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Strong Third Quarter for Sudbury and Thunder Bay new housing starts

A weaker, but still above-average September marked the end of the third quarter of 2004 in Greater Sudbury. The 32 singles and 2 semis brought year-to-date activity in the City of Greater Sudbury to 269 and 8 units respectively. The 127 single-detached starts that

commenced in the third quarter were 62 per cent higher than the average for the third quarter over the last five years.

In Thunder Bay, although September housing starts dipped below the ten-year average for the month, the

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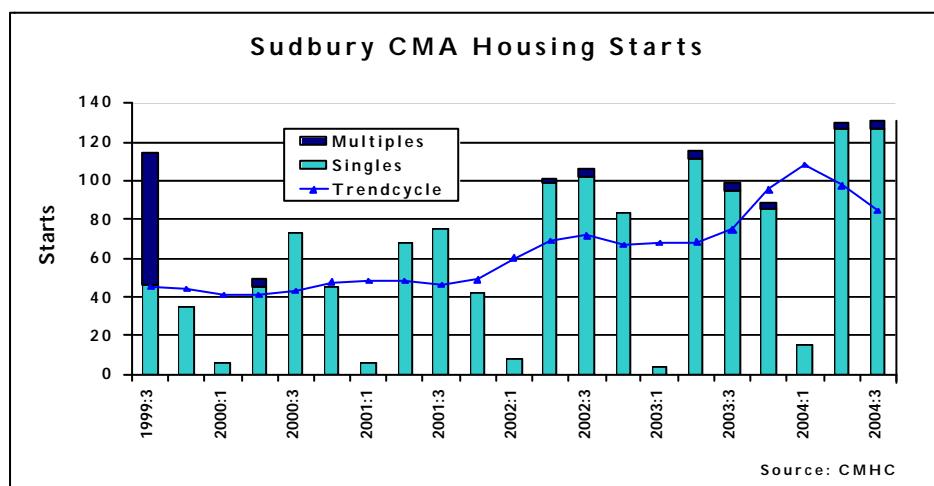
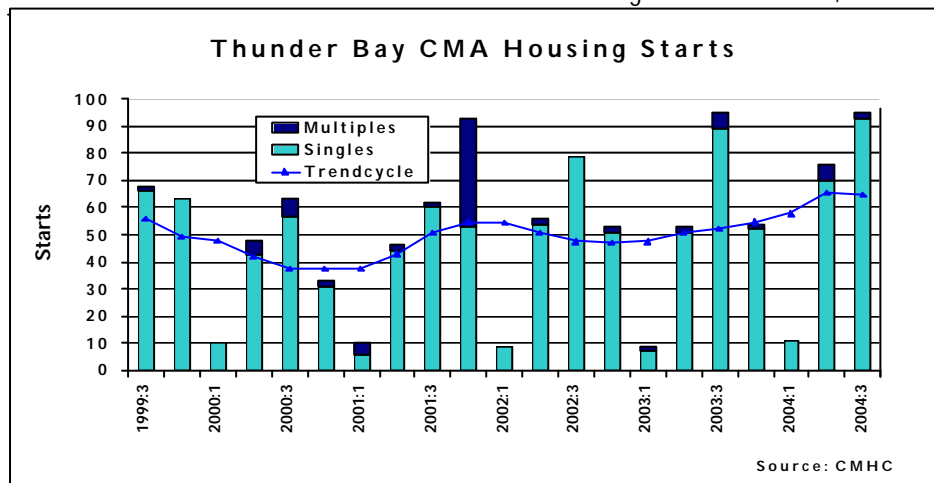
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third quarter wrapped up having been the strongest since 1994 for single-detached housing starts. The 93 single-detached starts in the July to September 30th period are well above the average of third quarters for the past five years of 70 units. The 19 single-detached starts in September bring the year-to-date figure to 174 units, up from 147 for the first three quarters last year. Low interest rates and a tight resale market in move-up ranges are factors contributing to the good construction season thus far. (see chart at left)

Sault Ste. Marie experienced a near-doubling of single-detached housing starts in 2004:Q3 compared to the same period one year ago. Starts are



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ahead 34.5 per cent in the year-to-date in the Soo as interest from aging baby boomers is not always being satisfied by the resale market. North Bay's singles starts were on par with last year in the quarter bringing starts for the first nine months to 95 units, up 5.6 per cent from 2003. Timmins is on track to finish well behind last year's rather weak total despite a tightening move-up segment of the resale market.

In other parts of Northern Ontario, poorer results are being observed. Elliot Lake, Haileybury, Fort Frances and Dryden are trailing last year's starts marks. Kenora is an exception as 16 singles and two semis have started to September 30th, up from 13 total starts last year. (see Tables

2A and 2B)

Table 4 presents new construction absorption information 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 \$184,683. Lower prices in the Soo are also found in the resale market. The \$150,000-\$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.

Thunder Bay Q3 Resale Market Review

Sales continue their descent after above average sales activity over the past couple years. Residential MLS sales fell to 398 in 2004:Q3, off 15.9

per cent from 2003:Q3. Seasonally adjusted sales were well off the 2003:Q1 peak.

New listings have rebounded in Q2 and now in Q3 after a weak Q1. Listings increased to 747 units from 653 in 2003:Q3.

Average prices continued rising 2004:Q3 finishing up 2.7 per cent for the quarter to \$116,231 from one year prior.

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.

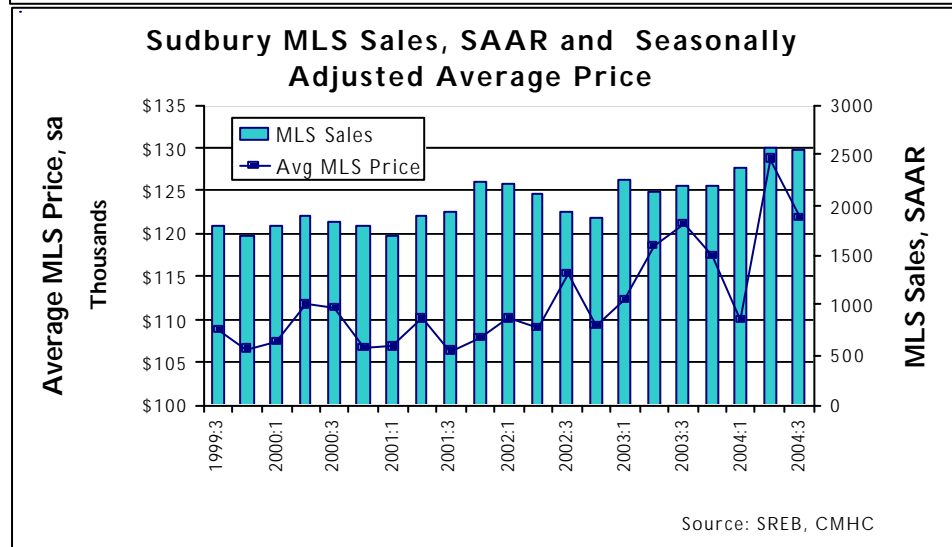
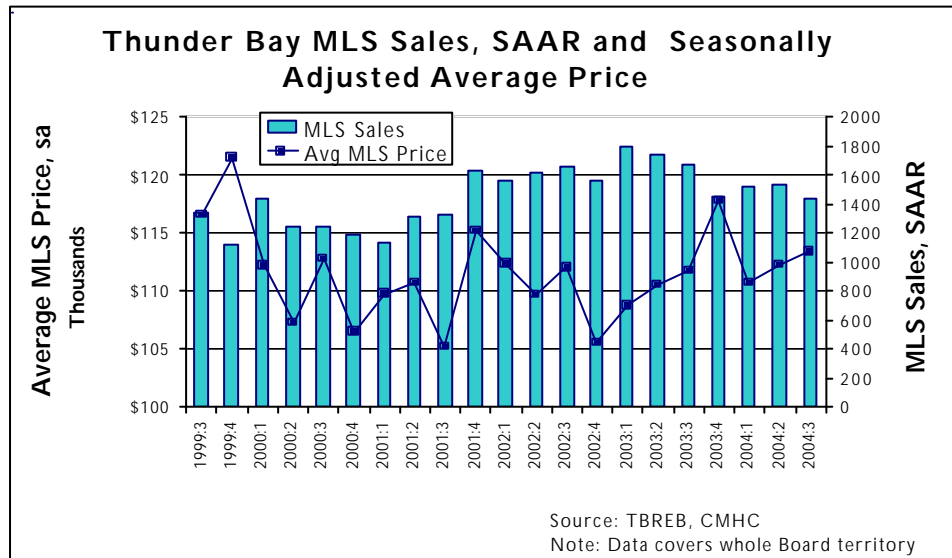
Sudbury Q3 Resale Market Review

Greater Sudbury sales were the highest recorded in at least 15 years of tracking third quarter MLS activity. 720 sales were counted in 2004:Q3 bring year-to-date sales to 2063, up nearly 18 per cent from last year. Seasonally adjusted sales slipped slightly from last quarter's all-time high for the market.

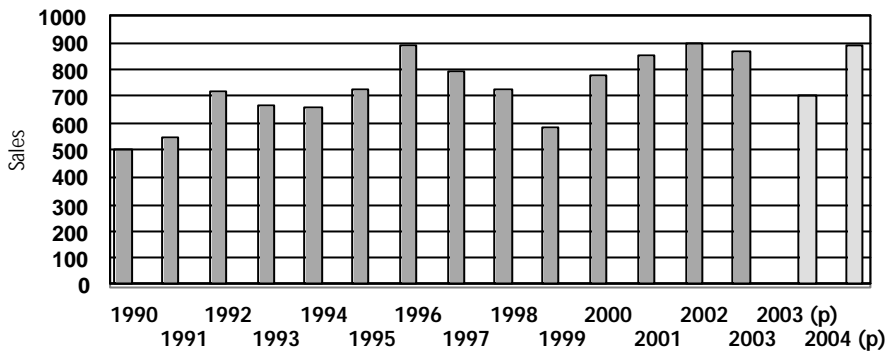
Listings improved only slightly (0.7 per cent) over 2003:Q3. New listings are improving markedly in higher price ranges which are taking some pressure off the high end of the market.

Average prices cooled somewhat in the third quarter but still are up 3.1 per cent for the year. All things considered, Sudbury's market is still considered to be in a strong balanced position.

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



After a slightly weaker year last year, Timmins Board sales volumes are up strongly to Sept 30th



(p) to Sept 30th.
Source: TREB.

Timmins REB Sales Strongest Ever 2004:Q3

2004 resale activity tracked by the Timmins Real Estate Board (TREB) has been brisk in 2004. Sales in the whole Board territory in 2004:Q3 reached an all-time high for the third quarter, finishing 9.5 per cent ahead of last year, which was a high in itself. The average priced unit sold within the TREB territory in 2004 has been \$87,112, up 3.9 per cent from last year.

Table 1A: Housing Activity Summary for Thunder Bay CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q3 2004	93	2	0	0	0	0	0	95
Q3 2003	89	6	0	0	0	0	0	95
% Change	4.5	-66.7	NA	NA	NA	NA	NA	0.0
Year-to-date 2004	174	8	0	0	0	0	0	182
Year-to-date 2003	147	10	0	0	0	0	0	157
% Change	18.4	-20.0	NA	NA	NA	NA	NA	15.9
UNDER CONSTRUCTION								
September 2004	141	4	0	0	0	0	0	145
September 2003	130	6	0	0	38	0	0	174
COMPLETIONS								
Q3 2004	45	4	0	0	0	0	0	49
Q3 2003	52	2	0	0	0	0	0	54
% Change	-13.5	100.0	NA	NA	NA	NA	NA	-9.3
Year-to-date 2004	132	6	0	0	0	0	0	138
Year-to-date 2003	129	6	0	0	0	0	6	141
% Change	2.3	0.0	NA	NA	NA	NA	-100.0	-2.1
COMPLETE & NOT ABSORBED								
September 2004	4	0	0	0	0	0	0	4
September 2003	2	1	0	0	0	0	0	3
ABSORPTIONS								
Q3 2004	47	6	0	0	0	0	0	53
Q3 2003	52	2	0	0	0	0	0	54
% Change	-9.6	200.0	NA	NA	NA	NA	NA	-1.9
Year-to-date 2004	130	7	0	0	0	0	0	137
Year-to-date 2003	137	5	0	0	0	0	6	148
% Change	-5.1	40.0	NA	NA	NA	NA	-100.0	-7.4

*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								
Q3 2004	127	4	0	0	0	0	0	131
Q3 2003	95	4	0	0	0	0	0	99
% Change	33.7	0.0	NA	NA	NA	NA	NA	32.3
Year-to-date 2004	269	8	0	0	0	0	0	277
Year-to-date 2003	210	8	0	0	0	0	0	218
% Change	28.1	0.0	NA	NA	NA	NA	NA	27.1
UNDER CONSTRUCTION								
September 2004	151	6	0	0	0	0	0	157
September 2003	120	4	0	0	0	0	0	124
COMPLETIONS								
Q3 2004	107	2	0	0	0	0	0	109
Q3 2003	91	4	0	0	0	0	0	95
% Change	17.6	-50.0	NA	NA	NA	NA	NA	14.7
Year-to-date 2004	211	2	0	0	0	0	0	213
Year-to-date 2003	182	4	0	0	0	0	0	186
% Change	15.9	-50.0	NA	NA	NA	NA	NA	14.5
COMPLETE & NOT ABSORBED								
September 2004	4	0	0	0	0	0	0	4
September 2003	13	0	0	0	0	0	0	13
ABSORPTIONS								
Q3 2004	115	2	0	0	0	0	0	117
Q3 2003	89	4	0	0	0	0	0	93
% Change	29.2	-50.0	NA	NA	NA	NA	NA	25.8
Year-to-date 2004	213	2	0	0	0	0	0	215
Year-to-date 2003	179	4	0	0	0	0	0	183
% Change	19.0	-50.0	NA	NA	NA	NA	NA	17.5

*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	Q3 2003	Q3 2004	% change
North Bay	51	52	2.0	0	2	NA	51	54	5.9
Sault Ste. Marie	22	40	81.8	2	2	0.0	24	42	75.0
Timmins	13	8	-38.5	0	0	NA	13	8	-38.5
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	11	7	-36.4	17	0	-100.0	28	7	-75.0
Kenora	11	10	-9.1	0	2	NA	11	12	9.1
Fort Frances	2	0	-100.0	0	0	NA	2	0	-100.0
Dryden	7	4	-42.9	0	0	NA	7	4	-42.9

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	90	95	5.6	2	10	**	92	105	14.1
Sault Ste. Marie	58	78	34.5	2	6	200.0	60	84	40.0
Timmins	22	13	-40.9	0	0	NA	22	13	-40.9
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	15	10	-33.3	17	0	-100.0	32	10	-68.8
Kenora	13	16	23.1	0	2	NA	13	18	38.5
Fort Frances	9	3	-66.7	4	0	-100.0	13	3	-76.9
Dryden	18	6	-66.7	0	0	NA	18	6	-66.7

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

Sub Market Area	Q3 2003	Q3 2004	% Change	YTD 2003	YTD 2004	% Change
Sudbury	198,213	209,035	5.5	206,642	206,390	-0.1
Thunder Bay	204,981	226,787	10.6	205,175	215,608	5.1
North Bay	178,770	220,311	23.2	184,021	202,978	10.3
Sault Ste. Marie	206,333	160,846	-22.0	195,503	184,683	-5.5

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							
Q3 2004	5	4.3	63	54.8	47	40.9	115
Q3 2003	17	19.1	44	49.4	28	31.5	89
YTD 2004	22	10.3	107	50.2	84	39.4	213
YTD 2003	32	17.9	85	47.5	62	34.6	179
Thunder Bay CMA							
Q3 2004	2	4.3	15	31.9	30	63.8	47
Q3 2003	5	9.6	29	55.8	18	34.6	52
YTD 2004	10	7.7	43	33.1	77	59.2	130
YTD 2003	10	7.3	62	45.3	65	47.4	137
Sault Ste. Marie CA							
Q3 2004	4	30.8	6	46.2	3	23.1	13
Q3 2003	0	0.0	2	66.7	1	33.3	3
YTD 2004	30	25.2	45	37.8	44	37.0	119
YTD 2003	6	17.1	19	54.3	10	28.6	35
North Bay CA							
Q3 2004	4	11.4	12	34.3	19	54.3	35
Q3 2003	8	24.2	16	48.5	9	27.3	33
YTD 2004	16	22.2	24	33.3	32	44.4	72
YTD 2003	15	22.1	33	48.5	20	29.4	68

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 %
Thunder Bay CMA						
Q3 2003	473	-1.3	653	72.4	113,209	1.0
Q3 2004	398	-15.9	747	53.3	116,231	2.7
YTD 2003	1357	6.1	2,174		111,593	-0.5
YTD 2004	1186	-12.6	2,143		113,578	1.8
Sudbury CMA						
Q3 2003	625	12.4	958	65.2	121,105	-2.8
Q3 2004	720	15.2	965	74.6	119,029	-1.7
YTD 2003	1,767	5.9	3,057		118,367	6.1
YTD 2004	2,063	16.8	3,266		121,930	3.0
Sault Ste Marie CA						
Q3 2003	300	0.3	474	63.3	96,255	3.7
Q3 2004	344	14.7	512	67.2	97,988	1.8
YTD 2003	786	4.0	1,557		95,090	2.4
YTD 2004	879	11.8	1,552		96,661	1.7
North Bay CA						
Q3 2003	395	28.7	561	70.4	125,222	0.5
Q3 2004	389	-1.5	546	71.2	138,976	11.0
YTD 2003	1,048	8.5	1,646		127,216	5.4
YTD 2004	1,189	13.5	1,667		137,756	8.3
Timmins CA						
Q3 2003	296	2.4	535	55.3	81,508	-3.5
Q3 2004	324	9.5	499	64.9	85,672	5.1
YTD 2003	690	-7.0	1,623		83,807	-0.6
YTD 2004	861	24.8	1,610		87,112	3.9

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

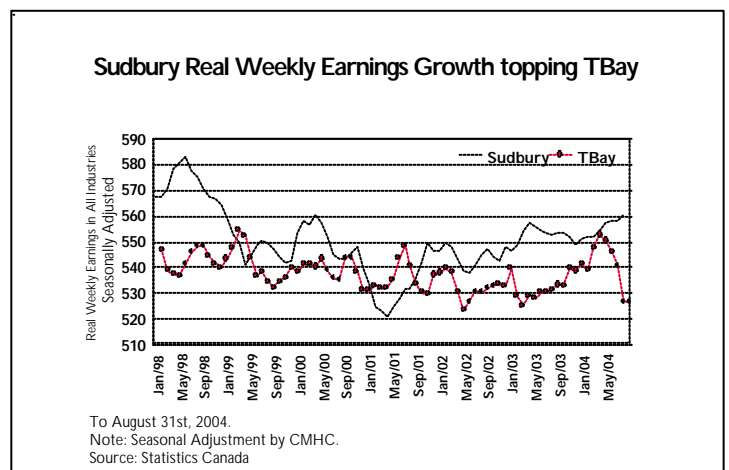
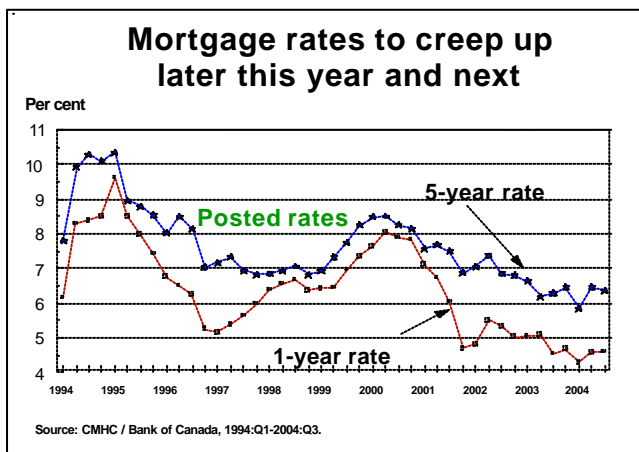
Table 6: Economic Indicators

	Interest and Exchange Rates				Inflation Rate (%) 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	64.2	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	672.86	4.6	6.6	0.752	2.4	60.6	8.6	74.5	8.6
August	657.75	4.4	6.3	0.762	1.5	60.3	8.8	74.3	7.8
September	657.75	4.8	6.3	0.793	1.5	59.9	9.1	74.5	7.7
October	663.77	4.9	6.4						
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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