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Single Family Construction Off to Good Start in 2004

Both Sudbury and Thunder Bay single-detached starts were ahead of last year's pace in the first quarter compared to one year ago. Sudbury's total of 16 units quadrupled last year's total of four units while Thunder Bay's total of eleven outpaced the seven units tallied in 2003:Q1 last year (see Chart below). Building permit activity in the two centers for

the first three months suggests an improved year in both Greater Sudbury and Thunder Bay, with Greater Sudbury's outlook being somewhat better.

Elsewhere, residential construction in the first quarter in Northern Ontario was not as active. Of the eight other centers tracked in Northern Ontario,

Canada Mortgage and Housing Corporation

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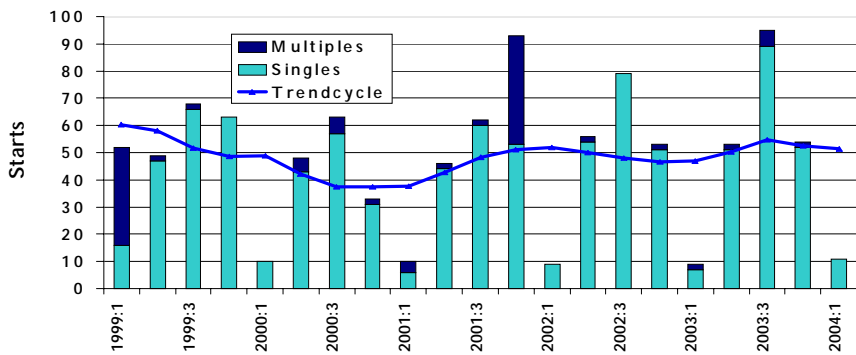
five centers had fewer starts in 2004:Q1 than one year prior, two centers were unchanged and Kenora had one start this year versus none last year (Table 2a-2b).

An analysis of the absorbed prices of new construction in our key markets, Thunder Bay, Sudbury, Sault Ste. Marie and North Bay is found in Table 3 and 4. Average absorbed prices ranged from \$178,558 in North Bay to \$212,000 in Thunder Bay. New construction prices are being affected by increasing dimensional lumber costs and sheathing material costs. Absorptions for the first quarter are presented in Table 4 by volume and by price range. In Thunder Bay and Sault Ste. Marie, the \$200,000+ price range proved the most popular while in Sudbury, the \$150,000 to \$200,000 was tops and in North Bay, the under \$150,000 range was most notable.



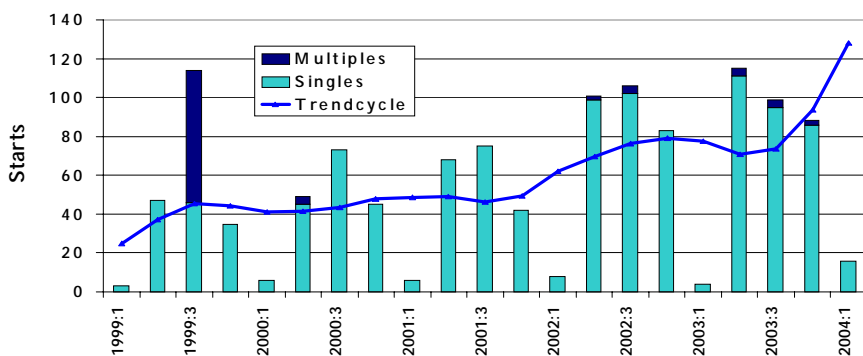
HOME TO CANADIANS
Canada

Thunder Bay CMA Housing Starts



Source: CMHC

Sudbury CMA Housing Starts



Source: CMHC

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Rapport aussi disponible en français

Affordability Boosting Resale Markets in Northern Ontario

Resale market information is provided in **Table 5** for all markets that have Real Estate Boards in Northern Ontario. With mortgage rates continuing at historical lows, affordability has been a key factor in boosting four of five resale markets in Northern Ontario.

Sudbury Q1 Review

- Greater Sudbury sales are up strongly (7.9 per cent) in 2004:Q1 over the year previous. This matches the percentage increase in sales for 2003 compared to 2002. Seasonally adjusted sales

finished markedly higher than the previous quarter and represent an all-time high for the market.

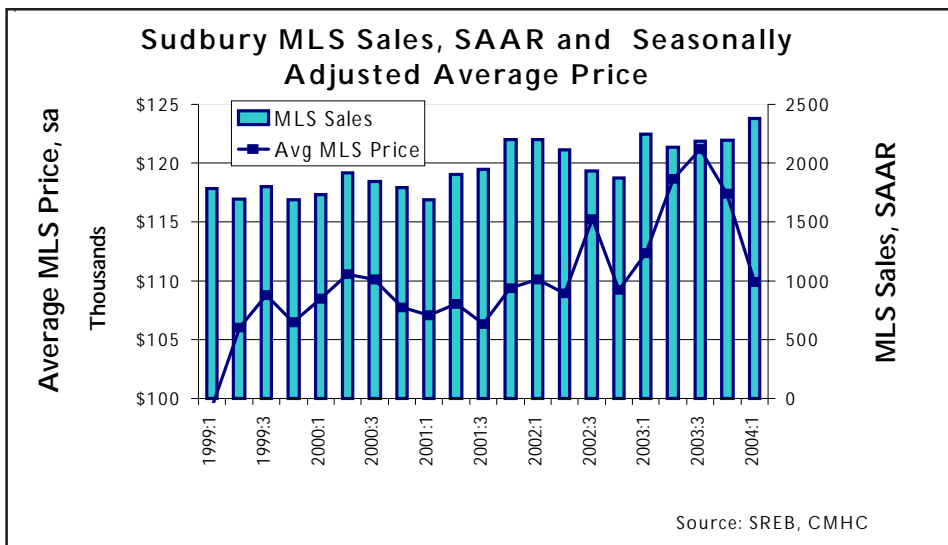
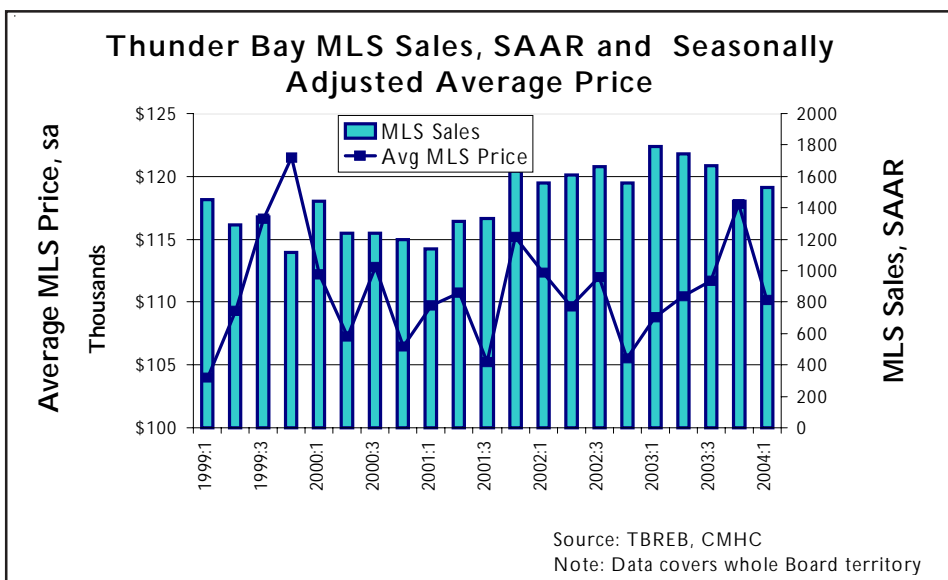
- A shortage of listings has been a dominant trend since 1996. It is to the point that the annual number of new listings in 2003 was almost half of what it was in 1996. The first quarter new listings count showed an improvement, jumping 8.3 per cent over 2003:Q1. The 1002 new listings represented the highest first quarter figure since 2001 and potentially signifies a turnaround in the fortunes of this important supply indicator.
- Average prices have been marching ahead given strong demand in move-up price ranges.

The average price in the first quarter was \$116,500, up 2.1 per cent from a year prior. The trend towards even higher average prices is quite prominent given the high sales to new listings ratio in the Sudbury market.

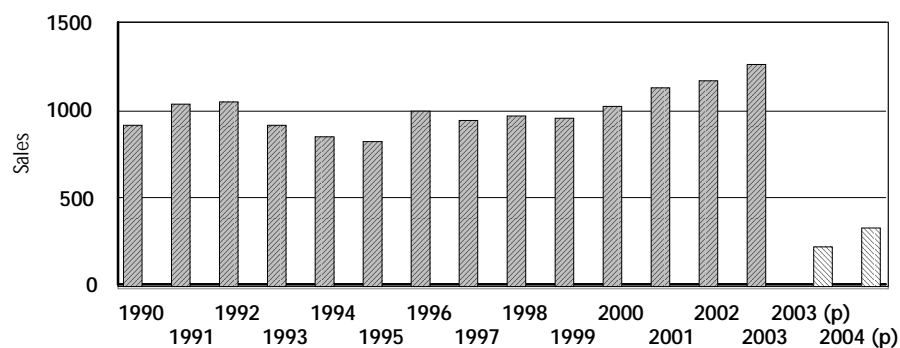
- All things considered, Sudbury's market is considered balanced with pockets of the market, depending on price range and neighbourhood, being stronger or weaker as the case may be.

Thunder Bay Q1 Review

- After a pretty fierce winter, residential sales fell to 318 in 2004:Q1, off 8.1 per cent from 2003:Q1. Sales were especially weak in January, although this month usually has relatively low volumes.
- Like Sudbury, new listings have been trending down, but in the case of Thunder Bay, since 1994, not 1996. The first quarter was no exception with listings dropping by 100 units to 571 from 671 in 2003:Q1.
- Prices were flat in the first three months of the year although a continuation of the downward listings trend will undoubtedly reverse that trend. Prices for the first quarter averaged \$103,200 essentially unchanged from one year prior.
- The downtrend in listings, lower interest rates and reasonable employment levels support a balanced market classification at the present time although this single classification is not consistent across market segments.



After the strongest year on record, North Bay sales volumes are racing ahead again to March 31st



(p) to March 31st.
Source: NBREB.

North Bay Sales Up Over 50 Per cent in 2004Q1

Winter didn't slow the resale market in North Bay. Sales marched ahead through the snow ending the quarter up 53.0 per cent. New listings were strong too finishing 29.0 per cent ahead so demand continues to outstrip supply, an ongoing theme in the last two years in North Bay. North Bay's average priced unit sold for \$120, 143 in the first quarter of 2004.

Table 1A: Housing Activity Summary for Thunder Bay CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q1 2004	11	0	0	0	0	0	0	11
Q1 2003	7	2	0	0	0	0	0	9
% Change	57.1%	-100.0%	NA	NA	NA	NA	NA	22.2%
Year-to-date 2004	11	0	0	0	0	0	0	11
Year-to-date 2003	7	2	0	0	0	0	0	9
% Change	57.1%	-100.0%	NA	NA	NA	NA	NA	22.2%
UNDER CONSTRUCTION								
March 2004	66	2	0	0	0	0	0	68
March 2003	77	4	0	0	38	0	0	119
COMPLETIONS								
Q1 2004	45	0	0	0	0	0	0	45
Q1 2003	42	0	0	0	0	0	6	48
% Change	7.1%	NA	NA	NA	NA	NA	-100.0%	-6.3%
Year-to-date 2004	45	0	0	0	0	0	0	45
Year-to-date 2003	42	0	0	0	0	0	6	48
% Change	7.1%	NA	NA	NA	NA	NA	-100.0%	-6.3%
COMPLETE & NOT ABSORBED								
March 2004	2	0	0	0	0	0	0	2
March 2003	4	0	0	0	0	0	3	7
ABSORPTIONS								
Q1 2004	45	1	0	0	0	0	0	46
Q1 2003	48	0	0	0	0	0	3	51
% Change	-6.3%	NA	NA	NA	NA	NA	-100.0%	-9.8%
Year-to-date 2004	45	1	0	0	0	0	0	46
Year-to-date 2003	48	0	0	0	0	0	3	51
% Change	-6.3%	NA	NA	NA	NA	NA	-100.0%	-9.8%

*Includes all market types

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

Source: CMHC

Table 1B: Housing Activity Summary for Sudbury CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	SINGLE	SEMI	ROW	ROW	APT			
STARTS								
Q1 2004	16	0	0	0	0	0	0	16
Q1 2003	4	0	0	0	0	0	0	4
% Change	**	NA	NA	NA	NA	NA	NA	**
Year-to-date 2004	16	0	0	0	0	0	0	16
Year-to-date 2003	4	0	0	0	0	0	0	4
% Change	**	NA	NA	NA	NA	NA	NA	**
UNDER CONSTRUCTION								
March 2004	56	0	0	0	0	0	0	56
March 2003	42	0	0	0	0	0	0	42
COMPLETIONS								
Q1 2004	53	0	0	0	0	0	0	53
Q1 2003	54	0	0	0	0	0	0	54
% Change	-1.9%	NA	NA	NA	NA	NA	NA	-1.9%
Year-to-date 2004	53	0	0	0	0	0	0	53
Year-to-date 2003	54	0	0	0	0	0	0	54
% Change	-1.9%	NA	NA	NA	NA	NA	NA	-1.9%
COMPLETE & NOT ABSORBED								
March 2004	9	0	0	0	0	0	0	9
March 2003	10	0	0	0	0	0	0	10
ABSORPTIONS								
Q1 2004	50	0	0	0	0	0	0	50
Q1 2003	54	0	0	0	0	0	0	54
% Change	-7.4%	NA	NA	NA	NA	NA	NA	-7.4%
Year-to-date 2004	50	0	0	0	0	0	0	50
Year-to-date 2003	54	0	0	0	0	0	0	54
% Change	-7.4%	NA	NA	NA	NA	NA	NA	-7.4%

*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	Q1 2003	Q1 2004	% change
North Bay	3	2	-33.3%	0	0	NA	3	2	-33.3%
Sault Ste. Marie	4	4	0.0%	0	0	NA	4	4	0.0%
Timmins	6	0	-100.0%	0	0	NA	6	0	-100.0%
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	1	0	-100.0%	0	0	NA	1	0	-100.0%
Kenora	0	1	NA	0	0	NA	0	1	NA
Fort Frances	6	0	-100.0%	4	0	-100.0%	10	0	-100.0%
Dryden	2	0	-100.0%	0	0	NA	2	0	-100.0%

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	YTD 2003	YTD 2004	% change
North Bay	3	2	-33.3%	0	0	NA	3	2	-33.3%
Sault Ste. Marie	4	4	0.0%	0	0	NA	4	4	0.0%
Timmins	6	0	-100.0%	0	0	NA	6	0	-100.0%
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	1	0	-100.0%	0	0	NA	1	0	-100.0%
Kenora	0	1	NA	0	0	NA	0	1	NA
Fort Frances	6	0	-100.0%	4	0	-100.0%	10	0	-100.0%
Dryden	2	0	-100.0%	0	0	NA	2	0	-100.0%

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

Sub Market Area	Q1 2003	Q1 2004	%Change	YTD 2003	YTD 2004	% Change
Sudbury	\$210,000	\$193,960	-7.6%	\$210,000	\$193,960	-7.6%
Thunder Bay	\$194,896	\$212,000	8.8%	\$194,896	\$212,000	8.8%
North Bay	\$187,130	\$178,558	-4.6%	\$187,130	\$178,558	-4.6%
Sault Ste. Marie	\$221,215	\$188,181	-14.9%	\$221,215	\$188,181	-14.9%

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

AREA	PRICE RANGES						
	<\$149,999		\$150 - \$199,999		\$200,000 +		TOTAL
	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Sudbury CMA							
Q1 2004	14	28.0%	20	40.0%	16	32.0%	50
Q1 2003	9	16.7%	24	44.4%	21	38.9%	54
YTD 2004	14	28.0%	20	40.0%	16	32.0%	50
YTD 2003	9	16.7%	24	44.4%	21	38.9%	54
Thunder Bay CMA							
Q1 2004	5	11.1%	13	28.9%	27	60.0%	45
Q1 2003	3	6.3%	23	47.9%	22	45.8%	48
YTD 2004	5	11.1%	13	28.9%	27	60.0%	45
YTD 2003	3	6.3%	23	47.9%	22	45.8%	48
Sault Ste. Marie CA							
Q1 2004	26	25.7%	34	33.7%	41	40.6%	101
Q1 2003	2	15.4%	7	53.8%	4	30.8%	13
YTD 2004	26	25.7%	34	33.7%	41	40.6%	101
YTD 2003	2	15.4%	7	53.8%	4	30.8%	13
North Bay CA							
Q1 2004	10	38.5%	9	34.6%	7	26.9%	26
Q1 2003	6	26.1%	9	39.1%	8	34.8%	23
YTD 2004	10	38.5%	9	34.6%	7	26.9%	26
YTD 2003	6	26.1%	9	39.1%	8	34.8%	23

Source: CMHC

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

Table 5: Resale Housing Activity for Northern Ontario

	Number of Sales	Yr/Yr %	Number of New Listings	Sales-to-New Listings	Average Price (\$)	Yr/Yr %
Thunder Bay CMA						
Q1 2003	346	13.4%	670	51.6	\$103,659	-2.7%
Q1 2004	318	-8.1%	571	55.7	\$103,199	-0.4%
YTD 2003	346	13.4%	670		\$103,659	-2.7%
YTD 2004	318	-8.1%	571		\$103,199	-0.4%
Sudbury CMA						
Q1 2003	473	4.0%	925	51.1	\$113,985	-1.2%
Q1 2004	515	8.9%	1,002	51.4	\$116,516	2.2%
YTD 2003	473	4.0%	925		\$113,985	1.5%
YTD 2004	515	8.9%	1,002		\$116,516	2.2%
Sault Ste Marie CA						
Q1 2003	181	-9.5%	453	40.0	\$90,284	-1.4%
Q1 2004	182	0.6%	409	44.5	\$90,009	-0.3%
YTD 2003	181	-9.5%	453		\$90,284	-1.4%
YTD 2004	182	0.6%	409		\$90,009	-0.3%
North Bay CA						
Q1 2003	215	-11.9%	446	48.2	\$129,561	12.3%
Q1 2004	274	27.4%	439	62.4	\$125,191	-3.4%
YTD 2003	215	-11.9%	446		\$129,561	12.3%
YTD 2004	274	27.4%	439		\$125,191	-3.4%
Timmins CA						
Q1 2003	161	-5.3%	425	37.9	\$87,026	14.1%
Q1 2004	208	29.2%	479	43.4	\$82,077	-5.7%
YTD 2003	161	-5.3%	425		\$87,026	14.1%
YTD 2004	208	29.2%	479		\$82,077	-5.7%

Note: Thunder Bay figures taken from Subdistricts 1-32, a subset of the whole Board territory, representing the City proper.

Note: Timmins figures taken from Subdistricts 210,220,230,240,250 &270, a subset of the whole Board territory, representing the Timmins

Source: Canadian Real Estate Association

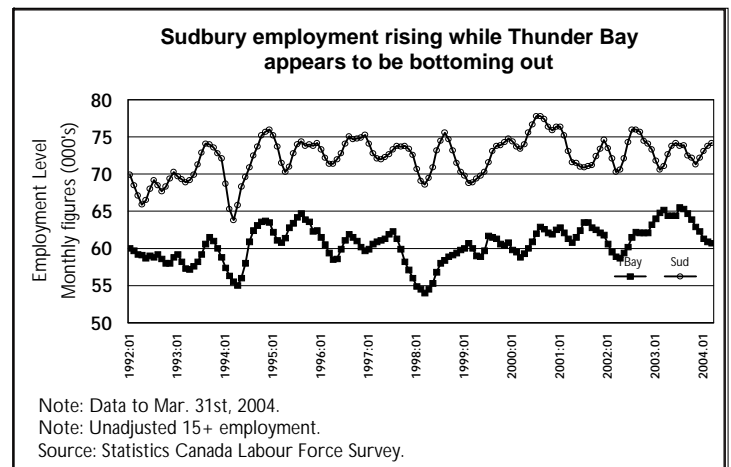
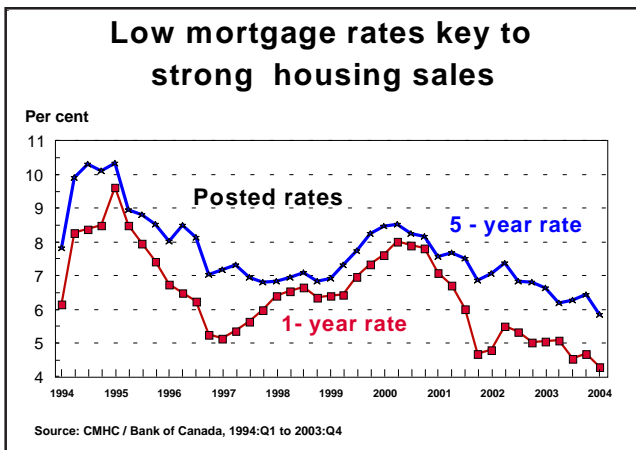
Table 6: Economic Indicators

	Interest and Exchange Rates				Inflation Rate	Thunder Bay Labour Market		Sudbury Labour Market	
	P & I* Per \$100,000	Mortgage Rate		Exch. Rate (\$US/\$Cdn)	Ontario 1996=100	Employment SA** (,000)	Unemployment Rate (%) SA	Employment SA** (,000)	Unemployment Rate (%) SA
		1 Yr. Term	5 Yr. Term						
2003 January	\$666.80	4.9%	6.5%	0.657	4.3%	64.2	5.9%	71.9	8.3%
February	\$675.90	4.9%	6.6%	0.674	4.4%	65.5	5.1%	71.7	8.3%
March	\$691.18	5.4%	6.9%	0.681	3.3%	66.2	5.2%	72.9	7.6%
April	\$678.94	5.4%	6.7%	0.698	2.3%	65.6	5.2%	74.1	7.6%
May	\$648.75	5.1%	6.2%	0.731	2.7%	65.1	5.7%	74.2	7.5%
June	\$627.97	4.9%	5.8%	0.742	2.5%	64.5	5.7%	73.5	7.9%
July	\$651.74	4.6%	6.2%	0.712	1.9%	64.5	5.7%	72.6	8.1%
August	\$660.76	4.6%	6.4%	0.722	1.7%	64.1	5.6%	72.4	8.5%
September	\$657.75	4.6%	6.3%	0.741	2.2%	63.9	5.6%	71.8	8.8%
October	\$663.77	4.6%	6.4%	0.758	1.7%	63.4	5.9%	71.8	8.9%
November	\$669.82	4.8%	6.5%	0.770	1.7%	62.8	6.3%	71.4	9.7%
December	\$666.80	4.8%	6.5%	0.771	3.0%	62.1	7.0%	72.0	9.9%
2004 January	\$642.78	4.3%	6.1%	0.755	1.5%	61.6	7.6%	73.3	9.6%
February	\$627.97	4.3%	5.8%	0.749	0.8%	61.6	8.1%	74.7	8.5%
March	\$622.08	4.3%	5.7%	0.763	1.1%	61.6	7.2%	75.6	7.8%
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

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, and Inflation Rate** can be found in the Statistics Canada website - <http://www.statcan.ca>

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