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NEW HOME MARKET

Oshawa CMA Starts Impacted by Cold Weather

Examining the trend in the Oshawa Census Metropolitan Area (CMA), total housing starts, after reaching a fourteen year high in the third quarter of 2003, have fallen for the last two quarters, and are now at the lowest level since 2001. Similarly, single detached starts suffered a second consecutive quarter of declines. Milder weather in the coming months will kickstart weather related construction delays.

The new home market paused in the first quarter of 2004. For a second consecutive year, colder than normal temperatures in the first three months of the year slowed new home

construction. There were 436 units started in the Oshawa CMA in the first quarter of 2004, down 26.1 per cent from this time last year. Although a significant decline from 2003 and 2002, starts this quarter were well ahead of the 10-year average of 343 starts in first quarters. First quarter frigid temperatures pushed single detached construction down 37.3 per cent to 292 units. The start of two condominium buildings in Clarington caused multiple starts to increase by 16.1 per cent to 144 units, although, both semi-detached and freehold row starts posted losses.

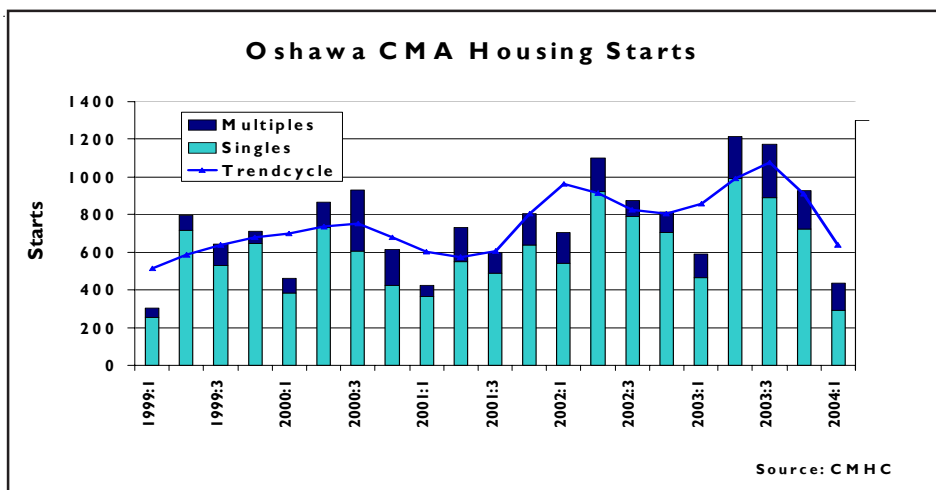
The decline in new home construction in the first quarter of 2004 in the Oshawa CMA was due solely to the drop in starts in Whitby. In the first

FIRST QUARTER 2004

IN THIS ISSUE

- 1 Single and Multiple Construction Remains Strong
- 2 Resales Market Strong Third Quarter
- 3 Table 1: Housing Starts by Area and Intended Market
- 4 Table 2: Summary of Residential Construction by Intended Market
- 5 Table 3: New Single Detached Price by Municipality
- 5 Table 4: Absorbed Single Detached Units by Price Range
- 6 Table 5: MLS Sales to New Listings Ratio
- 6 Table 6: MLS Residential Unit Sales By Municipality
- 6 Table 7: MLS Average Price By Municipality
- 7 Table 8: Economic Indicators
- 8 Definitions

quarter, Whitby new home starts fell 58.3 per cent from the first quarter of 2003, as many of the new home sites are reaching their last stages of completion. Single detached starts in



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Whitby plummeted 63.4 per cent to 112 units. As well, both semi-detached and freehold row starts declined.

Oshawa City posted the largest gain in starts this quarter, rising 42.3 per cent to 74 units. Single detached starts in Oshawa City rose 84.2 per cent, while the more volatile freehold row starts fell. Clarington starts increased 40.0 per cent led by apartment condominiums. On the other hand, both single detached and freehold row starts declined in Clarington in the first quarter. With a backlog of permits awaiting construction, and continued demand for new homes, homebuilders will be kept busy in the coming months. New home sales in the first quarter of 2004 are 8.9 per cent ahead of the same period in 2003. Both Oshawa and Clarington new home sales have outpaced last year, while Whitby sales have declined.

Average single detached price pushed up by move up buyer activity

The average price of a new single detached home in the Oshawa CMA increased by 8.9 per cent in the first quarter to \$255,278. Single detached prices in the Oshawa CMA run about 35 per cent below those seen in the Toronto CMA. Continued strength in the single detached home market as well as an increase in move up buyer activity compared to last year, has

pushed prices higher. The number of homes sold under \$250,000 declined, while homes sold above this price increased by just over 80 per cent. Whitby, with just under 60 per cent of the absorbed single detached homes, and the largest increase in move up buyer activity, had the greatest influence on the increased prices.

In the first quarter, the average price of a single detached home in Clarington, which has the lowest average prices, posted the largest gain with a 13.6 per cent increase to \$234,773. Whitby, with the highest single detached prices, also showed an increase, up 8.2 per cent to \$265,193. Oshawa's average single detached price rose marginally to \$244,415.

RESALE MARKET

Cold weather no deterrent on the resale market

Despite colder than normal temperatures in the first quarter of 2004, buyer activity in the resale market continued undaunted. In fact, with mortgage rates at thirty year lows, this was the best first quarter ever for resales in the Oshawa CMA. Both first time and repeat buyers are benefitting from the low mortgage rates. Total resale volumes rose 25.1 per cent from one year ago to 1,543. Resale

volumes have been trending upward for the last six quarters. On a seasonally adjusted basis, resales in the first quarter were pushed above 6,200 SAAR (seasonally adjusted annual rate) in the January to March period. This marks the third consecutive quarter with resale volumes near the 6,000 SAAR level, well above the five year average of 4,900.

By municipality, in the first quarter of 2004, Oshawa City again had the highest resale volumes with 672 units, up 28.7 per cent from the first quarter of 2003. Whitby recorded 483 resales, a 24.5 per cent increase, while Clarington posted a 20.1 per cent increase to 388. Historically low mortgage rates, solid employment growth, strong consumer confidence, and rising house prices in Toronto continue to fuel the resale market in the Oshawa CMA.

Equity and income gains among existing homeowners encouraged many to list their homes. The number of homes newly listed continued to almost keep pace with the record resale volumes. In the Oshawa CMA, the sales-to-new listings ratio has inched up to 64.8 per cent in the first quarter, from 58.6 per cent in the first quarter of 2003. All three municipalities within the CMA registered an increase in their sales-to-new listings ratios.

The resale market in the Oshawa CMA continues to remain well into sellers' market territory. As such, the average resale price increased 6.0 per cent to \$210,625 in the first quarter. Larger price increases in the more expensive Whitby market suggests strong move up buyer activity. While the resale price reached this quarter was the highest in over ten years, historically low mortgage rates will keep carrying costs below levels of the early 1990's. The average resale price in Whitby increased by 7.4 per cent to \$255,627. Oshawa City recorded an average price increase of 5.3 per cent to \$178,172, while Clarington price's rose 5.6 per cent to \$210,813.

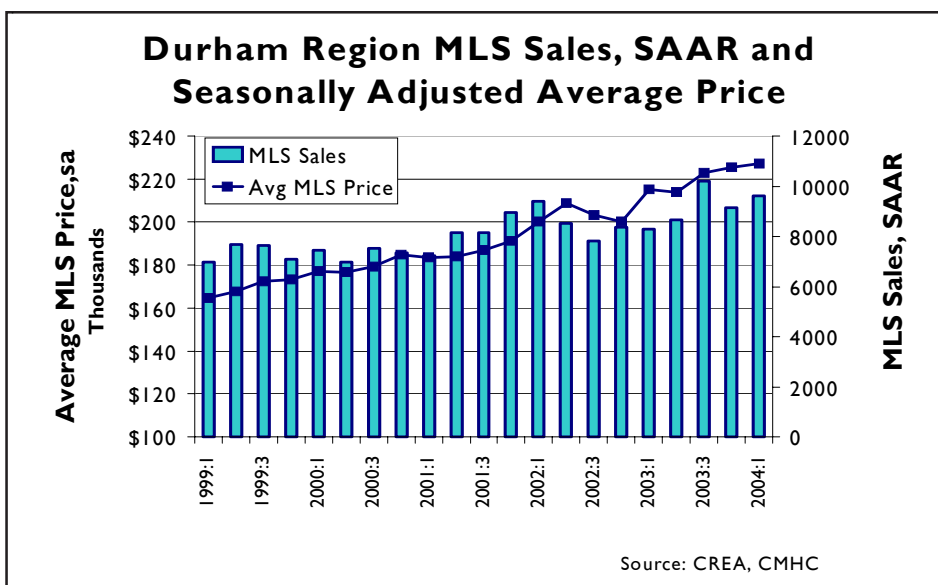


Table I: Housing Activity Summary for Oshawa CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q1 2004	292	0	72	0	72	0	0	436
Q1 2003	466	12	112	0	0	0	0	590
% Change	-37.3%	-100.0%	-35.7%	NA	NA	NA	NA	-26.1%
Year-to-date 2004	292	0	72	0	72	0	0	436
Year-to-date 2003	466	12	112	0	0	0	0	590
% Change	-37.3%	-100.0%	-35.7%	NA	NA	NA	NA	-26.1%
UNDER CONSTRUCTION								
March 2004	1,252	26	228	0	144	0	36	1,686
March 2003	1,307	36	199	0	0	0	0	1,542
COMPLETIONS								
Q1 2004	630	42	178	0	0	0	4	854
Q1 2003	533	4	76	0	90	0	0	703
% Change	18.2%	**	134.2%	NA	-100.0%	NA	NA	21.5%
Year-to-date 2004	630	42	178	0	0	0	4	854
Year-to-date 2003	533	4	76	0	90	0	0	703
% Change	18.2%	**	134.2%	NA	-100.0%	NA	NA	21.5%
COMPLETE & NOT ABSORBED								
March 2004	18	1	18	0	1	0	0	38
March 2003	19	1	14	1	1	0	0	36
ABSORPTIONS								
Q1 2004	621	42	189	0	0	0	4	856
Q1 2003	531	9	74	5	89	0	0	708
% Change	16.9%	**	155.4%	-100.0%	-100.0%	NA	NA	20.9%
Year-to-date 2004	621	42	189	0	0	0	4	856
Year-to-date 2003	531	9	74	5	89	0	0	708
% Change	16.9%	**	155.4%	-100.0%	-100.0%	NA	NA	20.9%

*Includes all market types

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

Source: CMHC

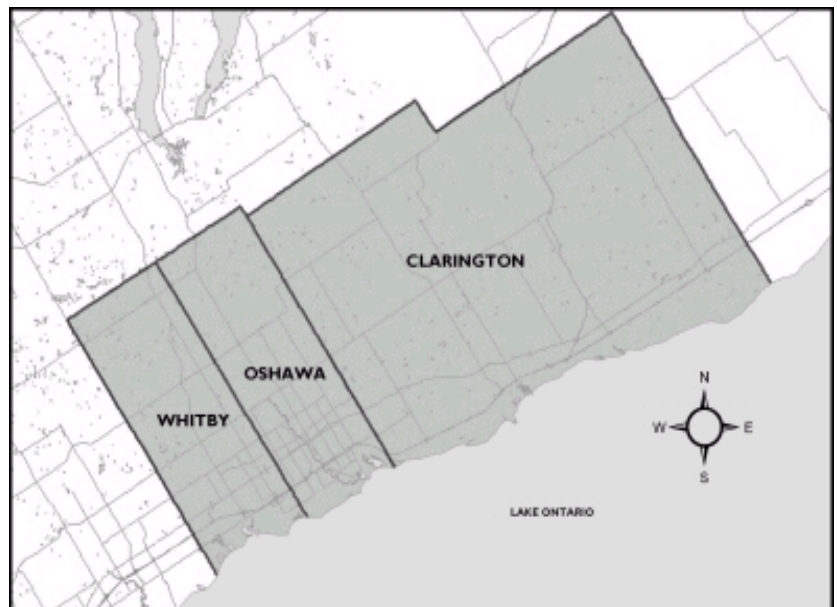
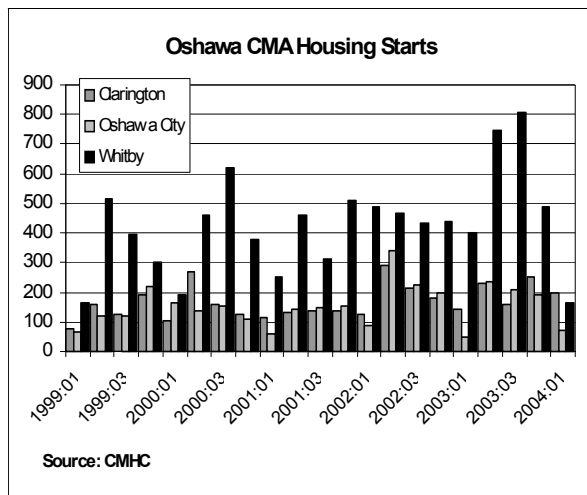


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q1 2003	Q1 2004	% change	Q1 2003	Q1 2004	% change	2003	2004	% change
Oshawa CMA	466	292	-37.3%	124	144	16.1%	590	436	-26.1%
Clarington	122	110	-9.8%	18	86	377.8%	140	196	40.0%
Oshawa City	38	70	84.2%	14	4	-71.4%	52	74	42.3%
Whitby	306	112	-63.4%	92	54	-41.3%	398	166	-58.3%

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

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	YTD 2003	YTD 2004	% change	YTD 2003	YTD 2004	% change	2003	2004	% change
Oshawa CMA	466	292	-37.3%	124	144	16.1%	590	436	-26.1%
Clarington	122	110	-9.8%	18	86	377.8%	140	196	40.0%
Oshawa City	38	70	84.2%	14	4	-71.4%	52	74	42.3%
Whitby	306	112	-63.4%	92	54	-41.3%	398	166	-58.3%

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

Sub Market Area	Q1 2003	Q1 2004	% Change	YTD 2003	YTD 2004	% Change
Oshawa CMA	\$234,455	\$255,278	8.9%	\$234,455	\$255,278	8.9%
Clarington	\$206,659	\$234,773	13.6%	\$206,659	\$234,773	13.6%
Oshawa City	\$241,973	\$244,415	1.0%	\$241,973	\$244,415	1.0%
Whitby	\$245,142	\$265,193	8.2%	\$245,142	\$265,193	8.2%

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

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

AREA	PRICE RANGES										TOTAL
	<\$199,999		\$200 -249,999		\$250-299,999		\$300-349,999		\$350,000+		
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Oshawa CMA											
Q1 2004	66	10.6%	276	44.4%	184	29.6%	70	11.3%	25	4.0%	621
Q1 2003	126	23.7%	252	47.5%	108	20.3%	31	5.8%	14	2.6%	531
YTD 2004	66	10.6%	276	44.4%	184	29.6%	70	11.3%	25	4.0%	621
YTD 2003	126	23.7%	252	47.5%	108	20.3%	31	5.8%	14	2.6%	531
Clarington											
Q1 2004	37	36.3%	45	44.1%	4	3.9%	9	8.8%	7	6.9%	102
Q1 2003	77	56.2%	47	34.3%	8	5.8%	1	0.7%	4	2.9%	137
YTD 2004	37	36.3%	45	44.1%	4	3.9%	9	8.8%	7	6.9%	102
YTD 2003	77	56.2%	47	34.3%	8	5.8%	1	0.7%	4	2.9%	137
Oshawa City											
Q1 2004	18	12.2%	79	53.7%	35	23.8%	11	7.5%	4	2.7%	147
Q1 2003	17	13.4%	66	52.0%	34	26.8%	6	4.7%	4	3.1%	127
YTD 2004	18	12.2%	79	53.7%	35	23.8%	11	7.5%	4	2.7%	147
YTD 2003	17	13.4%	66	52.0%	34	26.8%	6	4.7%	4	3.1%	127
Whitby											
Q1 2004	11	3.0%	152	40.9%	145	39.0%	50	13.4%	14	3.8%	372
Q1 2003	32	12.0%	139	52.1%	66	24.7%	24	9.0%	6	2.2%	267
YTD 2004	11	3.0%	152	40.9%	145	39.0%	50	13.4%	14	3.8%	372
YTD 2003	32	12.0%	139	52.1%	66	24.7%	24	9.0%	6	2.2%	267

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

CMHC has recently published two new reports - *Residential Intensification Case Studies: Municipal Incentives* and *Residential Intensification Case Studies: Built Projects*. The former profiles municipal initiatives (e.g. infill development, brownfield redevelopment, secondary suites) that have been successfully implemented to overcome obstacles and encourage residential intensification. The latter report includes 23 examples to illustrate the unique challenges and rewards of intensification.

To download the Research Highlights or order the full reports on-line, click on www.cmhc.ca. For more information, or to order by phone, call 1-800-668-2642.

Table 5: Resale Housing Activity for Oshawa CMA

	Number of Sales	Yr/Yr %	Number of New Listings	Sales-to-New Listings	Average Price (\$)	Yr/Yr %
Durham Region						
QI 2003	2,126	-12.1%	3,758	56.6%	217,338	7.4%
QI 2004	2,482	16.7%	4,093	60.6%	231,606	6.6%
YTD 2003	2,126	-12.1%	3,758		217,338	7.4%
YTD 2004	2,482	16.7%	4,093		231,606	6.6%
Oshawa CMA						
QI 2003	1,233	-13.9%	2,104	58.6%	198,762	8.3%
QI 2004	1,543	25.1%	2,381	64.8%	210,625	6.0%
YTD 2003	1,233	-13.9%	2,104		198,762	8.3%
YTD 2004	1,543	25.1%	2,381		210,625	6.0%
Whitby						
QI 2003	388	-16.4%	694	55.9%	237,986	6.5%
QI 2004	483	24.5%	814	59.3%	255,627	7.4%
YTD 2003	388	-16.4%	694		237,986	6.5%
YTD 2004	483	24.5%	814		255,627	7.4%
Oshawa City						
QI 2003	522	-10.3%	869	60.1%	169,125	10.3%
QI 2004	672	28.7%	975	68.9%	178,172	5.3%
YTD 2003	522	-10.3%	869		169,125	10.3%
YTD 2004	672	28.7%	975		178,172	5.3%
Clarington						
QI 2003	323	-16.3%	541	59.7%	199,543	10.2%
QI 2004	388	20.1%	592	65.5%	210,813	5.6%
YTD 2003	323	-16.3%	541		199,543	10.2%
YTD 2004	388	20.1%	592		210,813	5.6%

Oshawa CMA						
	Annual Sales	Yr/Yr %	Annual New Listings	Yr/Yr %	Annual Average Price	Yr/Yr %
1994	2,124	-	6,573	-	150,018	-
1995	2,401	13.0%	7,527	14.5%	143,054	-4.6%
1996	4,211	75.4%	6,515	-13.4%	141,308	-1.2%
1997	4,314	2.4%	6,232	-4.3%	147,408	4.3%
1998	4,237	-1.8%	6,009	-3.6%	150,995	2.4%
1999	4,454	5.1%	6,063	0.9%	155,994	3.3%
2000	4,401	-1.2%	6,368	5.0%	164,416	5.4%
2001	4,937	12.2%	6,937	8.9%	172,603	5.0%
2002	5,186	5.0%	6,859	-1.1%	186,785	8.2%
2003	5,586	7.7%	7,772	13.3%	202,272	8.3%

Source:

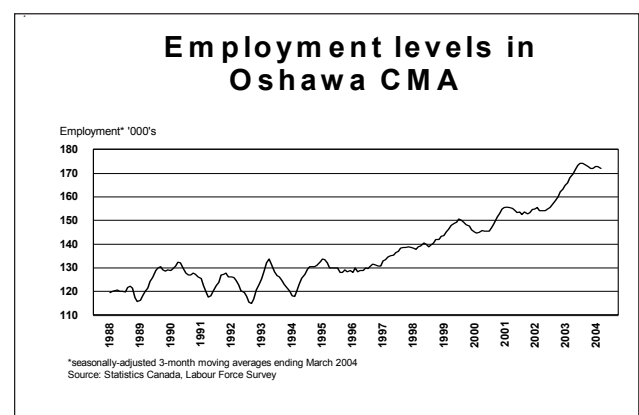
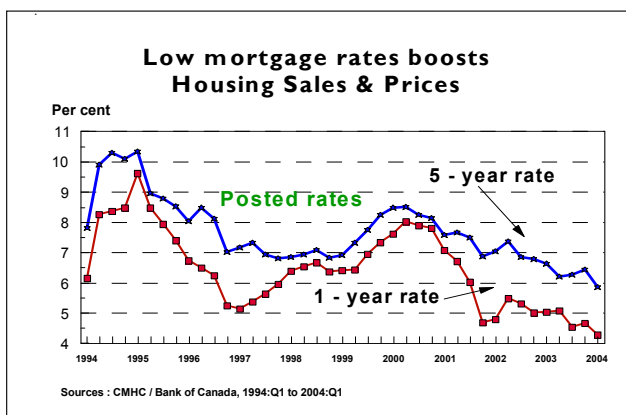
Table 6: Economic Indicators

		Interest and Exchange Rates			Oshawa CMA Labour Market			
		P & I* Per \$100,000	Mortgage Rate		Exch. Rate (\$US/\$Cdn)	Employment SA** (.000)	Employment SA m/m (%)	Unemployment Rate (%) SA
			1 Yr. Term	5 Yr. Term				
2003	January	\$666.80	4.9%	6.5%	0.657	164.8	1.0%	5.7%
	February	\$675.90	4.9%	6.6%	0.674	165.9	0.7%	5.5%
	March	\$691.18	5.4%	6.9%	0.681	168.1	1.3%	5.0%
	April	\$678.94	5.4%	6.7%	0.698	169.6	0.9%	5.1%
	May	\$648.75	5.1%	6.2%	0.731	171.9	1.4%	5.1%
	June	\$627.97	4.9%	5.8%	0.742	173.5	0.9%	5.3%
	July	\$651.74	4.6%	6.2%	0.712	174.2	0.4%	5.4%
	August	\$660.76	4.6%	6.4%	0.722	174.3	0.1%	5.3%
	September	\$657.75	4.6%	6.3%	0.741	173.7	-0.3%	5.3%
	October	\$663.77	4.6%	6.4%	0.758	173.0	-0.4%	4.9%
	November	\$669.82	4.8%	6.5%	0.770	172.0	-0.6%	4.9%
	December	\$666.80	4.8%	6.5%	0.771	172.0	0.0%	4.9%
2004	January	\$642.78	4.3%	6.1%	0.755	172.9	0.5%	5.1%
	February	\$627.97	4.3%	5.8%	0.749	172.9	0.0%	5.0%
	March	\$622.08	4.3%	5.7%	0.763	172.2	-0.4%	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

Sources: CMHC, Statistics Canada, Bank of 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”.

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