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Canada Mortgage and Housing Corporation

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Pace of new construction slows

Single detached starts in the Windsor Census Metropolitan Area (CMA) in the first quarter of 2005 slowed to 187 units, down 17 per cent from the hot pace one year earlier. An exceptionally cold and snowy first three months of the year contributed to the slow start. Following several years of strong home construction, the building cycle has matured and the pace of new home construction has started to taper off.

Single detached starts slowed in four of the five municipalities of the CMA, and were unchanged in Tecumseh at four homes. Builders have responded to the slowing demand as the number of homes

complete and not yet sold dropped to seven units in March 2005 versus nine one year earlier.

Multiple family home starts also declined, dropping 15 per cent compared to first quarter 2004. The strongest decline was in the semi-detached housing market which has been waning for over a year. Slightly stronger starts of homeownership townhouses indicate the ongoing switch to housing types with less maintenance, targeted to maturing baby boomers. This is reflected in the popularity of this housing type as over 152 newly completed units were sold compared to 69 units in the first quarter of 2004.

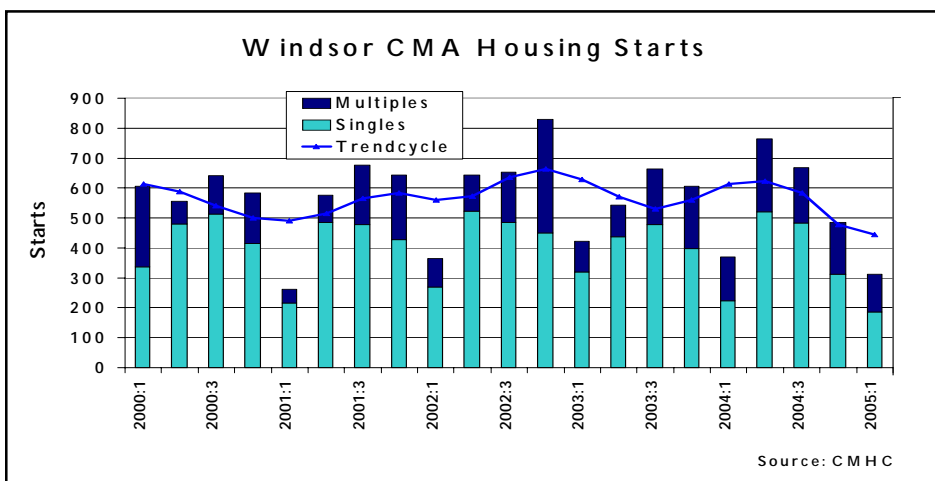
FIRST QUARTER 2005

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While marginally fewer apartment condominium units were started in the first three months there was one 88- unit apartment condominium completed and absorbed in the first quarter as well as several buildings in the later half of 2004.

The average price of homes completed and sold declined four per cent in the first three months of 2005 to \$209,000. Looking at the figures by submarket, Windsor City and Amherstburg both had lower average prices however LaSalle and Lakeshore both saw gains of 9.2 per cent and 3.9 per cent respectively. In LaSalle the only significant change by price range was a decline in the number of homes sold in the \$150-\$174,999 price range.



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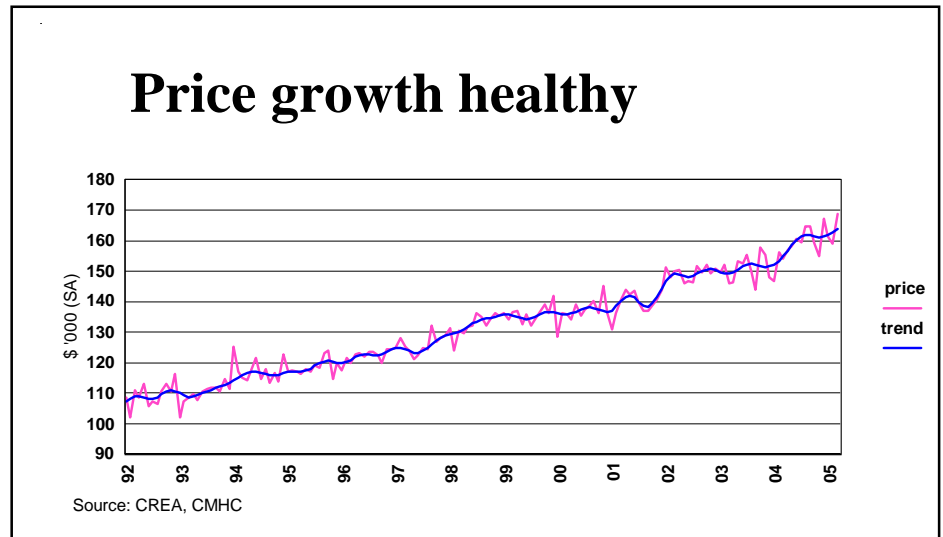
Resale Market

Prices continue to rise

Windsor-Essex MLS home sales began 2005 at a slightly slower pace than the shotgun start to the year in 2004. Sales for the first three months totalled 1,170 homes, just under nine per cent lower than last year. This level still places this first quarter as one of the top ten starts of the year since 1979 when figures started to be recorded.

The slower pace can be attributed to a plateau in job growth following several strong years. The maturing of the housing market cycle in tandem with ongoing low borrowing rates are contributing to a gradual soft landing.

The cost of carrying a \$100,000 mortgage rose to \$655 in March 2005 compared to \$622 one year earlier due to slightly higher interest rates. (Principal and Interest Payment assumes a five year mortgage rate and 25 year amortization period.) This com-



combined with ongoing growth in average prices will lessen the substitution effect where ownership costs are more attractive

than average rental costs. The annual average price in the first quarter came in at \$162,000, up \$10,000 or seven per cent from the first quarter of 2004.

Strong price growth encourages homeowners to realize equity gains by listing and selling their homes. In the first quarter of 2005, 2,709 homes were listed for sale in the Windsor-Essex market up from first quarter 2004 figures.

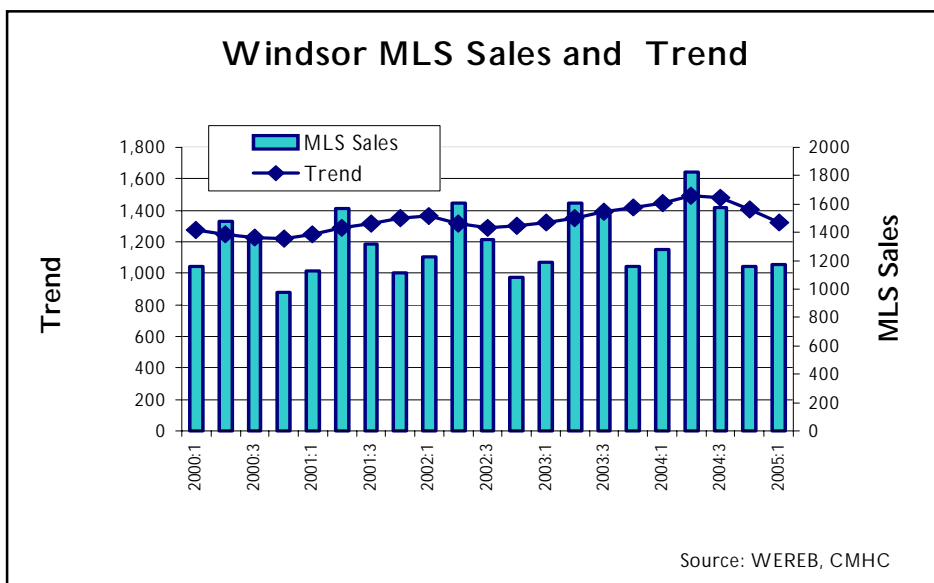


Table 1: Housing Activity Summary for Windsor CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD		CONDOMINIUM			ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q1 2005	187	6	41	0	74	4	0	312
Q1 2004	224	12	39	0	88	0	6	369
% Change	-16.5	-50.0	5.1	NA	-15.9	NA	-100.0	-15.4
Year-to-date 2005	187	6	41	0	74	4	0	312
Year-to-date 2004	224	12	39	0	88	0	6	369
% Change	-16.5	-50.0	5.1	NA	-15.9	NA	-100.0	-15.4
UNDER CONSTRUCTION								
March 2005	219	24	56	0	74	4	8	385
March 2004	267	20	111	0	222	0	14	634
COMPLETIONS								
Q1 2005	319	40	144	0	88	8	89	688
Q1 2004	407	40	60	0	0	4	18	529
% Change	-21.6	0.0	140.0	NA	NA	100.0	**	30.1
Year-to-date 2005	319	40	144	0	88	8	89	688
Year-to-date 2004	407	40	60	0	0	4	18	529
% Change	-21.6	0.0	140.0	NA	NA	100.0	**	30.1
COMPLETE & NOT ABSORBED								
March 2005	5	7	0	0	0	0	0	12
March 2004	9	2	2	0	0	0	0	13
ABSORPTIONS								
Q1 2005	321	37	152	0	88	8	89	695
Q1 2004	407	50	69	0	11	4	18	559
% Change	-21.1	-26.0	120.3	NA	**	100.0	**	24.3
Year-to-date 2005	321	37	152	0	88	8	89	695
Year-to-date 2004	407	50	69	0	11	4	18	559
% Change	-21.1	-26.0	120.3	NA	**	100.0	**	24.3

*Includes all market types

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

Source: CMHC

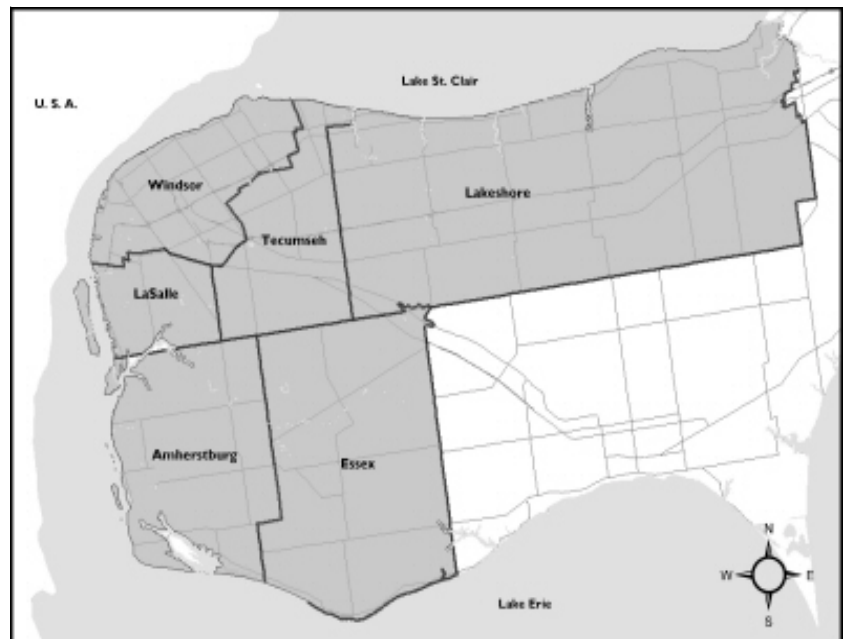


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q1 2004	Q1 2005	% change	Q1 2004	Q1 2005	% change	Q1 2004	Q1 2005	% change
Windsor CMA	224	187	-16.5	145	125	-13.8	369	312	-15.4
Windsor City	128	108	-15.6	141	65	-53.9	269	173	-35.7
LaSalle Town	12	9	-25.0	2	17	**	14	26	85.7
Lakeshore Township	62	52	-16.1	2	0	-100.0	64	52	-18.8
Amherstburg Township	18	14	-22.2	0	0	NA	18	14	-22.2
Tecumseh Town	4	4	0.0	0	43	NA	4	47	**

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
Windsor CMA	224	187	-16.5	145	125	-13.8	369	312	-15.4
Windsor City	128	108	-15.6	141	65	-53.9	269	173	-35.7
LaSalle Town	12	9	-25.0	2	17	**	14	26	85.7
Lakeshore Township	62	52	-16.1	2	0	-100.0	64	52	-18.8
Amherstburg Township	18	14	-22.2	0	0	NA	18	14	-22.2
Tecumseh Town	4	4	0.0	0	43	NA	4	47	**

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

Sub Market Area	Q1 2004	Q1 2005	% Change	YTD 2004	YTD 2005	% Change
Windsor CMA	217,107	209,144	-3.7	217,107	209,144	-3.7
Windsor City	196,683	193,501	-1.6	196,683	193,501	-1.6
LaSalle Town	226,185	246,934	9.2	226,185	246,934	9.2
Lakeshore Township	244,956	239,691	-2.1	244,956	239,691	-2.1
Amherstburg Township	231,365	200,433	-13.4	231,365	200,433	-13.4
Tecumseh Town	284,950	207,633	-27.1	284,950	207,633	-27.1

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

Note: NA may appear where CMHC data suppression rules apply

Source: CMHC

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

AREA	PRICE RANGES										TOTAL
	<\$149,999		\$150-\$174,999		\$175-\$249,999		\$250-\$299,999		\$300,000+		
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Windsor CMA											
Q1 2005	7	2.2	142	44.2	113	35.2	22	6.9	37	11.5	321
Q1 2004	8	2.0	154	37.8	163	40.0	30	7.4	52	12.8	407
YTD 2005	7	2.2	142	44.2	113	35.2	22	6.9	37	11.5	321
YTD 2004	8	2.0	154	37.8	163	40.0	30	7.4	52	12.8	407
Windsor City											
Q1 2005	6	3.3	102	55.4	53	28.8	7	3.8	16	8.7	184
Q1 2004	4	1.9	109	50.7	76	35.3	7	3.3	19	8.8	215
YTD 2005	6	3.3	102	55.4	53	28.8	7	3.8	16	8.7	184
YTD 2004	4	1.9	109	50.7	76	35.3	7	3.3	19	8.8	215
LaSalle Town											
Q1 2005	1	4.2	2	8.3	10	41.7	6	25.0	5	20.8	24
Q1 2004	1	2.7	12	32.4	15	40.5	5	13.5	4	10.8	37
YTD 2005	1	4.2	2	8.3	10	41.7	6	25.0	5	20.8	24
YTD 2004	1	2.7	12	32.4	15	40.5	5	13.5	4	10.8	37
Lakeshore Township											
Q1 2005	0	0.0	21	28.4	35	47.3	6	8.1	12	16.2	74
Q1 2004	1	0.8	26	21.7	58	48.3	13	10.8	22	18.3	120
YTD 2005	0	0.0	21	28.4	35	47.3	6	8.1	12	16.2	74
YTD 2004	1	0.8	26	21.7	58	48.3	13	10.8	22	18.3	120
Amherstburg Township											
Q1 2005	0	0.0	17	53.1	10	31.3	1	3.1	4	12.5	32
Q1 2004	1	3.2	7	22.6	13	41.9	5	16.1	5	16.1	31
YTD 2005	0	0.0	17	53.1	10	31.3	1	3.1	4	12.5	32
YTD 2004	1	3.2	7	22.6	13	41.9	5	16.1	5	16.1	31
Tecumseh Town											
Q1 2005	0	0.0	0	0.0	5	71.4	2	28.6	0	0.0	7
Q1 2004	1	25.0	0	0.0	1	25.0	0	0.0	2	50.0	4
YTD 2005	0	0.0	0	0.0	5	71.4	2	28.6	0	0.0	7
YTD 2004	1	25.0	0	0.0	1	25.0	0	0.0	2	50.0	4

Source: CMHC

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

Table 5: Resale Housing Activity for Windsor Real Estate Board

		Number of Sales	Yr/Yr %	Number of New Listings	Average Price (\$)	Yr/Yr %
2004	January	271	-15.8	770	144,757	-1.2
	February	388	-3.0	901	152,978	4.1
	March	624	33.3	1,125	154,335	7.5
	April	613	24.8	1,156	157,942	8.2
	May	543	4.2	998	161,803	3.1
	June	672	13.1	985	166,588	5.9
	July	510	-15.6	988	160,394	3.0
	August	510	6.3	997	171,179	8.9
	September	559	28.5	1,040	167,550	14.7
	October	429	-7.7	914	155,157	-0.1
	November	428	15.7	829	151,140	-1.9
	December	303	-5.9	530	159,201	4.4
2005	January	297	9.6	960	158,738	9.7
	February	396	2.1	938	155,450	1.6
	March	482	-22.8	1,008	169,214	9.6
	April					
	May					
	June					
	July					
	August					
	September					
	October					
	November					
	December					
Q1 2004		1,283	7.8	2,796	151,901	4.4
Q1 2005		1,175	-8.4	2,906	161,927	6.6
YTD 2004		1,283	7.8	2,796	151,901	4.4
YTD 2005		1,175	-8.4	2,906	161,927	6.6

	Annual Sales	Yr/Yr %	Annual New Listings	Annual Average Price (\$)	Yr/Yr %
1995	4,587	0.9	8,862	117,361	7.5
1996	5,171	12.7	9,938	121,088	3.2
1997	5,045	-2.4	9,875	124,631	2.9
1998	5,015	-0.6	9,853	130,523	4.7
1999	5,077	1.2	8,778	134,490	3.0
2000	4,968	-2.1	8,664	136,318	1.4
2001	5,127	3.2	8,737	138,485	1.6
2002	5,265	2.7	8,757	147,218	6.3
2003	5,472	3.9	9,451	151,948	3.2
2004	5,850	6.9	11,233	159,618	5.0

Source: Windsor-Essex County Real Estate Board

Table 6: Economic Indicators

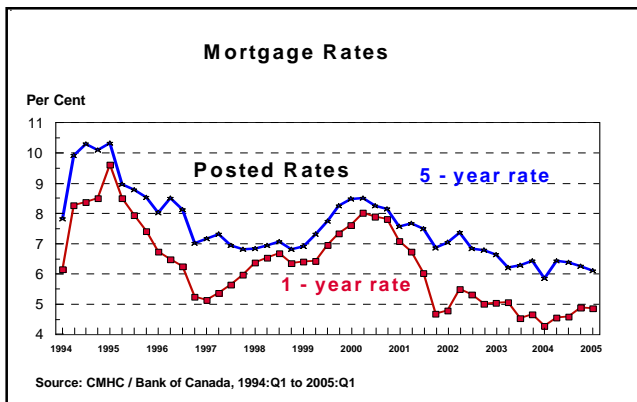
		Interest and Exchange Rates			Inflation Rate (%)	NHPI*** % chg.	Windsor CMA Labour Market			
		P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)	Ontario 1996=100	Windsor CMA 1997=100	Employment SA** (.000)	Employment SA m/m (%)	Unemployment Rate (%) SA
			1 Yr. Term	5 Yr. Term						
2004	January	642.78	4.3	6.1	0.755	1.5	0.0	163.1	0.9	7.6
	February	627.97	4.3	5.8	0.749	0.8	0.0	163.0	-0.1	7.7
	March	622.08	4.3	5.7	0.763	1.1	0.0	163.6	0.4	7.4
	April	648.75	4.5	6.2	0.729	2.3	0.0	162.4	-0.7	7.8
	May	669.82	4.6	6.5	0.733	2.8	0.0	162.3	-0.1	8.0
	June	681.99	4.7	6.7	0.750	2.4	0.0	161.7	-0.4	8.5
	July	672.86	4.6	6.6	0.752	2.4	0.0	161.7	0.0	8.6
	August	657.75	4.4	6.3	0.762	1.5	0.7	162.1	0.2	9.1
	September	657.75	4.8	6.3	0.793	1.5	0.9	163.9	1.1	9.0
	October	663.77	4.9	6.4	0.821	2.1	0.9	163.9	0.0	9.4
	November	657.75	5.0	6.3	0.843	2.2	0.9	164.2	0.2	9.6
	December	642.78	4.8	6.1	0.832	1.9	0.9	162.8	-0.9	9.7
2005	January	642.78	4.8	6.1	0.806	1.6	2.4	161.5	-0.8	9.9
	February	642.78	4.8	6.1	0.811	2.2	3.1	161.3	-0.1	9.3
	March	654.74	5.1	6.3	0.827	2.3		161.9	0.4	8.9
	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

*** 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>

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"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".

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