13	-23.5	17	0	-100.0	34	13	-61.8
Kenora	22	34	54.5	0	2	NA	22	36	63.6
Fort Frances	12	5	-58.3	4	0	-100.0	16	5	-68.8
Dryden	18	8	-55.6	2	0	-100.0	20	8	-60.0

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

Sub Market Area	Q4 2003	Q4 2004	% Change	YTD 2003	YTD 2004	% Change
Sudbury	204,292	211,561	3.6	205,699	208,283	1.3
Thunder Bay	206,375	209,640	1.6	205,618	213,231	3.7
North Bay	197,422	237,044	20.1	189,358	215,716	13.9
Sault Ste. Marie	111,250	186,393	67.5	186,862	185,009	-1.0

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

AREA	PRICE RANGES						
	<\$149,999		\$150-\$199,999		\$200,000 +		TOTAL
	Units	Share (%)	Units	Share (%)	Units	Share (%)	
<b>Sudbury CMA</b>							
Q4 2004	15	12.2	65	52.8	43	35.0	123
Q4 2003	15	12.5	61	50.8	44	36.7	120
YTD 2004	37	11.0	172	51.2	127	37.8	336
YTD 2003	47	15.7	146	48.8	106	35.5	299
<b>Thunder Bay CMA</b>							
Q4 2004	3	3.5	37	43.0	46	53.5	86
Q4 2003	3	3.8	35	43.8	42	52.5	80
YTD 2004	13	6.0	80	37.0	123	56.9	216
YTD 2003	13	6.0	97	44.7	107	49.3	217
<b>Sault Ste. Marie CA</b>							
Q4 2004	3	10.7	16	57.1	9	32.1	28
Q4 2003	4	100.0	0	0.0	0	0.0	4
YTD 2004	33	22.4	61	41.5	53	36.1	147
YTD 2003	10	25.6	19	48.7	10	25.6	39
<b>North Bay CA</b>							
Q4 2004	2	4.7	12	27.9	29	67.4	43
Q4 2003	7	15.6	24	53.3	14	31.1	45
YTD 2004	18	15.7	36	31.3	61	53.0	115
YTD 2003	22	19.5	57	50.4	34	30.1	113

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>						
Q4 2003	305	-4.7	399	76.4	113,414	3.2
Q4 2004	261	-14.4	473	55.2	107,070	-5.6
YTD 2003	1,662	3.9	2,573		111,928	1.8
YTD 2004	1,447	-12.9	2,616		112,405	0.4
<b>Sudbury CMA</b>						
Q4 2003	305	-4.7	399	76.4	113,414	12.0
Q4 2004	267	-12.5	482	55.4	107,710	-5.0
YTD 2003	1,662	3.9	2,573		111,928	1.8
YTD 2004	1,453	-12.6	2,625		112,500	0.5
<b>Sault Ste Marie CA</b>						
Q4 2003	237	21.5	399	59.4	95,579	6.3
Q4 2004	216	-8.9	306	70.6	94,871	-0.7
YTD 2003	959	0.8	1,884		93,881	1.8
YTD 2004	1,095	14.2	1,858		96,312	2.6
<b>North Bay CA</b>						
Q4 2003	256	22.5	398	64.3	123,197	0.8
Q4 2004	238	-7.0	289	82.4	132,210	7.3
YTD 2003	1,267	7.8	1,929		127,216	5.2
YTD 2004	1,427	12.6	1,956		136,831	7.6
<b>Timmins CA</b>						
Q4 2003	211	34.4	471	44.8	84,246	-1.1
Q4 2004	207	-1.9	283	73.1	85,199	1.1
YTD 2003	848	-5.7	2,002		84,758	0.3
YTD 2004	1,068	25.9	1,610		87,730	3.5

Source: Canadian Real Estate Association

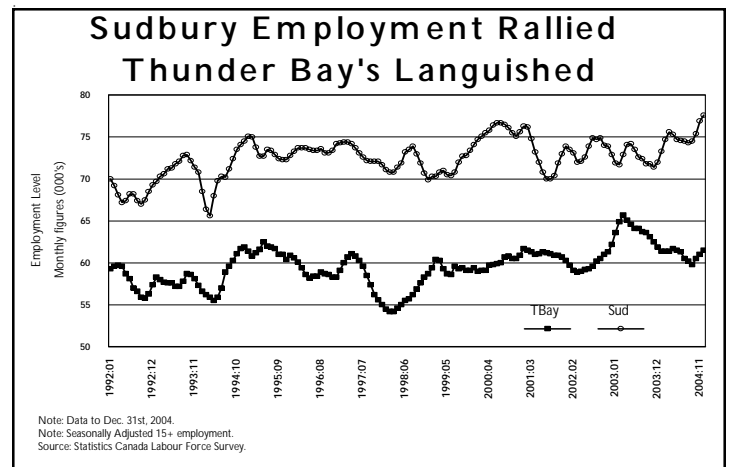
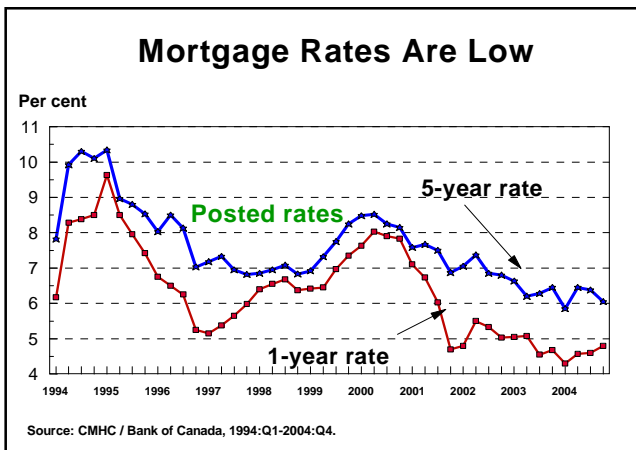
Table 6: Economic Indicators

	Interest and Exchange Rates				Inflation Rate (%) Ontario 1996=100	Thunder Bay Labour Market		Sudbury Labour Market	
	P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)		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	64.6	5.4	73.6	8.1
February	675.90	4.9	6.6%	0.674	4.4	65.6	4.8	73.2	8.8
March	691.18	5.4	6.9%	0.681	3.3	66.2	5.2	74.0	8.4
April	678.94	5.4	6.7	0.698	2.3	65.6	5.3	75.2	7.7
May	648.75	5.1	6.2	0.731	2.7	65.3	5.8	75.7	7.2
June	627.97	4.9	5.8	0.742	2.5	64.7	5.8	75.4	7.1
July	651.74	4.6	6.2	0.712	1.9	64.7	5.7	74.5	8.0
August	660.76	4.6	6.4	0.722	1.7	64.3	5.9	74.3	9.0
September	657.75	4.6	6.3	0.741	2.2	64.6	5.8	73.6	9.2
October	663.77	4.6	6.4	0.758	1.7	64.3	6.1	73.7	8.8
November	669.82	4.8	6.5	0.770	1.7	64.0	6.3	72.8	8.8
December	666.80	4.8	6.5	0.771	3.0	63.0	7.1	73.6	9.4
2004 January	642.78	4.3	6.1	0.755	1.5	62.6	7.5	75.2	9.5
February	627.97	4.3	5.8	0.749	0.8	62.6	7.7	77.1	8.6
March	622.08	4.3	5.7	0.763	1.1	62.6	7.0	78.0	8.3
April	648.75	4.5	6.2	0.729	2.3	62.5	6.9	77.5	8.4
May	669.82	4.6	6.5	0.733	2.8	62.2	7.2	77.1	9.2
June	681.99	4.7	6.7	0.750	2.4	62.0	8.1	77.2	9.0
July	672.86	4.6	6.6	0.752	2.4	61.3	8.6	77.2	8.6
August	657.75	4.4	6.3	0.762	1.5	61.2	8.7	76.8	8.4
September	657.75	4.8	6.3	0.793	1.5	61.1	8.8	76.7	8.3
October	663.77	4.9	6.4	0.821	2.1	61.7	8.5	77.3	8.0
November	657.75	5.0	6.3	0.843	2.2	62.0	8.7	78.7	7.6
December	642.78	4.80	6.05	0.83	1.85	62.30	8.40	79.50	7.30

\* 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>

## CMHC Housing Award Winners Announced

Fifteen winners in CMHC's Housing Awards were announced October 1, 2004. This year's Housing Awards, under the theme, "*Best Practices in Affordable Housing*", is the eighth since the program's inception in 1988.

The competition was open to both groups and individuals in the public and private sectors. The fifteen winners were chosen by an independent multi-disciplinary selection committee comprised of housing experts from across Canada.

The CMHC Housing Awards has been successful in promoting innovations in: seniors' housing (1988); housing for young families (1990); housing for persons with disabilities (1992); housing for Aboriginal people (1994); housing for youth (1997); housing challenges of the new millennium (2000); and affordable housing (2002). A fact sheet on each project is available on the CMHC Web site at [www.cmhc.ca](http://www.cmhc.ca) search keyword: Housing Awards

## 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**.

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