

H

OUSING NOW

Oshawa

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

NEW HOME MARKET

Third quarter starts impacted by higher than normal rain

New home construction in the Oshawa CMA was plagued by weather related delays in the third quarter of 2004. After record breaking housing starts in the second quarter, the heavy summer rain and a short construction strike played havoc with new home construction in the third quarter. Due to the almost daily summer rain, the servicing of subdivisions was delayed, pushing back the issuance of building permits. Total housing starts continue to trend lower after peaking in the third quarter of 2003.

A total of 665 units were started in the third quarter of 2004, down 43.4 per cent from the July to September period last year. It must be noted that starts in the third quarter of 2003 were the best third quarter since 1988. Starts in the third quarter of this year are on par with the ten-year average for starts in third

quarters. Historically low mortgage rates, a strong resale market, and the more affordable price for new homes in the Oshawa CMA continue to fuel demand for new homes. Both single-detached and multiple starts took a hit in the third quarter. Single-detached starts were down 34.4 per cent, while the more volatile multiple starts were down 71.5 per cent from the third quarter of 2003.

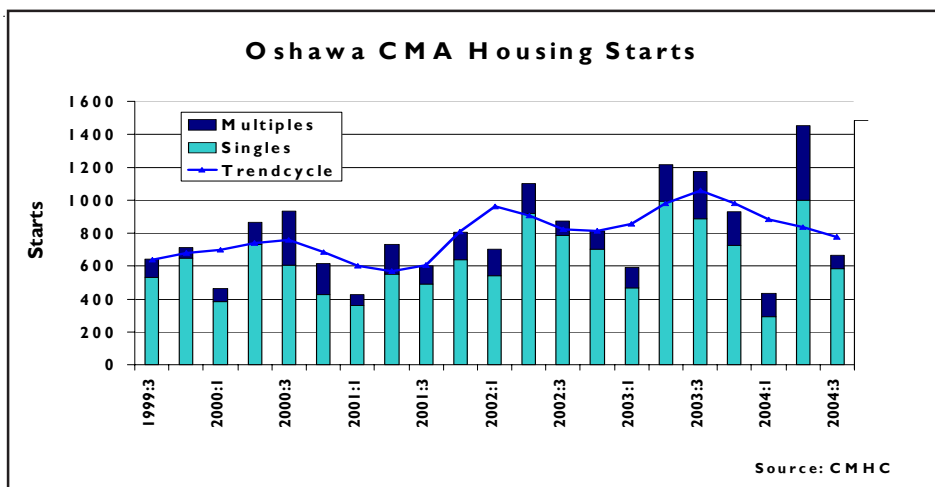
Of the three municipalities in the Oshawa CMA, only Clarington showed gains in construction levels in the third quarter when compared to last year. Clarington starts in the third quarter rose 61.1 per cent to 253 units, with both single-detached and multiple construction outpacing last year's numbers. Whitby, which was the hot spot for residential construction last year, saw a 68.3 per cent decrease in housing starts in the third quarter to

THIRD QUARTER 2004

IN THIS ISSUE

- 1 Third Quarter Starts Impacted by Higher than Normal Rain
- 2 Strong Resale Market Continues
- 3 Table 1: Housing Starts by Area and Intended Market
- 4 Table 2: Summary of Residential Construction by Intended Market
- 5 Table 3: New Single Detached Price by Municipality
- 5 Table 4: Absorbed Single Detached Units by Price Range
- 6 Table 5: MLS Sales to New Listings Ratio
- 6 Table 6: MLS Residential Unit Sales By Municipality
- 6 Table 7: MLS Average Price By Municipality
- 7 Table 8: Economic Indicators
- 8 Definitions

256 units. Both single-detached and multiple construction fell. Along with the heavy summer rains, Whitby housing starts are being impacted by the decline in land designated for residential construction. Oshawa City's housing starts declined 25.4 per cent to 156 units in



CMHC Toronto, Market Analysis

Erica McLerie

Tel: (416) 218-3318 Fax: (416) 218-3314

emclerie@cmhc-schl.gc.ca



HOME TO CANADIANS

Canada

the third quarter of 2004. Single-detached construction fell 44.8 per cent due to the inclement summer weather, while multiple starts increased.

Year-to-date starts in both Oshawa City and Clarington are well ahead of last year's pace, while Whitby lags behind. Housing starts in Clarington for the first three quarters of 2004 have increased with both single-detached and multiple starts benefitting. With both single-detached and especially the more volatile multiple starts increasing, Oshawa City's housing starts are ahead of last year's figures. Due to the shortage of residentially designated land, and the increase in new home sites in Ajax, Whitby housing starts for the first nine months of 2004 are down. With new home sales continuing ahead of last year's pace in the Oshawa CMA, the residential construction industry will remain buoyant into 2005.

Average single-detached prices continue to rise

An active new housing market, along with higher prices for building materials, labour, and land continue to push prices up in the Oshawa CMA. The Oshawa new house price index (NHPI) increased in August, for a year-over-year increase of 6.4%.

Stronger demand for larger single-detached homes in all three municipalities of the Oshawa CMA also pushed the average absorbed price higher. In the third quarter this year, 58.7 per cent of

single-detached homes absorbed were priced above \$250,000. This compares to 35.5 per cent in the third quarter last year. As a result, the average price of a new single-detached home in the Oshawa CMA rose by 11.0 per cent to \$268,425. Whitby recorded the largest gain in prices, rising 15.9 per cent to \$289,975. The average single-detached absorbed price rose by 11.9 per cent in Oshawa City to \$264,007, while Clarington saw a 7.3 per cent price gain to \$241,098. For the first nine months of 2004, the average price of a new single-detached home in the Oshawa CMA rose by 10.6 per cent to \$274,468.

RESALE MARKET

Strong resale market continues

After two quarters of record breaking resales in 2004, the Oshawa CMA resale market pulled back in the third quarter. Although resales in the third quarter this year were lower than last year, this was the second best third quarter on record for resales in the Oshawa CMA. With mortgage rates continuing at historically low levels, the fear of a mortgage rate increase looming, and resale prices more affordable than in the Toronto CMA, both first-time and move-up buyers are taking advantage of the market conditions and making a move in the resale market.

A total of 1,474 homes were sold in the Oshawa CMA resale market in the third quarter, down 2.8 per cent from one year ago. On a seasonally adjusted basis, after

trending upward since late 2003, resales took a turn downward in the third quarter. Resale volumes on a seasonally adjusted annual basis (SAAR) remain above 6,000 units for the third consecutive month. Only the more expensive Whitby market posted a third quarter loss in resales, down 11.3 per cent from the third quarter of 2003. Oshawa City resales remained virtually unchanged, rising 0.6 per cent to 651 units, while Clarington posted a 2.7 per cent gain in resales. With the strong resale market continuing, resales for the first nine months of the year, are 16.8 per cent ahead of last year's January to September numbers. All three municipalities in the Oshawa CMA have recorded gains in resale volumes in the first nine months of this year, ranging from 19.9 per cent in Oshawa City, to 13.0 per cent in Whitby.

The number of new listings continues to outpace 2003 levels. With a strong sellers' market continuing to drive up resale prices, more and more homeowners are taking advantage of the increased equity, and listing their homes for sale. New listings in the third quarter of 2004 are up 20 per cent from the same quarter last year. With the increased number of new listings, and a slight decline in the resales, the sales-to-new listings ratio, an indicator of market tightness, fell to 61.2 per cent in the third quarter, but continues to remain in sellers' market territory. All three municipalities in the Oshawa CMA recorded declines in their sales-to-new listings ratios in the third quarter.

With the Oshawa CMA resale market remaining in sellers' territory, the average resale price continues to rise. In the third quarter, the average resale price in the Oshawa CMA again rose above the rate of inflation, rising 9.7 per cent to \$224,702. Average resale prices have been trending upward since the middle of 1995. The average price in Whitby, the most expensive market of the CMA, rose by 11.4 per cent to \$274,986. This large increase and higher average resale price has negatively affected resales in the Whitby market. In Oshawa City, the average resale price rose by 11.5 per cent to \$192,257, while Clarington prices rose by 8.1 per cent.

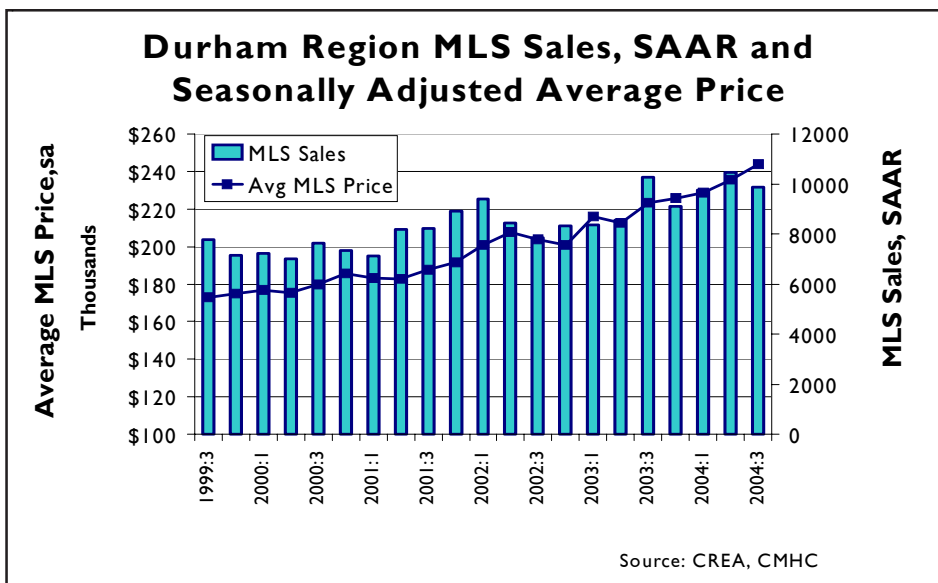


Table I: Housing Activity Summary for Oshawa CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q3 2004	584	20	33	28	0	0	0	665
Q3 2003	890	72	208	0	0	0	4	1,174
% Change	-34.4	-72.2	-84.1	NA	NA	NA	-100.0	-43.4
Year-to-date 2004	1,874	48	409	28	192	0	0	2,551
Year-to-date 2003	2,348	172	455	0	0	0	4	2,979
% Change	-20.2	-72.1	-10.1	NA	NA	NA	-100.0	-14.4
UNDER CONSTRUCTION								
September 2004	1,433	46	276	28	300	0	0	2,083
September 2003	1,739	124	378	0	0	0	4	2,245
COMPLETIONS								
Q3 2004	743	6	164	0	0	0	0	913
Q3 2003	868	52	115	0	0	0	0	1,035
% Change	-14.4	-88.5	42.6	NA	NA	NA	NA	-11.8
Year-to-date 2004	2,025	70	468	0	0	0	4	2,567
Year-to-date 2003	1,986	74	240	0	90	0	0	2,390
% Change	2.0	-5.4	95.0	NA	-100.0	NA	NA	7.4
COMPLETE & NOT ABSORBED								
September 2004	6	2	7	0	0	0	0	15
September 2003	19	1	6	0	1	0	0	27
ABSORPTIONS								
Q3 2004	765	7	162	0	0	0	0	934
Q3 2003	874	53	115	0	0	0	0	1,042
% Change	-12.5	-86.8	40.9	NA	NA	NA	NA	-10.4
Year-to-date 2004	2,051	69	490	0	1	0	4	2,615
Year-to-date 2003	1,993	81	246	6	89	0	0	2,415
% Change	2.9	-14.8	99.2	-100.0	-98.9	NA	NA	8.3

*Includes all market types

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

Source: CMHC

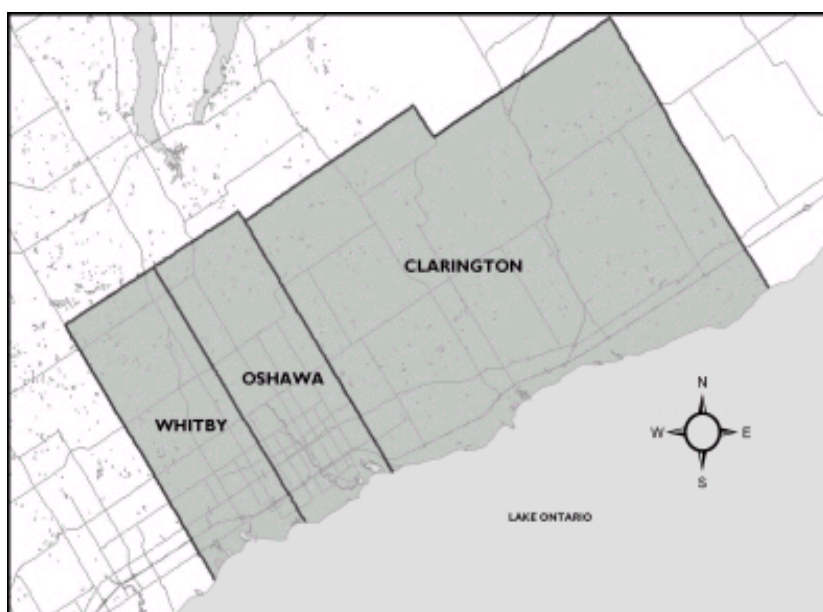
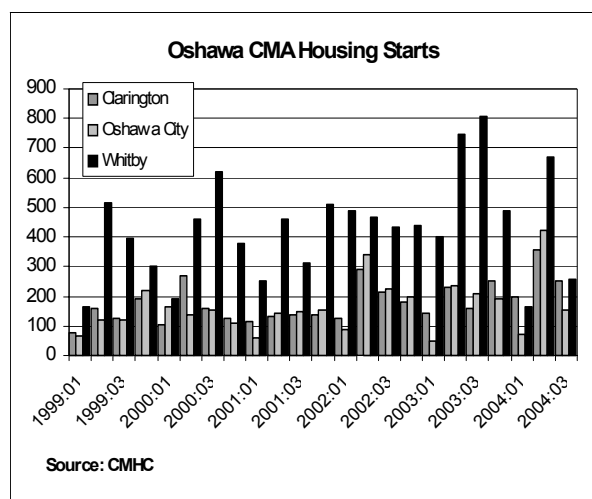


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q3 2003	Q3 2004	% change	Q3 2003	Q3 2004	% change	2003	2004	% change
Oshawa CMA	890	584	-34.4	284	81	-71.5	1174	665	-43.4
Clarington	157	238	51.6	0	15	NA	157	253	61.1
Oshawa City	201	111	-44.8	8	45	**	209	156	-25.4
Whitby	532	235	-55.8	276	21	-92.4	808	256	-68.3

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	2003	2004	% change
Oshawa CMA	2,348	1,874	-20.2	631	677	7.3	2,979	2,551	-14.4
Clarington	507	647	27.6	18	159	**	525	806	53.5
Oshawa City	456	472	3.5	43	180	**	499	652	30.7
Whitby	1,385	755	-45.5	570	338	-40.7	1,955	1,093	-44.1

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

Sub Market Area	Q3 2003	Q3 2004	% Change	YTD 2003	YTD 2004	% Change
Oshawa CMA	241,771	268,425	11.0	236,710	261,762	10.6
Clarington	224,781	241,098	7.3	215,902	237,730	10.1
Oshawa City	235,939	264,007	11.9	235,129	256,654	9.2
Whitby	250,249	289,975	15.9	246,493	274,468	11.3

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

To succeed in today's market you need
THE INFORMATION EDGE

CMHC is the source for expert analysis and comprehensive data
on housing in your community

Local Reports

Rental Market Reports, Housing Now, Housing Market Outlook
Annual Housing Outlook Conferences, Custom Data Runs and Special Tables

Call 1-800-493-0059 today

to find out how our information can help you stay one step ahead.

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

AREA	PRICE RANGES										TOTAL
	<\$199,999		\$200 -249,999		\$250-299,999		\$300-349,999		\$350,000+		
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Oshawa CMA											
Q3 2004	70	9.2	246	32.2	279	36.5	125	16.3	45	5.9	765
Q3 2003	170	19.5	394	45.1	200	22.9	84	9.6	26	3.0	874
YTD 2004	208	10.1	764	37.3	697	34.0	281	13.7	101	4.9	2,051
YTD 2003	438	22.0	943	47.3	410	20.6	151	7.6	51	2.6	1,993
Clarington											
Q3 2004	55	24.8	95	42.8	48	21.6	13	5.9	11	5.0	222
Q3 2003	89	45.4	62	31.6	18	9.2	17	8.7	10	5.1	196
YTD 2004	131	29.2	193	43.1	71	15.8	26	5.8	27	6.0	448
YTD 2003	241	50.4	158	33.1	37	7.7	23	4.8	19	4.0	478
Oshawa City											
Q3 2004	10	4.6	68	31.3	100	46.1	36	16.6	3	1.4	217
Q3 2003	31	18.3	86	50.9	40	23.7	10	5.9	2	1.2	169
YTD 2004	50	9.3	210	39.0	195	36.2	71	13.2	13	2.4	539
YTD 2003	74	17.2	228	53.1	99	23.1	21	4.9	7	1.6	429
Whitby											
Q3 2004	5	1.5	83	25.5	131	40.2	76	23.3	31	9.5	326
Q3 2003	50	9.8	246	48.3	142	27.9	57	11.2	14	2.8	509
YTD 2004	27	2.5	361	33.9	431	40.5	184	17.3	61	5.7	1,064
YTD 2003	123	11.3	557	51.3	274	25.2	107	9.9	25	2.3	1,086

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

CMHC has recently published two new reports - *Residential Intensification Case Studies: Municipal Incentives* and *Residential Intensification Case Studies: Built Projects*. The former profiles municipal initiatives (e.g. infill development, brownfield redevelopment, secondary suites) that have been successfully implemented to overcome obstacles and encourage residential intensification. The latter report includes 23 examples to illustrate the unique challenges and rewards of intensification.

To download the Research Highlights or order the full reports on-line, click on www.cmhc.ca. For more information, or to order by phone, call 1-800-668-2642.

Table 5: Resale Housing Activity for Oshawa CMA

	Number of Sales	Yr/Yr %	Number of New Listings	Sales-to-New Listings	Average Price (\$)	Yr/Yr %
Durham Region						
Q3 2003	2,587	31.0%	3,551	72.9%	\$224,165	10.5%
Q3 2004	2,448	-5.4%	4,135	59.2%	\$245,413	9.5%
YTD 2003	7,527	5.0%	11,399		\$220,279	7.9%
YTD 2004	8,412	11.8%	13,039		\$240,669	9.3%
Oshawa CMA						
Q3 2003	1,516	31.7%	2,006	75.6%	\$204,858	10.8%
Q3 2004	1,474	-2.8%	2,407	61.2%	\$224,702	9.7%
YTD 2003	4,387	4.7%	6,370		\$201,852	8.8%
YTD 2004	5,122	16.8%	7,560		\$221,076	9.5%
Whitby						
Q3 2003	497	42.0%	638	77.9%	\$246,821	10.9%
Q3 2004	441	-11.3%	786	56.1%	\$274,986	11.4%
YTD 2003	1,410	6.8%	2,044		\$243,226	7.8%
YTD 2004	1,594	13.0%	2,489		\$266,992	9.8%
Oshawa City						
Q3 2003	647	21.8%	905	71.5%	\$172,374	8.6%
Q3 2004	651	0.6%	1,018	63.9%	\$192,257	11.5%
YTD 2003	1,853	0.9%	2,745		\$169,704	8.1%
YTD 2004	2,222	19.9%	3,139		\$187,241	10.3%
Clarington						
Q3 2003	372	37.8%	463	80.3%	\$205,293	9.6%
Q3 2004	382	2.7%	603	63.3%	\$221,944	8.1%
YTD 2003	1,124	8.8%	1,581		\$202,947	9.6%
YTD 2004	1,306	16.2%	1,932		\$222,600	9.7%

Oshawa CMA						
	Annual Sales	Yr/Yr %	Annual New Listings	Yr/Yr %	Annual Average Price	Yr/Yr %
1994	2,124		6,573		\$150,018	
1995	2,401	13.0%	7,527	14.5%	\$143,054	-4.6%
1996	4,211	75.4%	6,515	-13.4%	\$141,308	-1.2%
1997	4,314	2.4%	6,232	-4.3%	\$147,408	4.3%
1998	4,237	-1.8%	6,009	-3.6%	\$150,995	2.4%
1999	4,454	5.1%	6,063	0.9%	\$155,994	3.3%
2000	4,401	-1.2%	6,368	5.0%	\$164,416	5.4%
2001	4,937	12.2%	6,937	8.9%	\$172,603	5.0%
2002	5,186	5.0%	6,859	-1.1%	\$186,785	8.2%
2003	5,586	7.7%	7,772	13.3%	\$202,272	8.3%

Source:

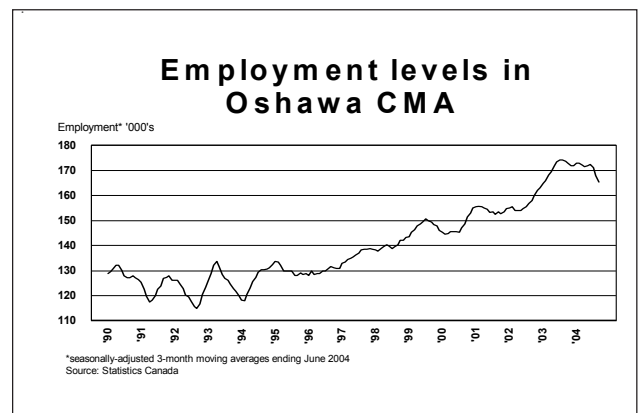
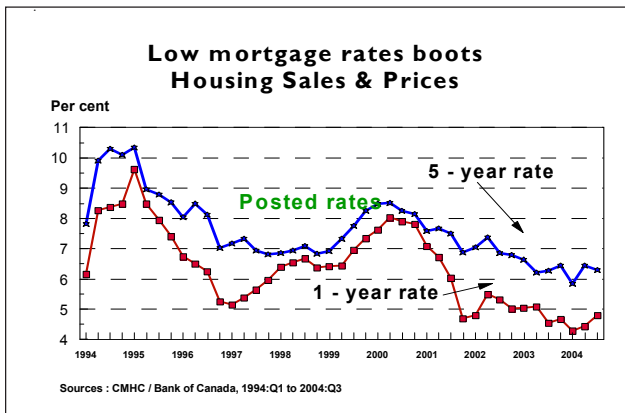
Table 6: Economic Indicators

		Interest and Exchange Rates			Oshawa CMA Labour Market			
		P & I* Per \$ 100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)	Employment SA** (.000)	Employment SA m/m (%)	Unemployment Rate (%) SA
			1 Yr. Term	5 Yr. Term				
2003	January	666.80	4.9	6.5	0.657	164.8	1.0	5.7
	February	675.90	4.9	6.6	0.674	165.9	0.7	5.5
	March	691.18	5.4	6.9	0.681	168.1	1.3	5.0
	April	678.94	5.4	6.7	0.698	169.6	0.9	5.1
	May	648.75	5.1	6.2	0.731	171.9	1.4	5.1
	June	627.97	4.9	5.8	0.742	173.5	0.9	5.3
	July	651.74	4.6	6.2	0.712	174.2	0.4	5.4
	August	660.76	4.6	6.4	0.722	174.3	0.1	5.3
	September	657.75	4.6	6.3	0.741	173.7	-0.3	5.3
	October	663.77	4.6	6.4	0.758	173.0	-0.4	4.9
	November	669.82	4.8	6.5	0.770	172.0	-0.6	4.9
	December	666.80	4.8	6.5	0.771	172.0	0.0	4.9
2004	January	642.78	4.3	6.1	0.755	172.9	0.5	5.1
	February	627.97	4.3	5.8	0.749	172.9	0.0	5.0
	March	622.08	4.3	5.7	0.763	172.2	-0.4	5.2
	April	648.75	4.5	6.2	0.729	171.6	-0.3	5.4
	May	669.82	4.6	6.5	0.733	171.9	0.2	5.2
	June	681.99	4.7	6.7	0.750	172.5	0.3	5.1
	July	672.86	4.6	6.6	0.752	171.2	-0.8	4.7
	August	657.75	4.4	6.3	0.762	167.9	-1.9	5.2
	September	657.75	4.8	6.3	0.793	165.4	-1.5	5.6
	October							
	November							
	December							

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

** Seasonally Adjusted

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>

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 a year. An annual subscription to the Kitchener Housing Now is \$55 plus GST. For more information and to order; please call Ontario Market Analysis customer service 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.

