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Sudbury's start strong

Above average first quarter home starts in Greater Sudbury point to another good year after a good year in 2004. Single-detached starts to the end of March reached 18 units, two units higher than last year and more than double the average for the first

quarter over the last five years. Low mortgage rates and a buoyant resale market are two key reasons for increased activity in new construction.

To the west, in Thunder Bay, total starts are up also but are somewhat misleading since a

Canada Mortgage and Housing Corporation

www.cmhc.ca

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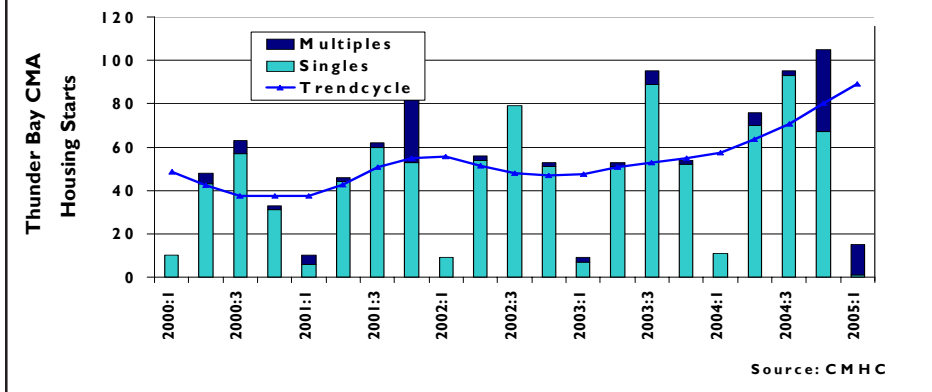
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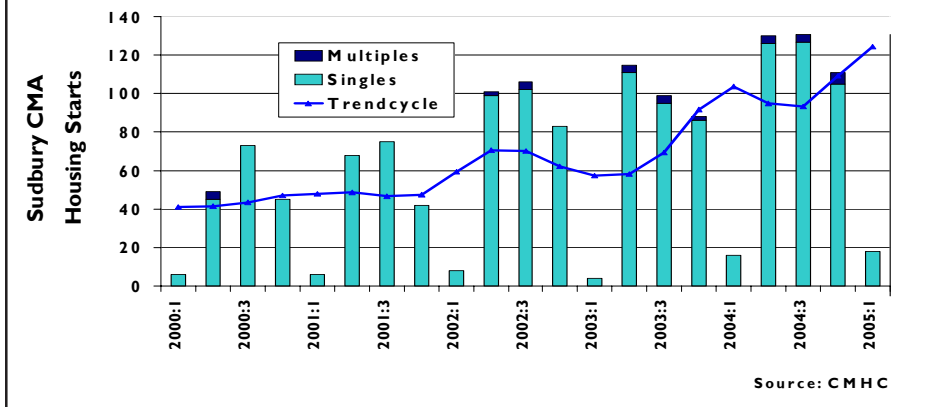
fourteen unit apartment project account for all but one of the 15 starts. This is up from 11 starts last year, all of which were single-detached starts. Thunder Bay's long winter with above average snow cover accounted for part of the reason for the relatively slow start. (see chart below)

In the other key centres in Northern Ontario, the first quarter was busier for the most part with eight single-detached starts being recorded in North Bay. This is well ahead of the two units recorded during the first three months of 2004 in North Bay. Sault Ste. Marie tripled the level of first quarter activity with nine single-detached starts. Timmins was quiet in the first quarter with no activity recorded.

Thunder Bay Starts Up



Strong Sudbury Starts



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Focussing on centres with populations under 40,000 in Northern Ontario, one housing start was counted. The unit started in Temiskaming Shores (formerly Haileybury).

Tables 3 and 4 present average absorbed prices and price ranges of completed and occupied units. Absorbed prices have climbed over \$200,000 in three of four markets monitored. North Bay's first quarter activity shows remarkable price growth with an average absorbed price of \$246,000, up from 37.5 per cent from the first quarter of 2004. This makes North Bay's new construction absorbed price the highest of the four Northern Ontario centres for which data is available.

Sudbury Market Upswing

Low interest rates, strengthening employment, improving incomes and a stabilizing population continue to be key factors contributing to Sudbury's relative market strength.

The Sudbury resale market has been fairly tight for three years now. Sales to new listings ratios are high and we have seen above-inflation increases in home prices. A shortage of new listings has developed in the Sudbury resale market. New listings levels are close to their lowest levels in a decade and a half.

Sudbury resales rose on a seasonally adjusted basis in the first quarter of 2005 as compared to the fourth quarter of 2004. This, despite sales

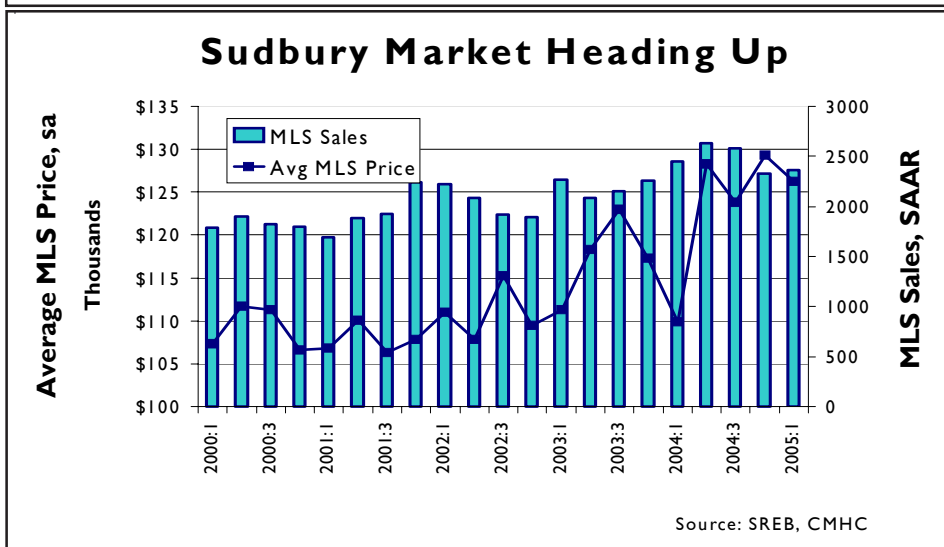
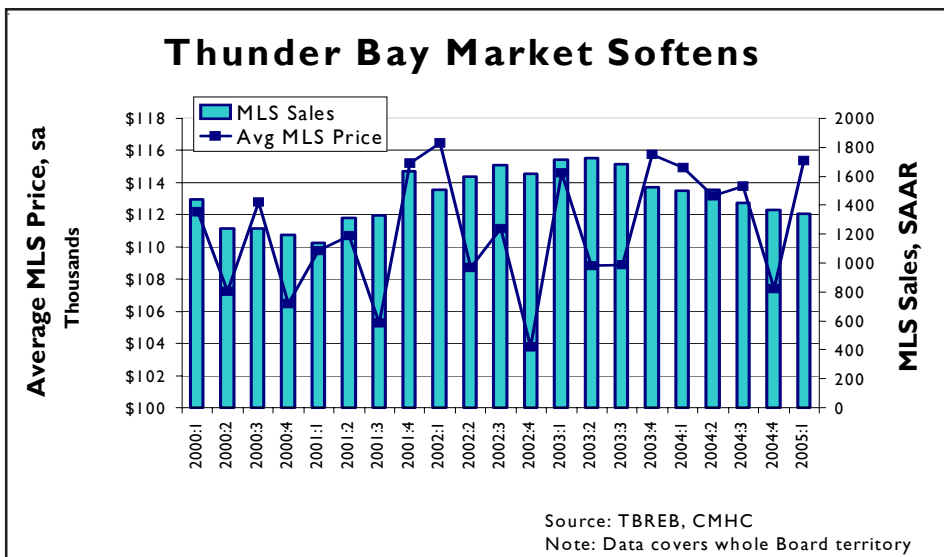
quarter-over-quarter being off 4.1 per cent. Prices were down on a seasonally-adjusted basis from the fourth quarter but nominal terms grew 8.6 per cent to \$126,504 compared to \$116,516 in the first quarter of 2004. First quarter resales were high at 494 in Sudbury. (see Chart below and Table 5)

After growing 6.6 per cent in 2004, new listings fell 9.8 per cent in the first quarter. Last year's listings rise came after seven consecutive years of listings declines. These declines contributed greatly to a tightening in the resale market Sudbury homeowners are seeing opportunities to capitalize on the renewed interest in housing and the listings' rise reflects that. Whether the drop in the first quarter represents the start of renewed listings shortages remains to be seen.

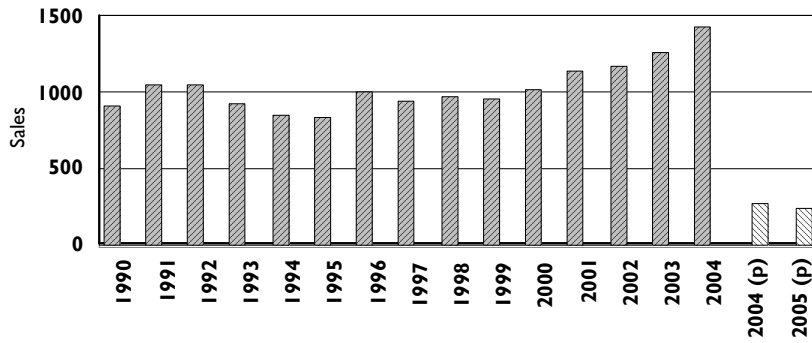
Thunder Bay Resale Pause

Sales have fallen seven consecutive quarters on a seasonally adjusted basis in Thunder Bay. This came despite a large jump in the average sale price a resale home. First quarter Thunder Bay sales were weak with only 268 sales counted, lowest mark since 2001. Despite continued falling demand, average price climbed to \$109,535, up 6.1 per cent from the first quarter of 2004. (see Chart at left)

New listings were off slightly but still the 563 new listings counted in the first quarter represented the lowest first quarter figure counted since 1991. Listings shortages especially in higher move-up price ranges brought forward interest in new construction. (see Table 5) Slackening demand supports a move towards a weaker balanced market at the end of 2005.



After the strongest year on record, North Bay sales volumes are behind last year's torrid pace to March 31st



(p) to March 31st.
Source: NBREB.

North Bay Sales Peaking?

High sales and a shortage of new listings have caused tight resale market conditions in North Bay for three years. Home prices have been outpacing the general rate of inflation during that time. But, North Bay's hot resale market experienced the second consecutive quarter of sales declines over the year previous. Sales fell 14.2 per cent in the first quarter from last year although the 235 sales still marked the third most first quarter sales in the last ten first quarters. New listings fell 14.8 per cent which helped explain the 6.8 per cent average price jump.

Table 1A: Housing Activity Summary for Thunder Bay CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD		CONDOMINIUM			ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q1 2005	1	0	0	0	14	0	0	15
Q1 2004	11	0	0	0	0	0	0	11
% Change	-90.9	NA	NA	NA	NA	NA	NA	36.4
Year-to-date 2005	1	0	0	0	14	0	0	15
Year-to-date 2004	11	0	0	0	0	0	0	11
% Change	-90.9	NA	NA	NA	NA	NA	NA	36.4
UNDER CONSTRUCTION								
March 2005	68	4	5	0	45	0	0	122
March 2004	66	2	0	0	0	0	0	68
COMPLETIONS								
Q1 2005	54	2	0	0	0	0	0	56
Q1 2004	45	0	0	0	0	0	0	45
% Change	20.0	NA	NA	NA	NA	NA	NA	24.4
Year-to-date 2005	54	2	0	0	0	0	0	56
Year-to-date 2004	45	0	0	0	0	0	0	45
% Change	20.0	NA	NA	NA	NA	NA	NA	24.4
COMPLETE & NOT ABSORBED								
March 2005	5	0	0	0	0	0	0	5
March 2004	2	0	0	0	0	0	0	2
ABSORPTIONS								
Q1 2005	52	2	0	0	0	0	0	54
Q1 2004	45	1	0	0	0	0	0	46
% Change	15.6	100.0	NA	NA	NA	NA	NA	17.4
Year-to-date 2005	52	2	0	0	0	0	0	54
Year-to-date 2004	45	1	0	0	0	0	6	46
% Change	15.6	100.0	NA	NA	NA	NA	-100.0	17.4

*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			
STARTS								
Q1 2005	18	0	0	0	0	0	0	18
Q1 2004	16	0	0	0	0	0	0	16
% Change	12.5	NA	NA	NA	NA	NA	NA	12.5
Year-to-date 2005	18	0	0	0	0	0	0	18
Year-to-date 2004	16	0	0	0	0	0	0	16
% Change	12.5	NA	NA	NA	NA	NA	NA	12.5
UNDER CONSTRUCTION								
March 2005	78	2	0	0	0	4	0	84
March 2004	56	0	0	0	0	0	0	56
COMPLETIONS								
Q1 2005	69	2	0	0	0	0	0	71
Q1 2004	53	0	0	0	0	0	0	53
% Change	30.2	NA	NA	NA	NA	NA	NA	34.0
Year-to-date 2005	69	2	0	0	0	0	0	71
Year-to-date 2004	53	0	0	0	0	0	0	53
% Change	30.2	NA	NA	NA	NA	NA	NA	34.0
COMPLETE & NOT ABSORBED								
March 2005	14	0	0	0	0	0	0	14
March 2004	9	0	0	0	0	0	0	9
ABSORPTIONS								
Q1 2005	63	2	0	0	0	0	0	65
Q1 2004	50	0	0	0	0	0	0	50
% Change	26.0	NA	NA	NA	NA	NA	NA	30.0
Year-to-date 2005	63	2	0	0	0	0	0	65
Year-to-date 2004	50	0	0	0	0	0	0	50
% Change	26.0	NA	NA	NA	NA	NA	NA	30.0

*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		
	Q1 2004	Q1 2005	% change	Q1 2004	Q1 2005	% change	Q1 2004	Q1 2005	% change
North Bay	2	8	**	0	0	NA	2	8	**
Sault Ste. Marie	4	9	125.0	0	0	NA	4	9	125.0
Timmins	0	0	NA	0	0	NA	0	0	NA
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	0	1	NA	0	0	NA	0	1	NA
Kenora	1	0	-100.0	0	0	NA	1	0	-100.0
Fort Frances	0	0	NA	0	0	NA	0	0	NA
Dryden	0	0	NA	0	0	NA	0	0	NA

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

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	YTD 2004	YTD 2005	% change	YTD 2004	YTD 2005	% change	YTD 2004	YTD 2005	% change
North Bay	2	8	**	0	0	NA	2	8	**
Sault Ste. Marie	4	9	125.0	0	0	NA	4	9	125.0
Timmins	0	0	NA	0	0	NA	0	0	NA
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	0	1	NA	0	0	NA	0	1	NA
Kenora	1	0	-100.0	0	0	NA	1	0	-100.0
Fort Frances	0	0	NA	0	0	NA	0	0	NA
Dryden	0	0	NA	0	0	NA	0	0	NA

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

Sub Market Area	Q1 2004	Q1 2005	% Change	YTD 2004	YTD 2005	% Change
Sudbury	193,960	221,862	14.4	193,960	221,862	14.4
Thunder Bay	212,000	217,327	2.5	212,000	217,327	2.5
North Bay	178,558	245,556	37.5	178,558	245,556	37.5
Sault Ste. Marie	188,181	189,597	0.8	188,181	189,597	0.8

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 (%)	
Sudbury CMA							
Q1 2005	6	9.5	26	41.3	31	49.2	63
Q1 2004	14	28.0	20	40.0	16	32.0	50
YTD 2005	6	9.5	26	41.3	31	49.2	63
YTD 2004	14	28.0	20	40.0	16	32.0	50
Thunder Bay CMA							
Q1 2005	6	11.5	11	21.2	35	67.3	52
Q1 2004	5	11.1	13	28.9	27	60.0	45
YTD 2005	6	11.5	11	21.2	35	67.3	52
YTD 2004	5	11.1	13	28.9	27	60.0	45
Sault Ste. Marie CA							
Q1 2005	5	14.3	12	34.3	18	51.4	35
Q1 2004	26	25.7	34	33.7	41	40.6	101
YTD 2005	5	14.3	12	34.3	18	51.4	35
YTD 2004	26	25.7	34	33.7	41	40.6	101
North Bay CA							
Q1 2005	1	2.9	10	29.4	23	67.6	34
Q1 2004	10	38.5	9	34.6	7	26.9	26
YTD 2005	1	2.9	10	29.4	23	67.6	34
YTD 2004	10	38.5	9	34.6	7	26.9	26

Source: CMHC

Note: NA 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 %
Thunder Bay CMA						
Q1 2004	318	-8.1	571	55.7	103,199	-0.4
Q1 2005	268	-15.7	563	47.6	109,535	6.1
YTD 2004	318	-8.1	571		103,199	-0.4
YTD 2005	268	-15.7	563		109,535	6.1
Sudbury CMA						
Q1 2004	515	8.9	1002	51.4	116,516	-10.1
Q1 2005	494	-4.1	904	54.6	126,504	8.6
YTD 2004	515	8.9	1,002		116,516	2.2
YTD 2005	494	-4.1	904		126,504	8.6
Sault Ste Marie CA						
Q1 2004	182	0.6	409	44.5	90,009	-0.3
Q1 2005	217	19.2	459	47.3	94,339	4.8
YTD 2004	182	0.6	409		90,009	-0.3
YTD 2005	217	19.2	459		94,339	4.8
North Bay CA						
Q1 2004	274	27.4	439	62.4	125,191	-3.4
Q1 2005	235	-14.2	374	62.8	133,655	6.8
YTD 2004	274	27.4	439		125,191	-3.4
YTD 2005	235	-14.2	374		133,655	6.8
Timmins CA						
Q1 2004	208	29.2	479	43.4	82,077	-5.7
Q1 2005	178	-14.4	400	44.5	83,520	1.8
YTD 2004	208	29.2	479		82,077	-5.7
YTD 2005	178	-14.4	400		83,520	1.8

Source: Canadian Real Estate Association

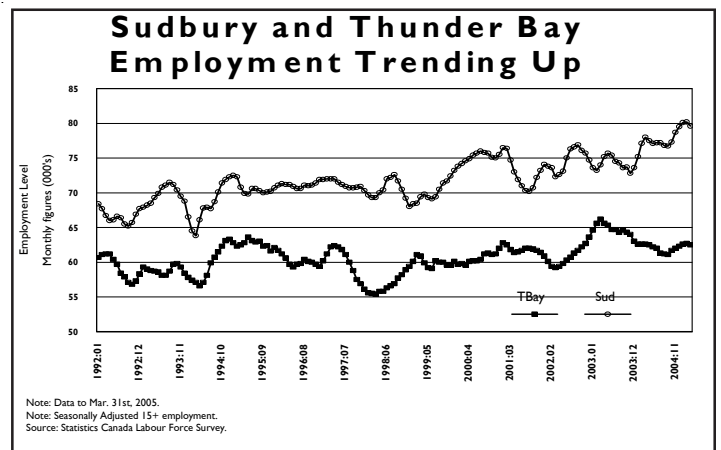
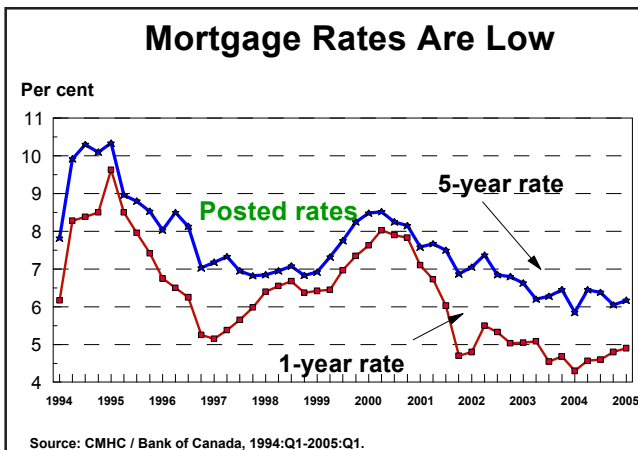
Table 6: Economic Indicators

	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)
		1 Yr. Term	5 Yr. Term						
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	4.8	6.1	0.832	1.9	62.3	8.4	79.5	7.3
2005 January	642.78	4.8	6.1	0.806	1.6	62.6	8.5	80.1	7.8
February	642.78	4.8	6.1	0.811	2.2	62.7	8.2	80.2	7.7
March	654.74	5.1	6.3	0.827	2.3	62.5	7.8	79.6	7.9
April									
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

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 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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