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Hamilton

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Homes

Starts move lower in the fourth quarter

- Total housing starts in the Hamilton CMA dipped in the fourth quarter of 2003, representing the third consecutive quarter of year over year declines. However, on a seasonally adjusted basis, total new home construction levels trended higher compared to the first three quarters of the year.

- Markedly lower levels of single detached construction pushed total housing starts down in the fourth quarter. Multiples, on the other hand, recorded levels just shy of last year's strong performance. Strong demand for both freehold row and condominium apartments boosted

multiple starts.

- Total housing starts for all of 2003 show a striking resemblance to fourth quarter results. The Hamilton CMA recorded 3,260 housing starts, down 14 per cent from the previous year. Single detached starts trended down all year, falling short of 2002 totals by 23 per cent. However, demand for multiples remained strong in 2003. Growth in the Burlington multiples market kept Hamilton CMA multiple starts within close reach of last year's robust level.

- Total housing starts declined in all eight submarkets in 2003. In the single detached market, the most significant losses occurred in Hamilton City, Stoney Creek and

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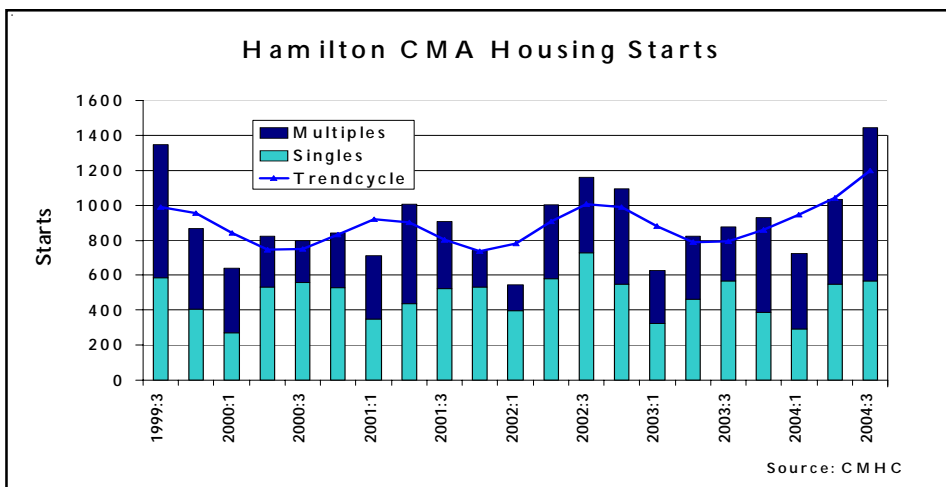
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Flamborough. Burlington was the only submarket to experience an increase in multiple starts in 2003.

- Despite softer demand, the average price of a single detached unit continues to climb. The Hamilton CMA recorded an average price of \$285,755 in 2003, up 9.3 per cent.

CMHC - Market Analysis
Dana Senagama
(416) 218-3329
dsenagam@cmhc-schl.gc.ca



HOME TO CANADIANS
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Resale Market

MLS® sales strong in the fourth quarter

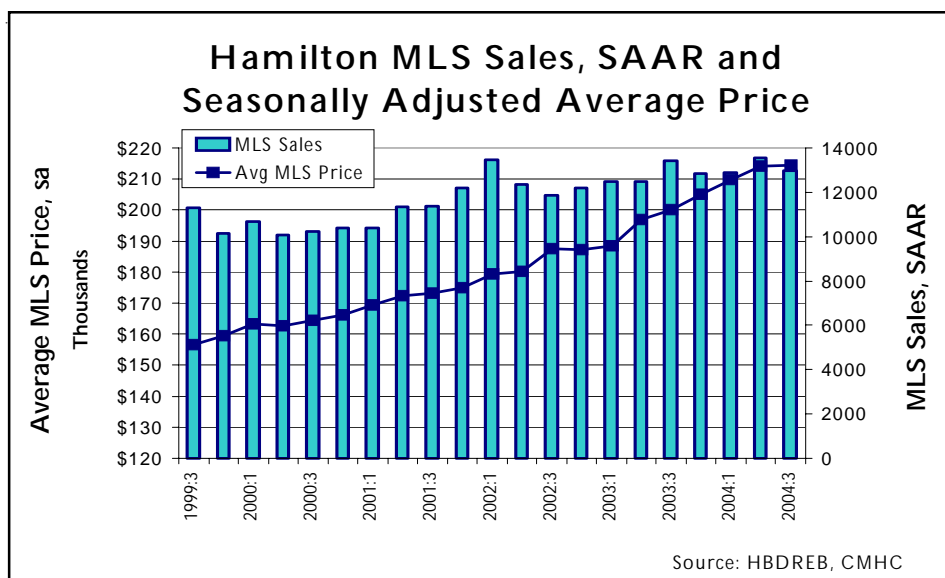
- The combination of low mortgage rates, healthy job growth, and migration continues to fuel resale activity in the Hamilton-Burlington and District Real Estate Board (HBDREB). Strong economic fundamentals have pushed MLS® sales to a record high in the fourth quarter at 2,606. MLS® sales registered just below 13,000 SAAR (seasonally adjusted annual rate) in the fourth quarter.
- The number of new listings recorded in the HBDREB area increased by less than one per cent in the fourth quarter. Stronger demand combined with a marginal increase in supply pushed the sales-to-new-listings-ratio higher. On a seasonally adjusted basis, the sales-to-new-listings-ratio remained at 77 per cent.
- With a limited supply of new listings, resale prices in the HBDREB area continue to climb. The average MLS® resale price jumped by 10 per cent in the fourth quarter reaching \$200,389.

- On the year, MLS® sales have surpassed 2002's record breaking performance by 2.6 per cent. The HBDREB recorded a whopping 12,807 MLS® sales in 2003. The total number of MLS® listings exceeded last year's total reaching 16,555. The number of listings is below the average of the last five years.
- 2003 was not only a remarkable year with respect to MLS® sales. The Hamilton resale market also recorded exceptional growth in average MLS® price. The combination of strong demand and tight supply pushed the average resale price up by 7.8 per cent in 2003 to \$197,744. This represents the highest annual increase in average resale price since 1989. In 2002, the average MLS® price increased by 6.3 per cent.
- The Hamilton area market remains one of the tightest resale markets in Ontario. Low mortgage rates and the persistent shortage of listings indicates that first time buyers are a strong component of the resale market. However, a slight increase in listings points to a more active move up market in 2004.

Mortgage rates still low

The Bank of Canada lowered its target for the overnight lending rate by 25 basis points on January 20th, 2004 to 2.5 per cent. There is a chance that the Bank of Canada will cut overnight rates again at the next meeting on March 2nd. However, as the Canadian economy rebounds and the output gap shrinks, interest rates will begin to rise late in 2004 in a effort to keep inflation within the target bands.

One, three and five-year posted closed mortgage rates are expected to be in the 4.25-5.00, 5.25-6.00, and 5.75-6.75 per cent range respectively in 2004. Recent developments suggest that the increase in mortgage rates in 2004 will be at the low end of our expectations, keeping rates low by historical standards.



Did you know?

For those who have difficulty meeting their housing needs on their own, CMHC plays a key role in helping them gain access to safe, affordable housing.

On behalf of the Government of Canada, we provide annual housing support to hundreds of thousands of low-income households in communities across the country. We also work in partnership with public, private and non-profit organizations as well as other levels of government to develop innovative financing and to increase the supply of affordable housing in Canada.

We are and we will continue to be **"Home to Canadians."**

Visit us at www.cmhc-schl.gc.ca and you will see a lot of information under one roof.

Table 1: Housing Activity Summary for Hamilton CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q3 2004	567	36	176	246	375	0	7	1,441
Q3 2003	566	32	66	214	0	0	0	878
% Change	0.2	12.5	166.7	15.0	NA	NA	NA	64.1
Year-to-date 2004	1,406	142	460	483	495	26	153	3,199
Year-to-date 2003	1,353	80	278	541	60	0	3	2,330
% Change	3.9	77.5	65.5	-10.7	**	NA	**	37.3
UNDER CONSTRUCTION								
September 2004	846	72	403	463	702	26	153	2,699
September 2003	1,023	64	292	386	165	0	15	1,945
COMPLETIONS								
Q3 2004	529	68	248	178	62	0	5	1,090
Q3 2003	428	17	194	88	0	0	0	727
% Change	23.6	**	27.8	102.3	NA	NA	NA	49.9
Year-to-date 2004	1,292	108	472	291	62	0	17	2,242
Year-to-date 2003	1,317	61	399	375	20	3	12	2,187
% Change	-1.9	77.0	18.3	-22.4	**	-100.0	41.7	2.5
COMPLETE & NOT ABSORBED								
September 2004	53	12	37	12	0	0	1	115
September 2003	50	13	34	17	6	0	0	120
ABSORPTIONS								
Q3 2004	542	70	234	178	63	0	4	1,091
Q3 2003	451	15	196	89	1	3	0	755
% Change	20.2	**	19.4	100.0	**	-100.0	NA	44.5
Year-to-date 2004	1,286	115	469	299	68	0	16	2,253
Year-to-date 2003	1,447	79	418	448	60	3	12	2,467
% Change	-11.1	45.6	12.2	-33.3	13.3	-100.0	33.3	-8.7

*Includes all market types

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

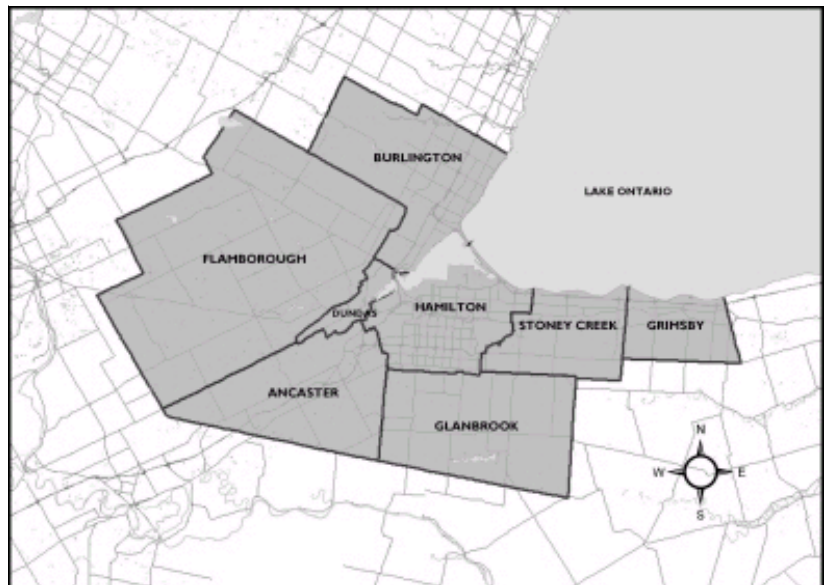


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q3 2003	Q3 2004	% change	Q3 2003	Q3 2004	% change	Q3 2003	Q3 2004	% change
Hamilton CMA	566	567	0.2	312	874	180.1	878	1,441	64.1
New City of Hamilton	333	394	18.3	160	402	151.3	493	796	61.5
Burlington City	179	124	-30.7	93	416	**	272	540	98.5
Grimsby Town	54	49	-9.3	59	56	-5.1	113	105	-7.1
Hamilton City	112	105	-6.3	46	142	**	158	247	56.3
Stoney Creek City	61	82	34.4	10	114	**	71	196	176.1
Ancaster Town	53	100	88.7	63	55	-12.7	116	155	33.6
Dundas Town	11	9	-18.2	0	4	NA	11	13	18.2
Flamborough	46	24	-47.8	0	24	NA	46	48	4.3
Glanbrook	50	74	48.0	41	63	53.7	91	137	50.5

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
Hamilton CMA	1,353	1,406	3.9	977	1,793	83.5	2,330	3,199	37.3
New City of Hamilton	841	875	4.0	293	716	144.4	1,134	1,591	40.3
Burlington City	396	393	-0.8	558	982	76.0	954	1,375	44.1
Grimsby Town	116	138	19.0	126	95	-24.6	242	233	-3.7
Hamilton City	219	191	-12.8	76	247	**	295	438	48.5
Stoney Creek City	230	210	-8.7	23	166	**	253	376	48.6
Ancaster Town	175	202	15.4	113	97	-14.2	288	299	3.8
Dundas Town	29	37	27.6	0	4	NA	29	41	41.4
Flamborough	79	73	-7.6	0	40	NA	79	113	43.0
Glanbrook	109	162	48.6	81	162	100.0	190	324	70.5

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

Sub Market Area	Q3 2003	Q3 2004	% Change	YTD 2003	YTD 2004	% Change
Hamilton CMA	285,634	312,077	9.3	280,633	313,263	11.6
New City of Hamilton	281,409	291,916	3.7	257,676	298,583	15.9
Burlington City	297,089	373,391	25.7	328,793	352,037	7.1
Grimsby Town	274,859	282,870	2.9	262,200	278,557	6.2
Hamilton City	230,612	267,320	15.9	218,432	256,338	17.4
Stoney Creek City	249,441	263,645	5.7	244,087	262,559	7.6
Ancaster Town	369,520	349,480	-5.4	294,099	356,422	21.2
Dundas Town	281,000	328,366	16.9	322,860	328,008	1.6
Flamborough	469,308	381,788	-18.6	406,765	410,926	1.0
Glanbrook	236,756	246,620	4.2	228,852	265,715	16.1

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

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

AREA	PRICE RANGES										
	<\$174,999		\$175-\$249,999		\$250-\$299,999		\$300-\$349,999		\$350,000+		TOTAL
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Hamilton CMA											
Q3 2004	6	1.1	150	27.7	170	31.4	89	16.4	127	23.4	542
Q3 2003	2	0.4	173	38.4	100	22.2	109	24.2	67	14.9	451
YTD 2004	15	1.2	319	24.8	386	30.0	239	18.6	327	25.4	1,286
YTD 2003	8	0.6	674	46.6	225	15.5	354	24.5	186	12.9	1,447
New City of Hamilton											
Q3 2004	6	1.8	125	38.0	95	28.9	40	12.2	63	19.1	329
Q3 2003	2	0.8	121	46.5	66	25.4	30	11.5	41	15.8	260
YTD 2004	15	2.0	272	35.7	222	29.2	91	12.0	161	21.2	761
YTD 2003	8	0.9	584	64.5	147	16.2	78	8.6	88	9.7	905
Burlington City											
Q3 2004	0	0.0	0	0.0	46	32.4	35	24.6	61	43.0	142
Q3 2003	0	0.0	32	22.5	15	10.6	71	50.0	24	16.9	142
YTD 2004	0	0.0	12	3.0	95	23.8	132	33.0	161	40.3	400
YTD 2003	0	0.0	46	10.0	55	11.9	265	57.4	96	20.8	462
Grimsby Town											
Q3 2004	0	0.0	25	35.2	29	40.8	14	19.7	3	4.2	71
Q3 2003	0	0.0	20	40.8	19	38.8	8	16.3	2	4.1	49
YTD 2004	0	0.0	35	28.0	69	55.2	16	12.8	5	4.0	125
YTD 2003	0	0.0	44	55.0	23	28.8	11	13.8	2	2.5	80
Hamilton City											
Q3 2004	0	0.0	34	44.7	25	32.9	12	15.8	5	6.6	76
Q3 2003	2	3.9	31	60.8	15	29.4	2	3.9	1	2.0	51
YTD 2004	7	3.7	89	47.1	66	34.9	18	9.5	9	4.8	189
YTD 2003	4	1.6	216	88.5	19	7.8	4	1.6	1	0.4	244
Stoney Creek City											
Q3 2004	1	1.1	50	53.2	33	35.1	1	1.1	9	9.6	94
Q3 2003	0	0.0	72	60.5	31	26.1	11	9.2	5	4.2	119
YTD 2004	1	0.5	104	53.3	65	33.3	8	4.1	17	8.7	195
YTD 2003	1	0.3	209	69.0	65	21.5	20	6.6	8	2.6	303
Ancaster Town											
Q3 2004	1	2.0	0	0.0	15	30.0	11	22.0	23	46.0	50
Q3 2003	0	0.0	4	7.4	11	20.4	14	25.9	25	46.3	54
YTD 2004	1	0.7	5	3.7	35	25.7	33	24.3	62	45.6	136
YTD 2003	0	0.0	69	41.3	31	18.6	28	16.8	39	23.4	167
Dundas Town											
Q3 2004	0	0.0	1	3.8	10	38.5	9	34.6	6	23.1	26
Q3 2003	0	0.0	0	0.0	4	80.0	1	20.0	0	0.0	5
YTD 2004	0	0.0	1	1.9	22	41.5	18	34.0	12	22.6	53
YTD 2003	0	0.0	3	7.0	12	27.9	17	39.5	11	25.6	43
Flamborough											
Q3 2004	4	12.1	8	24.2	0	0.0	2	6.1	19	57.6	33
Q3 2003	0	0.0	1	7.7	0	0.0	2	15.4	10	76.9	13
YTD 2004	6	7.4	15	18.5	5	6.2	5	6.2	50	61.7	81
YTD 2003	3	5.9	6	11.8	6	11.8	8	15.7	28	54.9	51
Glanbrook											
Q3 2004	0	0.0	32	64.0	12	24.0	5	10.0	1	2.0	50
Q3 2003	0	0.0	13	72.2	5	27.8	0	0.0	0	0.0	18
YTD 2004	0	0.0	58	54.2	29	27.1	9	8.4	11	10.3	107
YTD 2003	0	0.0	81	83.5	14	14.4	1	1.0	1	1.0	97

Source: CMHC

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

Table 5: Resale Housing Activity for Hamilton Real Estate Board

		Number of		Sales	Number of	New Listings	Sales-to-New	Average		Average
		Sales	Yr/Yr %	SAAR	New Listings	SAAR	Listings SA	Price (\$)	Yr/Yr %	Price (\$) SA
2003	January	751	-11.5	12,300	1,294	16,200	76.1	186,875	6.8	189,120
	February	1,067	-2.5	13,200	1,520	17,300	76.1	191,886	4.7	186,365
	March	1,076	-10.0	11,900	1,545	15,800	75.1	190,956	6.1	189,761
	April	1,207	-14.7	11,100	1,541	15,200	72.9	198,559	9.0	196,325
	May	1,281	-2.9	12,500	1,656	16,100	77.6	198,466	7.0	194,973
	June	1,313	24.0	13,900	1,644	17,200	81.0	205,718	10.8	199,045
	July	1,354	32.9	13,800	1,615	17,200	80.6	196,472	4.4	196,874
	August	1,035	5.8	12,900	1,259	16,600	77.9	199,421	7.5	199,831
	September	1,117	7.4	13,500	1,502	17,300	78.0	199,927	5.8	204,044
	October	1,040	1.9	12,900	1,242	16,300	79.3	202,408	10.6	204,950
	November	902	1.5	13,100	1,013	16,600	79.0	201,924	10.2	204,255
	December	664	9.9	12,500	724	16,900	74.1	195,144	10.2	206,180
2004	January	758	0.9	12,600	1,281	16,200	77.6	205,495	10.0	208,825
	February	956	-10.4	12,100	1,333	15,800	76.7	207,768	8.3	201,508
	March	1,393	29.5	14,100	1,766	16,800	83.8	217,984	14.2	217,734
	April	1,454	20.5	13,700	1,759	17,200	79.4	217,098	9.3	212,480
	May	1,341	4.7	13,600	1,734	17,300	78.3	216,121	8.9	211,527
	June	1,374	4.6	13,400	1,815	17,700	75.6	221,967	7.9	218,131
	July	1,210	-10.6	13,100	1,545	17,200	76.4	215,512	9.7	214,724
	August	1,119	8.1	13,300	1,402	17,500	75.8	208,998	4.8	212,639
	September	1,017	-9.0	12,500	1,541	17,900	69.8	218,742	9.4	215,659
	October									
	November									
	December									
	Q3 2003	3,506	15.4	13,400	4,376	17,000	78.9	198,443	5.8	200,224
	Q3 2004	3,346	-4.6	13,000	4,488	17,500	74.0	214,315	8.0	214,312
	YTD 2003	10,201	2.3		13,576			197,069	7.2	
	YTD 2004	10,622	4.1		14,176			215,176	9.2	

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price (\$)	Yr/Yr %	
1994	8,345	7.7		23,833	-7.0		145,939	1.7	
1995	7,737	-7.3		21,983	-7.8		141,109	-3.3	
1996	10,224	32.1		19,133	-13.0		142,267	0.8	
1997	9,972	-2.5		17,755	-7.2		151,538	6.5	
1998	10,017	0.5		17,549	-1.2		153,628	1.4	
1999	10,543	5.3		16,208	-7.6		158,162	3.0	
2000	10,347	-1.9		19,496	20.3		164,168	3.8	
2001	11,334	9.5		18,585	-4.7		172,567	5.1	
2002	12,482	10.1		15,850	-14.7		183,442	6.3	
2003	12,807	2.6		16,555	4.4		197,745	7.8	

Source: Canadian Real Estate Association

Table 6: Economic Indicators

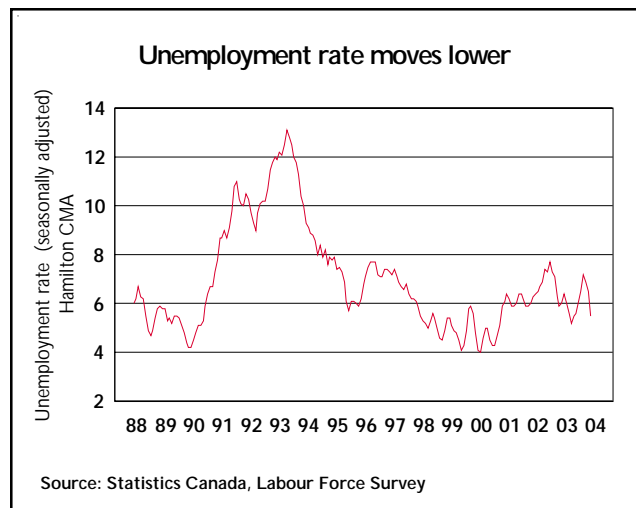
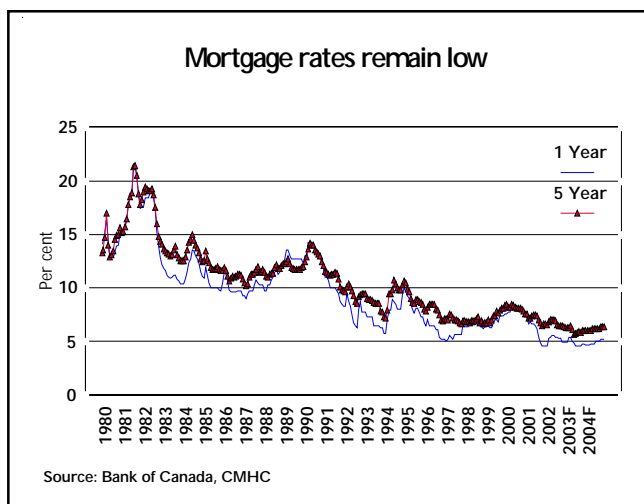
		Interest and Exchange Rates				Inflation Rate (%)	NHPI*** % chg.	Hamilton CMA Labour Market		
		P & I*	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)	Ontario	Hamilton CMA	Employment	Employment	Unemployment
			Per \$100,000	1 Yr. Term		5 Yr. Term	1996=100	1997=100	SA** (.000)	SA m/m (%)
2003	January	666.80	4.9	6.5	0.657	4.3	7.2	359.0	0.3	6.5
	February	675.90	4.9	6.6	0.674	4.4	6.4	359.5	0.1	6.1
	March	691.18	5.4	6.9	0.681	3.3	7.6	361.0	0.4	5.6
	April	678.94	5.4	6.7	0.698	2.3	7.3	360.1	-0.2	5.2
	May	648.75	5.1	6.2	0.731	2.7	7.0	359.0	-0.3	5.5
	June	627.97	4.9	5.8	0.742	2.5	6.2	359.3	0.1	5.8
	July	651.74	4.6	6.2	0.712	1.9	7.0	362.0	0.8	6.1
	August	660.76	4.6	6.4	0.722	1.7	7.0	364.9	0.8	6.6
	September	657.75	4.6	6.3	0.741	2.2	6.2	365.6	0.2	7.1
	October	663.77	4.6	6.4	0.758	1.7	5.0	367.1	0.4	6.9
	November	669.82	4.8	6.5	0.770	1.7	4.6	367.9	0.2	6.5
	December	666.80	4.8	6.5	0.771	3.0	4.0	369.4	0.4	5.5
2004	January	642.78	4.3	6.1	0.755	1.5	4.3	369.3	0.0	5.3
	February	627.97	4.3	5.8	0.749	0.8	5.2	362.3	-1.9	6.0
	March	622.08	4.3	5.7	0.763	1.1	3.9	359.2	-0.9	6.9
	April	648.75	4.5	6.2	0.729	2.3	4.3	358.2	-0.3	7.6
	May	669.82	4.6	6.5	0.733	2.8	5.3	365.7	2.1	7.2
	June	681.99	4.7	6.7	0.750	2.4	6.2	370.0	1.2	7.1
	July	672.86	4.6	6.6	0.752	2.4	5.4	375.8	1.6	6.3
	August	657.75	4.4	6.3	0.762	1.5	4.5	377.3	0.4	6.1
	September	657.75	4.8	6.3	0.793			380.4	0.8	5.5
	October									
	November									
	December									

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

** Seasonally Adjusted

*** New Housing Price Index

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

Ontario's 2004 Retirement Homes Report

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