

H

HOUSING NOW

Hamilton

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

VOLUME 5, NUMBER 2
SECOND QUARTER 2003

New Homes

Housing starts below last year's pace

- Despite the influence of lower mortgage rates, tight resale markets and a robust labour market, the new home market has slowed. Total starts are down 18 per cent from Q2 2002.
- On a seasonally adjusted basis, housing starts have been trending downward for three consecutive quarters.
- The decline in housing starts can be partly attributed to increased competition on several fronts, including: a slight increase in resale listings; condo conversion activity capturing demand for multiple units not reflected in CMHC data; and, an increase in the supply of new homes

in areas surrounding the Hamilton CMA.

- Year-to-date, housing starts declined 6 per cent to 1,452 units. Strong demand for multiple units in Burlington pushed multiple starts up 16 per cent, while singles suffered a 20 per cent loss.
- With housing prices continuing to rise, price sensitive first time buyers are increasingly attracted to the lower carrying costs associated with town home and condominium ownership.
- The average price of a new single detached home in the Hamilton CMA increased 8 per cent over the first six months of 2002. Price growth in Burlington and the City of Hamilton was boosted by an increase in move up buyer activity.

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Resale Market

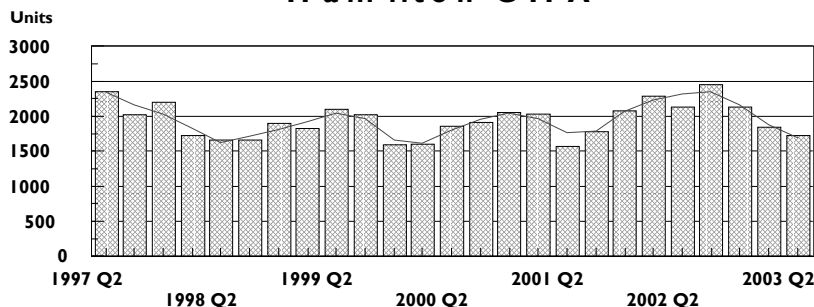
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- The average price in Grimsby declined relative to the first half of 2002. This year, there were fewer absorptions above \$300,000 and many more in the \$200,000 to \$249,999 range.

Single Starts SAAR Hamilton CMA



Source: CMHC

Note: Starts are expressed as a Seasonally Adjusted Annual Rate (SAAR)

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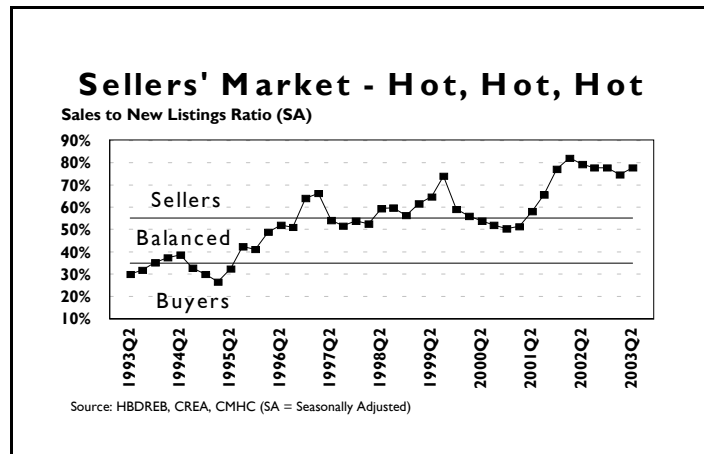


HOME TO CANADIANS
Canada

Resale Market

Resale market shows remarkable strength

- Lower mortgage rates, combined with strong labour market conditions, fueled demand for resale homes, pushing MLS® sales volumes to a new high in the second quarter. The Hamilton-Burlington and District Real Estate Board (HBDREB) recorded 3,801 sales in Q2 marking the best quarter on record.
- On a seasonally adjusted basis, MLS® sales registered above 12,000 SAAR (seasonally adjusted annual rate) for the third consecutive quarter, very near the 2002 record.
- The number of new listings in the second quarter increased 2.3 per cent relative to last year, while sales advanced by 0.2 per cent.
- The increase in supply pushed the sales-to-new-listings ratio down slightly. However, the ratio remains historically high and is well within the upper range of a sellers' market.
- The tight resale market is fueling price growth to highs not witnessed since the late 1980s. The average price in the HBDREB area increased 9 per cent to \$201,000 over Q2 2002.



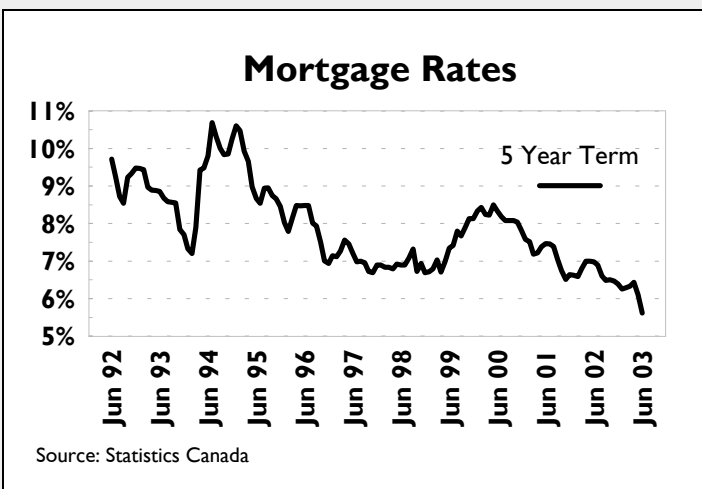
- In Q2, average resale prices increased in all areas with the exception of Grimsby. A 24 per cent gain in Grimsby MLS® sales volumes combined with a 5 per cent decline in prices suggests an increase in first time buyer activity relative to one year ago. A jump in sales of entry level homes effectively lowers the average resale price.
- Excluding Grimsby, resale price growth ranged from 7.4 per cent in Hamilton City to 16.3 per cent in Dundas. Solid price growth in the majority Hamilton's local areas, combined with robust sales activity, is a good indication that the market remains hot right across the HBDREB area.

Mortgage rates dip to historic lows - discounting will ease hikes later in 2003

Short-term mortgage rates move in tandem with the prime rate while mid- and long-term mortgage rates vary in response to the cost of raising funds in the bond markets. Posted mortgage rates are forecast to rise as interest rates head up by next year at the latest.

However, rising posted mortgage rates will not necessarily lead to higher mortgage rates negotiated between borrowers and lenders. Spreads between mortgage rates and comparable bond yields have remained at 200 -250 bps in the last few years, providing lenders with some room to negotiate discounts ranging 50 - 150 bps from the posted rates. These spreads and discounts are likely to persist in the near term.

One, three and five-year posted closed mortgage rates are expected to be in the 4.75 - 5.75, 5.25 - 6.25, and 5.75 - 6.75 per cent range respectively this year. The mortgage rates are forecast to rise by 1.00 - 1.25 per cent next year.



**Table I
Starts by Zone and by Intended Market
Hamilton CMA**

Zone	OWNERSHIP					RENTAL		TOTAL
	Freehold			Condominium		Row	Apt	
	Detached	Semi	Row	Row	Apt			
Hamilton City								
Second Quarter 2003	71	8	0	0	0	0	3	82
Second Quarter 2002	172	0	6	54	0	0	0	232
Year-to-date 2003	107	8	0	19	0	0	3	137
Year-to-date 2002	253	0	34	54	0	0	0	341
Burlington City								
Second Quarter 2003	113	22	110	41	60	0	0	346
Second Quarter 2002	105	4	25	34	43	0	0	211
Year-to-date 2003	217	30	153	222	60	0	0	682
Year-to-date 2002	236	24	36	74	43	0	0	413
Stoney Creek City								
Second Quarter 2003	91	0	7	6	0	0	0	104
Second Quarter 2002	81	0	51	0	0	0	47	179
Year-to-date 2003	169	0	7	6	0	0	0	182
Year-to-date 2002	118	0	65	0	0	0	47	230
Ancaster Town								
Second Quarter 2003	65	0	0	34	0	0	0	99
Second Quarter 2002	128	0	13	82	0	0	0	223
Year-to-date 2003	122	0	0	50	0	0	0	172
Year-to-date 2002	183	0	32	82	0	0	0	297
Dundas Town								
Second Quarter 2003	14	0	0	0	0	0	0	14
Second Quarter 2002	7	0	0	0	0	0	0	7
Year-to-date 2003	18	0	0	0	0	0	0	18
Year-to-date 2002	10	0	0	0	0	0	0	10
Flamborough								
Second Quarter 2003	22	0	0	0	0	0	0	22
Second Quarter 2002	21	0	0	0	0	0	0	21
Year-to-date 2003	33	0	0	0	0	0	0	33
Year-to-date 2002	75	18	0	0	0	0	0	93
Glanbrook								
Second Quarter 2003	49	6	0	30	0	0	0	85
Second Quarter 2002	39	4	18	24	0	0	0	85
Year-to-date 2003	59	10	0	30	0	0	0	99
Year-to-date 2002	68	4	18	24	0	0	0	114
The new city of Hamilton								
Second Quarter 2003	312	14	7	70	0	0	3	406
Second Quarter 2002	448	4	88	160	0	0	47	747
Year-to-date 2003	508	18	7	105	0	0	3	641
Year-to-date 2002	707	22	149	160	0	0	47	1,085
Grimsby Town								
Second Quarter 2003	39	0	33	0	0	0	0	72
Second Quarter 2002	29	0	12	5	0	0	0	46
Year-to-date 2003	62	0	67	0	0	0	0	129
Year-to-date 2002	36	0	12	5	0	0	0	53
HAMILTON CMA								
Second Quarter 2003	464	36	150	111	60	0	3	824
Second Quarter 2002	582	8	125	199	43	0	47	1,004
Year-to-date 2003	787	48	227	327	60	0	3	1,452
Year-to-date 2002	979	46	197	239	43	0	47	1,551

Source: CMHC

Table I continued
Starts by Zone and by Intended Market
Halton Region

Zone	OWNERSHIP					RENTAL		TOTAL
	Freehold			Condominium		Row	Apt	
	Detached	Semi	Row	Row	Apt			
Oakville								
Second Quarter 2003	459	34	101	106	56	0	0	756
Second Quarter 2002	366	52	141	44	112	0	0	715
Year-to-date 2003	589	34	140	143	132	0	0	1,038
Year-to-date 2002	687	60	180	128	112	0	0	1,167
Milton								
Second Quarter 2003	364	145	122	0	0	0	0	631
Second Quarter 2002	357	122	104	0	0	0	0	583
Year-to-date 2003	458	203	137	0	0	0	0	798
Year-to-date 2002	466	182	168	0	0	0	0	816
Halton Hills								
Second Quarter 2003	61	0	0	0	0	0	0	61
Second Quarter 2002	111	22	8	0	0	0	0	141
Year-to-date 2003	229	0	9	0	0	0	0	238
Year-to-date 2002	151	56	8	0	0	0	0	215
Region of Halton								
Second Quarter 2003	997	201	333	147	116	0	0	1,794
Second Quarter 2002	939	200	278	78	155	0	0	1,650
Year-to-date 2003	1,493	267	439	365	192	0	0	2,756
Year-to-date 2002	1,540	322	392	202	155	0	0	2,611

Source: CMHC

Table 2
Activity Summary by Intended Market
Hamilton Census Metropolitan Area

Zone	OWNERSHIP					RENTAL		TOTAL
	Freehold			Condominium		Row	Apt	
	Detached	Semi	Row	Row	Apt			
Starts								
Second Quarter 2003	464	36	150	111	60	0	3	824
Second Quarter 2002	582	8	125	199	43	0	47	1,004
Year-to-date 2003	787	48	227	327	60	0	3	1,452
Year-to-date 2002	979	46	197	239	43	0	47	1,551
Under Construction								
Second Quarter 2003	885	49	418	262	165	0	15	1,794
Second Quarter 2002	790	56	207	182	322	0	47	1,604
Completions								
Second Quarter 2003	435	24	90	151	20	3	0	723
Second Quarter 2002	457	28	100	223	61	0	0	869
Year-to-date 2003	889	44	205	287	20	3	12	1,460
Year-to-date 2002	859	76	162	331	149	0	0	1,577
Unoccupied								
Second Quarter 2003	76	11	36	18	7	3	0	151
Second Quarter 2002	205	35	128	149	103	0	0	620
Total Supply								
Second Quarter 2003	1,221	74	520	391	172	3	15	2,396
Second Quarter 2002	1,131	101	477	480	425	0	53	2,667
Absorptions								
Second Quarter 2003	448	36	89	139	42	0	0	754
Second Quarter 2002	505	25	81	200	71	0	0	882
Year-to-date 2003	996	64	216	317	60	0	5	1,658
Year-to-date 2002	935	61	124	297	178	0	0	1,595

Source: CMHC

**Table 3
Activity Summary Market by Zone
Hamilton CMA & Halton region**

Zone	OWNERSHIP					RENTAL		OWNERSHIP					RENTAL	
	Freehold			Condo		Row	Apt	Freehold			Condo		Row	Apt
	Single	Semi	Row	Row	Apt			Single	Semi	Row	Row	Apt		
Under Construction	Second Quarter 2003							Second Quarter 2002						
Ancaster Town	115	4	0	34	0	0	0	155	2	32	89	0	0	0
Burlington City	303	38	299	162	103	0	0	198	40	50	39	322	0	0
Dundas Town	19	0	0	0	62	0	0	9	0	0	0	0	0	0
Flamborough Town	49	0	0	0	0	0	0	50	10	0	0	0	0	0
Glanbrook Twp.	85	0	0	44	0	0	0	69	4	18	24	0	0	0
Grimsby Town	53	0	70	0	0	0	0	33	0	12	12	0	0	0
Hamilton City	119	6	0	16	0	0	15	197	0	28	18	0	0	0
Stoney Creek City	142	1	49	6	0	0	0	79	0	67	0	0	0	47
Hamilton (new city)	529	11	49	100	62	0	15	559	16	145	131	0	0	47
Total CMA	885	49	418	262	165	0	15	790	56	207	182	322	0	47
Halton Hills	120	2	0	0	0	0	0	65	4	8	0	0	0	0
Milton	456	167	122	0	0	0	0	425	174	229	0	0	0	0
Oakville	860	36	173	206	308	0	0	651	66	197	141	112	0	0
Halton Region	1,739	243	594	368	411	0	0	1,339	284	484	180	434	0	0
Completions	Second Quarter 2003							Second Quarter 2002						
Ancaster Town	61	0	0	17	0	0	0	45	0	9	0	0	0	0
Burlington City	183	10	58	105	0	3	0	189	26	13	44	0	0	0
Dundas Town	14	0	8	0	0	0	0	11	0	0	0	0	0	0
Flamborough Town	14	0	0	0	0	0	0	35	2	0	0	0	0	0
Glanbrook Twp.	14	10	0	0	0	0	0	31	0	0	57	0	0	0
Grimsby Town	20	2	9	5	0	0	0	9	0	15	0	0	0	0
Hamilton City	25	2	0	24	20	0	0	91	0	44	122	51	0	0
Stoney Creek City	104	0	15	0	0	0	0	46	0	19	0	10	0	0
Hamilton (new city)	232	12	23	41	20	0	0	259	2	72	179	61	0	0
Total CMA	435	24	90	151	20	3	0	457	28	100	223	61	0	0
Halton Hills	66	0	0	0	0	0	0	89	54	0	0	0	0	0
Milton	129	54	40	0	0	0	0	149	42	34	0	0	0	0
Oakville	205	4	74	0	0	0	0	181	54	68	21	0	0	0
Halton Region	583	68	172	105	0	3	0	608	176	115	65	0	0	0

Source: CMHC

RENTAL MARKET SURVEY 2002

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**Table 3
Activity Summary Market by Zone
Hamilton CMA & Halton region**

Zone	OWNERSHIP					RENTAL		OWNERSHIP					RENTAL	
	Freehold			Condo		Row	Apt	Freehold			Condo		Row	Apt
	Single	Semi	Row	Row	Apt			Single	Semi	Row	Row	Apt		
Unoccupied	Second Quarter 2003							Second Quarter 2002						
Ancaster Town	18	0	0	0	0	0	0	64	2	6	4	3	0	0
Burlington City	5	8	21	13	7	3	0	15	21	110	87	70	0	0
Dundas Town	0	0	0	0	0	0	0	2	0	0	0	0	0	0
Flamborough Town	0	1	0	0	0	0	0	7	4	0	16	0	0	0
Glanbrook Twp.	1	1	0	0	0	0	0	24	2	0	20	0	0	0
Grimsby Town	9	0	10	1	0	0	0	6	0	3	1	0	0	0
Hamilton City	9	1	0	4	0	0	0	75	4	4	21	30	0	0
Stoney Creek City	34	0	5	0	0	0	0	12	2	5	0	0	0	0
Hamilton (new city)	62	3	5	4	0	0	0	184	14	15	61	33	0	0
Total CMA	76	11	36	18	7	3	0	205	35	128	149	103	0	0
Halton Hills	26	2	0	0	0	0	0	10	2	0	0	0	0	0
Milton	19	22	0	0	0	0	0	21	16	46	0	0	0	0
Oakville	20	15	3	3	0	0	0	34	11	143	51	2	0	0
Halton Region	70	47	24	16	7	3	0	80	50	299	138	72	0	0
Absorptions	Second Quarter 2003							Second Quarter 2002						
Ancaster Town	57	0	0	14	0	0	0	70	0	3	0	3	0	0
Burlington City	186	17	64	97	20	0	0	193	19	0	24	37	0	0
Dundas Town	14	0	8	0	0	0	0	13	0	0	0	0	0	0
Flamborough Town	18	0	0	0	0	0	0	38	4	0	0	0	0	0
Glanbrook Twp.	23	12	0	0	0	0	0	27	2	0	37	0	0	0
Grimsby Town	19	2	5	4	0	0	0	14	0	17	0	0	0	0
Hamilton City	40	5	0	24	22	0	0	98	0	42	122	21	0	0
Stoney Creek City	91	0	12	0	0	0	0	52	0	19	17	10	0	0
Hamilton (new city)	243	17	20	38	22	0	0	298	6	64	176	34	0	0
Total CMA	448	36	89	139	42	0	0	505	25	81	200	71	0	0
Halton Hills	114	0	0	0	0	0	0	89	53	0	0	0	0	0
Milton	233	103	62	0	0	0	0	151	42	78	0	0	0	7
Oakville	342	10	107	28	0	0	0	182	57	14	0	21	0	0
Halton Region	875	130	233	125	20	0	0	615	171	92	24	58	0	7

Source: CMHC

DID YOU KNOW?

For those who have difficulty meeting their housing needs on their own, CMHC plays a key role in helping them gain access to safe, affordable housing.

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Table 4
Single-detached sales by price range
Hamilton CMA & Halton Region

	Average Price	Total Sales	< \$150,000		\$150,000 - \$199,999		\$200,000 - \$249,999		\$250,000 - \$299,999		\$300,000 - \$349,999		\$350,000+	
			Units	Share	Units	Share	Units	Share	Units	Share	Units	Share	Units	Share
Burlington														
2003 to June	\$342,862	320	0	0.0%	0	0.0%	14	4.4%	40	12.5%	194	60.6%	72	22.5%
2002 to June	\$312,217	271	0	0.0%	4	1.5%	3	1.1%	108	39.9%	87	32.1%	69	25.5%
Hamilton														
2003 to June	\$248,110	645	2	0.3%	40	6.2%	427	66.2%	81	12.6%	48	7.4%	47	7.3%
2002 to June	\$232,809	663	5	0.8%	76	11.5%	426	64.3%	108	16.3%	21	3.2%	27	4.1%
Grimsby														
2003 to June	\$242,190	31	0	0.0%	0	0.0%	24	77.4%	4	12.9%	3	9.7%	0	0.0%
2002 to June	\$287,307	27	0	0.0%	5	18.5%	11	40.7%	3	11.1%	5	18.5%	3	11.1%
Hamilton CMA														
2003 to June	\$278,368	996	2	0.2%	40	4.0%	465	46.7%	125	12.6%	245	24.6%	119	11.9%
2002 to June	\$256,733	961	5	0.5%	85	8.8%	440	45.8%	219	22.8%	113	11.8%	99	10.3%
Oakville														
2003 to June	\$387,776	532	0	0.0%	0	0.0%	41	7.7%	161	30.3%	166	31.2%	164	30.8%
2002 to June	\$358,583	321	1	0.3%	1	0.3%	27	8.4%	140	43.6%	84	26.2%	68	21.2%
Milton														
2003 to June	\$265,013	531	15	2.8%	77	14.5%	136	25.6%	194	36.5%	82	15.4%	27	5.1%
2002 to June	\$279,136	294	0	0.0%	11	3.7%	57	19.4%	148	50.3%	65	22.1%	13	4.4%
Halton Hills														
2003 to June	\$270,365	214	1	0.5%	20	9.3%	55	25.7%	86	40.2%	41	19.2%	11	5.1%
2002 to June	\$254,126	173	5	2.9%	9	5.2%	98	56.6%	44	25.4%	7	4.0%	10	5.8%
Halton Region														
2003 to June	\$322,224	1,597	16	1.0%	97	6.1%	246	15.4%	481	30.1%	483	30.2%	274	17.2%
2002 to June	\$307,598	1,059	6	0.6%	25	2.4%	185	17.5%	440	41.5%	243	22.9%	160	15.1%

*Note: Halton Region includes Burlington, Oakville, Milton and Halton Hills

2003 HOUSING OUTLOOK CONFERENCES

The Market Analysis Centre of CMHC is proud to present its 2003 Housing Outlook Conferences, the largest and highest profile conferences on the residential housing market in Ontario.

For more information and to register, contact 1-800-668-2642.

City	Date	Location
Thunder Bay	October 7	Valhalla Inn
St. Catharines	October 9	White Oaks
Hamilton	October 16	Sheraton Hotel
Kitchener	October 21	Waterloo Inn & Conference Centre
Ottawa	October 23	Ottawa Congress Centre
Sudbury	October 28	Science North
London	October 30	Four Points Sheraton
Windsor	November 6	The Caboto Club

Table 5
MLS* residential sales by municipality
Hamilton & Halton Region

	Unit Sales			Average Price		
	2003 April to June	2002 April to June	percent change	2003 April to June	2002 April to June	percent change
Hamilton City	1,545	1,603	-3.6%	\$146,476	\$136,379	7.4%
Burlington	948	939	1.0%	\$255,813	\$237,205	7.8%
Stoney Creek	249	291	-14.4%	\$204,598	\$184,697	10.8%
Ancaster	176	158	11.4%	\$301,671	\$284,842	5.9%
Dundas	104	95	9.5%	\$221,253	\$190,283	16.3%
Flamborough**	149	142	4.9%	\$294,148	\$253,294	16.1%
Grimsby	138	111	24.3%	\$214,056	\$225,593	-5.1%
Hamilton-Burlington R.E.B.	3,801	3,793	0.2%	\$201,000	\$184,335	9.0%

Source: Hamilton-Burlington and District Real Estate Board

** includes Waterdown

Oakville	750	756	-0.8%	\$368,628	\$340,261	8.3%
Milton	105	92	14.1%	\$235,225	\$222,583	5.7%
Burlington	131	119	10.1%	\$260,252	\$260,272	-0.0%
Oakville-Milton R.E.B.	1,116	1,081	3.2%	\$337,485	\$319,666	5.6%

Source: Oakville, Milton and District Real Estate Board

* Multiple Listing Service (MLS) is a registered certification mark owned by The Canadian Real Estate Association

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.

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