

H

OUSING NOW

Ottawa

YOUR LINK TO THE HOUSING MARKET

HOUSING STARTS TUMBLE IN JULY

Canada Mortgage and Housing Corporation

www.cmhc.ca

Despite a strong June performance in residential construction, the nation's capital saw housing starts tumble this July. There were 479 housing starts achieved last month, a drop of over 39 per cent from July of 2004. Housing construction in Ottawa has returned to its sliding trend...so far we have seen 6 out of 7 year-over-year monthly declines in housing starts this year. Last month's drop is a further signal that 2005 will be a very soft year for home construction; CMHC has revised its forecast for 2005 and now expects local construction to fall by nearly a third. From January to July of 2005, there have been 2,725 new home units recorded, a fall of 31 per cent from the same seven month period in 2004.

The decline in housing starts has been pronounced in both the single- and multi-family markets. The construction of single-family homes alone dropped by 36 per cent in July, achieving 278 units compared to the 433 recorded in July of last year. Single-detached starts have not been this low in July since 1998, when construction then achieved 342 units. In the first seven months of 2005, single-family housing construction has fallen by 30 per cent to achieve 1,285 units so far.

Thanks to a dearth in apartment construction last month, multiple-family home construction dove by over 43 per cent; in addition, the number of new semi-detached units was down by a half and townhouse

VOLUME 8, NUMBER 7
JULY 2005

IN THIS ISSUE

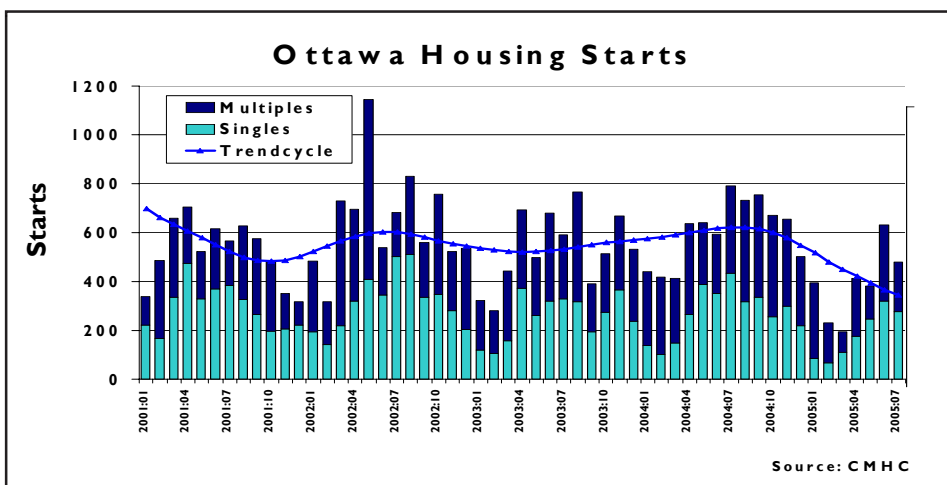
New Homes

- 1 Housing starts tumble in July

Statistical Tables

- 2 New housing data
- 5 Resale data
- 6 Economic indicators
- 7 Definitions

construction was down by over 30 per cent. The rate of decline for new multi-family units has been greater than that of the single-family market, suggesting that those looking for more affordable housing options are meeting their housing needs through the resale market, which continues to show a growing number of listings compared to last year at this time. From January to July of this year, multi-family construction continued its slide, falling by 32 per cent to achieve 1,440 new units so far compared to the 2,110 recorded during the same period last year.



CMHC Ottawa Office - Market Analysis
Christian Douchant, Robin Wiebe
(613) 748-5120 * www.cmhc.ca

Table I: Housing Activity Summary for Ottawa

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
July 2005	278	30	120	51	0	0	0	479
July 2004	433	60	150	83	51	10	3	790
% Change	-35.8	-50.0	-20.0	-38.6	-100.0	-100.0	-100.0	-39.4
Year-to-date 2005	1,285	130	579	232	461	3	35	2,725
Year-to-date 2004	1,824	222	996	197	509	102	84	3,934
% Change	-29.6	-41.4	-41.9	17.8	-9.4	-97.1	-58.3	-30.7
Q2 2005	741	62	284	50	250	3	35	1,425
Q2 2004	1,002	116	460	39	181	9	64	1,871
% Change	-26.0	-46.6	-38.3	28.2	38.1	-66.7	-45.3	-23.8
UNDER CONSTRUCTION								
July 2005	1,324	156	646	352	1,238	15	252	3,983
July 2004	1,682	214	915	341	1,244	86	270	4,752
COMPLETIONS								
July 2005	228	20	148	21	0	26	60	503
July 2004	253	30	248	15	0	47	273	866
% Change	-9.9	-33.3	-40.3	40.0	NA	-44.7	-78.0	-41.9
Year-to-date 2005	1,473	154	878	253	523	73	91	3,445
Year-to-date 2004	1,584	162	1,203	35	329	59	408	3,780
% Change	-7.0	-4.9	-27.0	**	59.0	23.7	-77.7	-8.9
Q2 2005	597	76	469	141	243	23	12	1,561
Q2 2004	737	92	522	20	143	5	15	1,534
% Change	-19.0	-17.4	-10.2	**	69.9	**	-20.0	1.8
COMPLETE & NOT ABSORBED								
July 2005	67	26	87	28	61	20	179	468
July 2004	53	22	84	6	76	13	304	558
ABSORPTIONS								
July 2005	230	25	139	21	20	23	2	460
July 2004	242	41	248	14	0	42	97	684
% Change	-5.0	-39.0	-44.0	50.0	NA	-45.2	-97.9	-32.7
Year-to-date 2005	1,492	153	864	252	539	67	45	3,412
Year-to-date 2004	1,566	168	1,197	37	255	73	201	3,497
% Change	-4.7	-8.9	-27.8	**	111.4	-8.2	-77.6	-2.4
Q2 2005	605	70	450	127	258	23	10	1,543
Q2 2004	728	90	516	21	122	19	38	1,534
% Change	-16.9	-22.2	-12.8	**	111.5	21.1	-73.7	0.6

*Includes all market types

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

Source: CMHC

Save on Home Energy Costs

Effective November 18, 2004
CMHC will offer a 10% refund on its mortgage loan insurance premium when a borrower buys or builds an energy-efficient home or makes energy-saving renovations to an existing home.
Multi-residential buildings are also eligible.

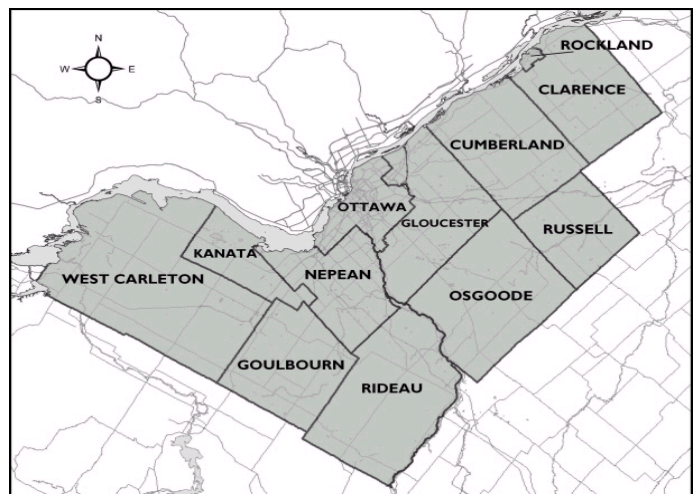


Table 2A: Starts by Area and by Intended Market - Current Month

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Jul 04	Jul 05	% change	Jul 04	Jul 05	% change	Jul 04	Jul 05	% change
Ottawa	433	278	-35.8	357	201	-43.7	790	479	-39.4
Ottawa City	366	248	-32.2	339	201	-40.7	705	449	-36.3
Ottawa, Vanier, Rockcliffe	5	29	**	111	27	-75.7	116	56	-51.7
Nepean inside greenbelt	3	1	-66.7	0	28	NA	3	29	**
Nepean outside greenbelt	68	45	-33.8	83	54	-34.9	151	99	-34.4
Gloucester inside greenbelt	7	5	-28.6	17	4	-76.5	24	9	-62.5
Gloucester outside greenbelt	58	26	-55.2	31	8	-74.2	89	34	-61.8
Kanata	45	22	-51.1	21	48	128.6	66	70	6.1
Cumberland	76	50	-34.2	75	32	-57.3	151	82	-45.7
Goulbourn	51	30	-41.2	1	0	-100.0	52	30	-42.3
West Carleton	20	17	-15.0	0	0	NA	20	17	-15.0
Rideau	8	7	-12.5	0	0	NA	8	7	-12.5
Osgoode	25	16	-36.0	0	0	NA	25	16	-36.0
Clarence-Rockland City	28	14	-50.0	18	0	-100.0	46	14	-69.6
Russell Twp.	39	16	-59.0	0	0	NA	39	16	-59.0

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
Ottawa	1,824	1,285	-29.6	2,110	1,440	-31.8	3,934	2,725	-30.7
Ottawa City	1,641	1,147	-30.1	2,063	1,399	-32.2	3,704	2,546	-31.3
Ottawa, Vanier, Rockcliffe	108	64	-40.7	645	541	-16.1	753	605	-19.7
Nepean inside greenbelt	10	8	-20.0	207	72	-65.2	217	80	-63.1
Nepean outside greenbelt	372	260	-30.1	250	260	4.0	622	520	-16.4
Gloucester inside greenbelt	22	16	-27.3	96	16	-83.3	118	32	-72.9
Gloucester outside greenbelt	150	128	-14.7	283	117	-58.7	433	245	-43.4
Kanata	242	117	-51.7	323	153	-52.6	565	270	-52.2
Cumberland	331	225	-32.0	227	240	5.7	558	465	-16.7
Goulbourn	209	165	-21.1	32	0	-100.0	241	165	-31.5
West Carleton	71	67	-5.6	0	0	NA	71	67	-5.6
Rideau	26	24	-7.7	0	0	NA	26	24	-7.7
Osgoode	100	73	-27.0	0	0	NA	100	73	-27.0
Clarence-Rockland City	88	73	-17.0	41	33	-19.5	129	106	-17.8
Russell Twp.	95	65	-31.6	6	8	33.3	101	73	-27.7

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

Sub Market Area	Jul 04	Jul 05	% change	YTD 2004	YTD 2005	% change
Ottawa	337,517	355,638	5.4	332,083	352,114	6.0
Ottawa City	384,070	387,575	0.9	383,508	421,438	9.9
Cumberland	310,122	318,579	2.7	312,154	315,754	1.2
Gloucester	397,023	392,352	-1.2	337,074	358,195	6.3
Nepean	399,211	367,135	-8.0	336,727	355,539	5.6
Kanata	361,853	390,904	8.0	362,533	385,106	6.2
Rest of CMA	301,965	347,009	14.9	317,823	348,776	9.7

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

Note: NA may appear where CMHC data suppression rules apply

Source: CMHC

Table 4: New Home Sales, City of Ottawa

	Singles			Lowrise Multiples			Total		
	2004	2005	% Chg	2004	2005	% Chg	2004	2005	% Chg
January	146	132	-9.6	174	133	-23.6	320	265	-17.2
February	175	179	2.3	245	179	-26.9	420	358	-14.8
March	298	199	-33.2	305	248	-18.7	603	447	-25.9
April	242	150	-38.0	282	201	-28.7	524	351	-33.0
May	211	174	-17.5	255	206	-19.2	466	380	-18.5
June	215	114	-47.0	221	178	-19.5	436	292	-33.0
July	120	116	-3.3	157	152	-3.2	277	268	-3.2
August	152			224			376		
September	139			181			320		
October	131			141			272		
November	140			170			310		
December	88			97			185		
Year-to-date	1,407	1,064	-24.4	1,639	1,297	-20.9	3,046	2,361	-22.5
YEARLY TOTAL	2,057			2,452			4,509		

Source: Corporate Research Group Ltd.

Table 5: Completed and Absorbed Single-Detached Units by Price Range

AREA	PRICE RANGES										TOTAL
	<\$250,000		\$250-\$299,999		\$300-\$399,999		\$400-\$499,999		\$500,000 +		
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Ottawa total											
July 2005	21	9.1	44	19.1	125	54.3	27	11.7	13	5.7	230
July 2004	35	14.5	55	22.7	118	48.8	21	8.7	13	5.4	242
YTD 2005	109	7.3	305	20.4	816	54.7	179	12.0	83	5.6	1,492
YTD 2004	161	10.3	449	28.7	741	47.3	140	8.9	75	4.8	1,566
Ottawa City											
July 2005	0	0.0	0	0.0	5	62.5	3	37.5	0	0.0	8
July 2004	0	0.0	0	0.0	15	75.0	3	15.0	2	10.0	20
YTD 2005	1	2.4	3	7.1	23	54.8	9	21.4	6	14.3	42
YTD 2004	2	2.2	11	12.1	57	62.6	12	13.2	9	9.9	91
Cumberland											
July 2005	12	21.1	12	21.1	26	45.6	6	10.5	1	1.8	57
July 2004	5	13.9	15	41.7	15	41.7	1	2.8	0	0.0	36
YTD 2005	33	12.2	92	34.1	127	47.0	13	4.8	5	1.9	270
YTD 2004	13	5.8	74	33.2	128	57.4	7	3.1	1	0.4	223
Gloucester											
July 2005	0	0.0	2	6.5	26	83.9	2	6.5	1	3.2	31
July 2004	0	0.0	3	23.1	8	61.5	0	0.0	2	15.4	13
YTD 2005	4	2.0	20	9.9	162	80.2	12	5.9	4	2.0	202
YTD 2004	3	1.7	33	18.6	133	75.1	3	1.7	5	2.8	177
Nepean											
July 2005	0	0.0	9	20.9	24	55.8	7	16.3	3	7.0	43
July 2004	0	0.0	7	18.4	17	44.7	11	28.9	3	7.9	38
YTD 2005	0	0.0	68	21.1	188	58.2	53	16.4	14	4.3	323
YTD 2004	10	2.8	139	38.5	151	41.8	47	13.0	14	3.9	361
Kanata											
July 2005	0	0.0	2	8.7	15	65.2	3	13.0	3	13.0	23
July 2004	0	0.0	9	31.0	15	51.7	1	3.4	4	13.8	29
YTD 2005	3	1.6	22	11.8	106	57.0	37	19.9	18	9.7	186
YTD 2004	0	0.0	44	26.7	78	47.3	30	18.2	13	7.9	165
Rest of CMA											
July 2005	9	13.2	19	27.9	29	42.6	6	8.8	5	7.4	68
July 2004	30	28.3	21	19.8	48	45.3	5	4.7	2	1.9	106
YTD 2005	68	14.5	100	21.3	210	44.8	55	11.7	36	7.7	469
YTD 2004	133	24.2	148	27.0	194	35.3	41	7.5	33	6.0	549

Source: CMHC

Table 6A: Resale Housing Activity for Ottawa Real Estate Board

		Number of Sales	Yr/Yr %	Sales SAAR	Number of New Listings	New Listings SAAR	Sales-to-New Listings SA	Average Price (\$)	Yr/Yr %	Average Price (\$) SA
2004	January	652	-0.3	13,200	1,571	20,900	63.1	229,921	11.2	228,978
	February	967	2.2	12,600	1,742	21,100	59.6	229,313	7.6	230,090
	March	1,407	22.0	14,100	2,260	21,600	65.4	237,326	10.5	236,865
	April	1,511	20.2	14,000	2,286	21,300	65.7	240,848	8.4	237,052
	May	1,640	10.2	14,100	2,483	22,100	63.8	243,350	9.2	238,416
	June	1,464	9.7	14,100	2,255	22,500	62.7	243,522	8.1	236,785
	July	1,218	-11.7	13,700	1,976	22,500	61.0	238,637	9.1	231,800
	August	1,068	1.1	12,400	1,904	22,800	54.4	233,470	7.7	240,045
	September	988	-4.4	13,200	1,962	23,500	56.0	238,776	5.9	241,120
	October	979	-5.2	13,700	1,710	23,300	58.7	237,327	7.7	243,308
	November	907	4.3	13,200	1,455	23,700	55.5	239,139	7.6	245,242
	December	656	-2.4	13,200	744	22,800	58.0	235,601	6.5	248,155
2005	January	646	-0.9	13,200	1,689	22,900	57.6	242,934	5.7	247,214
	February	933	-3.5	12,700	1,855	22,900	55.3	240,533	4.9	242,970
	March	1,120	-20.4	11,700	2,367	23,500	49.8	248,865	4.9	249,493
	April	1,440	-4.7	13,600	2,758	26,200	51.8	247,681	2.8	240,577
	May	1,564	-4.6	13,000	2,691	23,700	54.9	248,436	2.1	244,450
	June	1,494	2.0	14,200	2,448	24,200	58.8	254,725	4.6	247,307
	July	1,215	-0.2	13,700	2,052	24,500	56.1	250,996	5.2	246,999
	August									
	September									
	October									
	November									
	December									
Q2 2004	4,615	13.1	14,080	7,024	21,976	64.1	237,419	8.8	242,585	
Q2 2005	4,498	-2.5	13,612	7,897	24,692	55.1	250,283	5.4	244,142	
YTD 2004	8,859	7.9		14,573			238,826	10.9		
YTD 2005	8,412	-5.0		15,860			248,552	4.1		

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price (\$)	Yr/Yr %	
1995	6,484	-15.0		20,016	-14.4		143,127	-2.7	
1996	8,648	33.4		20,602	2.9		140,513	-1.8	
1997	9,431	9.1		20,312	-1.4		143,866	2.4	
1998	9,552	1.3		18,825	-7.3		143,914	0.0	
1999	11,334	18.7		17,512	-7.0		149,626	4.0	
2000	12,692	12.0		16,213	-7.4		159,511	6.6	
2001	12,240	-3.6		17,338	6.9		175,972	10.3	
2002	12,894	5.3		17,982	3.7		200,711	14.1	
2003	12,877	-0.1		19,706	9.6		219,713	9.5	
2004	13,457	4.5		22,348	13.4		238,152	8.4	

Source: Canadian Real Estate Association

Table 6B: Average Price (\$) of Resale Dwellings

Area	Jul 04	Jul 05	% Change	YTD 2004	YTD 2005	% Change
Orléans	\$230,230	\$240,947	4.7	\$230,383	\$238,804	3.7
East End	\$209,620	\$214,349	2.3	\$212,665	\$214,158	0.7
SouthEast	\$251,432	\$257,839	2.5	\$253,830	\$258,585	1.9
Downtown	\$340,958	\$352,310	3.3	\$339,948	\$344,405	1.3
West End	\$251,088	\$256,428	2.1	\$251,919	\$260,870	3.6
Nepean	\$241,571	\$247,708	2.5	\$238,872	\$245,945	3.0
Barrhaven	\$226,477	\$249,786	10.3	\$228,079	\$242,315	6.2
Kanata-Stittsville	\$255,146	\$255,766	0.2	\$251,634	\$259,429	3.1

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

Source: Ottawa Real Estate Board

Table 7: Economic Indicators

	Interest and Exchange Rates				Inflation Rate (%)	N-HPI*** % chg	Ottawa Labour Market		
	P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)	Ontario 1996=100	Ottawa-Gatineau CMA 1997=100	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	1.5	3.7	599.0	-0.6	7.1
February	627.97	4.3	5.8	0.749	0.7	4.2	598.1	-0.2	6.9
March	622.08	4.3	5.7	0.763	1.0	5.2	599.0	0.2	6.7
April	648.75	4.5	6.2	0.729	2.4	6.6	599.7	0.1	6.7
May	669.82	4.6	6.5	0.733	3.0	7.0	601.3	0.3	7.1
June	681.99	4.7	6.7	0.750	2.5	7.8	605.2	0.6	6.9
July	672.86	4.6	6.6	0.752	2.3	7.8	610.7	0.9	6.7
August	657.75	4.4	6.3	0.762	1.6	8.6	609.9	-0.1	6.5
September	657.75	4.8	6.3	0.793	1.6	7.4	611.6	0.3	6.4
October	663.77	4.9	6.4	0.821	2.2	7.3	611.0	-0.1	6.5
November	657.75	5.0	6.3	0.843	2.1	6.7	618.1	1.2	6.3
December	642.78	4.8	6.1	0.832	1.8	6.9	622.4	0.7	6.5
2005 January	642.78	4.8	6.1	0.806	1.7	7.1	623.1	0.1	6.5
February	642.78	4.8	6.1	0.811	2.2	6.4	619.9	-0.5	6.5
March	654.74	5.1	6.3	0.827	2.5	5.8	616.9	-0.5	6.8
April	642.78	4.9	6.1	0.795	2.4	4.4	617.2	0.0	7.0
May	636.84	4.9	6.0	0.797	1.4	4.4	616.5	-0.1	7.2
June	622.08	4.8	5.7	0.816	1.9	3.4	614.3	-0.4	6.8
July	627.97	4.9	5.8	0.817			610.6	-0.6	6.8
August									
September									
October									
November									
December									

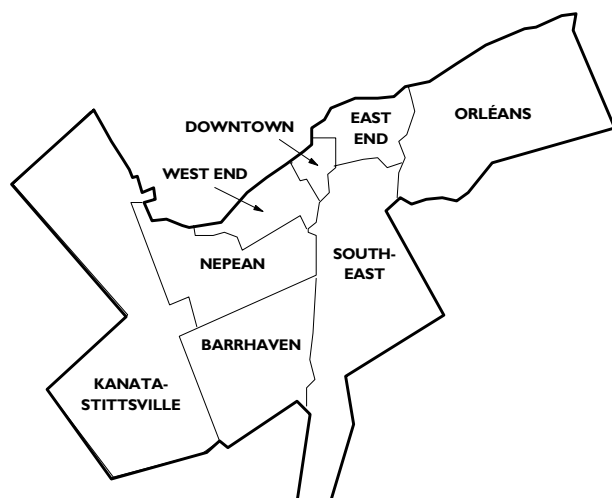
* Principal and Interest Payment assumes a five year mortgage rate and 25 year amortization period.

** Seasonally Adjusted

*** New Housing Price Index

Source: CMHC, Statistics Canada Labour Force Survey

Resale - Urban Sub-Markets



RESALE - URBAN SUB-MARKETS DEFINITIONS

(REFER TO TABLE 6B):

Sub-Market	MLS Zones
Orléans	11, 20, 23
East End	21, 22, 31, 34, 35
South East	26, 36, 37, 38, 46, 48, 80
Downtown	33, 40, 41, 44
West End	42, 43, 45, 50, 51, 52, 53, 54, 60, 61, 62, 63
Nepean	47, 70, 71, 72, 73, 74, 75, 76, 78
Barrhaven	77, 79
Kanata-Stittsville	82, 90

Source: Ottawa Real Estate Board

Definitions

- 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.
- Under Construction:** those units which have been started but which are not complete.
- 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
- Completed and Not Absorbed:** all completed units of new construction (excluding model homes not available for sale) which have never been sold or leased.
- Absorptions:** the number of completed units (excluding model homes) that have been sold or leased.
- Seasonally Adjusted (SA):** Actual monthly (or quarterly) figures adjusted to remove normal seasonal variation.
- Seasonally Adjust Annual Rates (SAAR):** Seasonally adjusted monthly figures multiplied by 12 (or quarterly figures multiplied by 4) to reflect annualized levels of activity.
- 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

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**.

© 2005 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.