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Sudbury Starts Up, Thunder Bay Slipping

Housing starts across Northeastern Ontario were above 2004 levels in the third quarter. Increases were recorded in all four major Northeastern Ontario centres in the first nine months of 2005. To the end of September last year, there were 443 single-detached starts counted in

Greater Sudbury, Sault Ste. Marie, Timmins and North Bay combined. So far this year, there have been 508 single-detached starts, up 14.7 per cent from last year.

The 130 single-detached units in Greater Sudbury that commenced in the third quarter were three units higher than last year and nearly 40 per cent more than the average for

THIRD QUARTER 2005

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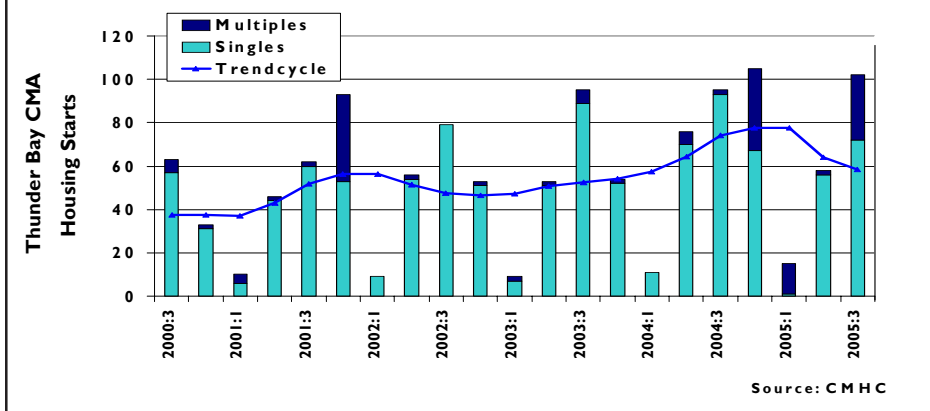
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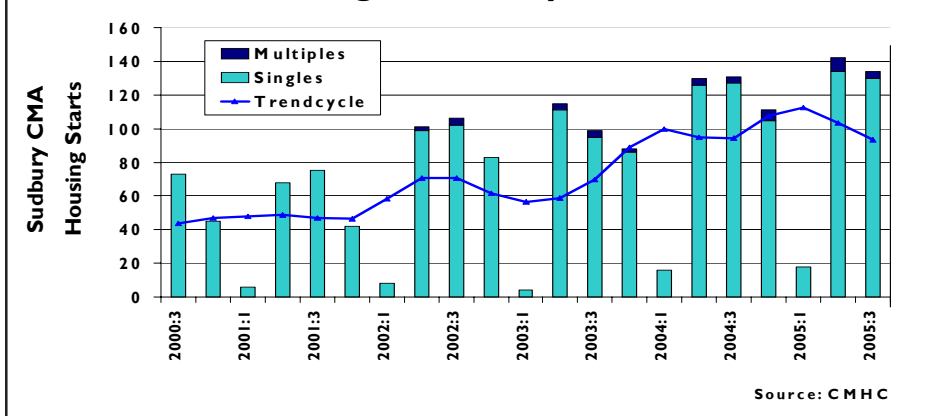
the third quarter over the last five years. Outside Greater Sudbury, the third quarter was busiest for North Bay builders with 64 single-detached starts recorded. This is 36.2 per cent ahead of last year's third quarter figure. The 43 units in Sault Ste. Marie's third quarter are 16.2 per cent above last year's July 1st to September 30th period and 45 per cent ahead of the five-year average. In Timmins, the twelve units that commenced are 50 per cent above the eight counted last year. In other parts of Northern Ontario, activity continued ahead of last year in the third quarter. Year-to-date numbers for the same markets are found in Table 2B.

Low mortgage rates, demand in move-up home-buying ranges and thin resale supply continues to spur Northeastern Ontario starts. Baby-boomers wanting a house type not available on the resale market are bolstering the Greater Sudbury, Sault Ste. Marie, North Bay and Timmins new home markets.

Thunder Bay Starts Soften



Strong Sudbury Starts



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Rapport aussi disponible en français

Despite a year-over-year increase in September starts, single-detached housing starts continued below 2004 levels in Thunder Bay. Singles starts for the quarter meanwhile hit 72 for the period July 1st to September 30th, finishing well off last year (-22.6 per cent).

Total starts for the first nine months of 2005 sit at 175 units, comprised of 129 single-detached units, 30 condominium units, 14 apartment units and two semi-detached. The 175 units are seven units off the 182 units counted in the first nine months of 2004.

Average prices for absorbed new single-detached units in our key markets, Thunder Bay, Sudbury, Sault Ste. Marie, and North Bay are found in Table 3. Average prices for the

quarter are over \$200,000 in all four markets.

Table 4 presents new construction absorption information by volume and by price range. The \$200,000 plus price range is the most popular in Sudbury, Sault Ste. Marie, Thunder Bay and North Bay while the \$150,000 to \$199,999 range is second most common. Rising construction costs and demand for larger units with more amenities are contributing to this upward shift in price ranges.

Resale Markets in Northern Ontario

Resale market information is provided in **Table 5** for all markets that have Real Estate Boards in Northern Ontario.

Sudbury Q3 Review

Greater Sudbury's 772 sales in 2005:Q3 were the strongest ever recorded in the third quarter, 7.2 per cent ahead of last year's mark. In the year-to-date, Sudbury sales are up only 0.3 per cent from last year.

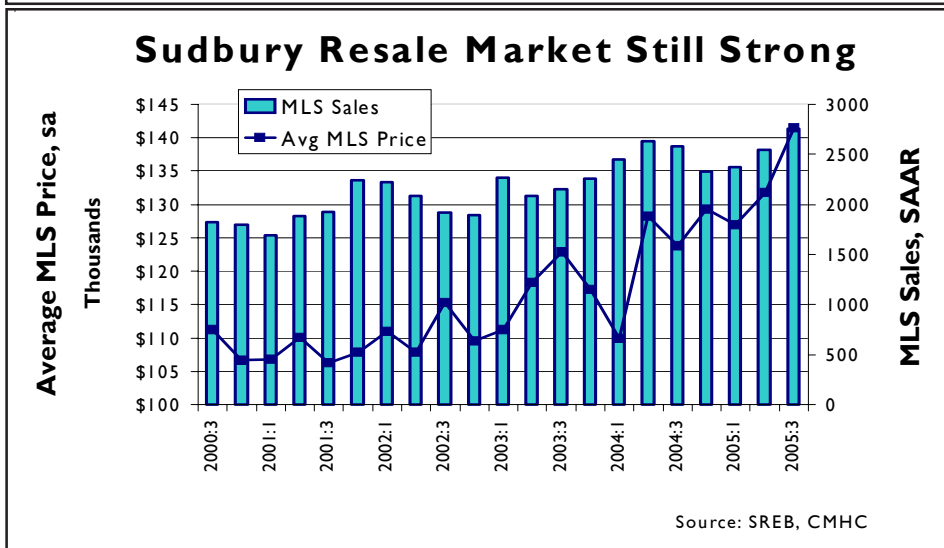
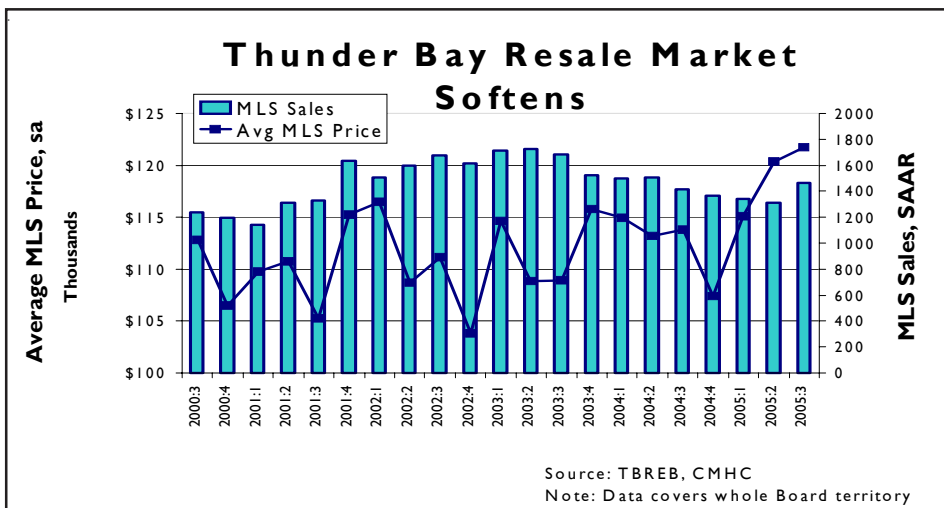
Average prices are up strongly, 10.4 per cent in the first nine months of 2005. The strength in average price in the third quarter contributed heavily to overall price strength. The average price of \$140,769 in 2005:Q3 was up 18.3 per cent from a year prior marking the strongest quarterly price level ever in the Sudbury market.

Sudbury's resale market is currently in a seller's, state. Comprehensive sub-district analysis of the Greater Sudbury resale market confirmed widespread strength in housing market indicators. Strength in nickel prices, improved demographics and a broadening economic base are sustaining demand in both the resale market and new residential construction market.

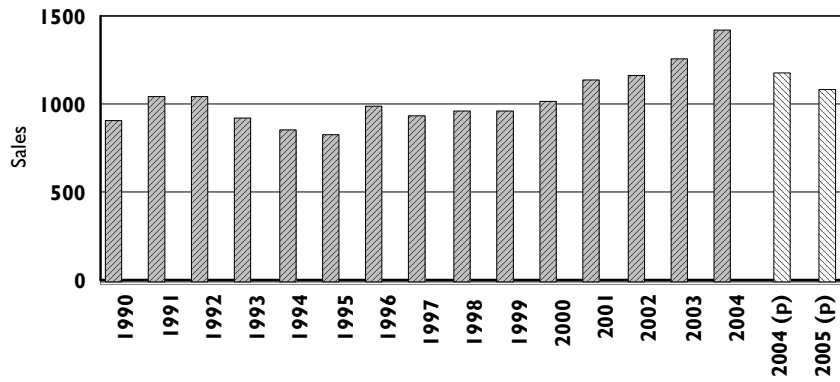
Thunder Bay Q3 Review

While sales were up in the third quarter, year-to-date sales continued down from above average sales activity over the past couple years. Residential MLS sales climbed 6.8 per cent to 425 in 2005:Q3. Sales in the year-to-date are off 7.3 per cent from the first nine months of 2004.

Average prices were strong in 2005:Q3 finishing up 5.5 per cent to \$122,589 for the quarter compared to 2004:Q3. Lower interest rates, only slight improvement in employment levels and faltering demand are in support of a continued balanced market classification at the present time.



North Bay Sales Lower This Year



(p) to September 30th.
Source: NBREB.

North Bay Prices Still Strong

After establishing a record for resales in 2004, the North Bay market has slowed slightly in the year-to-September 30th. Sales fell 14.2 per cent in the first quarter from last year, 12 per cent in the second quarter and were essentially even in the third quarter compared to 2004:Q3. The 390 sales marked the second most third quarter sales in the last fifteen third quarters. A high sales-to-new-listings ratio this year has helped boost average prices six per cent.

Table IA: Housing Activity Summary for Thunder Bay CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD		CONDOMINIUM			ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q3 2005	72	0	0	0	30	0	0	102
Q3 2004	93	2	0	0	0	0	0	95
% Change	-22.6	-100.0	NA	NA	NA	NA	NA	7.4
Year-to-date 2005	129	2	0	0	44	0	0	175
Year-to-date 2004	174	8	0	0	0	0	0	182
% Change	-25.9	-75.0	NA	NA	NA	NA	NA	-3.8
UNDER CONSTRUCTION								
September 2005	113	2	5	0	75	0	0	195
September 2004	141	4	0	0	0	0	0	145
COMPLETIONS								
Q3 2005	49	2	0	0	0	0	0	51
Q3 2004	45	4	0	0	0	0	0	49
% Change	8.9	-50.0	NA	NA	NA	NA	NA	4.1
Year-to-date 2005	137	6	0	0	0	0	0	143
Year-to-date 2004	132	6	0	0	0	0	0	138
% Change	3.8	0.0	NA	NA	NA	NA	NA	3.6
COMPLETE & NOT ABSORBED								
September 2005	1	0	0	0	0	0	0	1
September 2004	4	0	0	0	0	0	0	4
ABSORPTIONS								
Q3 2005	50	3	0	0	0	0	0	53
Q3 2004	47	6	0	0	0	0	0	53
% Change	6.4	-50.0	NA	NA	NA	NA	NA	0.0
Year-to-date 2005	139	6	0	0	0	0	0	145
Year-to-date 2004	130	7	0	0	0	0	6	137
% Change	6.9	-14.3	NA	NA	NA	NA	-100.0	5.8

*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 2005	130	4	0	0	0	0	0	134
Q3 2004	127	4	0	0	0	0	0	131
% Change	2.4	0.0	NA	NA	NA	NA	NA	2.3
Year-to-date 2005	282	8	4	0	0	0	0	294
Year-to-date 2004	269	8	0	0	0	0	0	277
% Change	4.8	0.0	NA	NA	NA	NA	NA	6.1
UNDER CONSTRUCTION								
September 2005	152	8	0	0	0	4	0	164
September 2004	151	6	0	0	0	0	0	157
COMPLETIONS								
Q3 2005	125	0	0	0	0	4	0	129
Q3 2004	107	2	0	0	0	0	0	109
% Change	16.8	-100.0	NA	NA	NA	NA	NA	18.3
Year-to-date 2005	258	4	0	0	0	4	0	266
Year-to-date 2004	211	2	0	0	0	0	0	213
% Change	22.3	100.0	NA	NA	NA	NA	NA	24.9
COMPLETE & NOT ABSORBED								
September 2005	17	0	0	0	0	0	0	17
September 2004	4	0	0	0	0	0	0	4
ABSORPTIONS								
Q3 2005	120	0	0	0	0	4	0	124
Q3 2004	115	2	0	0	0	0	0	117
% Change	4.3	-100.0	NA	NA	NA	NA	NA	6.0
Year-to-date 2005	249	4	0	0	0	4	0	257
Year-to-date 2004	213	2	0	0	0	0	0	215
% Change	16.9	100.0	NA	NA	NA	NA	NA	19.5

*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 2004	Q3 2005	% change	Q3 2004	Q3 2005	% change	Q3 2004	Q3 2005	% change
North Bay	52	65	25.0	2	14	**	54	79	46.3
Sault Ste. Marie	40	43	7.5	2	15	**	42	58	38.1
Timmins	8	12	50.0	0	0	NA	8	12	50.0
Elliot Lake	0	3	NA	0	0	NA	0	3	NA
Haileybury	7	13	85.7	0	0	NA	7	13	85.7
Kenora	10	1	-90.0	2	0	-100.0	12	1	-91.7
Fort Frances	0	2	NA	0	0	NA	0	2	NA
Dryden	4	3	-25.0	0	0	NA	4	3	-25.0

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
North Bay	95	119	25.3	10	14	40.0	105	133	26.7
Sault Ste. Marie	78	81	3.8	6	25	**	84	106	26.2
Timmins	13	27	107.7	0	0	NA	13	27	107.7
Elliot Lake	0	3	NA	0	0	NA	0	3	NA
Haileybury	10	20	100.0	0	0	NA	10	20	100.0
Kenora	16	9	-43.8	2	0	-100.0	18	9	-50.0
Fort Frances	3	3	0.0	0	0	NA	3	3	0.0
Dryden	6	6	0.0	0	0	NA	6	6	0.0

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

Sub Market Area	Q3 2004	Q3 2005	% Change	YTD 2004	YTD 2005	% Change
Sudbury	209,035	228,882	9.5	206,390	231,002	11.9
Thunder Bay	226,787	224,220	-1.1	215,608	220,604	2.3
North Bay	220,311	253,400	15.0	202,978	250,446	23.4
Sault Ste. Marie	160,846	207,500	29.0	184,683	197,191	6.8

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 2005	6	5.0	46	38.3	68	56.7	120
Q3 2004	5	4.3	63	54.8	47	40.9	115
YTD 2005	14	5.6	93	37.3	142	57.0	249
YTD 2004	22	10.3	107	50.2	84	39.4	213
Thunder Bay CMA							
Q3 2005	1	2.0	18	36.0	31	62.0	50
Q3 2004	2	4.3	15	31.9	30	63.8	47
YTD 2005	8	5.8	44	31.7	87	62.6	139
YTD 2004	10	7.7	43	33.1	77	59.2	130
Sault Ste. Marie CA							
Q3 2005	1	5.0	10	50.0	9	45.0	20
Q3 2004	4	30.8	6	46.2	3	23.1	13
YTD 2005	9	11.5	33	42.3	36	46.2	78
YTD 2004	30	25.2	45	37.8	44	37.0	119
North Bay CA							
Q3 2005	0	0.0	6	16.2	31	83.8	37
Q3 2004	4	11.4	12	34.3	19	54.3	35
YTD 2005	1	1.2	17	21.0	63	77.8	81
YTD 2004	16	22.2	24	33.3	32	44.4	72

Source: CMHC

Note: NA 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 2004	398	-15.9	747	53.3	116,231	4.2
Q3 2005	425	6.8	842	50.5	122,589	5.5
YTD 2004	1,186	-12.6	2,143		113,578	1.8
YTD 2005	1,099	-7.3	2,295		120,417	6.0
Sudbury CMA						
Q3 2004	720	15.2	965	74.6	119,029	-4.9
Q3 2005	772	7.2	1069	72.2	140,769	18.3
YTD 2004	2,063	16.8	3,266		121,930	3.0
YTD 2005	2,070	0.3	3,267		134,562	10.4
Sault Ste Marie CA						
Q3 2004	344	14.7	512	67.2	97,988	1.8
Q3 2005	404	17.4	712	56.7	99,547	1.6
YTD 2004	879	11.8	1,552		96,661	1.7
YTD 2005	1014	15.4	1,830		97,243	0.6
North Bay CA						
Q3 2004	389	-1.5	546	71.2	138,976	11.0
Q3 2005	390	0.3	589	66.2	144,473	4.0
YTD 2004	1,189	13.5	1,667		137,756	8.3
YTD 2005	1,088	-8.5	1,687		146,050	6.0
Timmins CA						
Q3 2004	324	9.5	499	64.9	85,672	5.1
Q3 2005	294	-9.3	470	62.6	89,201	4.1
YTD 2004	861	24.8	1,610		87,112	3.9
YTD 2005	780	-9.4	1,438		87,657	0.6

Source: Canadian Real Estate Association

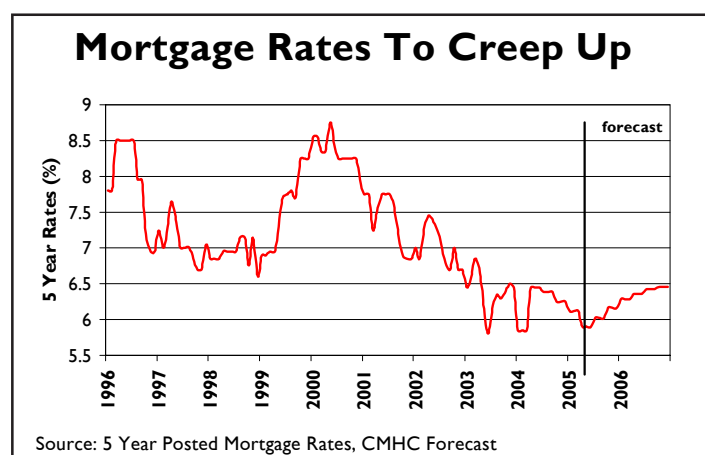
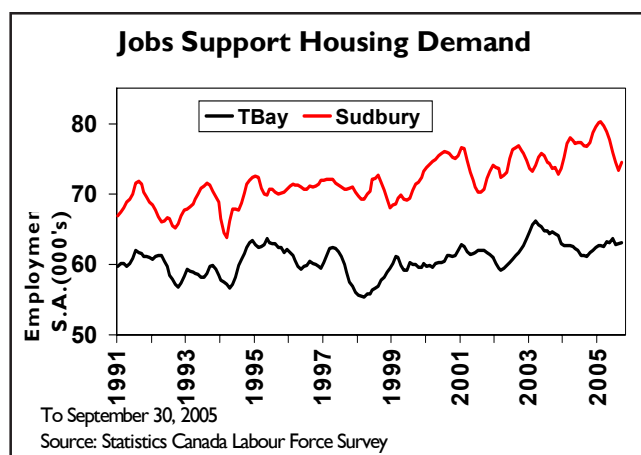
Table 6: Economic Indicators

	Interest and Exchange Rates				Inflation Rate (%)	Thunder Bay Labour Market		Sudbury Labour Market	
	P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)		Ontario 1996=100	Employment SA** (,000)	Unemployment Rate (%) SA	Employment SA** (,000)
		1 Yr. Term	5 Yr. Term						
2004 January	642.78	4.3	6.1%	0.755	1.5	62.6	7.5	75.2	9.5
February	627.97	4.3	5.8%	0.749	0.8	62.6	7.7	77.1	8.6
March	622.08	4.3	5.7%	0.763	1.1	62.6	7.0	78.0	8.3
April	648.75	4.5	6.2	0.729	2.3	62.5	6.9	77.5	8.4
May	669.82	4.6	6.5	0.733	2.8	62.2	7.2	77.1	9.2
June	681.99	4.7	6.7	0.750	2.4	62.0	8.1	77.2	9.0
July	672.86	4.6	6.6	0.752	2.4	61.3	8.6	77.2	8.6
August	657.75	4.4	6.3	0.762	1.5	61.2	8.7	76.8	8.4
September	657.75	4.8	6.3	0.793	1.5	61.1	8.8	76.7	8.3
October	663.77	4.9	6.4	0.821	2.1	61.7	8.5	77.3	8.0
November	657.75	5.0	6.3	0.843	2.2	62.0	8.7	78.7	7.6
December	642.78	4.8	6.1	0.832	1.9	62.3	8.4	79.5	7.3
2005 January	642.78	4.8	6.1	0.806	1.6	62.6	8.5	80.1	7.8
February	642.78	4.8	6.1	0.811	2.2	62.7	8.2	80.2	7.7
March	654.74	5.1	6.3	0.827	2.3	62.5	7.8	79.6	7.9
April	642.78	4.9	6.1	0.795	2.3	63.2	7.6	78.8	7.4
May	636.84	4.9	6.0	0.797	1.5	63.1	7.3	77.7	7.4
June	622.08	4.8	5.7	0.816	1.9	63.6	7.6	75.9	7.4
July	627.97	4.9	5.8	0.817	1.9	62.8	7.5	74.5	8.3
August	627.97	5.0	5.8	0.842	2.7	63.0	7.1	73.4	8.4
September	627.97	5.0	5.8	0.860	3.3	63.1	6.7	74.4	8.3
October	639.81	5.3	6.0						
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>

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