

# H

# HOUSING NOW

## Windsor

## YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

[www.cmhc.ca](http://www.cmhc.ca)

### Pace of new construction slows

Following several years of strong home construction, the building cycle has matured and the demand for new homes has started to taper off. Total home starts in the second quarter of 2005 were down 43 per cent while single detached starts in the Windsor Census Metropolitan Area (CMA) dropped 37 per cent to 329 units from the hot pace one year earlier. A more balanced resale market has led to fewer buyers turning to new housing.

Single detached starts were down in all of the five municipalities of the CMA, most significantly in Windsor City and Amherstburg. Builders are monitoring demand and have slowed

production of new homes as the supply of homes completed and not yet sold has begun to creep up from one year earlier as new home price growth exceeds that of the resale market.

Multiple family home starts also declined, dropping 56 per cent compared to the second quarter of 2004. There were no apartment condominium developments started in the second quarter of 2005. However, pending permits indicate a major apartment condominium project start in the upcoming third quarter. Construction of new semi-detached homes is also trending lower. Three-quarters of the units being constructed within the Wind-

### SECOND QUARTER 2005

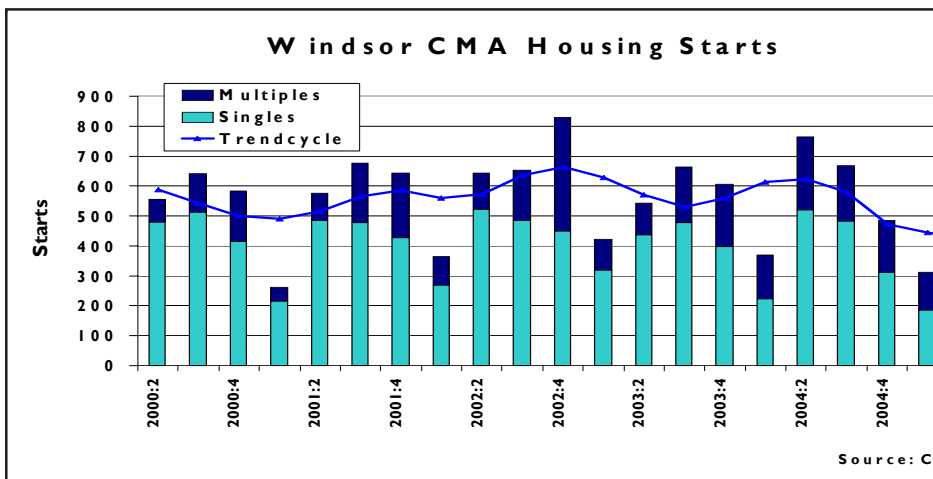
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sor City limits.

The average price of homes completed and sold jumped 15 per cent in the second quarter of 2005 to \$233,000 from the second quarter of 2004. The strongest increases were in Windsor City, LaSalle and Tecumseh due to the completion and sale of larger and pricier homes.

The most significant changes by price range were the decline in the share of new homes in the \$150,000-\$175,000 range in LaSalle, and the increase in \$300,000+ homes in Windsor City and Lakeshore.



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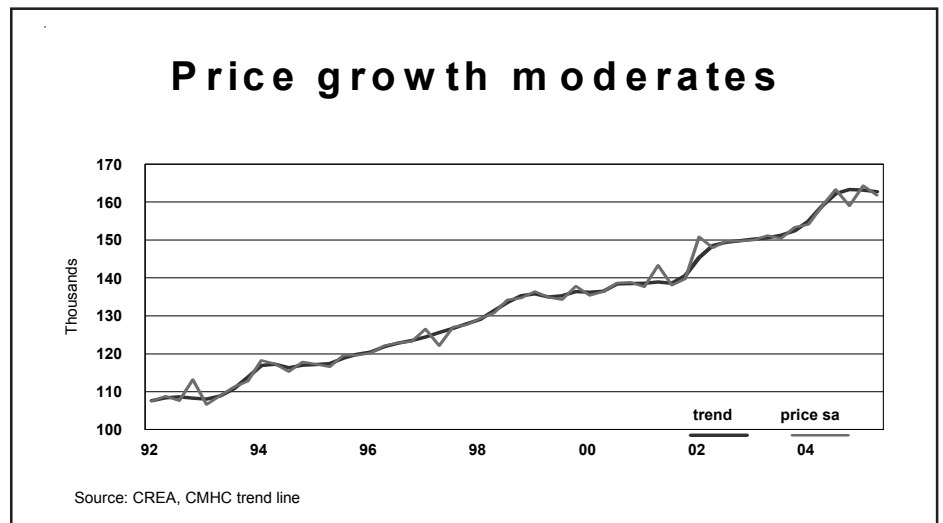
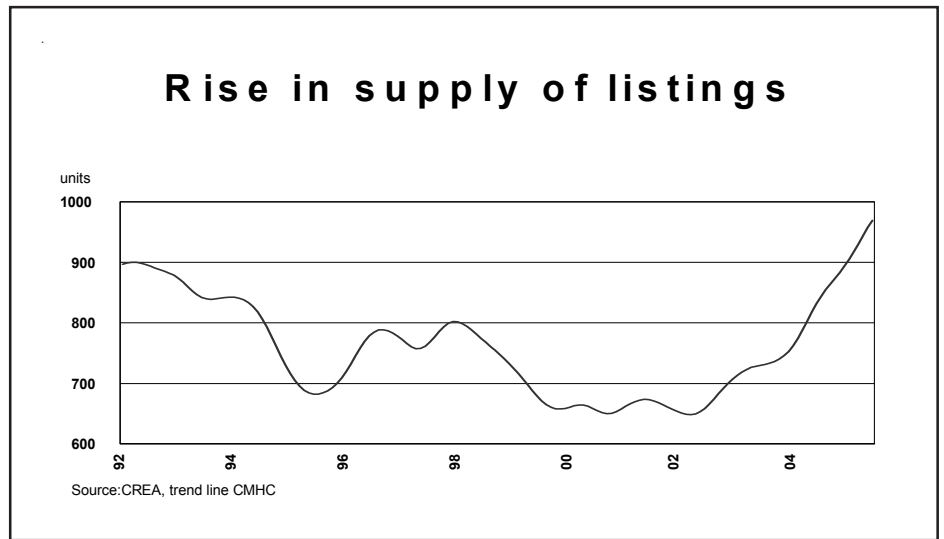
# Resale Market

## Pace of sales begins to slow

Windsor-Essex MLS home sales continued to slow in the second quarter of 2005 following robust activity in 2004. Sales for each month in the quarter this year were lower than last year's figures.

The slower pace of MLS sales can be attributed to plateauing job growth and slightly lower levels of in-migration. The maturing of the housing market cycle in tandem with low borrowing rates are contributing to a gradual easing in home sales.

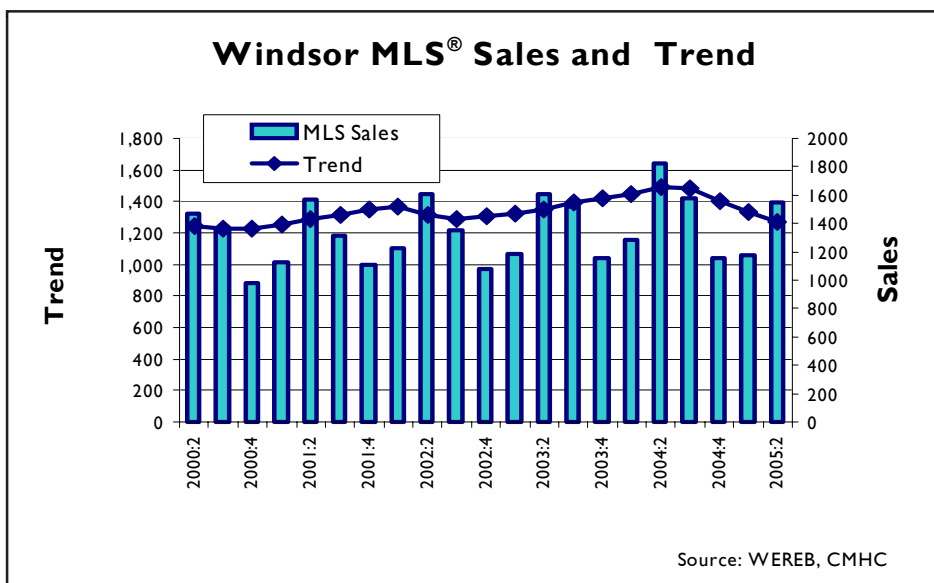
The cost of carrying a \$100,000 mortgage was down 8.8 per cent in June at \$622 compared to \$682 one year earlier due to lower interest rates. (Principal and Interest Payment assumes a five year mortgage rate and 25 year amortization period.)



The MLS average price in the second quarter was \$163,000, up less than one half of one per cent from the second quarter of 2004.

Year to date average MLS price growth is running close to the rate of inflation.

In the second quarter of 2005, 3,384 homes were listed for sale in the Windsor-Essex market up eight per cent from second quarter 2004 figures. In fact, both April and June set new records for listings for that particular month. Strong price growth over the last year has helped boost homeowner equity, encouraging homeowners to list and sell their homes.



## Table I: Housing Activity Summary for Windsor CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD		CONDOMINIUM			ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
<b>STARTS</b>								
Q2 2005	329	46	39	0	0	12	10	436
Q2 2004	521	54	82	8	88	0	12	765
% Change	-36.9	-14.8	-52.4	-100.0	-100.0	NA	-16.7	-43.0
Year-to-date 2005	516	52	80	0	74	16	10	748
Year-to-date 2004	745	66	121	8	176	0	18	1,134
% Change	-30.7	-21.2	-33.9	-100.0	-58.0	NA	-44.4	-34.0
<b>UNDER CONSTRUCTION</b>								
June 2005	335	44	78	0	74	16	10	557
June 2004	511	54	121	8	223	0	16	933
<b>COMPLETIONS</b>								
Q2 2005	213	26	17	0	0	0	8	264
Q2 2004	277	20	72	0	87	0	10	466
% Change	-23.1	30.0	-76.4	NA	-100.0	NA	-20.0	-43.3
Year-to-date 2005	532	66	161	0	88	8	97	952
Year-to-date 2004	684	60	132	0	87	4	28	995
% Change	-22.2	10.0	22.0	NA	1.1	100.0	**	-4.3
<b>COMPLETE &amp; NOT ABSORBED</b>								
June 2005	9	6	0	0	0	0	0	15
June 2004	0	1	16	0	47	0	0	64
<b>ABSORPTIONS</b>								
Q2 2005	209	27	17	0	0	0	8	261
Q2 2004	286	21	58	0	40	0	10	415
% Change	-26.9	28.6	-70.7	NA	-100.0	NA	-20.0	-37.1
Year-to-date 2005	530	64	169	0	88	8	97	956
Year-to-date 2004	693	71	127	0	51	4	28	974
% Change	-23.5	-9.9	33.1	NA	72.5	100.0	**	-1.8

\*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		
	Q2 2004	Q2 2005	% change	Q2 2004	Q2 2005	% change	Q2 2004	Q2 2005	% change
<b>Windsor CMA</b>	521	329	-36.9	244	107	-56.1	765	436	-43.0
Windsor City	246	142	-42.3	197	88	-55.3	443	230	-48.1
LaSalle Town	43	33	-23.3	10	10	0.0	53	43	-18.9
Lakeshore Township	152	115	-24.3	19	9	-52.6	171	124	-27.5
Amherstburg Township	69	32	-53.6	4	0	-100.0	73	32	-56.2
Tecumseh Town	11	7	-36.4	14	0	-100.0	25	7	-72.0

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
<b>Windsor CMA</b>	745	516	-30.7	389	232	-40.4	1,134	748	-34.0
Windsor City	374	250	-33.2	338	153	-54.7	712	403	-43.4
LaSalle Town	55	42	-23.6	12	27	125.0	67	69	3.0
Lakeshore Township	214	167	-22.0	21	9	-57.1	235	176	-25.1
Amherstburg Township	87	46	-47.1	4	0	-100.0	91	46	-49.5
Tecumseh Town	15	11	-26.7	14	43	**	29	54	86.2

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

Sub Market Area	Q2 2004	Q2 2005	% Change	YTD 2004	YTD 2005	% Change
<b>Windsor CMA</b>	202,672	239,639	18.2	211,150	221,134	4.7
Windsor City	191,477	205,999	7.6	194,438	198,070	1.9
LaSalle Town	226,601	337,444	48.9	226,321	284,462	25.7
Lakeshore Township	207,301	262,347	26.6	230,355	250,019	8.5
Amherstburg Township	224,034	228,484	2.0	228,092	209,783	-8.0
Tecumseh Town	329,750	335,883	1.9	307,350	271,758	-11.6

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

Note: NA may appear where CMHC data suppression rules apply

Source: CMHC

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

AREA	PRICE RANGES										TOTAL
	<\$149,999		\$150-\$174,999		\$175-\$249,999		\$250-\$299,999		\$300,000+		
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
<b>Windsor CMA</b>											
Q2 2005	1	0.5	72	34.4	70	33.5	22	10.5	44	21.1	209
Q2 2004	11	3.8	118	41.3	102	35.7	29	10.1	26	9.1	286
YTD 2005	8	1.5	214	40.4	183	34.5	44	8.3	81	15.3	530
YTD 2004	19	2.7	272	39.2	265	38.2	59	8.5	78	11.3	693
<b>Windsor City</b>											
Q2 2005	1	0.9	57	53.3	27	25.2	9	8.4	13	12.1	107
Q2 2004	10	6.1	92	56.4	34	20.9	15	9.2	12	7.4	163
YTD 2005	7	2.4	159	54.6	80	27.5	16	5.5	29	10.0	291
YTD 2004	14	3.7	201	53.2	110	29.1	22	5.8	31	8.2	378
<b>LaSalle Town</b>											
Q2 2005	0	0.0	0	0.0	3	17.6	5	29.4	9	52.9	17
Q2 2004	0	0.0	8	44.4	2	11.1	5	27.8	3	16.7	18
YTD 2005	1	2.4	2	4.9	13	31.7	11	26.8	14	34.1	41
YTD 2004	1	1.8	20	36.4	17	30.9	10	18.2	7	12.7	55
<b>Lakeshore Township</b>											
Q2 2005	0	0.0	5	8.1	34	54.8	7	11.3	16	25.8	62
Q2 2004	1	1.3	10	13.2	50	65.8	9	11.8	6	7.9	76
YTD 2005	0	0.0	26	19.1	69	50.7	13	9.6	28	20.6	136
YTD 2004	2	1.0	36	18.4	108	55.1	22	11.2	28	14.3	196
<b>Amherstburg Township</b>											
Q2 2005	0	0.0	10	62.5	3	18.8	1	6.3	2	12.5	16
Q2 2004	0	0.0	7	28.0	16	64.0	0	0.0	2	8.0	25
YTD 2005	0	0.0	27	56.3	13	27.1	2	4.2	6	12.5	48
YTD 2004	1	1.8	14	25.0	29	51.8	5	8.9	7	12.5	56
<b>Tecumseh Town</b>											
Q2 2005	0	0.0	0	0.0	3	42.9	0	0.0	4	57.1	7
Q2 2004	0	0.0	1	25.0	0	0.0	0	0.0	3	75.0	4
YTD 2005	0	0.0	0	0.0	8	57.1	2	14.3	4	28.6	14
YTD 2004	1	12.5	1	12.5	1	12.5	0	0.0	5	62.5	8

Source: CMHC

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

## Table 5: Resale Housing Activity for Windsor Real Estate Board

		Number of		Number of	Average	
		Sales	Yr/Yr %	New Listings	Price (\$)	Yr/Yr %
2004	January	271	-15.8	770	144,757	-1.2
	February	388	-3.0	901	152,978	4.1
	March	624	33.3	1,125	154,335	7.5
	April	613	24.8	1,156	157,942	8.2
	May	543	4.2	998	161,803	3.1
	June	672	13.1	985	166,588	5.9
	July	510	-15.6	988	160,394	3.0
	August	510	6.3	997	171,179	8.9
	September	559	28.5	1,040	167,550	14.7
	October	429	-7.7	914	155,157	-0.1
	November	428	15.7	829	151,140	-1.9
	December	303	-5.9	530	159,201	4.4
2005	January	297	9.6	960	158,738	9.7
	February	396	2.1	938	155,450	1.6
	March	482	-22.8	1,008	169,214	9.6
	April	536	-12.6	1,214	160,881	1.9
	May	396	-27.1	938	155,450	-3.9
	June	618	-8.0	1,232	170,068	2.1
	July					
	August					
	September					
	October					
	November					
	December					
Q2 2004		1,828	53.6	3,139	162,267	11.5
Q2 2005		1,550	-15.2	3,384	163,157	0.5
YTD 2004		3,111	161.4	5,935	157,992	8.6
YTD 2005		2,725	-12.4	6,290	162,660	3.0

	Annual		Annual	Annual	
	Sales	Yr/Yr %	New Listings	Average Price (\$)	Yr/Yr %
1995	4,587	0.9	8,862	117,361	7.5
1996	5,171	12.7	9,938	121,088	3.2
1997	5,045	-2.4	9,875	124,631	2.9
1998	5,015	-0.6	9,853	130,523	4.7
1999	5,077	1.2	8,778	134,490	3.0
2000	4,968	-2.1	8,664	136,318	1.4
2001	5,127	3.2	8,737	138,485	1.6
2002	5,265	2.7	8,757	147,218	6.3

### Table 6: Economic Indicators

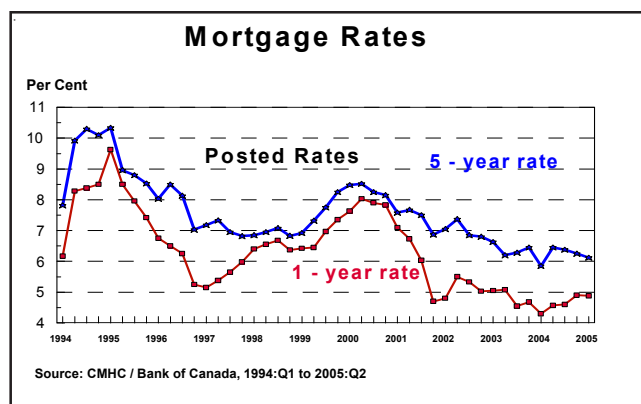
		Interest and Exchange Rates			Inflation Rate (%)	NHPI*** % chg.		Windsor CMA Labour	
		P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)	Ontario 1996=100	Windsor CMA 1997=100	Employment SA** (,000)	Employment SA m/m (%)
			1 Yr. Term	5 Yr. Term					
2004	January	642.78	4.3	6.1	0.755	1.5	0.0	163.1	0.9
	February	627.97	4.3	5.8	0.749	0.8	0.0	163.0	-0.1
	March	622.08	4.3	5.7	0.763	1.1	0.0	163.6	0.4
	April	648.75	4.5	6.2	0.729	2.3	0.0	162.4	-0.7
	May	669.82	4.6	6.5	0.733	2.8	0.0	162.3	-0.1
	June	681.99	4.7	6.7	0.750	2.4	0.0	161.7	-0.4
	July	672.86	4.6	6.6	0.752	2.4	0.0	161.7	0.0
	August	657.75	4.4	6.3	0.762	1.5	0.7	162.1	0.2
	September	657.75	4.8	6.3	0.793	1.5	0.9	163.9	1.1
	October	663.77	4.9	6.4	0.821	2.1	0.9	163.9	0.0
	November	657.75	5.0	6.3	0.843	2.2	0.9	164.2	0.2
	December	642.78	4.8	6.1	0.832	1.9	0.9	162.8	-0.9
2005	January	642.78	4.8	6.1	0.806	1.6	2.4	161.5	-0.8
	February	642.78	4.8	6.1	0.811	2.2	3.1	161.3	-0.1
	March	654.74	5.1	6.3	0.827	2.3	2.9	161.9	0.4
	April	642.78	4.9	6.1	0.795	2.3	2.8	163.6	1.1
	May	636.84	4.9	6.0	0.797	1.5	3.5	163.3	-0.2
	June	622.08	4.8	5.7	0.816			162.2	-0.7
	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>

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“Your Guide to Renting a Home” is located on the CMHC Web site at [www.cmhc.ca](http://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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