

H

HOUSING NOW

London

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Homes

Housing starts top 3,000 unit mark in 2003

New residential construction starts finished 2003 at 3,027 units in the London census metropolitan area (CMA). This was a 16 per cent increase over the strong performance in 2002 and the highest annual total since 1989. Rental apartment starts at 837 units, up from 318 units in 2002, were a key factor in 2003's construction rise.

Low mortgage rates throughout 2003 and rising employment levels combined to produce strong consumer sentiment in the London metro market. These factors produced strong demand for new homes at the same time

as sales of existing homes in the London and St. Thomas Real Estate Board came in at a record level for the third consecutive year!

A strong 4th quarter finish for single-detached new home starts at 486 units, up 17 per cent, brought year totals to 1,893 units. This is off just 4 per cent from the robust 1,969 singles started in 2002. Year end inventory of units under construction was slightly higher at 596 units compared to 518 in December 2002. Supply is in line as the market enters 2004, with still lower mortgage rates and other indicators pointing to continuing demand for housing.

Single starts in St. Thomas also had a

ISSUE 21
FOURTH QUARTER 2003

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New Homes

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Resale Market

- 6 Record sales; New listings down; Prices up 7.6%; = Sellers' market

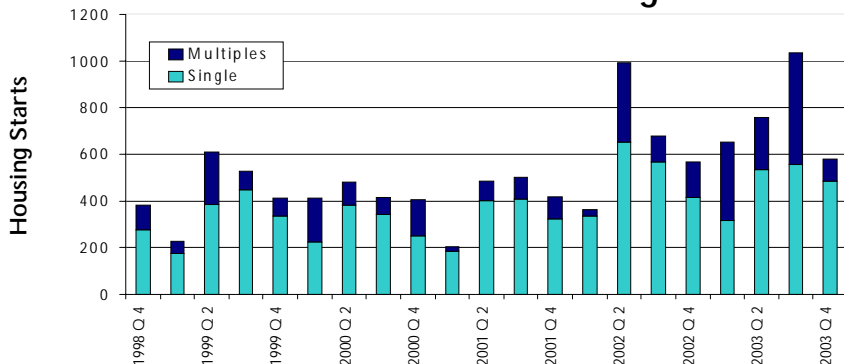
Economic Indicators

- 7 Employment turns up

very strong closing quarter (22% increase) to cap off the year just 3% lower than 2002 which itself was an almost 30 year high.

Northeast London topped the new singles market for the 2nd year with 351 of the 1,326 singles started in London City. London boosted its share of singles in the metro area to 70%. Average sale price of a new single rose 8.6% to \$231,237 in the London CMA. Almost 30% of sales were at or above \$250,000.

London CMA Housing Starts



Source: CMHC

Ken Sumnall

CMHC Market Analysis, London Office

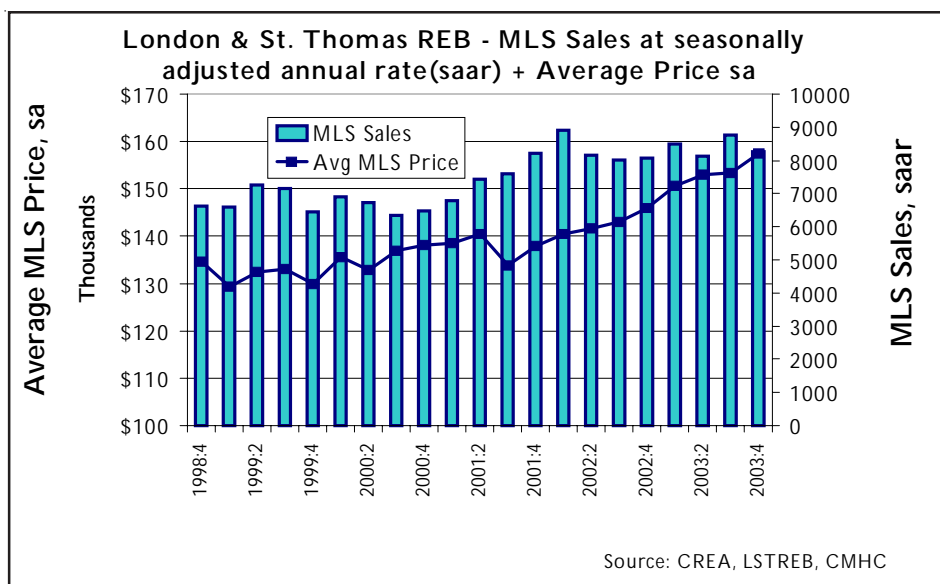
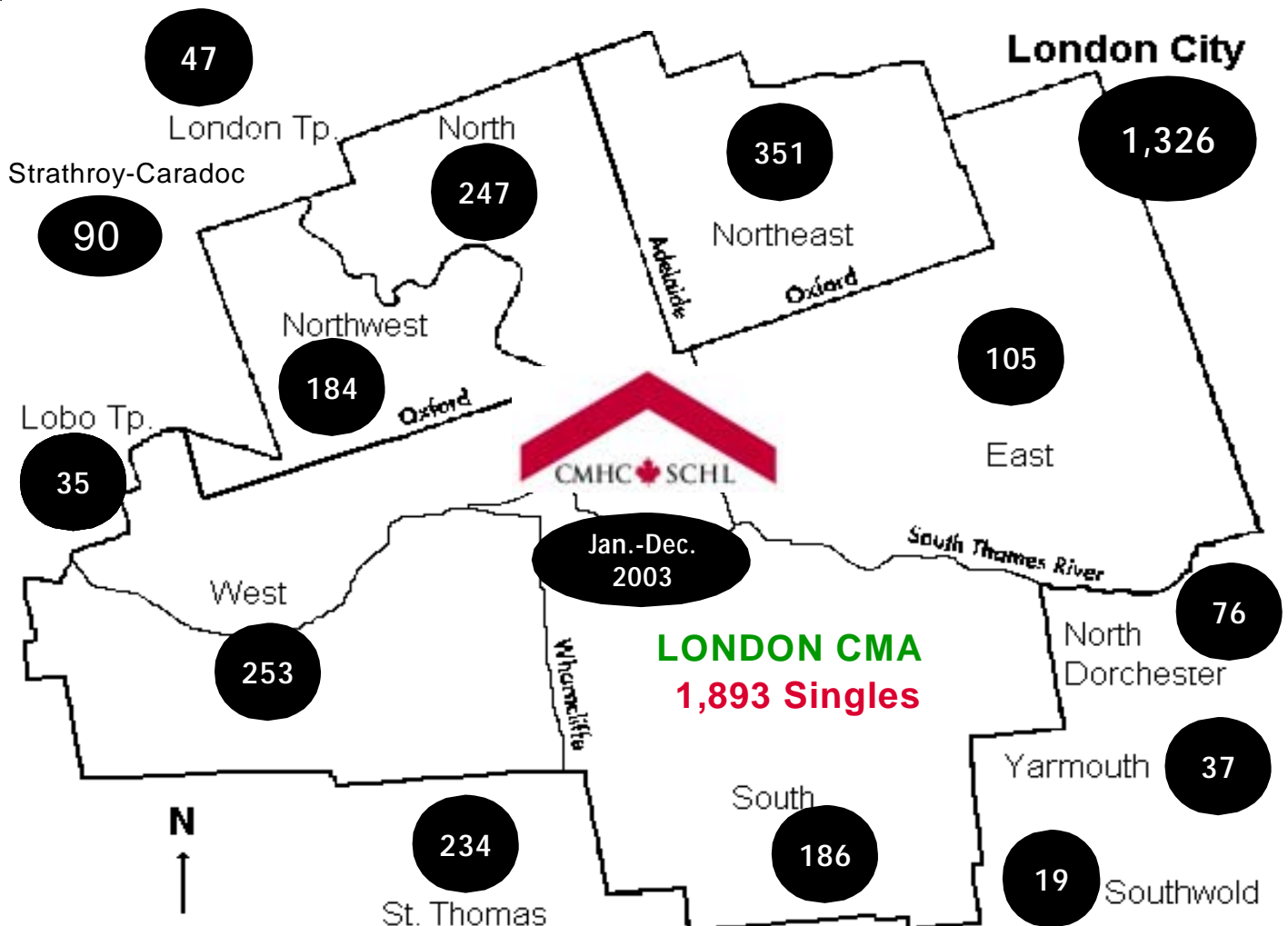
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HOME TO CANADIANS
Canada

WHERE'S THE HAMMERING BY SUB-MARKET



The map above shows the location of single-detached new home starts in the City of London and the surrounding markets which make up the London CMA (census metropolitan area). 7 of every 10 single-detached homes started in the London CMA in 2003 were located in London. The small number of starts (29 units) in Belmont, Port Stanley, Delaware and West Nissouri are not shown.



Table 1: Housing Activity Summary for London CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	*SINGLE	FREEHOLD *SEMI	ROW	CONDOMINIUM ROW	APT	ROW	APT	
STARTS								
Q4 2003	486	2	6	71	0	15	0	580
Q4 2002	416	2	16	56	0	0	78	568
% Change	16.8%	0.0%	-62.5%	26.8%	NA	NA	-100.0%	2.1%
Year-to-date 2003	1,893	22	41	195	0	39	837	3,027
Year-to-date 2002	1,969	22	49	237	0	9	318	2,604
% Change	-3.9%	0.0%	-16.3%	-17.7%	NA	**	163.2%	16.2%
UNDER CONSTRUCTION								
December 2003	596	16	34	187	0	39	1,041	1,913
December 2002	518	14	30	206	0	0	298	1,066
COMPLETIONS								
Q4 2003	525	8	7	60	0	0	0	600
Q4 2002	570	4	0	25	0	0	4	603
% Change	-7.9%	100.0%	NA	140.0%	NA	NA	-100.0%	-0.5%
Year-to-date 2003	1,812	20	28	218	0	0	94	2,172
Year-to-date 2002	1,873	18	22	137	0	23	70	2,143
% Change	-3.3%	11.1%	27.3%	59.1%	NA	-100.0%	34.3%	1.4%
COMPLETE & NOT ABSORBED								
December 2003	58	0	5	36	0	0	1	100
December 2002	76	0	4	44	0	0	5	129
ABSORPTIONS								
Q4 2003	502	8	7	42	0	0	0	559
Q4 2002	575	5	0	29	0	0	5	614
% Change	-12.7%	60.0%	NA	44.8%	NA	NA	-100.0%	-9.0%
Year-to-date 2003	1,801	20	27	226	0	0	98	2,172
Year-to-date 2002	1,898	21	23	184	0	28	129	2,283
% Change	-5.1%	-4.8%	17.4%	22.8%	NA	-100.0%	-24.0%	-4.9%

* Includes all market types

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

Source: CMHC

CMHC's Housing Awards Program 2004

CMHC's Housing Awards Program is offered every two years. It recognizes individuals and organizations that have implemented best practices which improved housing in Canada. The purpose of the 2004 Housing Awards under the theme, **Best Practices in Affordable Housing**, is to recognize individuals and organizations for their outstanding accomplishments in furthering affordable housing and to assist them in transferring the knowledge about these best practices across the country.

Apply today at <http://www.cmhc-schl.gc.ca/en/prfias/gr/hap/index.cfm> for CMHC's Housing Awards Program. Application deadline is April 5, 2004.

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

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q4 2002	Q4 2003	% change	Q4 2002	Q4 2003	% change	Q4 2002	Q4 2003	% change
London CMA	416	486	16.8%	152	94	-38.2%	568	580	2.1%
London City	284	339	19.4%	135	94	-30.4%	419	433	3.3%
St. Thomas City	55	67	21.8%	4	0	-100.0%	59	67	13.6%
Central Elgin	11	18	63.6%	0	0	NA	11	18	63.6%
Middlesex Centre	19	21	10.5%	6	0	-100.0%	25	21	-16.0%
Southwold Twp.	6	6	0.0%	0	0	NA	6	6	0.0%
Strathroy-Caradoc Twp.	25	15	-40.0%	7	0	-100.0%	32	15	-53.1%
Thames Centre	16	20	25.0%	0	0	NA	16	20	25.0%

Table 2B: Starts by Area and by Intended Market - Year-to-Date

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	YTD 2002	YTD 2003	% change	YTD 2002	YTD 2003	% change	YTD 2002	YTD 2003	% change
London CMA	1,969	1,893	-3.9%	635	1,134	78.6%	2,604	3,027	16.2%
London City	1,365	1,326	-2.9%	590	1,112	88.5%	1,955	2,438	24.7%
St. Thomas City	242	234	-3.3%	9	0	-100.0%	251	234	-6.8%
Central Elgin	53	43	-18.9%	5	10	100.0%	58	53	-8.6%
Middlesex Centre	97	101	4.1%	22	8	-63.6%	119	109	-8.4%
Southwold Twp.	23	19	-17.4%	0	0	NA	23	19	-17.4%
Strathroy-Caradoc Twp.	110	90	-18.2%	9	4	-55.6%	119	94	-21.0%
Thames Centre	79	80	1.3%	0	0	NA	79	80	1.3%

Table 3: Average Price of Completed and Absorbed Single-Detached Dwellings

Sub Market Area	Q4 2002	Q4 2003	% Change	YTD 2002	YTD 2003	% Change
London CMA	\$222,264	\$236,247	6.3%	\$212,835	\$231,237	8.6%
London City	\$228,439	\$248,022	8.6%	\$220,386	\$240,688	9.2%
St. Thomas City	\$189,865	\$195,494	3.0%	\$179,787	\$188,247	4.7%
Central Elgin	\$217,421	\$205,846	-5.3%	\$203,423	\$216,563	6.5%
Middlesex Centre	\$271,115	\$264,118	-2.6%	\$248,604	\$261,960	5.4%
Southwold Twp.	\$239,125	\$260,000	8.7%	\$198,409	\$224,522	13.2%
Strathroy-Caradoc Twp.	\$165,496	\$203,179	22.8%	\$165,215	\$182,959	10.7%
Thames Centre	\$234,466	\$245,794	4.8%	\$246,606	\$244,837	-0.7%

Note: NA may appear where CMHC data suppression rules apply

Source: CMHC

Note: Municipal amalgamations resulted in the creation of the Municipality of Central Elgin (formerly Belmont, Port Stanley and Yarmouth Township); the Municipality of Thames Centre (formerly the Townships of North Dorchester and West Nissouri); and, the Township of Middlesex Centre (formerly the Townships of Delaware, Lobo, and London). The amalgamated centre of Strathroy-Caradoc Township was first surveyed as component of the London Census Metropolitan Area (CMA) in 2002. The change in the components of the London CMA was based on the results of the 2001 Census of Canada.

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

AREA	PRICE RANGES										TOTAL
	<\$150,000		\$150-\$174,999		\$175-\$249,999		\$250-\$299,999		\$300,000+		
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
London CMA											
Q4 2003	34	7%	83	17%	223	44%	79	16%	83	17%	502
Q4 2002	71	12%	109	19%	236	41%	83	14%	76	13%	575
YTD 2003	144	8%	301	17%	838	47%	267	15%	251	14%	1,801
YTD 2002	270	14%	367	19%	825	44%	249	13%	185	10%	1,896
London City											
Q4 2003	18	5%	47	14%	141	42%	63	19%	67	20%	336
Q4 2002	41	10%	70	17%	168	41%	68	17%	59	15%	406
YTD 2003	86	7%	179	14%	577	46%	212	17%	204	16%	1,258
YTD 2002	151	12%	223	17%	560	44%	199	16%	148	12%	1,281
St. Thomas City											
Q4 2003	11	13%	22	26%	42	50%	6	7%	3	4%	84
Q4 2002	15	20%	23	30%	30	39%	2	3%	6	8%	76
YTD 2003	37	17%	62	28%	101	46%	12	5%	9	4%	221
YTD 2002	64	27%	65	28%	85	36%	10	4%	10	4%	234
Central Elgin											
Q4 2003	0	0%	3	23%	8	62%	1	8%	1	8%	13
Q4 2002	1	7%	4	29%	6	43%	2	14%	1	7%	14
YTD 2003	0	0%	3	9%	22	69%	5	16%	2	6%	32
YTD 2002	3	5%	12	21%	34	60%	4	7%	4	7%	57
Middlesex Centre											
Q4 2003	0	0%	0	0%	10	59%	3	18%	4	24%	17
Q4 2002	0	0%	1	4%	11	42%	6	23%	8	31%	26
YTD 2003	0	0%	1	1%	48	56%	19	22%	18	21%	86
YTD 2002	0	0%	5	5%	53	55%	22	23%	16	17%	96
Southwold Twp.											
Q4 2003	2	33%	1	17%	0	0%	0	0%	3	50%	6
Q4 2002	3	38%	1	13%	3	38%	0	0%	1	13%	8
YTD 2003	9	39%	5	22%	3	13%	0	0%	6	26%	23
YTD 2002	10	45%	3	14%	7	32%	0	0%	2	9%	22
Strathroy-Caradoc Twp.											
Q4 2003	3	11%	7	25%	13	46%	3	11%	2	7%	28
Q4 2002	11	39%	9	32%	8	29%	0	0%	0	0%	28
YTD 2003	12	11%	46	41%	45	41%	4	4%	4	4%	111
YTD 2002	42	30%	58	41%	38	27%	1	1%	2	1%	141
Thames Centre											
Q4 2003	0	0%	3	17%	9	50%	3	17%	3	17%	18
Q4 2002	0	0%	1	6%	10	59%	5	29%	1	6%	17
YTD 2003	0	0%	5	7%	42	60%	15	21%	8	11%	70
YTD 2002	0	0%	1	2%	48	74%	13	20%	3	5%	65

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

Market shares by price range rounded to nearest whole number

Source: CMHC

Table 5: Resale Housing Activity for London & St. Thomas Real Estate Board

		Number of Sales	Yr/Yr %	Sales SAAR	Number of New Listings	New Listings SAAR	Sales-to-New Listings SA	Average Price (\$)	Yr/Yr %	Average Price (\$) SA
2002	January	513	47.0%	9,300	1,168	13,200	70.4	\$133,181	1.3%	\$135,376
	February	732	33.8%	9,100	1,145	13,300	68.2	\$145,681	2.2%	\$147,291
	March	779	15.1%	8,400	1,184	12,600	66.4	\$137,265	0.7%	\$138,867
	April	956	29.5%	8,600	1,443	13,500	63.7	\$142,173	2.2%	\$142,233
	May	872	4.1%	8,000	1,326	12,700	62.7	\$147,468	3.1%	\$143,258
	June	779	-3.1%	7,800	1,062	12,300	63.8	\$141,981	-2.6%	\$139,639
	July	759	9.2%	7,800	1,182	12,600	61.7	\$144,933	3.9%	\$142,013
	August	710	2.6%	8,200	1,025	13,000	63.2	\$141,908	8.1%	\$142,446
	September	605	4.3%	8,100	996	12,500	64.7	\$145,596	10.7%	\$144,664
	October	617	4.6%	8,000	1,079	14,600	54.9	\$144,323	5.7%	\$144,617
	November	577	3.4%	8,400	789	12,400	67.6	\$141,214	8.0%	\$146,581
	December	391	-10.1%	7,800	508	12,100	64.6	\$145,740	5.7%	\$146,555
2003	January	504	-1.8%	9,500	1,013	11,800	80.5	\$147,527	10.8%	\$148,516
	February	641	-12.4%	7,900	1,020	11,900	66.1	\$148,486	1.9%	\$150,024
	March	749	-3.9%	8,100	1,242	12,900	62.6	\$153,924	12.1%	\$153,887
	April	888	-7.1%	7,900	1,303	12,500	63.3	\$150,488	5.8%	\$152,385
	May	859	-1.5%	8,000	1,378	13,200	61.0	\$156,732	6.3%	\$152,227
	June	853	9.5%	8,500	1,153	12,800	65.9	\$156,328	10.1%	\$154,262
	July	920	21.2%	9,300	1,350	14,200	65.3	\$153,509	5.9%	\$149,805
	August	700	-1.4%	8,400	970	12,800	65.6	\$155,500	9.6%	\$157,242
	September	694	14.7%	8,600	1,142	13,400	64.5	\$153,267	5.3%	\$153,579
	October	644	4.4%	8,700	934	12,800	67.7	\$156,331	8.3%	\$155,482
	November	556	-3.6%	8,300	773	12,600	66.1	\$151,770	7.5%	\$156,401
	December	404	3.3%	7,800	567	13,200	59.0	\$159,529	9.5%	\$161,048
<hr/>										
	Q4 2002	1,585	0.1%	8,100	2,376	13,000	62.0	\$143,541	6.4%	\$145,923
	Q4 2003	1,604	1.2%	8,300	2,274	12,900	64.2	\$155,556	8.4%	\$157,538
<hr/>										
	YTD 2002	8,290	10.5%		12,907			\$142,745	3.7%	
	YTD 2003	8,412	1.5%		12,845			\$153,637	7.6%	

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price	Yr/Yr %	
1994	5,954	-0.2%		16,107	3.8%		\$135,597	0.0%	
1995	5,510	-7.5%		15,843	-1.6%		\$128,643	-5.1%	
1996	6,906	25.3%		16,421	3.6%		\$129,338	0.5%	
1997	6,454	-6.5%		15,784	-3.9%		\$131,382	1.6%	
1998	6,562	1.7%		15,258	-3.3%		\$131,299	-0.1%	
1999	6,864	4.6%		13,661	-10.5%		\$131,254	0.0%	
2000	6,616	-3.6%		13,598	-0.5%		\$135,857	3.5%	
2001	7,503	13.4%		13,434	-1.2%		\$137,717	1.4%	
2002	8,290	10.5%		12,907	-3.9%		\$142,745	3.7%	
2003	8,412	1.5%		12,845	-0.5%		\$153,637	7.6%	

Source: Canadian Real Estate Association

Table 6: Economic Indicators

		Interest and Exchange Rates			Inflation Rate	NHPI*** % chg.	London CMA Labour Market					
		P & I*	Mortgage Rate				Exch. Rate	Ontario	London CMA	Employment	Employment	Unemployment
			Per \$100,000	1 Yr. Term								
2002	January	\$700.42	4.6%	7.0%	0.630	1.2%	3.8%	209.4	-0.3%	7.1%		
	February	\$691.18	4.6%	6.9%	0.624	1.4%	3.5%	208.8	-0.3%	6.9%		
	March	\$719.04	5.3%	7.3%	0.627	1.9%	2.9%	208.1	-0.3%	7.0%		
	April	\$728.42	5.4%	7.5%	0.638	1.4%	2.4%	207.5	-0.3%	7.3%		
	May	\$725.28	5.6%	7.4%	0.654	0.8%	2.2%	209.4	0.9%	7.5%		
	June	\$715.92	5.6%	7.3%	0.660	1.2%	2.6%	212.0	1.2%	7.7%		
	July	\$703.51	5.4%	7.1%	0.632	2.1%	2.4%	215.8	1.8%	7.5%		
	August	\$688.11	5.4%	6.8%	0.642	2.9%	2.5%	217.7	0.9%	7.0%		
	September	\$681.99	5.3%	6.7%	0.630	2.3%	2.6%	220.1	1.1%	6.7%		
	October	\$700.42	5.3%	7.0%	0.642	2.8%	3.8%	220.0	0.0%	6.5%		
	November	\$681.99	4.9%	6.7%	0.639	3.8%	2.3%	220.1	0.0%	6.4%		
	December	\$681.99	4.9%	6.7%	0.634	2.8%	2.8%	217.5	-1.2%	6.5%		
2003	January	\$666.80	4.9%	6.5%	0.657	4.3%	2.6%	216.7	-0.4%	6.7%		
	February	\$675.90	4.9%	6.6%	0.674	4.4%	3.3%	216.1	-0.3%	6.8%		
	March	\$691.18	5.4%	6.9%	0.681	3.3%	4.7%	217.8	0.8%	6.7%		
	April	\$678.94	5.4%	6.7%	0.698	2.3%	5.0%	218.8	0.5%	6.8%		
	May	\$648.75	5.1%	6.2%	0.731	2.7%	5.5%	219.1	0.1%	6.9%		
	June	\$627.97	4.9%	5.8%	0.742	2.5%	4.9%	219.0	0.0%	6.7%		
	July	\$651.74	4.6%	6.2%	0.712	1.9%	5.3%	218.0	-0.5%	6.3%		
	August	\$660.76	4.6%	6.4%	0.722	1.7%	5.1%	218.3	0.1%	6.6%		
	September	\$657.75	4.6%	6.3%	0.741	2.2%	4.9%	219.7	0.6%	7.1%		
	October	\$663.77	4.6%	6.4%	0.758	1.7%	3.6%	220.8	0.5%	7.7%		
	November	\$669.82	4.8%	6.5%	0.770	1.7%	5.4%	222.7	0.9%	7.4%		
	December	\$666.80	4.8%	6.5%	0.771	3.0%		223.5	0.4%	7.2%		

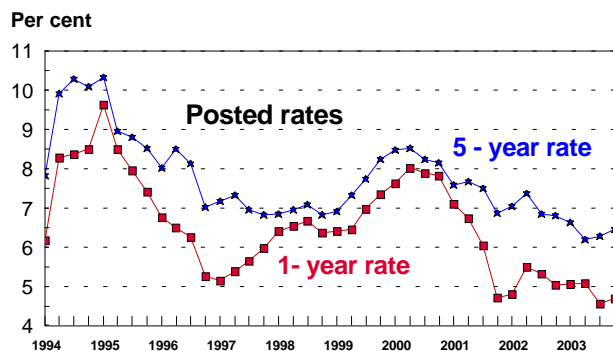
* Payment and Interest, 5yr mortgage, 25yr amortization

** Seasonally Adjusted

*** New Housing Price Index

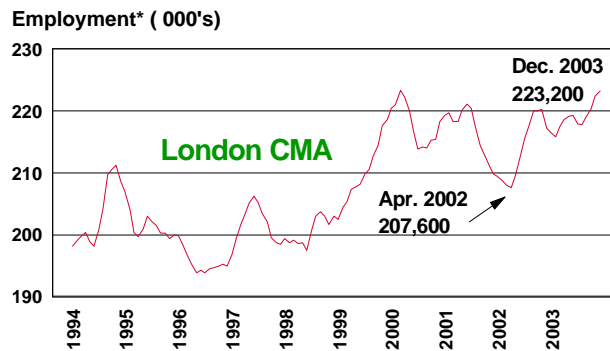
Sources: CMHC, Statistics Canada, Bank of Canada

Low mortgage rates key to strong housing sales



Source: CMHC / Bank of Canada, 1994:Q1 to 2003:Q4

Employment ends year on high note



* seasonally-adjusted 3-month moving avg. ending December, 2003
Source: Statistics Canada

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”.

About Your House

Are you looking to pass on valuable information to your clients that will assist them in operating and maintain their homes? If yes, consider using Canada Mortgage and Housing Corporation's free **About Your House** series as a resource. Easy to read and understand, **About Your House** fact sheets provide homeowners with information on common housing questions, issues and problems. To download the series or order them on-line click on www.cmhc.ca.

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