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Canada Mortgage and Housing Corporation

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VOLUME 8, NUMBER 1
FIRST QUARTER 2005

New Homes

Starts tumble during first quarter of 2005

Housing starts have been trending lower since the third quarter of 2004 in the Hamilton Census Metropolitan Area (CMA), hereon referred to as Hamilton. Low mortgage rates and high job growth failed to boost starts in Hamilton and construction plummeted by 38 per cent in the first quarter of 2005 compared to the same period last year.

Coming off a record year in 2004, this decline is not a true reflection of the Hamilton housing market. According to the home building community,

exceptionally cold weather and heavy snowfall hindered many large scale projects getting off the ground during January and February. The highly volatile multi-family dwelling sector took the biggest hit with a 68 per cent fall to just 139 units compared to the same time period last year.

Single-detached home starts, in contrast, rose by eight per cent to 314 units during the first quarter of 2005 from the same time period last year. Often considered the backbone of residential construction,

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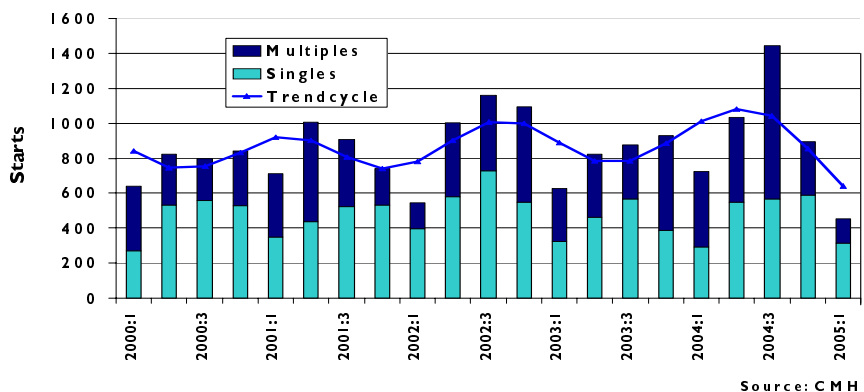
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the strong growth in single starts is a good indication that the Hamilton housing market remains robust.

Total housing starts fell across all sub-markets within Hamilton, with the exception of Ancaster, where starts jumped by 34 per cent in the first quarter of 2005 compared to the same time last year.

Hamilton CMA Housing Starts



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Single-detached starts skyrocketed by 79 per cent in Burlington to 152 units during the first quarter of 2005 compared to just 85 started during the same time last year. The rapidly escalating price of new homes in that municipality does not appear to have diminished consumer appetites for them.

New home prices reached new highs during the first quarter of 2005. The average price of a new single-detached home in Hamilton rose by 24 per cent to \$386,928. Ancaster and Burlington, typically considered more expensive sub-markets within Hamilton, recorded extraordinary price growth of 51 and 44 per cent respectively.

Higher priced new single-detached homes in Burlington inevitably skew the average price in Hamilton upward. For instance, the average price in Burlington topped \$482,400 in the first quarter of 2005, whilst only accounting for 31 per cent of the absorbed single-detached homes within Hamilton. Meanwhile, the City of Hamilton, which accounts for over 60 per cent, recorded an average single-detached price of \$344,730 during the same period.

The gap between the average new single-detached home price in

Hamilton and Toronto CMA have reduced significantly. In the first quarter of 2005, this difference stood at \$21,000 compared to \$62,600 during the same time last year. Shortage of available land for construction in some parts of Hamilton (especially Burlington where many people working in downtown Toronto reside), is driving its average single-detached price higher and thus closer to that of the Toronto CMA.

Resale Market MLS® sales ease during first quarter of 2005

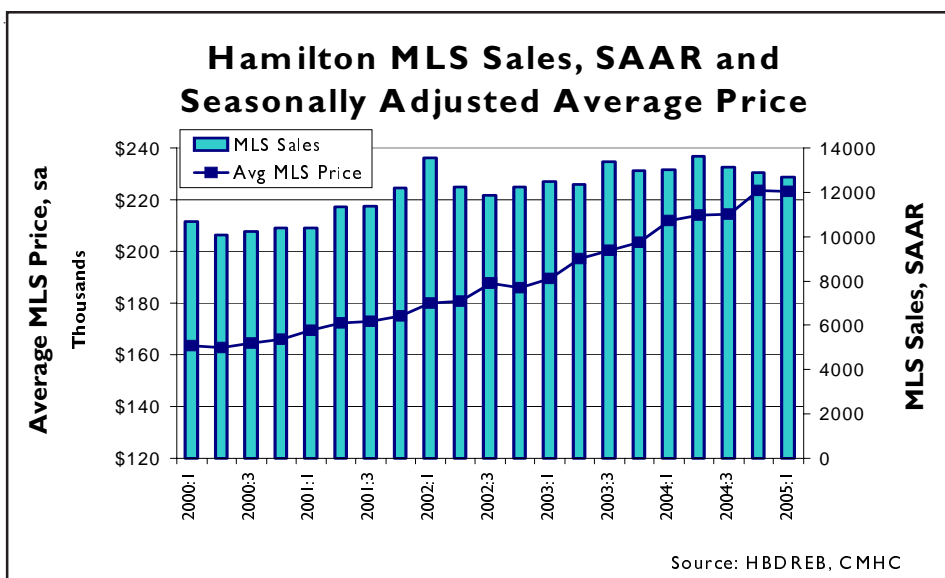
Seasonally adjusted MLS sales have been trending lower since the second quarter of 2004. Following record growth in sales in 2004, Multiple Listing Service (MLS) sales in Hamilton edged down by five per cent to 2,946 units during the first quarter of this year compared to the same period last year. With the Hamilton economy creating new jobs at an impressive pace and mortgage rates remaining at historically low levels, this downturn is expected to be short lived.

The supply of newly listed homes has been characteristically low in

Hamilton. This was the case in the first quarter of 2005, where listings fell by four per cent to 4,222 units compared to the same time last year.

The shortage of new listings resulted in a seasonally adjusted sales-to-new listings ratio of 77 per cent in the first quarter of 2005, indicating that the Hamilton resale market strongly favoured sellers. Typically, a market with a ratio above 55 per cent is considered a sellers' market, and below 35 per cent a buyers'. A market with ratio in-between is considered balanced. The seasonally adjusted sales-to-new listings ratio has been trending higher since the third quarter of 2004.

A marked characteristic of a sellers' market is price growth above the rate of inflation. In Hamilton, the average MLS price grew by five per cent in the first quarter of 2005 to \$222,954 compared to the same time last year. This was approximately three times the rate of inflation (as measured by the Consumer Price Index) over the same period. Solid job growth and strong demand from Toronto CMA residents looking to escape rising house prices, were key factors driving the average MLS price higher.



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Table I: Housing Activity Summary for Hamilton CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q1 2005	314	12	70	57	0	0	0	453
Q1 2004	291	62	205	95	72	0	0	725
% Change	7.9	-80.6	-65.9	-40.0	-100.0	NA	NA	-37.5
Year-to-date 2005	314	12	70	57	0	0	0	453
Year-to-date 2004	291	62	205	95	72	0	0	725
% Change	7.9	-80.6	-65.9	-40.0	-100.0	NA	NA	-37.5
UNDER CONSTRUCTION								
March 2005	918	30	278	409	648	14	172	2,469
March 2004	614	82	491	363	341	0	4	1,895
COMPLETIONS								
Q1 2005	321	26	53	113	60	12	3	588
Q1 2004	410	18	89	47	0	0	12	576
% Change	-21.7	44.4	-40.4	140.4	NA	NA	-75.0	2.1
Year-to-date 2005	321	26	53	113	60	12	3	588
Year-to-date 2004	410	18	89	47	0	0	12	576
% Change	-21.7	44.4	-40.4	140.4	NA	NA	-75.0	2.1
COMPLETE & NOT ABSORBED								
March 2005	40	2	41	19	0	6	0	108
March 2004	49	12	22	15	6	0	0	104
ABSORPTIONS								
Q1 2005	334	34	104	113	60	6	15	666
Q1 2004	412	25	101	48	0	0	12	598
% Change	-18.9	36.0	3.0	135.4	NA	NA	25.0	11.4
Year-to-date 2005	334	34	104	113	60	6	15	666
Year-to-date 2004	412	25	101	48	0	0	12	598
% Change	-18.9	36.0	3.0	135.4	NA	NA	25.0	11.4

*Includes all market types

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

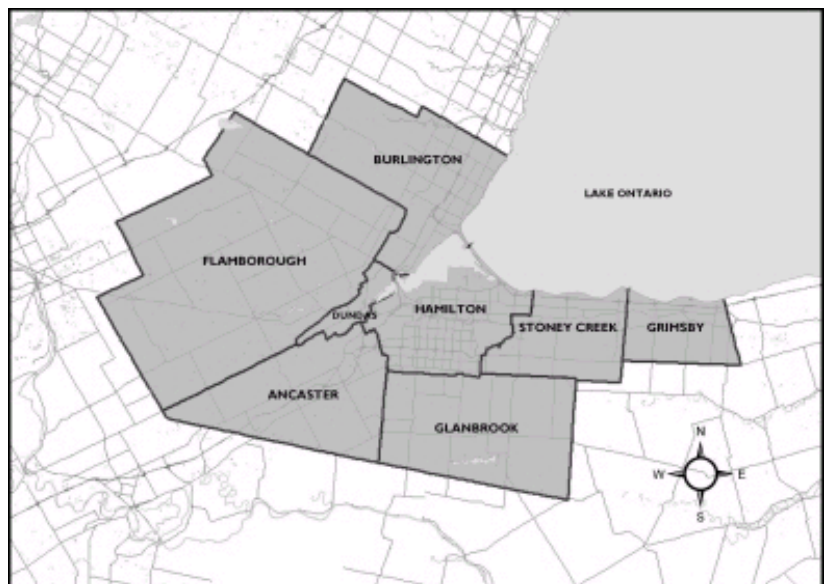


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q1 2004	Q1 2005	% change	Q1 2004	Q1 2005	% change	Q1 2004	Q1 2005	% change
Hamilton CMA	291	314	7.9	434	139	-68.0	725	453	-37.5
New City of Hamilton	171	143	-16.4	173	64	-63.0	344	207	-39.8
Burlington City	85	152	78.8	228	75	-67.1	313	227	-27.5
Grimsby Town	35	19	-45.7	33	0	-100.0	68	19	-72.1
Hamilton City	30	31	3.3	82	8	-90.2	112	39	-65.2
Stoney Creek City	46	33	-28.3	29	28	-3.4	75	61	-18.7
Ancaster Town	39	43	10.3	8	20	150.0	47	63	34.0
Dundas Town	16	4	-75.0	0	0	NA	16	4	-75.0
Flamborough	19	19	0.0	6	0	-100.0	25	19	-24.0
Glanbrook	21	13	-38.1	48	8	-83.3	69	21	-69.6

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
Hamilton CMA	291	314	7.9	434	139	-68.0	725	453	-37.5
New City of Hamilton	171	143	-16.4	173	64	-63.0	344	207	-39.8
Burlington City	85	152	78.8	228	75	-67.1	313	227	-27.5
Grimsby Town	35	19	-45.7	33	0	-100.0	68	19	-72.1
Hamilton City	30	31	3.3	82	8	-90.2	112	39	-65.2
Stoney Creek City	46	33	-28.3	29	28	-3.4	75	61	-18.7
Ancaster Town	39	43	10.3	8	20	150.0	47	63	34.0
Dundas Town	16	4	-75.0	0	0	NA	16	4	-75.0
Flamborough	19	19	0.0	6	0	-100.0	25	19	-24.0
Glanbrook	21	13	-38.1	48	8	-83.3	69	21	-69.6

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

Sub Market Area	Q1 2004	Q1 2005	% Change	YTD 2004	YTD 2005	% Change
Hamilton CMA	312,419	386,928	23.8	312,419	386,928	23.8
New City of Hamilton	300,989	344,731	14.5	300,989	344,731	14.5
Burlington City	335,946	482,407	43.6	335,946	482,407	43.6
Grimsby Town	272,627	323,435	18.6	272,627	323,435	18.6
Hamilton City	248,976	263,749	5.9	248,976	263,749	5.9
Stoney Creek City	260,333	276,553	6.2	260,333	276,553	6.2
Ancaster Town	347,707	525,414	51.1	347,707	525,414	51.1
Dundas Town	330,809	328,844	-0.6	330,809	328,844	-0.6
Flamborough	463,529	400,068	-13.7	463,529	400,068	-13.7
Glanbrook	283,973	262,215	-7.7	283,973	262,215	-7.7

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

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

AREA	PRICE RANGES										
	<\$174,999		\$175-\$249,999		\$250-\$299,999		\$300-\$349,999		\$350,000+		TOTAL
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Hamilton CMA											
Q1 2005	3	0.9	68	20.4	92	27.5	67	20.1	104	31.1	334
Q1 2004	5	1.2	101	24.5	120	29.1	80	19.4	106	25.7	412
YTD 2005	3	0.9	68	20.4	92	27.5	67	20.1	104	31.1	334
YTD 2004	5	1.2	101	24.5	120	29.1	80	19.4	106	25.7	412
New City of Hamilton											
Q1 2005	3	1.4	65	30.7	44	20.8	33	15.6	67	31.6	212
Q1 2004	5	2.2	86	37.1	65	28.0	29	12.5	47	20.3	232
YTD 2005	3	1.4	65	30.7	44	20.8	33	15.6	67	31.6	212
YTD 2004	5	2.2	86	37.1	65	28.0	29	12.5	47	20.3	232
Burlington City											
Q1 2005	0	0.0	1	1.0	37	35.2	33	31.4	34	32.4	105
Q1 2004	0	0.0	11	7.1	36	23.2	50	32.3	58	37.4	155
YTD 2005	0	0.0	1	1.0	37	35.2	33	31.4	34	32.4	105
YTD 2004	0	0.0	11	7.1	36	23.2	50	32.3	58	37.4	155
Grimsby Town											
Q1 2005	0	0.0	2	11.8	11	64.7	1	5.9	3	17.6	17
Q1 2004	0	0.0	4	16.0	19	76.0	1	4.0	1	4.0	25
YTD 2005	0	0.0	2	11.8	11	64.7	1	5.9	3	17.6	17
YTD 2004	0	0.0	4	16.0	19	76.0	1	4.0	1	4.0	25
Hamilton City											
Q1 2005	3	5.5	24	43.6	17	30.9	8	14.5	3	5.5	55
Q1 2004	4	4.5	45	50.6	32	36.0	6	6.7	2	2.2	89
YTD 2005	3	5.5	24	43.6	17	30.9	8	14.5	3	5.5	55
YTD 2004	4	4.5	45	50.6	32	36.0	6	6.7	2	2.2	89
Stoney Creek City											
Q1 2005	0	0.0	17	39.5	15	34.9	7	16.3	4	9.3	43
Q1 2004	0	0.0	20	46.5	18	41.9	3	7.0	2	4.7	43
YTD 2005	0	0.0	17	39.5	15	34.9	7	16.3	4	9.3	43
YTD 2004	0	0.0	20	46.5	18	41.9	3	7.0	2	4.7	43
Ancaster Town											
Q1 2005	0	0.0	0	0.0	0	0.0	10	20.0	40	80.0	50
Q1 2004	0	0.0	3	7.1	9	21.4	13	31.0	17	40.5	42
YTD 2005	0	0.0	0	0.0	0	0.0	10	20.0	40	80.0	50
YTD 2004	0	0.0	3	7.1	9	21.4	13	31.0	17	40.5	42
Dundas Town											
Q1 2005	0	0.0	0	0.0	3	33.3	2	22.2	4	44.4	9
Q1 2004	0	0.0	0	0.0	1	12.5	4	50.0	3	37.5	8
YTD 2005	0	0.0	0	0.0	3	33.3	2	22.2	4	44.4	9
YTD 2004	0	0.0	0	0.0	1	12.5	4	50.0	3	37.5	8
Flamborough											
Q1 2005	0	0.0	1	4.5	3	13.6	5	22.7	13	59.1	22
Q1 2004	1	3.6	4	14.3	2	7.1	2	7.1	19	67.9	28
YTD 2005	0	0.0	1	4.5	3	13.6	5	22.7	13	59.1	22
YTD 2004	1	3.6	4	14.3	2	7.1	2	7.1	19	67.9	28
Glanbrook											
Q1 2005	0	0.0	23	69.7	6	18.2	1	3.0	3	9.1	33
Q1 2004	0	0.0	14	63.6	3	13.6	1	4.5	4	18.2	22
YTD 2005	0	0.0	23	69.7	6	18.2	1	3.0	3	9.1	33
YTD 2004	0	0.0	14	63.6	3	13.6	1	4.5	4	18.2	22

Source: CMHC

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

Table 5: Resale Housing Activity for Hamilton Real Estate Board

		Number of		Sales	Number of	New Listings	Sales-to-New	Average		Average
		Sales	Yr/Yr %	SAAR	New Listings	SAAR	Listings SA	Price (\$)	Yr/Yr %	Price (\$) SA
2004	January	758	0.9	13,000	1,281	16,700	77.7	205,495	10.0	210,228
	February	956	-10.4	12,100	1,333	15,900	75.9	207,768	8.3	204,948
	March	1,393	29.5	13,900	1,766	17,100	81.4	217,984	14.2	219,552
	April	1,454	20.5	13,800	1,759	17,600	78.4	217,098	9.3	213,216
	May	1,341	4.7	13,600	1,734	17,500	77.6	216,121	8.9	211,922
	June	1,374	4.6	13,500	1,815	18,000	75.2	221,967	7.9	217,440
	July	1,210	-10.6	13,200	1,545	17,400	75.7	215,512	9.7	214,187
	August	1,119	8.1	13,500	1,402	17,700	76.2	208,998	4.8	212,605
	September	1,017	-9.0	12,800	1,541	17,900	71.4	218,742	9.4	216,280
	October	980	-5.8	13,100	1,314	17,800	73.3	218,204	7.8	221,191
	November	930	3.1	12,800	1,108	17,100	74.9	224,336	11.1	227,652
	December	644	-3.0	12,900	625	15,900	81.0	212,592	8.9	221,469
2005	January	715	-5.7	12,900	1,238	16,800	76.8	219,098	6.6	221,148
	February	995	4.1	12,700	1,348	16,600	76.5	219,874	5.8	220,858
	March	1,236	-11.3	12,500	1,636	16,300	76.9	227,663	4.4	228,086
	April									
	May									
	June									
	July									
	August									
	September									
	October									
	November									
	December									
Q1 2004	3,107	7.4	13,000	4,380	16,600	78.4	211,794	11.3	211,923	
Q1 2005	2,946	-5.2	12,700	4,222	16,500	76.8	222,954	5.3	223,332	
YTD 2004	3,107	7.4		4,380			211,794	11.3		
YTD 2005	2,946	-5.2		4,222			222,954	5.3		

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price (\$)	Yr/Yr %	
1995	7,737	-7.3		21,983	-7.8		141,109	-3.3	
1996	10,224	32.1		19,133	-13.0		142,267	0.8	
1997	9,972	-2.5		17,755	-7.2		151,538	6.5	
1998	10,017	0.5		17,549	-1.2		153,628	1.4	
1999	10,543	5.3		16,208	-7.6		158,162	3.0	
2000	10,347	-1.9		19,496	20.3		164,168	3.8	
2001	11,334	9.5		18,585	-4.7		172,567	5.1	
2002	12,482	10.1		15,850	-14.7		183,442	6.3	
2003	12,807	2.6		16,555	4.4		197,744	7.8	
2004	13,176	2.9		17,223	4.0		197,745	9.2	

Source: Canadian Real Estate Association

Table 6: Economic Indicators

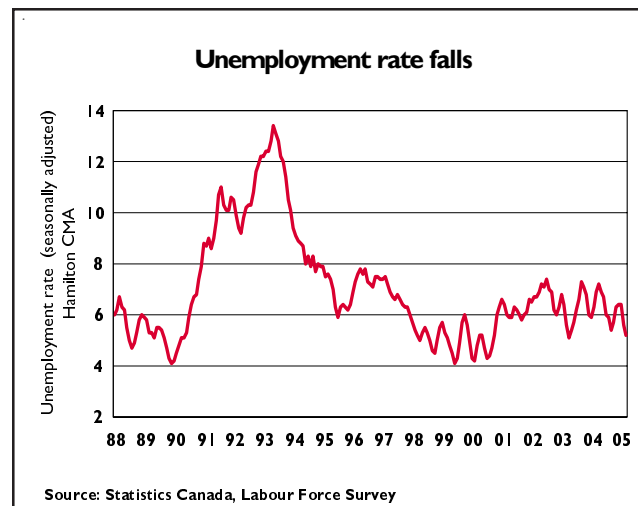
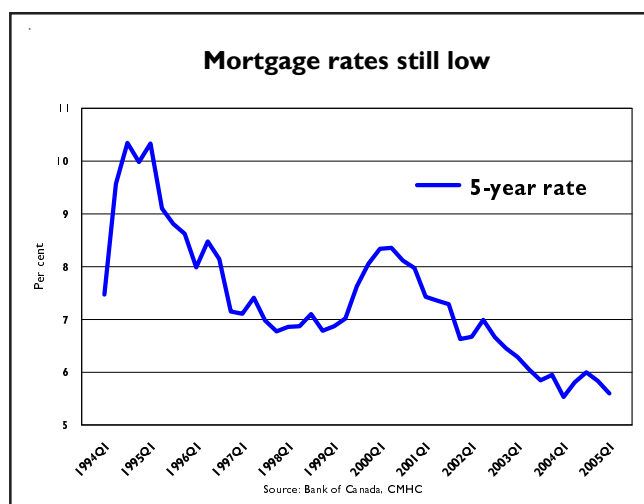
		Interest and Exchange Rates				Inflation Rate (%)	NHP*** % chg.	Hamilton CMA Labour Market		
		P & I [†]	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)	Ontario	Hamilton CMA	Employment	Employment	Unemployment
			Per \$100,000	1 Yr. Term		5 Yr. Term	1996=100	1997=100	SA** (,000)	SA m/m (%)
2004	January	642.78	4.3	6.1	0.755	1.5	4.3	368.9	0.1	5.9
	February	627.97	4.3	5.8	0.749	0.8	5.2	363.4	-1.5	6.3
	March	622.08	4.3	5.7	0.763	1.1	3.9	360.9	-0.7	6.9
	April	648.75	4.5	6.2	0.729	2.3	4.3	361.2	0.1	7.2
	May	669.82	4.6	6.5	0.733	2.8	5.3	367.9	1.9	6.9
	June	681.99	4.7	6.7	0.750	2.4	6.2	372.3	1.2	6.7
	July	672.86	4.6	6.6	0.752	2.4	5.4	377.9	1.5	6.0
	August	657.75	4.4	6.3	0.762	1.5	4.5	379.0	0.3	5.9
	September	657.75	4.8	6.3	0.793	1.5	5.6	382.9	1.0	5.4
	October	663.77	4.9	6.4	0.821	2.1	5.8	379.6	-0.9	5.7
	November	657.75	5.0	6.3	0.843	2.2	6.7	374.5	-1.3	6.3
	December	642.78	4.8	6.1	0.832	1.9	6.7	371.1	-0.9	6.4
2005	January	642.78	4.8	6.1	0.806	1.6	6.7	365.2	-1.6	6.4
	February	642.78	4.8	6.1	0.811	2.2	6.3	366.1	0.2	5.6
	March	654.74	5.1	6.3	0.827			357.9	-2.2	5.2
	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>

Your Guide to Renting a Home – CMHC's new, online guide for tenants, landlords, and property managers

CMHC is breaking new ground with the introduction of "Your Guide to Renting a Home". A comprehensive rental guide, developed by the Research and Information Transfer team, this free, online tool launched this spring. It will help the estimated four million Canadian households in rental accommodation, as well as landlords and property managers, to find plain language information on tenant and landlord rights and rental practices across the country.

"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".

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**.

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