

# H

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### New Homes Starts Continue Climb

Strong housing demand continues to be sustained by low mortgage rates and a relatively high level of employment. New home starts carried on the strong momentum gained over the latter half of 2005. Robust demand for homeownership and a warmer than usual winter drove first quarter new home starts to a near record level.

In the London metro region, new housing foundations were laid for 877 homes, up 39 per cent from a year ago. There were 383 single-detached starts, well above the 332 homes in 2005. Total starts and single-detached starts marked the

best first quarter since 1991.

The average first quarter selling price for newly completed and sold single-detached homes in London CMA was \$268,106, a 2.9 per cent increase from a year earlier. Although the average home price increased at a slower pace than the 8.9 per cent gain in 2005:Q1, demand continued to shift to higher end homes. New homes priced over \$250,000 trended up to 51 per cent of total new homes sold compared with 36.7 per cent in 2005:Q1.

High single-detached home prices created a favourable demand

FIRST QUARTER 2006

Date Released: Second Quarter 2006

#### IN THIS ISSUE

##### New Homes

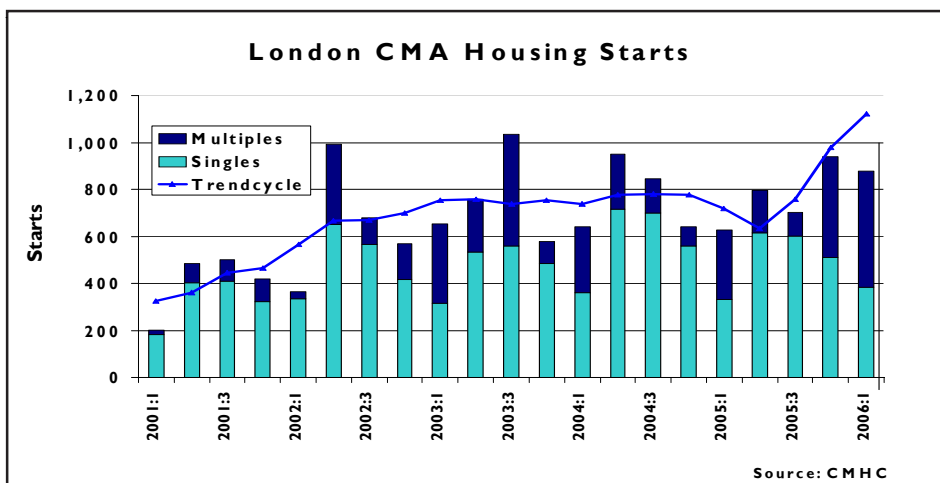
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environment for multiple family homes such as townhouses and semi-detached homes. Townhouse starts totalled 97 units, more than double the previous year first quarter level and the highest number for the first quarter in 14 years. Semi-detached homes are getting popular in St. Thomas, where 16 of the 18 semi-detached homes in London CMA were started.

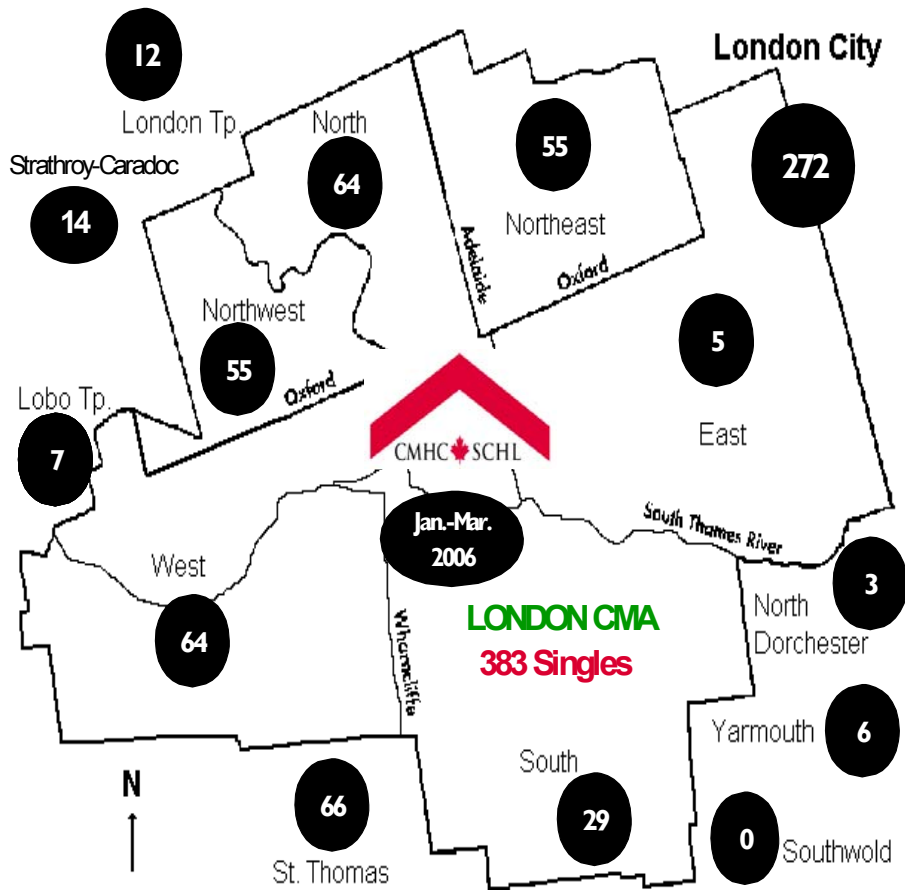
Rental apartment development surged in the first quarter to 379 units started, a 52 per cent increase from the same period last year. Two high-rise rental projects in the City of London accounted for 364 units.



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# WHERE'S THE HAMMERING BY SUB-MARKET



Source: CMHC

## London Metro's 2006 Single-detached Starts

In 2006, 71.0 per cent or 272 of the 383 single starts were in London City and 66 units in St. Thomas, making up 17.2 per cent. Not shown on the map are 3 units started in Port Stanley.

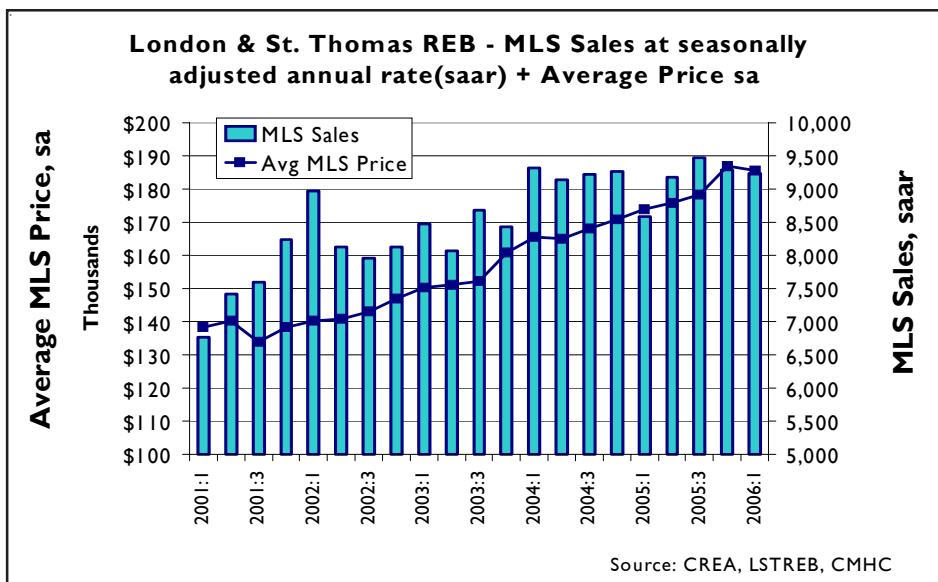
The adjacent map shows the location of single-detached new homes starts in the City of London and the surrounding markets which make up London CMA (census metropolitan area).

## Existing Homes Higher Demand

In the London & St. Thomas Real Estate area, MLS home sales in the beginning quarter climbed up to 2,172 units, 21 units less than the best first quarter in 2004 and 12 per cent ahead of last year.

The higher number of resale was accompanied by a five year high of new listings in the first quarter. New listings amounted to 3,878 homes listed, a 12 per cent rise from a year earlier. The seasonally-adjusted sales-to-new listings ratio stayed above 60%, indicating the resale market still favoured sellers.

The strong existing homes market pushed the average MLS price up by 7.3 per cent to \$186,621 compared to \$173,860 in the first quarter of 2005.



Source: CREA, LSTREB, CMHC



Table I: Housing Activity Summary for London CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD		CONDOMINIUM			ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
<b>STARTS</b>								
Q1 2006	383	18	10	70	0	17	379	877
Q1 2005	332	4	0	44	0	0	249	629
% Change	15.4	**	NA	59.1	NA	NA	52.2	39.4
Year-to-date 2006	383	18	10	70	0	17	379	877
Year-to-date 2005	332	4	0	44	0	0	249	629
% Change	15.4	**	NA	59.1	NA	NA	52.2	39.4
<b>UNDER CONSTRUCTION</b>								
March 2006	574	22	10	150	80	31	933	1,800
March 2005	591	22	6	187	220	16	438	1,480
<b>COMPLETIONS</b>								
Q1 2006	451	26	0	75	0	5	92	649
Q1 2005	430	2	6	41	0	6	229	714
% Change	4.9	**	-100.0	82.9	NA	-16.7	-59.8	-9.1
Year-to-date 2006	451	26	0	75	0	5	92	649
Year-to-date 2005	430	2	6	41	0	6	229	714
% Change	4.9	**	-100.0	82.9	NA	-16.7	-59.8	-9.1
<b>COMPLETE &amp; NOT ABSORBED</b>								
March 2006	135	7	3	118	0	15	273	551
March 2005	111	0	6	65	0	7	461	650
<b>ABSORPTIONS</b>								
Q1 2006	430	26	0	61	0	5	185	707
Q1 2005	425	2	0	29	0	11	53	520
% Change	1.2	**	NA	110.3	NA	-54.5	**	36.0
Year-to-date 2006	430	26	0	61	0	5	185	707
Year-to-date 2005	425	2	0	29	0	11	53	520
% Change	1.2	**	NA	110.3	NA	-54.5	**	36.0

\* Includes all market types

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

Source: CMHC

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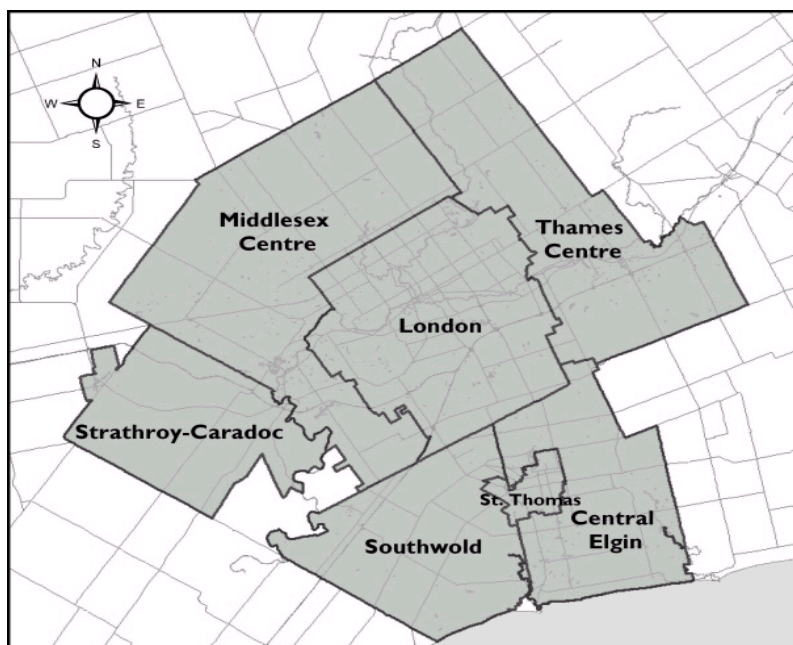


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q1 2005	Q1 2006	% change	Q1 2005	Q1 2006	% change	Q1 2005	Q1 2006	% change
<b>London CMA</b>	332	383	15.4	297	494	66.3	629	877	39.4
London City	243	272	11.9	293	478	63.1	536	750	39.9
St. Thomas City	34	66	94.1	4	16	**	38	82	115.8
Central Elgin	17	9	-47.1	0	0	NA	17	9	-47.1
Middlesex Centre	17	19	11.8	0	0	NA	17	19	11.8
Southwold Twp.	1	0	-100.0	0	0	NA	1	0	-100.0
Strathroy-Caradoc Twp.	17	14	-17.6	0	0	NA	17	14	-17.6
Thames Centre	3	3	0.0	0	0	NA	3	3	0.0

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

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	YTD 2005	YTD 2006	% change	YTD 2005	YTD 2006	% change	YTD 2005	YTD 2006	% change
<b>London CMA</b>	332	383	15.4	297	494	66.3	629	877	39.4
London City	243	272	11.9	293	478	63.1	536	750	39.9
St. Thomas City	34	66	94.1	4	16	**	38	82	115.8
Central Elgin	17	9	-47.1	0	0	NA	17	9	-47.1
Middlesex Centre	17	19	11.8	0	0	NA	17	19	11.8
Southwold Twp.	1	0	-100.0	0	0	NA	1	0	-100.0
Strathroy-Caradoc Twp.	17	14	-17.6	0	0	NA	17	14	-17.6
Thames Centre	3	3	0.0	0	0	NA	3	3	0.0

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

Sub Market Area	Q1 2005	Q1 2006	% Change	YTD 2005	YTD 2006	% Change
<b>London CMA</b>	260,521	268,106	2.9	260,521	268,106	2.9
London City	269,649	271,680	0.8	269,649	271,680	0.8
St. Thomas City	199,827	212,015	6.1	199,827	212,015	6.1
Central Elgin	205,752	248,667	20.9	205,752	248,667	20.9
Middlesex Centre	378,326	374,752	-0.9	378,326	374,752	-0.9
Southwold Twp.	NA	NA	NA	NA	NA	NA
Strathroy-Caradoc Twp.	214,887	243,310	13.2	214,887	243,310	13.2
Thames Centre	357,750	300,059	-16.1	357,750	300,059	-16.1

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 were based on results from Statistics Canada - 2001 Census of Canada.

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

AREA	PRICE RANGES										
	<\$150,000		\$150-\$174,999		\$175-\$249,999		\$250-\$299,999		\$300,000+		TOTAL
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
<b>London CMA</b>											
Q1 2006	1	0.2	22	5.1	185	43.1	125	29.1	96	22.4	429
Q1 2005	3	0.7	42	9.9	223	52.7	68	16.1	87	20.6	423
YTD 2006	1	0.2	22	5.1	185	43.1	125	29.1	96	22.4	429
YTD 2005	3	0.7	42	9.9	223	52.7	68	16.1	87	20.6	423
<b>London City</b>											
Q1 2006	0	0.0	14	4.5	129	41.3	96	30.8	73	23.4	312
Q1 2005	0	0.0	18	6.4	146	51.8	50	17.7	68	24.1	282
YTD 2006	0	0.0	14	4.5	129	41.3	96	30.8	73	23.4	312
YTD 2005	0	0.0	18	6.4	146	51.8	50	17.7	68	24.1	282
<b>St. Thomas City</b>											
Q1 2006	1	2.1	4	8.3	34	70.8	7	14.6	2	4.2	48
Q1 2005	3	5.6	16	29.6	27	50.0	6	11.1	2	3.7	54
YTD 2006	1	2.1	4	8.3	34	70.8	7	14.6	2	4.2	48
YTD 2005	3	5.6	16	29.6	27	50.0	6	11.1	2	3.7	54
<b>Central Elgin</b>											
Q1 2006	0	0.0	1	4.8	12	57.1	4	19.0	4	19.0	21
Q1 2005	0	0.0	4	16.0	18	72.0	0	0.0	3	12.0	25
YTD 2006	0	0.0	1	4.8	12	57.1	4	19.0	4	19.0	21
YTD 2005	0	0.0	4	16.0	18	72.0	0	0.0	3	12.0	25
<b>Middlesex Centre</b>											
Q1 2006	0	0.0	0	0.0	2	9.1	8	36.4	12	54.5	22
Q1 2005	0	0.0	0	0.0	7	30.4	7	30.4	9	39.1	23
YTD 2006	0	0.0	0	0.0	2	9.1	8	36.4	12	54.5	22
YTD 2005	0	0.0	0	0.0	7	30.4	7	30.4	9	39.1	23
<b>Southwold Twp.</b>											
Q1 2006	0	NA	0	NA	0	NA	0	NA	0	NA	0
Q1 2005	0	NA	0	NA	0	NA	0	NA	0	NA	0
YTD 2006	0	NA	0	NA	0	NA	0	NA	0	NA	0
YTD 2005	0	NA	0	NA	0	NA	0	NA	0	NA	0
<b>Strathroy-Caradoc Twp.</b>											
Q1 2006	0	0.0	3	14.3	8	38.1	7	33.3	3	14.3	21
Q1 2005	0	0.0	4	12.9	22	71.0	2	6.5	3	9.7	31
YTD 2006	0	0.0	3	14.3	8	38.1	7	33.3	3	14.3	21
YTD 2005	0	0.0	4	12.9	22	71.0	2	6.5	3	9.7	31
<b>Thames Centre</b>											
Q1 2006	0	0.0	0	0.0	0	0.0	3	60.0	2	40.0	5
Q1 2005	0	0.0	0	0.0	3	37.5	3	37.5	2	25.0	8
YTD 2006	0	0.0	0	0.0	0	0.0	3	60.0	2	40.0	5
YTD 2005	0	0.0	0	0.0	3	37.5	3	37.5	2	25.0	8

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

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
2005	January	456	2.9	9,000	1,071	14,000	64.2	165,342	-1.0	169,122
	February	688	-1.9	8,800	1,143	14,200	61.8	179,395	9.6	179,157
	March	796	-24.1	8,000	1,247	12,300	64.6	176,439	6.6	173,653
	April	917	-4.8	8,900	1,567	15,000	59.7	179,155	5.4	176,079
	May	996	-0.6	9,100	1,704	15,500	58.9	178,734	5.9	174,608
	June	1,020	10.7	9,500	1,338	14,300	66.0	178,538	8.8	176,651
	July	808	-10.3	8,900	1,231	14,100	62.8	180,675	5.9	173,167
	August	923	15.2	9,900	1,262	15,000	65.8	177,292	5.9	179,022
	September	765	7.4	9,600	1,203	14,400	66.7	184,672	8.3	182,669
	October	692	-0.9	9,500	1,081	14,700	64.3	178,787	4.2	184,619
	November	669	4.7	9,400	985	15,000	62.9	183,051	12.3	189,242
	December	403	-1.2	9,000	497	13,200	68.0	181,711	11.8	187,385
2006	January	540	18.4	10,100	1,166	14,800	68.6	180,492	9.2	183,849
	February	635	-7.7	8,300	1,198	14,900	55.7	188,599	5.1	186,176
	March	900	13.1	9,300	1,514	15,100	61.7	190,753	8.1	186,469
	April									
	May									
	June									
	July									
	August									
	September									
	October									
	November									
	December									
Q1 2005	1,940	-11.5	8,600	3,461	13,500	63.5	174,879	5.8	173,947	
Q1 2006	2,075	7.0	9,200	3,878	14,900	62.0	187,423	7.2	185,424	
YTD 2005	1,940	-11.5		3,461			174,879	5.8%		
YTD 2006	2,075	7.0		3,878			187,423	7.2%		

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price (\$)	Yr/Yr %	
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	
2004	9,238	9.8		14,183	10.4		167,344	8.9	
2005	9,133	-1.1		14,329	1.0		178,910	6.9	

Source: Canadian Real Estate Association

Table 6: Economic Indicators

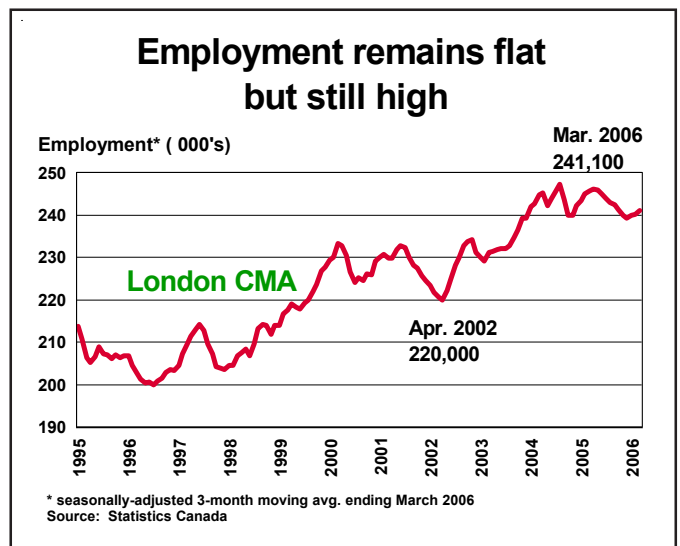
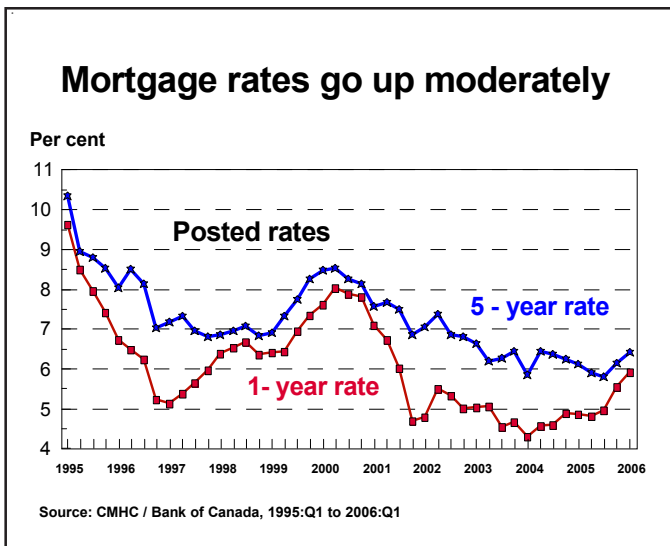
		Interest and Exchange Rates				Inflation Rate (%)	NHPI*** % chg.	London CMA Labour Market		
		P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)			Ontario 1996=100	London CMA 1997=100	Employment SA** (.000)
			1 Yr. Term	5 Yr. Term						
2005	January	642.78	4.8	6.1	0.806	1.6	4.9	243.4	0.5	6.4
	February	642.78	4.8	6.1	0.811	2.2	3.2	245.0	0.7	6.2
	March	654.74	5.1	6.3	0.827	2.3	3.5	245.7	0.3	6.6
	April	642.78	4.9	6.1	0.795	2.3	5.1	246.3	0.2	6.7
	May	636.84	4.9	6.0	0.797	1.5	5.9	245.9	-0.2	6.8
	June	622.08	4.8	5.7	0.816	1.9	5.5	245.0	-0.4	6.6
	July	627.97	4.9	5.8	0.817	1.9	5.1	244.0	-0.4	6.6
	August	627.97	5.0	5.8	0.842	2.7	5.0	243.1	-0.4	6.6
	September	627.97	5.0	5.8	0.860	3.3	5.0	242.5	-0.2	6.5
	October	639.81	5.3	6.0	0.847	2.5	4.8	241.3	-0.5	6.6
	November	648.75	5.6	6.2	0.857	2.0	5.1	240.0	-0.5	6.9
	December	657.75	5.8	6.3	0.860	2.1	5.0	239.3	-0.3	6.9
2006	January	657.75	5.8	6.3	0.878	3.0	5.7	240.0	0.3	6.5
	February	666.80	5.9	6.5	0.880	2.0	6.3	240.3	0.1	6.2
	March	666.80	6.1	6.5	0.856	2.3		241.1	0.3	6.0
	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

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>



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