



# HOUSING NOW

St. Catharines/Niagara

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 4, NUMBER 4  
FOURTH QUARTER 2001

## New Single Construction up in the 4th Quarter of 2001

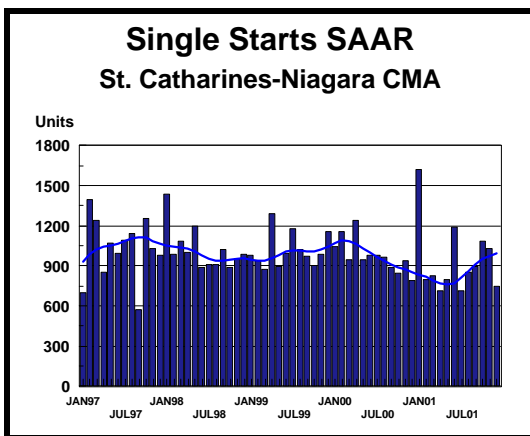
New single construction in the St. Catharines-Niagara CMA (Census Metropolitan Area) edged up in the fourth quarter of 2001. At 249 units, single family housing starts were up 11 per cent from levels in the same period in 2000. The increase can be attributed to warmer weather and strong move-up demand from the resale market.

However, total housing starts at 281 units fell 7 per cent compared to last year. The lack of condo apartment and townhouse

Overall, residential construction in Niagara fell by 8 per cent to 1,134 units started in 2001. Single family starts dropped 5 per cent to 916 units while multi family construction declined 19 per cent to 218 units started.

Home builders continue to adjust to the changes in demand for new homes. The supply of new single family homes fell in the fourth quarter of 2001 compared to last year. At the end of December, there were 485 units at the permit stage, under construction or completed and unoccupied compared to 511 units in December 2000. At 349 units, single units under-construction accounted for 72 per cent of this supply. The unsold inventory of 89 units accounted for 18.5 per cent of the supply, down from 21 per cent in 2000. The current supply represents 5.3 months of inventory based on average sales in the fourth quarter. Since it typically takes 3 to 5 months to build a single family home, this level of inventory indicates that the single family market in Niagara in December 2001 was balanced.

At 274 units, the number of completed and sold single family units were down 5 per cent compared to the fourth quarter



starts account for all of the decline in total starts. Low interest rates and a poor performance in the stock market continued to erode assets for empty-nester households limiting demand for condominium units.

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of 2000. However, the drop was due to a 8 per cent decline in the number of completions of single-detached units to 260 units between October and December. The number of units sold at completion edged up to 82.3 per cent of all completions in the fourth quarter of 2001 compared to 79.3 per cent in the same period last year.

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HOME TO CANADIANS

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At \$231,550 in the fourth quarter of 2001, there was little change in average sale price of a new single family unit in the St. Catharines-Niagara CMA. An increase in sales in the city of Niagara Falls with an average price of \$216,312 offset the drop in sales to 48 units in St. Catharines. However, average price in St. Catharines dropped by 15 per cent to \$223,275 in the fourth quarter of 2001. Average price in Fort Erie up 31 per cent to \$198,246 in the fourth quarter of 2001, experienced the largest increase in average price among the bigger municipalities.

# Strong Resale Market in the 4th Quarter of 2001

## Sales activity up across most of Niagara

Falling mortgage rates and low carrying costs offset negative economic news in the fourth quarter of 2001. Sales activity across Niagara jumped sharply compared to the same period in 2000. Sales in the St. Catharines-Welland Real Estate Board territory at 869 units in the fourth quarter of 2001, jumped 17.6 per cent compared to last year. In the (NFFE) Niagara Falls-Fort Erie Board, sales in the city of Niagara Falls jumped 16.6 per cent while in sales in Fort Erie fell by 16.7 per cent compared to last year. As a result, sales in the NFFE Board territory at 325 units were up 5.5 per cent compared to the fourth quarter of 2001.

## Tight market conditions have little impact on prices

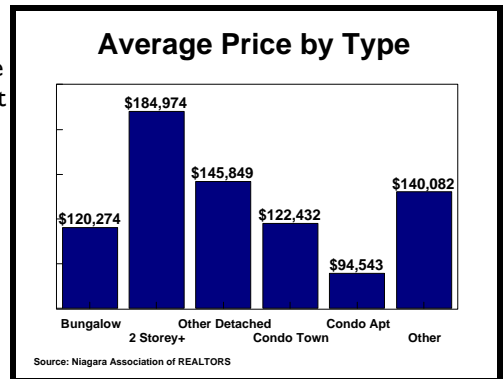
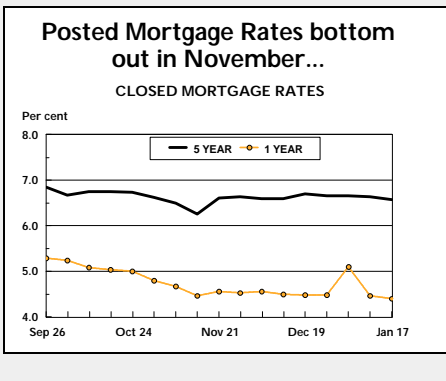
The tight market in the fourth quarter of 2001 did not result in a sharp jump in prices. In the St. Catharines-Welland Real Estate Board, average price increased by 1.2 per cent to \$140,232. In the NFFE Real Estate Board, the average price edged down 0.3 per cent to \$121,555

## MORTGAGE RATES

### Trend to lower rates ends in Fourth quarter

Posted mortgage rates declined to the middle of November as indicators pointed to weak economic growth in both the USA and Canada. The five year closed rate fell from 6.67 per cent at the beginning of October to 6.26 per cent by November 14. Similarly, the one year closed rate dropped from 5.24 per cent to 4.47 per cent in the same period.

Since November 14, higher yields in the bond markets as a result of large bond sell-offs in both Canada and the United States resulted in pressure to raise mortgage rates. As of January 3, 2002, the five year closed rate edged up to 6.66 per cent while the one year closed rate rose to 5.11 per cent.



compared to the fourth quarter of 2001.

In the St. Catharines-Welland Real Estate Board, bungalow units remained the most popular type of single unit in the fourth quarter of 2001. Sales of bungalows jumped by 24 per cent to 262 units sold while average price rose by 2 per cent to \$120,274. Sales of two storey units jumped 26 per cent to 145 units sold while average price increased by 5 per cent to \$184,974.

The resale market continued to tighten in the fourth quarter of 2001. The inventory of units listed for sale in the St. Catharines-Welland territory fell by 3.2 per cent compared to the fourth quarter of 2000. This decline combined with the increase in sales pushed the sales to new listings ratio up to 67.9 per cent from 55.9 per cent last year. Similarly, in the Niagara Falls-Fort Erie area, new listings dropped 10.3 per cent to 453 units. The drop in units available for sale combined with increased sales to push the sales to new listings ratio in NFFE board territory up sharply to 71.7 per cent, from 61.0 per cent last year.

### MLS Activity Niagara Region by Area October to December 2001

	Unit Sales	% chg*	Average Price	% chg*	New Listings	Sales to New Listings Ratio
Lincoln	64	-9.9%	\$165,792	+11.1%	88	72.7%
St. Catharines	414	+24.3%	\$125,838	-4.4%	537	77.1%
NOTL	46	+27.8%	\$296,782	+12.5%	137	33.6%
Pelham	50	+22.0%	\$203,092	-1.4%	61	82.0%
Welland	139	+11.2%	\$107,661	-5.2%	212	65.6%
Pt. Colborne	39	+8.3%	\$113,080	+14.5%	67	58.2%
Thorold	48	+0.0%	\$148,490	+21.4%	67	71.6%
Wainfleet	21	+133.3%	\$119,096	-9.4%	21	100.0%
Grimsby	73	+9.0%	\$206,927	+9.7%	82	89.0%
Niagara Falls	230	+16.2%	\$129,428	-0.2%	283	81.3%
Fort Erie	80	-16.7%	\$112,989	-0.6%	132	60.6%

Source: St. Catharines-Welland Real Estate Board  
Source: Hamilton-Burlington & District Real Estate Board  
Source: Niagara Falls - Fort Erie Real Estate Board \* change from 2000

**Table 1  
Starts by Zone and by Intended Market  
St. Catharines/Niagara Metropolitan Area**

Zone	OWNERSHIP					RENTAL		TOTAL
	Single	Semi	Row	Condominium		Apartment	Row	
			Freehold	Apartment	Row			
<b>Zone 1: St. Catharines</b>								
Fourth Quarter 2001	54	4	0	0	0	0	0	58
Fourth Quarter 2000	34	8	0	0	0	0	0	42
Year-to-Date 2001	174	22	0	4	10	22	0	232
Year-to-Date 2000	169	26	8	0	17	0	0	220
<b>Zone 2: Niagara Falls</b>								
Fourth Quarter 2001	48	0	0	0	0	0	0	48
Fourth Quarter 2000	63	0	9	0	5	0	0	77
Year-to-Date 2001	214	6	39	0	11	0	0	270
Year-to-Date 2000	182	4	17	0	13	0	0	216
<b>Zone 3: Welland</b>								
Fourth Quarter 2001	26	8	0	0	0	0	0	34
Fourth Quarter 2000	23	4	0	0	0	0	0	27
Year-to-Date 2001	101	22	5	0	0	0	0	128
Year-to-Date 2000	139	18	10	0	0	0	0	167
<b>Zone 4: Lincoln</b>								
Fourth Quarter 2001	22	6	0	0	0	0	0	28
Fourth Quarter 2000	23	8	0	0	0	0	0	31
Year-to-Date 2001	65	14	10	0	0	0	0	89
Year-to-Date 2000	99	22	4	0	0	0	0	125
<b>Zone 5: Fort Erie</b>								
Fourth Quarter 2001	37	0	0	0	0	0	0	37
Fourth Quarter 2000	27	0	0	0	0	0	0	27
Year-to-Date 2001	122	0	0	0	0	0	0	122
Year-to-Date 2000	122	0	0	0	0	0	0	122
<b>Zone 6: Niagara on the Lake</b>								
Fourth Quarter 2001	29	6	4	0	0	0	0	39
Fourth Quarter 2000	26	2	0	0	7	0	0	35
Year-to-Date 2001	85	8	12	0	11	0	0	116
Year-to-Date 2000	98	8	3	0	25	0	0	134
<b>Zone 7: Pelham</b>								
Fourth Quarter 2001	14	0	0	0	0	0	0	14
Fourth Quarter 2000	15	4	0	30	0	0	0	49
Year-to-Date 2001	81	4	0	0	0	0	0	85
Year-to-Date 2000	70	10	5	30	16	0	0	131

**Table 1  
Starts by Zone and by Intended Market  
St. Catharines/Niagara Metropolitan Area**

Zone	OWNERSHIP					RENTAL		TOTAL
	Single	Semi	Row	Condominium		Apartment	Row	
			Freehold	Apartment	Row			
<b>Zone 8: Port Colborne</b>								
Fourth Quarter 2001	3	0	0	0	0	0	0	3
Fourth Quarter 2000	4	0	0	0	0	0	0	4
Year-to-Date 2001	23	0	8	0	0	0	0	31
Year-to-Date 2000	24	0	7	0	0	0	0	31
<b>Zone 9: Thorold</b>								
Fourth Quarter 2001	8	4	0	0	0	0	0	12
Fourth Quarter 2000	3	0	0	0	0	0	0	3
Year-to-Date 2001	18	4	6	0	0	0	0	28
Year-to-Date 2000	41	14	11	0	0	0	0	66
<b>Zone 10: Wainfleet</b>								
Fourth Quarter 2001	8	0	0	0	0	0	0	8
Fourth Quarter 2000	6	0	0	0	0	0	0	6
Year-to-Date 2001	33	0	0	0	0	0	0	33
Year-to-Date 2000	18	0	0	0	0	0	0	18
<b>TOTAL ST.CATHARINES-NIAGARA</b>								
Fourth Quarter 2001	249	28	4	0	0	0	0	281
Fourth Quarter 2000	224	26	9	30	12	0	0	301
Year-to-Date 2001	916	80	80	4	32	22	0	1,134
Year-to-Date 2000	962	102	65	30	71	0	0	1,230
<b>Grimsby</b>								
Fourth Quarter 2001	15	0	0	0	7	0	0	22
Fourth Quarter 2000	31	8	6	0	40	0	0	85
Year-to-Date 2001	92	0	26	0	7	0	0	125
Year-to-Date 2000	143	10	106	0	40	0	0	299

Source: CMHC

## DEFINITIONS

Refer to the following definitions when interpreting the tables in this report.

**HOUSING START** refers to a dwelling unit where construction has advanced to a state where full (100%) footings are in place. In the case of multiple unit structures, this definition of a start applies to the entire structure.

**UNDER CONSTRUCTION** refers to the inventory of units currently being constructed. Under construction figures include current month starts and exclude current month completions.

### COMPLETION

*For single-detached and semi-detached dwellings:* implies that 90% or more of the structure has been completed. A structure may be considered to be complete and ready for occupancy when only seasonal deficiencies and/or minor infractions to building codes remain.  
*Row and apartments:* implies that 90% or more of the dwelling units within a structure are completed and ready for occupancy.

**COMPLETED AND NOT ABSORBED** refers to newly constructed, completed units which have not been sold or rented.

**TOTAL SUPPLY** refers to the total supply of new units and includes pending starts, units under construction and units that are completed but not absorbed.

**ABSORPTIONS** refer to newly completed units which have been sold or rented. The number of absorptions is obtained from a survey initiated when the structure is completed. Units sold or leased prior to construction are not considered as absorbed until the completion stage.

**PENDING START** refers to a dwelling unit where a building permit and/or National Housing Act (NHA) approval exists but construction has not started.

**Table 2  
Activity Summary by Intended Market  
St. Catharines/Niagara Metropolitan Area**

Zone	OWNERSHIP					Rental		TOTAL
	Single	Semi	Row	Condominium		Apartment	Row	
			Freehold	Apartment	Row			
<b>Starts</b>								
Fourth Quarter 2001	249	28	4	0	0	0	0	281
Fourth Quarter 2000	224	26	9	30	12	0	0	301
Year-to-Date 2001	916	80	80	4	32	22	0	1,134
Year-to-Date 2000	962	102	65	30	71	0	0	1,230
<b>Under Construction</b>								
Fourth Quarter 2001	349	38	114	0	55	22	0	578
Fourth Quarter 2000	327	42	95	30	89	0	0	583
<b>Completions</b>								
Fourth Quarter 2001	260	22	15	30	7	0	0	334
Fourth Quarter 2000	284	26	17	0	18	0	0	345
Year-to-Date 2001	896	84	61	34	66	0	0	1,141
Year-to-Date 2000	990	106	68	90	105	75	0	1,434
<b>Approved &amp; Not Started</b>								
Fourth Quarter 2001	47	4	4	0	0	0	0	55
Fourth Quarter 2000	76	2	0	0	0	0	0	78
<b>Unoccupied</b>								
Fourth Quarter 2001	89	16	4	8	13	0	0	130
Fourth Quarter 2000	108	21	9	0	10	0	0	148
<b>Absorptions</b>								
Fourth Quarter 2001	274	19	12	26	8	0	0	339
Fourth Quarter 2000	273	20	17	21	25	0	0	356
Year-to-Date 2001	921	91	66	26	63	0	0	1,167
Year-to-Date 2000	949	98	61	90	100	75	0	1,373
<b>Duration of Inventory (in months)</b>								
Fourth Quarter 2001	5.3	9.2	30.5	0.9	25.5	0.0	0.0	6.8
Fourth Quarter 2000	5.6	9.8	18.4	4.3	11.9	0.0	0.0	6.8

Source: CMHC

Single Detached Construction St. Catharines-Niagara CMA by Area October to December 2001								
Municipality	Average Price	% chg*	Unsold Supply	Total Supply	Sales	Completions	% Sold at Completion	Months of Supply
St. Catharines	\$223,275	-15.3%	18	79	48	47	70.2%	4.9
Niagara Falls	\$216,312	5.1%	26	99	73	72	75.0%	4.1
Welland	\$194,695	0.0%	5	48	30	26	100.0%	4.8
Lincoln	\$219,400	-3.8%	11	60	12	10	90.0%	15.0
Fort Erie	\$198,246	30.8%	6	58	29	27	88.9%	6.1
NOTL	\$310,322	-5.9%	16	68	31	28	71.4%	6.6
Pelham	\$301,666	2.2%	5	33	30	29	96.6%	3.3
Port Colborne	\$173,089	-20.2%	1	9	9	9	88.9%	3.0
Thorold	\$236,750	7.2%	1	14	4	4	100.0%	10.5
Wainfleet	\$192,375	-11.5%	0	17	8	8	100.0%	6.4
St. Catharines-Niagara CMA	\$231,550	0.0%	89	485	274	260	82.3%	5.3

\* change from 2000

**Table 3**  
**Activity Summary Ownership Market by Zone**  
**St. Catharines/Niagara Metropolitan Area**

Zone	Freehold						Condominium			
	Single		Semi		Row		Apartment		Row	
	Qrt.4 2001	Qrt.4 2000	Qrt.4 2001	Qrt.4 2000	Qrt.4 2001	Qrt.4 2000	Qrt.4 2001	Qrt.4 2000	Qrt.4 2001	Qrt.4 2000
<b>Starts</b>										
Zone 1: St. Catharines	54	34	4	8	0	0	0	0	0	0
Zone 2: Niagara Falls	48	63	0	0	0	9	0	0	0	5
Zone 3: Welland	26	23	8	4	0	0	0	0	0	0
Zone 4: Lincoln	22	23	6	8	0	0	0	0	0	0
Zone 5: Fort Erie	37	27	0	0	0	0	0	0	0	0
<b>Under Construction</b>										
Zone 1: St. Catharines	58	37	6	8	0	8	0	0	17	28
Zone 2: Niagara Falls	63	78	2	2	44	9	0	0	5	24
Zone 3: Welland	38	35	14	14	13	14	0	0	0	0
Zone 4: Lincoln	36	43	6	6	6	8	0	0	0	0
Zone 5: Fort Erie	48	36	0	0	0	0	0	0	6	6
<b>Completions</b>										
Zone 1: St. Catharines	47	52	8	8	0	0	0	0	7	8
Zone 2: Niagara Falls	72	50	4	2	0	8	0	0	0	0
Zone 3: Welland	26	48	4	2	0	0	0	0	0	0
Zone 4: Lincoln	10	28	2	6	8	4	0	0	0	0
Zone 5: Fort Erie	27	35	0	0	0	0	0	0	0	0
<b>Unoccupied</b>										
Zone 1: St. Catharines	18	22	2	6	0	0	4	0	4	1
Zone 2: Niagara Falls	26	25	3	0	0	5	0	0	7	9
Zone 3: Welland	5	7	3	2	0	0	0	0	0	0
Zone 4: Lincoln	11	15	3	6	2	2	0	0	0	0
Zone 5: Fort Erie	6	9	0	0	0	0	0	0	0	0
<b>Approved &amp; Not Started</b>										
Zone 1: St. Catharines	3	27	0	2	0	0	0	0	0	0
Zone 2: Niagara Falls	10	23	2	0	0	0	0	0	0	0
Zone 3: Welland	5	5	0	0	4	0	0	0	0	0
Zone 4: Lincoln	13	11	0	0	0	0	0	0	0	0
Zone 5: Fort Erie	4	0	0	0	0	0	0	0	0	0
<b>Absorptions</b>										
Zone 1: St. Catharines	48	48	8	7	0	0	0	0	3	8
Zone 2: Niagara Falls	73	51	1	2	0	5	0	0	5	0
Zone 3: Welland	30	42	4	2	0	0	0	0	0	0
Zone 4: Lincoln	12	30	2	2	6	3	0	0	0	0
Zone 5: Fort Erie	29	33	0	0	0	0	0	0	0	0

Source: CMHC

**Table 3  
Activity Summary Ownership Market by Zone  
St. Catharines/Niagara Metropolitan Area**

Zone	Freehold						Condominium			
	Single		Semi		Row		Apartment		Row	
	Qrt.4 2001	Qrt.4 2000	Qrt.4 2001	Qrt.4 2000	Qrt.4 2001	Qrt.4 2000	Qrt.4 2001	Qrt.4 2000	Qrt.4 2001	Qrt.4 2000
<b>Starts</b>										
Zone 6: NOTL	29	26	6	2	4	0	0	0	0	7
Zone 7: Pelham	14	15	0	4	0	0	0	30	0	0
Zone 8: Port Colborne	3	4	0	0	0	0	0	0	0	0
Zone 9: Thorold	8	3	4	0	0	0	0	0	0	0
Zone 10: Wainfleet	8	6	0	0	0	0	0	0	0	0
Grimsby	15	31	0	8	0	6	0	0	7	40
<b>Under Construction</b>										
Zone 6: NOTL	44	38	6	2	27	33	0	0	11	15
Zone 7: Pelham	27	28	0	4	0	0	0	30	16	16
Zone 8: Port Colborne	8	10	0	0	8	7	0	0	0	0
Zone 9: Thorold	11	16	4	6	16	16	0	0	0	0
Zone 10: Wainfleet	16	6	0	0	0	0	0	0	0	0
Grimsby	22	44	0	6	21	60	0	0	7	45
<b>Completions</b>										
Zone 6: NOTL	28	33	2	4	4	0	0	0	0	10
Zone 7: Pelham	35	14	2	2	0	5	30	0	0	0
Zone 8: Port Colborne	9	6	0	0	0	0	0	0	0	0
Zone 9: Thorold	4	11	0	2	3	0	0	0	0	0
Zone 10: Wainfleet	8	7	0	0	0	0	0	0	0	0
Grimsby	30	39	0	4	6	29	0	0	0	0
<b>Unoccupied</b>										
Zone 6: NOTL	16	20	3	5	1	2	0	0	2	0
Zone 7: Pelham	5	7	0	1	0	0	4	0	0	0
Zone 8: Port Colborne	1	1	0	0	0	0	0	0	0	0
Zone 9: Thorold	1	2	2	1	1	0	0	0	0	0
Zone 10: Wainfleet	0	0	0	0	0	0	0	0	0	0
Grimsby	8	13	0	1	5	3	0	0	1	1
<b>Approved &amp; Not Started</b>										
Zone 6: NOTL	8	8	2	0	0	0	0	0	0	0
Zone 7: Pelham	1	2	0	0	0	0	0	0	0	0
Zone 8: Port Colborne	0	0	0	0	0	0	0	0	0	0
Zone 9: Thorold	2	0	0	0	0	0	0	0	0	0
Zone 10: Wainfleet	1	0	0	0	0	0	0	0	0	0
Grimsby	3	12	0	0	0	0	0	0	0	0
<b>Absorptions</b>										
Zone 6: NOTL	31	33	2	4	3	3	0	21	0	17
Zone 7: Pelham	30	12	2	2	0	6	26	0	0	0
Zone 8: Port Colborne	9	5	0	0	0	0	0	0	0	0
Zone 9: Thorold	4	11	0	1	3	0	0	0	0	0
Zone 10: Wainfleet	8	8	0	0	0	0	0	0	0	0
Grimsby	29	41	0	3	7	30	0	0	1	0

Source: CMHC

**Table 4**  
**Single-Detached Absorption Activity**  
**by Zone and Price Range**

Zone	Price Range						
	Total	Less than \$120	\$120 to \$150	\$150 to \$200	\$200 to \$250	\$250 to \$350	More than \$350
<b>Zone 1: St. Catharines</b>							
Year-to-Date 2001	158	0	14	58	36	43	7
Year-to-Date 2000	166	1	12	62	37	41	13
<b>Zone 2: Niagara Falls</b>							
Year-to-Date 2001	228	0	3	152	31	25	17
Year-to-Date 2000	179	0	5	109	27	27	11
<b>Zone 3: Welland</b>							
Year-to-Date 2001	101	2	20	50	17	11	1
Year-to-Date 2000	140	2	30	78	23	6	1
<b>Zone 4: Lincoln</b>							
Year-to-Date 2001	77	0	0	34	26	12	5
Year-to-Date 2000	93	1	3	59	14	8	8
<b>Zone 5: Fort Erie</b>							
Year-to-Date 2001	115	1	42	48	6	11	7
Year-to-Date 2000	120	13	54	38	5	5	5
<b>Zone 6: Niagara on the Lake</b>							
Year-to-Date 2001	85	0	0	5	28	36	16
Year-to-Date 2000	109	0	0	11	29	42	27
<b>Zone 7: Pelham</b>							
Year-to-Date 2001	84	0	0	16	23	27	18
Year-to-Date 2000	74	0	1	31	15	20	7
<b>Zone 8: Port Colborne</b>							
Year-to-Date 2001	24	0	3	16	4	1	0
Year-to-Date 2000	26	2	2	15	4	1	2
<b>Zone 9: Thorold</b>							
Year-to-Date 2001	26	2	1	13	7	3	0
Year-to-Date 2000	35	2	8	18	5	2	0
<b>Zone 10: Wainfleet</b>							
Year-to-Date 2001	23	0	2	14	5	2	0
Year-to-Date 2000	23	2	1	12	6	2	0
<b>TOTAL ST.CATHARINES-NIAGARA</b>							
Year-to-date 2001	921	5	85	406	183	171	71
Year-to-Date 2000	965	23	116	433	165	154	74
<b>Grimsby</b>							
Year-to-Date 2001	120	0	0	43	36	38	3
Year-to-Date 2000	123	0	0	40	51	28	4

Source: CMHC

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