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NEW HOME MARKET

First Quarter housing starts weak

Total housing starts have been trending lower since mid 2003. New home construction in the Oshawa Census Metropolitan Area (CMA) was weak in the first quarter of 2005. A more balanced resale market, a declining supply of available residential lots, and poor winter weather contributed to the low number of starts in the first quarter. A total of 242 units were started, down 44.5 per cent from the strong showing in the first quarter of 2004. This was the weakest first quarter since 1996.

While high gasoline prices has made the long commute less attractive for those who work in Toronto, low

mortgage rates, strong consumer confidence, and the relatively affordable prices for new homes in the Oshawa CMA continue to be attractive to homebuyers. New site openings in the Oshawa CMA draw large crowds.

All three municipalities in the Oshawa CMA registered declines in housing starts in the first quarter. Whitby had the highest decline. Housing construction activity in Whitby came in at a very weak 65 units, down 60.8 per cent from the strong first quarter 2004 level. The shortage of residentially designated land in Whitby contributed to the low number of home starts. The higher costs of homeownership have brought sales down. New

FIRST QUARTER 2005

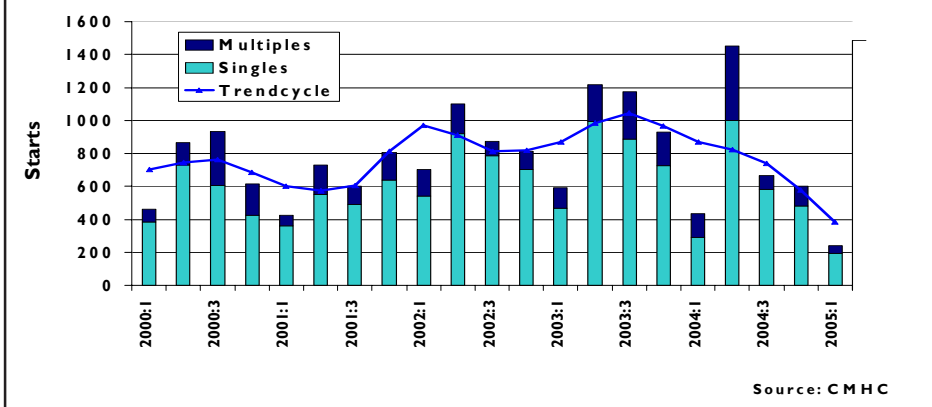
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home developments in Ajax drew Toronto purchasers away from Whitby. Both single-detached and multiple starts in Whitby were affected. Whitby's share of starts in the Oshawa CMA declined to a very low 27 per cent.

Starts declines in Oshawa City and Clarington were not as pronounced as in Whitby. These two municipalities saw declines in both single detached and multiple construction. The poor winter weather contrib-

Oshawa CMA Housing Starts



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uted to slower first quarter starts. As in Whitby, higher new home prices are limiting the ability of some potential buyers to buy a newly constructed home. Fifty per cent of Oshawa CMA's first quarter starts were in Clarington. The more affordable new home prices in Clarington when compared to municipalities to the west drew a higher percentage of potential buyers to this municipality. First quarter 2005 Oshawa City starts fell 24.3 per cent to 56 units from the same quarter of 2004, while Clarington starts declined by 38.3 per cent to 121 units.

Average single-detached prices rise

New home buyers look to the Oshawa CMA for single-detached homes. Oshawa offers much better single-detached home value than in adjacent Toronto areas. Demand for more upgrades, and thus, more expensive homes pushed the average single-detached price higher. In the first quarter of 2005, the average price of a new single-detached home in the Oshawa CMA jumped by 8.8 per cent to \$277,633 when compared to the same quarter of 2004. Whitby, with the highest average single-detached price, recorded the largest gain in prices, skyrocketing 22.6 per cent to

\$325,184. The low number of housing starts in Whitby suggests many potential buyers were forced to look even farther afield for more affordable single-detached homes. The average single-detached absorbed price rose by 9.0 per cent in Oshawa City to \$266,480. Clarington, which has the lowest average single-detached absorbed price, saw a smaller 5.0 per cent price gain to \$246,586.

RESALE MARKET

Strong first quarter resale market

The resale market remains buoyant, driven by low mortgage rates, a strong local economy, and migration from Toronto. Both first-time and move-up buyers continue to take advantage of the low mortgage rates and more affordable homes in the Oshawa CMA. After a record breaking number of existing home sales in 2004, the first quarter of 2005 began slower. A total of 1,289 existing homes were sold in the first quarter of this year, down 16.5 per cent from the record level seen in the first quarter of 2004. Although lower, this was the third best first quarter on record. Sales have been edging lower since the second quarter of 2004.

Equity and income gains among homeowners encouraged many to

list their homes. This added supply of existing homes on the market has provided more choice for buyers and has contributed to the strong level of sales in the first quarter. First quarter 2005 new listings outpaced first quarter 2004 levels, rising 5.7 per cent. New listings in the first quarter were at the second highest level of any quarter.

Increased new listings pulled the sales-to-new listings ratio, a leading indicator of future price growth and market tightness, lower to reach the lowest level since the first quarter of 1996. The sales-to-new listings ratio is edging downward, from a sellers' market state toward a more balanced resale market state.

Average resale prices have been trending upward since the middle of 1995. In the first quarter of 2005, the average resale price continued to rise above the general rate of inflation, increasing by 9.7 per cent to \$231,119. Price increases have been augmented by the increase in newer and more expensive homes on the market. With market conditions not as tight as in previous quarters, expect prices to continue to rise, but at a slower rate than seen in the last few years.

All three municipalities in the Oshawa CMA experienced declines in resale volumes in the first quarter of 2005 compared to 2004. First quarter new listings rose in Whitby and Clarington, but fell in Oshawa City. Average resale prices rose in all three municipalities, ranging from 9.9 per cent in Oshawa, to 7.6 per cent in Whitby. The average resale price in Whitby has risen by 40 per cent in the last five years. Many homeowners, who have realized large equity gains, are listing their homes. The large increase in new listings has pushed the Whitby market toward balanced territory and sales have not declined as much as in the other two municipalities.

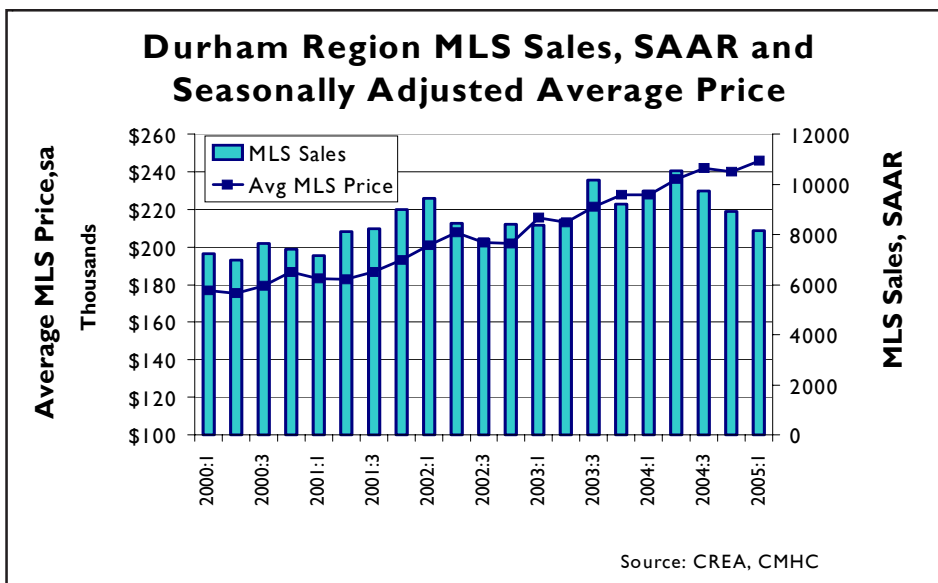


Table I: Housing Activity Summary for Oshawa CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q1 2005	192	0	46	0	0	4	0	242
Q1 2004	292	0	72	0	72	0	0	436
% Change	-34.2	NA	-36.1	NA	-100.0	NA	NA	-44.5
Year-to-date 2005	192	0	46	0	0	4	0	242
Year-to-date 2004	292	0	72	0	72	0	0	436
% Change	-34.2	NA	-36.1	NA	-100.0	NA	NA	-44.5
UNDER CONSTRUCTION								
March 2005	848	46	118	11	90	4	0	1,117
March 2004	1,252	26	228	0	144	0	36	1,686
COMPLETIONS								
Q1 2005	486	4	45	5	72	0	0	612
Q1 2004	630	42	178	0	0	0	4	854
% Change	-22.9	-90.5	-74.7	NA	NA	NA	-100.0	-28.3
Year-to-date 2005	486	4	45	5	72	0	0	612
Year-to-date 2004	630	42	178	0	0	0	4	854
% Change	-22.9	-90.5	-74.7	NA	NA	NA	-100.0	-28.3
COMPLETE & NOT ABSORBED								
March 2005	28	5	7	1	0	0	0	41
March 2004	18	1	18	0	1	0	0	38
ABSORPTIONS								
Q1 2005	463	3	47	4	72	0	0	589
Q1 2004	621	42	189	0	0	0	4	856
% Change	-25.4	-92.9	-75.1	NA	NA	NA	-100.0	-31.2
Year-to-date 2005	463	3	47	4	72	0	0	589
Year-to-date 2004	621	42	189	0	0	0	4	856
% Change	-25.4	-92.9	-75.1	NA	NA	NA	-100.0	-31.2

*Includes all market types

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

Source: CMHC

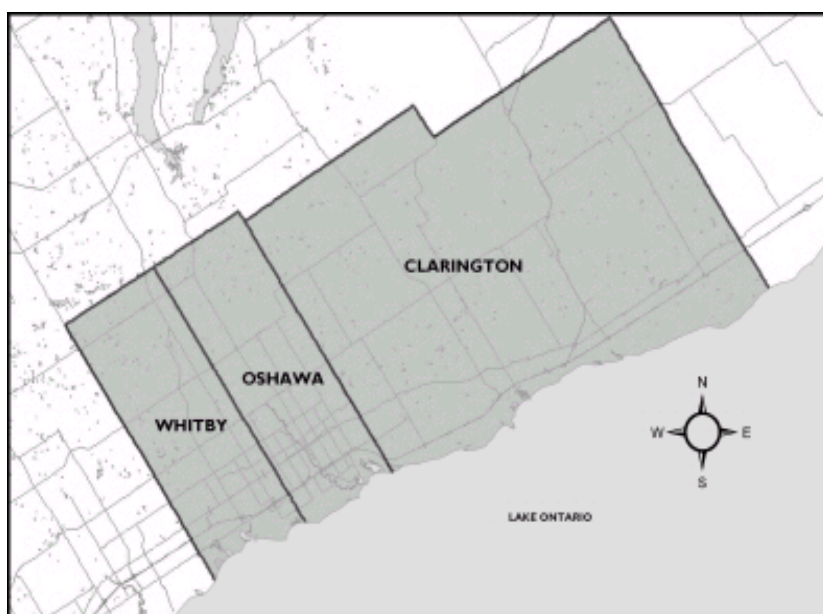
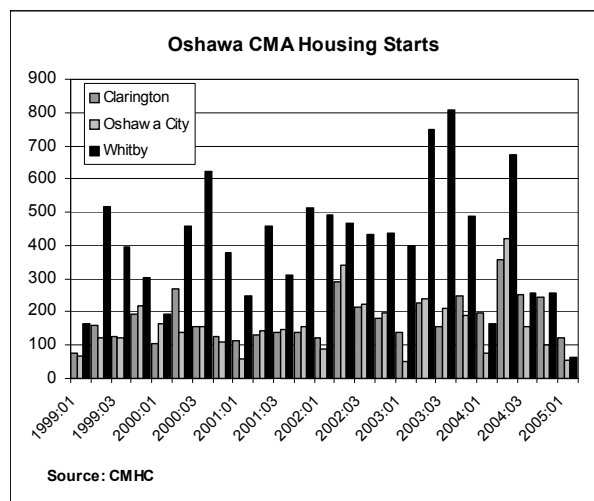


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q1 2004	Q1 2005	% change	Q1 2004	Q1 2005	% change	2004	2005	% change
Oshawa CMA	292	192	-34.2	144	50	-65.3	436	242	-44.5
Clarington	110	75	-31.8	86	46	-46.5	196	121	-38.3
Oshawa City	70	56	-20.0	4	0	-100.0	74	56	-24.3
Whitby	112	61	-45.5	54	4	-92.6	166	65	-60.8

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	2004	2005	% change
Oshawa CMA	292	192	-34.2	144	50	-65.3	436	242	-44.5
Clarington	110	75	-31.8	86	46	-46.5	196	121	-38.3
Oshawa City	70	56	-20.0	4	0	-100.0	74	56	-24.3
Whitby	112	61	-45.5	54	4	-92.6	166	65	-60.8

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

Sub Market Area	Q1 2004	Q1 2005	% Change	YTD 2004	YTD 2005	% Change
Oshawa CMA	255,278	277,670	8.8	255,278	277,670	8.8
Clarington	234,773	246,586	5.0	234,773	246,586	5.0
Oshawa City	244,415	266,614	9.1	244,415	266,614	9.1
Whitby	265,193	325,184	22.6	265,193	325,184	22.6

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

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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											
Q1 2005	49	10.6	178	38.4	111	24.0	70	15.1	55	11.9	463
Q1 2004	66	10.6	276	44.4	184	29.6	70	11.3	25	4.0	621
YTD 2005	49	10.6	178	38.4	111	24.0	70	15.1	55	11.9	463
YTD 2004	66	10.6	276	44.4	184	29.6	70	11.3	25	4.0	621
Clarington											
Q1 2005	38	20.4	101	54.3	26	14.0	6	3.2	15	8.1	186
Q1 2004	37	36.3	45	44.1	4	3.9	9	8.8	7	6.9	102
YTD 2005	38	20.4	101	54.3	26	14.0	6	3.2	15	8.1	186
YTD 2004	37	36.3	45	44.1	4	3.9	9	8.8	7	6.9	102
Oshawa City											
Q1 2005	11	8.7	52	41.3	42	33.3	12	9.5	9	7.1	126
Q1 2004	18	12.2	79	53.7	35	23.8	11	7.5	4	2.7	147
YTD 2005	11	8.7	52	41.3	42	33.3	12	9.5	9	7.1	126
YTD 2004	18	12.2	79	53.7	35	23.8	11	7.5	4	2.7	147
Whitby											
Q1 2005	0	0.0	25	16.6	43	28.5	52	34.4	31	20.5	151
Q1 2004	11	3.0	152	40.9	145	39.0	50	13.4	14	3.8	372
YTD 2005	0	0.0	25	16.6	43	28.5	52	34.4	31	20.5	151
YTD 2004	11	3.0	152	40.9	145	39.0	50	13.4	14	3.8	372

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						
Q1 2004	2,482	16.7%	4,093	60.6%	\$231,606	6.6%
Q1 2005	2,063	-16.9%	4,294	48.0%	\$247,856	7.0%
YTD 2004	2,482	16.7%	4,093		\$231,606	6.6%
YTD 2005	2,063	-16.9%	4,294		\$247,856	7.0%
Oshawa CMA						
Q1 2004	1,543	25.1%	2,381	64.8%	\$210,625	6.0%
Q1 2005	1,289	-16.5%	2,516	51.2%	\$231,119	9.7%
YTD 2004	1,543	25.1%	2,381		\$210,625	6.0%
YTD 2005	1,289	-16.5%	2,516		\$231,119	9.7%
Whitby						
Q1 2004	483	24.5%	814	59.3%	\$255,627	7.4%
Q1 2005	435	-9.9%	981	44.3%	\$275,013	7.6%
YTD 2004	483	24.5%	814		\$255,627	7.4%
YTD 2005	435	-9.9%	981		\$275,013	7.6%
Oshawa City						
Q1 2004	672	28.7%	975	68.9%	\$178,172	5.3%
Q1 2005	525	-21.9%	896	58.6%	\$195,790	9.9%
YTD 2004	672	28.7%	975		\$178,172	5.3%
YTD 2005	525	-21.9%	896		\$195,790	9.9%
Clarington						
Q1 2004	388	20.1%	592	65.5%	\$210,813	5.6%
Q1 2005	329	-15.2%	639	51.5%	\$229,458	8.8%
YTD 2004	388	20.1%	592		\$210,813	5.6%
YTD 2005	329	-15.2%	639		\$229,458	8.8%

Oshawa CMA						
	Annual Sales	Yr/Yr %	Annual New Listings	Yr/Yr %	Annual Average Price	Yr/Yr %
1995	2,124		6,573		\$150,018	
1996	2,401	13.0%	7,527	14.5%	\$143,054	-4.6%
1997	4,211	75.4%	6,515	-13.4%	\$141,308	-1.2%
1998	4,314	2.4%	6,232	-4.3%	\$147,408	4.3%
1999	4,237	-1.8%	6,009	-3.6%	\$150,995	2.4%
2000	4,454	5.1%	6,063	0.9%	\$155,994	3.3%
2001	4,401	-1.2%	6,368	5.0%	\$164,416	5.4%
2002	4,937	12.2%	6,937	8.9%	\$172,603	5.0%
2003	5,186	5.0%	6,859	-1.1%	\$186,785	8.2%
2004	5,586	7.7%	7,772	13.3%	\$202,272	8.3%

Source:

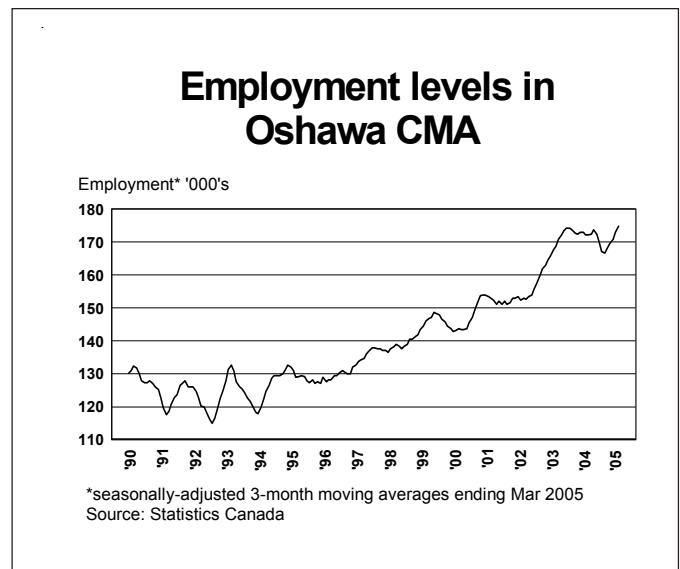
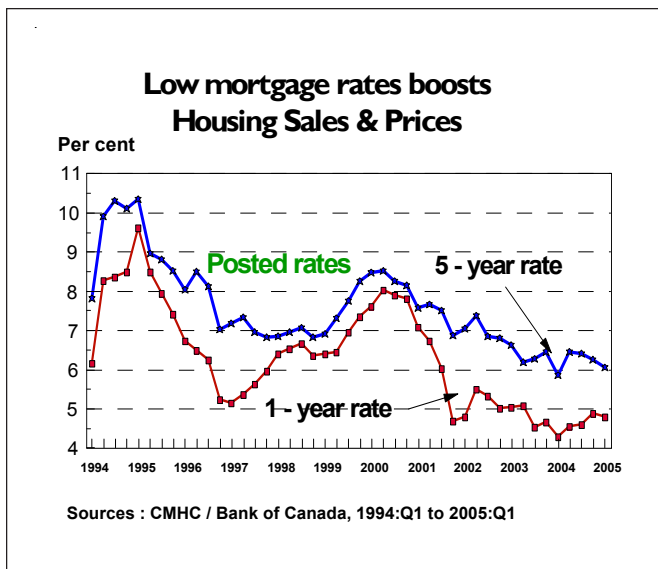
Table 6: Economic Indicators

	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					
2004	January	642.78	4.3	6.1	0.755	173.1	0.3	5.0
	February	627.97	4.3	5.8	0.749	173.1	0.0	5.0
	March	622.08	4.3	5.7	0.763	172.3	-0.5	5.2
	April	648.75	4.5	6.2	0.729	172.1	-0.1	5.4
	May	669.82	4.6	6.5	0.733	172.6	0.3	5.2
	June	681.99	4.7	6.7	0.750	173.7	0.6	5.1
	July	672.86	4.6	6.6	0.752	172.6	-0.6	4.6
	August	657.75	4.4	6.3	0.762	169.9	-1.6	5.1
	September	657.75	4.8	6.3	0.793	167.1	-1.6	5.5
	October	663.77	4.9	6.4	0.821	166.6	-0.3	5.7
	November	657.75	5.0	6.3	0.843	168.3	1.0	5.8
	December	642.78	4.8	6.1	0.832	169.6	0.8	5.7
2005	January	642.78	4.8	6.1	0.806	170.9	0.8	6.2
	February	642.78	4.8	6.1	0.811	173.0	1.2	6.4
	March	654.74	5.1	6.3	0.827	174.9	1.1	7.2
	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

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**.

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