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NEW HOME MARKET

Housing starts solid in 2004

New home construction in the Oshawa Census Metropolitan Area (CMA) was strong in 2004, though lower than in the preceding two years. Residential construction starts finished 2004 at 3,153 units, the third highest in 15 years. Although starts for 2004 were 19.3 per cent lower than 2003's all-time record, starts were very strong in a historical perspective. Low mortgage rates, a seller's market, strong consumer confidence, and the relatively affordable prices for new homes in the Oshawa CMA continue to fuel demand. However, total housing

starts trended lower after peaking in the third quarter of 2003. Cold weather related delays in the first quarter and heavy summer rains in the third quarter plagued Oshawa new home construction in 2004.

Whitby was the only municipality in the Oshawa CMA to register a decline in housing starts. Weather related delays and the decline in residentially designated land in Whitby affected new home construction. Some of the demand from Toronto purchasers was directed away from Whitby to the many new home sites in Ajax. After five consecutive years of above average new home construction, housing activity in Whitby slipped back to a still strong 1,351 starts in

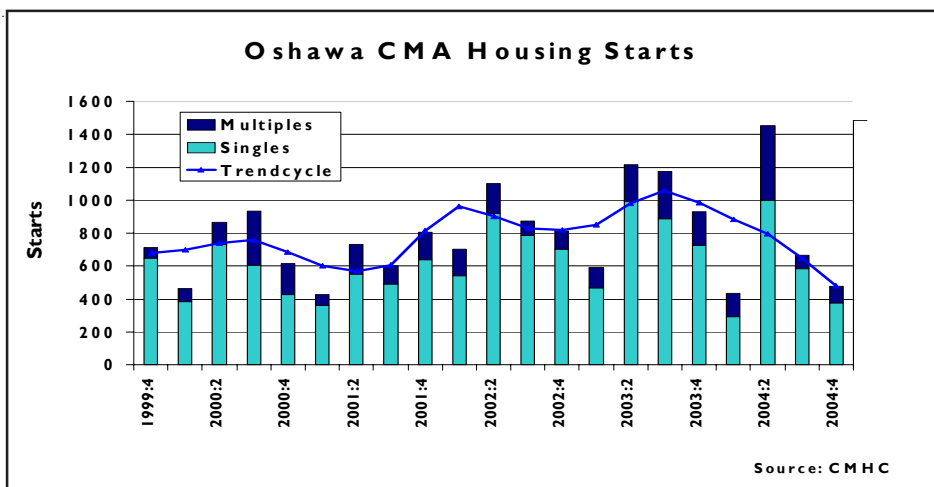
FOURTH QUARTER 2004

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2004, down 44.7 per cent from 2003's record level. Both single-detached and multiple starts in Whitby were affected. Whitby's share of starts in the Oshawa CMA declined from a high 66 per cent in 2003 to 43 per cent in 2004.

Oshawa City starts rose 8.8 per cent to 751 units, due to the more than three fold increase in multiple starts, especially condominium row



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and apartments. Clarington starts rose by 35.6 per cent to 1,051 units, with both single-detached and multiples increasing. Housing starts in Clarington were the highest since 1989. The more affordable new home prices in Clarington when compared to Whitby and Oshawa drew many potential buyers to this municipality.

Fourth quarter starts in 2004 remained respectable at 602 units despite falling 35.1 per cent from a very strong fourth quarter of 2003. Both single-detached and multiple starts dropped. All three municipalities in the Oshawa CMA showed declines in construction levels in the fourth quarter. Clarington housing starts dipped marginally due to lower multiple construction. Both Oshawa and Whitby starts dropped almost 50 per cent as a result of lower single-detached construction.

Average single-detached prices continue to rise

Strong demand for larger and thus more expensive single-detached homes in all three municipalities of the Oshawa CMA pushed the average absorbed price higher. The average price of a new single-detached home in the Oshawa CMA rose by 10.4 per cent to \$264,979.

In 2004, 45.7 per cent of single-detached homes absorbed were priced below \$250,000. This compares to 67.1 per cent in 2003. Whitby, with the highest average single-detached price, recorded the largest gain in prices, rising 12.6 per cent to \$283,068. Many potential Whitby buyers were forced to look farther afield for more affordable single-detached homes. The average single-detached absorbed price rose by 8.4 per cent in Oshawa City to \$256,146, while Clarington saw a 9.1 per cent price gain to \$237,347.

RESALE MARKET

Record resales in 2004

Existing home sales in the Oshawa CMA broke an all-time record in 2004. A total of 6,328 homes exchanged hands in 2004, up 13.3 per cent from the previous record high in 2003. As in the new home market, demand for resale homes was driven by low mortgage rates, a strong local economy, and migration from Toronto. With mortgage rates at low levels, mortgage rate increases looming, and resale prices more affordable than in Toronto, both first-time and move-up buyers are taking advantage of the better value in the Oshawa market. All three municipalities in the

Oshawa CMA experienced gains in resale volumes in 2004.

Record existing sales can also be attributed to more choice from the growing supply of new listings. Homeowners who realized equity gains are more willing to put their homes on the market. New listings increased by 16.8 per cent in 2004 compared to 2003. The sales-to-new listings ratio, a leading indicator of home prices, was slightly lower in 2004 at 69.7 per cent. A sales-to-new listings ratio above 55 per cent is an indicator of a sellers' market. With the Oshawa CMA resale market remaining in sellers' territory in 2004, the average resale price continued to rise. Average resale prices have been trending upward since the middle of 1995. In 2004, the average resale price increased above the rate of inflation, rising 9.2 per cent to \$220,873. This was the largest increase in the last ten years.

After trending upward since the late 2002, seasonally adjusted resales took a turn downward in May 2004. Seasonally adjusted new listings, after reaching a record level in September, have also been trending lower.

In the fourth quarter of 2004, a total of 1,206 existing homes were sold in the Oshawa CMA, rising marginally from the same period of 2003. Clarington was the only municipality to show an increase in sales. The number of new listings continued to outpace 2003 levels. The sales-to-new listings ratio was lower when compared to the fourth quarter of 2003, but continued to remain in sellers' territory. In the fourth quarter, the average resale price in the Oshawa CMA rose 7.9 per cent to \$220,009 from fourth quarter 2003 levels.

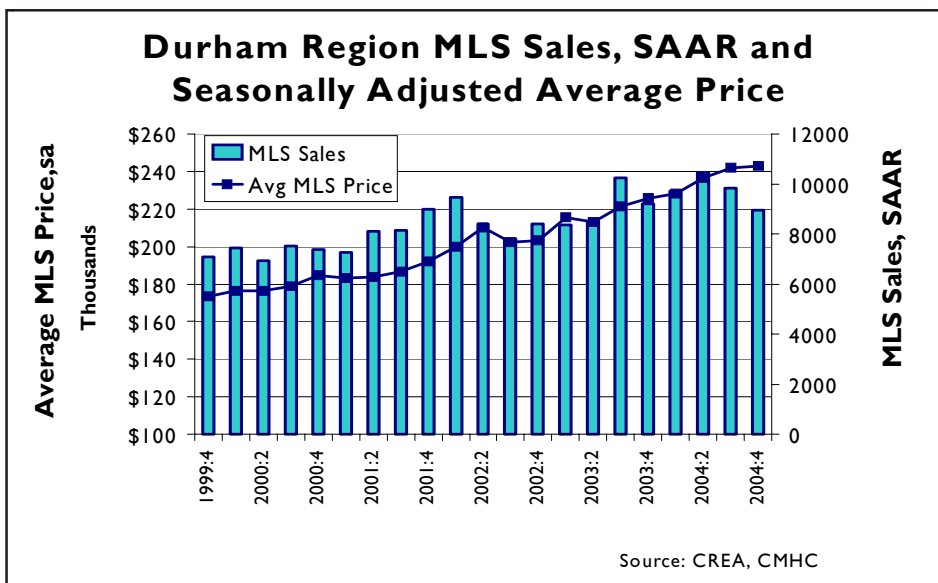


Table I: Housing Activity Summary for Oshawa CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q4 2004	482	20	82	0	18	0	0	602
Q4 2003	726	0	94	0	72	0	36	928
% Change	-33.6	NA	-12.8	NA	-75.0	NA	-100.0	-35.1
Year-to-date 2004	2,356	68	491	28	210	0	0	3,153
Year-to-date 2003	3,074	172	549	0	72	0	40	3,907
% Change	-23.4	-60.5	-10.6	NA	191.7	NA	-100.0	-19.3
UNDER CONSTRUCTION								
December 2004	1,141	50	117	16	282	0	0	1,606
December 2003	1,590	68	334	0	72	0	40	2,104
COMPLETIONS								
Q4 2004	776	16	240	12	36	0	0	1,080
Q4 2003	875	56	138	0	0	0	0	1,069
% Change	-11.3	-71.4	73.9	NA	NA	NA	NA	1.0
Year-to-date 2004	2,801	86	708	12	36	0	4	3,647
Year-to-date 2003	2,861	130	378	0	90	0	0	3,459
% Change	-2.1	-33.8	87.3	NA	-60.0	NA	NA	5.4
COMPLETE & NOT ABSORBED								
December 2004	13	4	9	0	0	0	0	26
December 2003	17	1	32	0	1	0	0	51
ABSORPTIONS								
Q4 2004	767	14	238	12	36	0	0	1,067
Q4 2003	881	56	112	0	0	0	0	1,049
% Change	-12.9	-75.0	112.5	NA	NA	NA	NA	1.7
Year-to-date 2004	2,818	83	728	12	37	0	4	3,682
Year-to-date 2003	2,874	137	358	6	89	0	0	3,464
% Change	-1.9	-39.4	103.4	100.0	-58.4	NA	NA	6.3

*Includes all market types

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

Source: CMHC

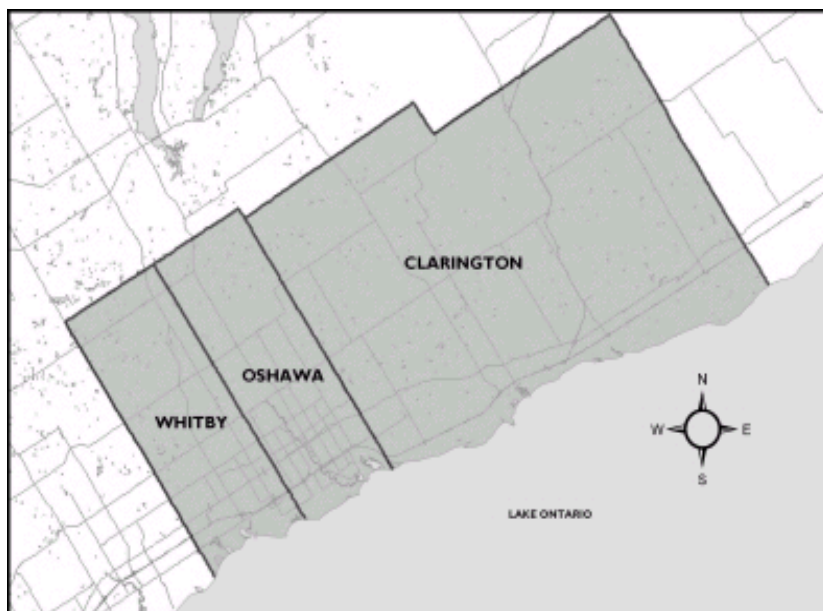
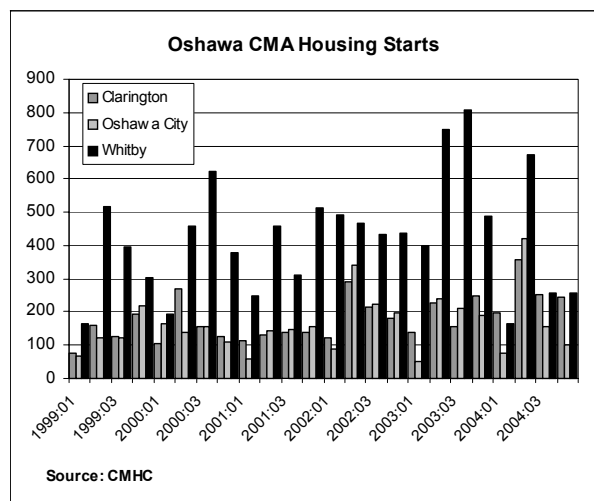


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q4 2003	Q4 2004	% change	Q4 2003	Q4 2004	% change	2003	2004	% change
Oshawa CMA	726	482	-33.6	202	120	-40.6	928	602	-35.1
Clarington	142	206	45.1	108	39	-63.9	250	245	-2.0
Oshawa City	184	99	-46.2	7	0	-100.0	191	99	-48.2
Whitby	400	177	-55.8	87	81	-6.9	487	258	-47.0

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	3,074	2,356	-23.4	833	797	-4.3	3,907	3,153	-19.3
Clarington	649	853	31.4	126	198	57.1	775	1,051	35.6
Oshawa City	640	571	-10.8	50	180	**	690	751	8.8
Whitby	1,785	932	-47.8	657	419	-36.2	2,442	1,351	-44.7

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

Sub Market Area	Q4 2003	Q4 2004	% Change	YTD 2003	YTD 2004	% Change
Oshawa CMA	247,763	273,582	10.4	240,098	264,979	10.4
Clarington	221,035	236,568	7.0	217,489	237,347	9.1
Oshawa City	238,955	254,902	6.7	236,233	256,146	8.4
Whitby	262,473	311,053	18.5	251,483	283,068	12.6

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											
Q4 2004	74	9.6	243	31.7	255	33.2	129	16.8	66	8.6	767
Q4 2003	138	15.7	410	46.5	193	21.9	115	13.1	25	2.8	881
YTD 2004	282	10.0	1007	35.7	952	33.8	410	14.5	167	5.9	2,818
YTD 2003	576	20.0	1353	47.1	603	21.0	266	9.3	76	2.6	2,874
Clarington											
Q4 2004	42	19.1	117	53.2	44	20.0	13	5.9	4	1.8	220
Q4 2003	90	42.1	92	43.0	12	5.6	12	5.6	8	3.7	214
YTD 2004	173	25.9	310	46.4	115	17.2	39	5.8	31	4.6	668
YTD 2003	331	47.8	250	36.1	49	7.1	35	5.1	27	3.9	692
Oshawa City											
Q4 2004	30	13.6	68	30.9	91	41.4	25	11.4	6	2.7	220
Q4 2003	30	17.2	86	49.4	43	24.7	11	6.3	4	2.3	174
YTD 2004	80	10.5	278	36.6	286	37.7	96	12.6	19	2.5	759
YTD 2003	104	17.2	314	52.1	142	23.5	32	5.3	11	1.8	603
Whitby											
Q4 2004	2	0.6	58	17.7	120	36.7	91	27.8	56	17.1	327
Q4 2003	18	3.7	232	47.1	138	28.0	92	18.7	13	2.6	493
YTD 2004	29	2.1	419	30.1	551	39.6	275	19.8	117	8.4	1,391
YTD 2003	141	8.9	789	50.0	412	26.1	199	12.6	38	2.4	1,579

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						
Q4 2003	1,983	16.2%	2,432	81.5%	\$222,503	6.9%
Q4 2004	1,933	-2.5%	2,622	73.7%	\$237,225	6.6%
YTD 2003	9,510	7.2%	13,831		\$220,742	7.7%
YTD 2004	10,345	8.8%	15,661		\$240,025	8.7%
Oshawa CMA						
Q4 2003	1,199	20.3%	1,402	85.5%	\$203,812	6.3%
Q4 2004	1,206	0.6%	1,521	79.3%	\$220,009	7.9%
YTD 2003	5,586	7.7%	7,772		\$202,272	8.3%
YTD 2004	6,328	13.3%	9,081		\$220,873	9.2%
Whitby						
Q4 2003	387	24.8%	431	89.8%	\$250,068	8.1%
Q4 2004	375	-3.1%	549	68.3%	\$264,172	5.6%
YTD 2003	1,797	10.2%	2,475		\$244,700	7.9%
YTD 2004	1,969	9.6%	3,038		\$266,455	8.9%
Oshawa City						
Q4 2003	567	28.3%	640	88.6%	\$169,787	5.9%
Q4 2004	520	-8.3%	590	88.1%	\$183,196	7.9%
YTD 2003	2,420	6.2%	3,385		\$169,724	7.6%
YTD 2004	2,742	13.3%	3,729		\$186,474	9.9%
Clarington						
Q4 2003	245	0.0%	331	74.0%	\$209,489	5.7%
Q4 2004	311	26.9%	382	81.4%	\$228,310	9.0%
YTD 2003	1,369	7.1%	1,912		\$204,118	8.7%
YTD 2004	1,617	18.1%	2,314		\$223,698	9.6%
Oshawa CMA						
	Annual Sales	Yr/Yr %	Annual New Listings	Yr/Yr %	Annual Average Price	Yr/Yr %
1995	2,401		7,527		\$143,054	
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%
2004	6,328	13.3%	9,081	16.8%	\$220,873	9.2%

Source:

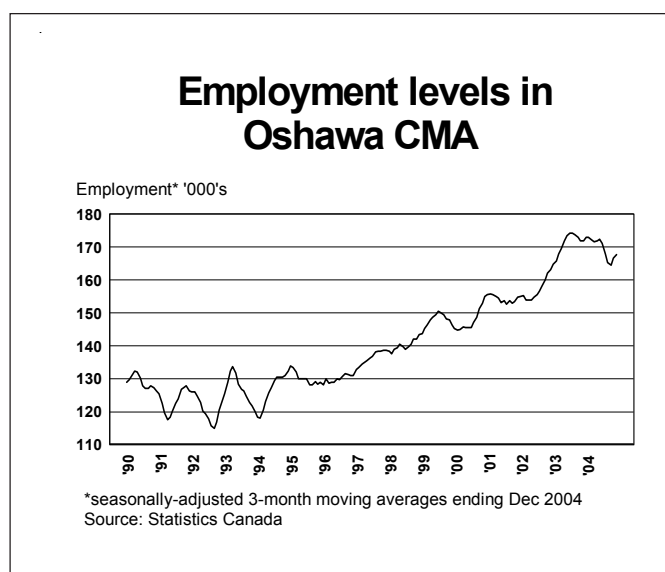
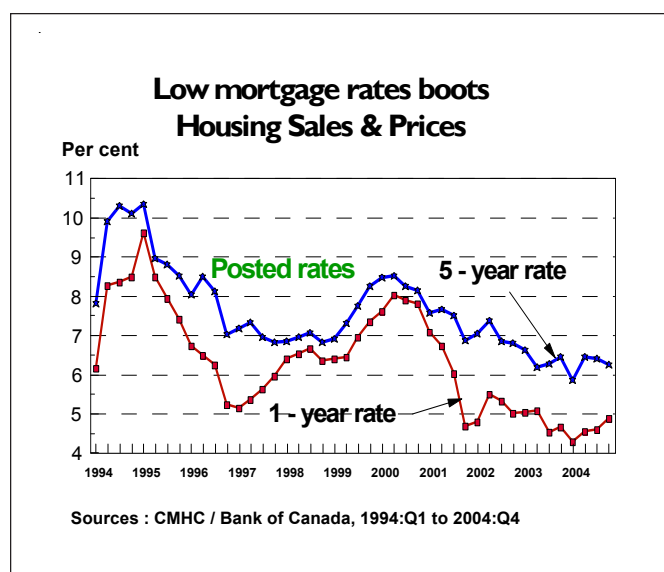
Table 6: Economic Indicators

		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	648.75	4.5	6.2	0.729	171.6	-0.3	5.4
	May	669.82	4.6	6.5	0.733	171.9	0.2	5.2
	June	681.99	4.7	6.7	0.750	172.5	0.3	5.1
	July	672.86	4.6	6.6	0.752	171.2	-0.8	4.7
	August	657.75	4.4	6.3	0.762	167.9	-1.9	5.2
	September	657.75	4.8	6.3	0.793	165.4	-1.5	5.6
	October	663.77	4.9	6.4	0.821	164.5	-0.5	5.7
	November	657.75	5.0	6.3	0.843	166.6	1.3	5.9
	December	642.78	4.80	6.05	0.83	167.80	0.72	5.70

* 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”.

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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