



# HOUSING NOW

Seaway-Valley Region

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

## Belleville and Cornwall off to strong start

Other centres show mixed results

### New Homes Market

#### Kingston

After a torrid start to the 2000 construction season, housing construction in Greater Kingston tailed off this first quarter with only 38 starts compared to 66 housing starts for the first quarter of 2000. The 38 starts were comprised of 34 singles and 4 semi-detached units. Having seen a

nine per cent increase in employment year-over-year in Economic Region 515, which includes Kingston, a good year ahead is anticipated in the local new construction market, despite the slower first quarter activity. There were 659 starts in 2000. CMHC is forecasting 675 in 2001.

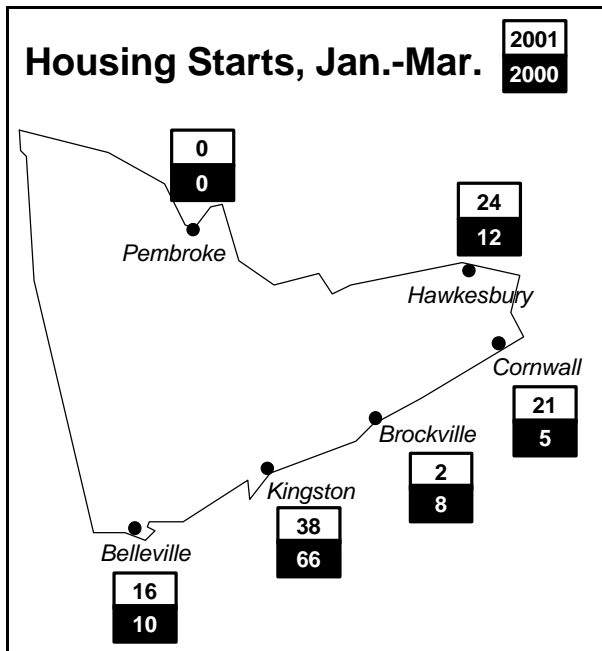
Move-up buyers will maintain their strong market presence in 2001 demanding larger and pricier homes especially given good affordability brought on by lower mortgage rates. Up-beat employment conditions as evidenced by a strong increase in the labour force are encouraging signs albeit in the short term it has meant a higher unemployment rate. Kingston should fare well in 2001 economically thereby advancing the new and resale market.

The City of Kingston absorbed essentially all of the new construction, with the 4

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FIRST quarter 2001

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semi-detached units and 27 of the singles. The Township of South Frontenac was responsible for 5 singles, with the remaining 2 found in Loyalist Township.

*continued next page*



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HOME TO CANADIANS  
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## Belleville

Belleville's new construction market is modestly ahead so far in 2001 with 16 starts, up from 10 at this time last year. Thirteen singles and three row condos comprise the activity thus far in 2001. The 16 units are below the 22 unit average for the first quarter of the year dating back to 1990.

The City of Belleville accounted for 11 of the new starts, with 8 singles and 3 condominium row units. This represents a small increase from the 9 singles from the first quarter of 2000. Quinte West recorded 5 new singles in the first three months of 2001, up from the one single detached in the same period last year.

## Cornwall

Sixteen apartment condominium units got started in the first quarter in Cornwall CA leading to a significant jump from 2000 levels. The 16 units went along with five single-detached starts for a total of 21 this year to

March 31st. There were five single starts for all of 2000's first three months.

The early part of the 1990's saw substantial first quarter construction whereas since 1994, starts have really tailed off. Consequently, starts activity was 9 units below the 11 year average for first quarters dating back to 1990.

In regard to location, South Stormont was home to four of the new singles, with the remaining single and apartment units concentrated in Cornwall City.

## Brockville

New home construction was scarce in the first quarter in Brockville. There were two housing starts, six less than the eight housing starts in the Brockville area between January and March 2000. The two starts were well below the 16 unit average for the period 1990-2000. If the 91 units started in 1992's first quarter were taken out of the equation, comparisons to the average would

look more favourable for this year's first quarter.

## Pembroke

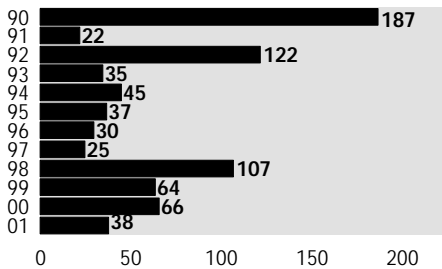
For the third consecutive quarter, there was no construction to report in the Pembroke area. This is not an uncommon phenomenon for this market.

## Hawkesbury

The Hawkesbury market has seen its share of new rental construction in recent years and the first quarter of 2001 was no exception. Twenty-four rental units were started in the first quarter, up from 12 last year. In both years, the only residential construction taking place were rentals. Since the beginning of 1998, 180 apartment units have been started in this city of 10,000. ❖

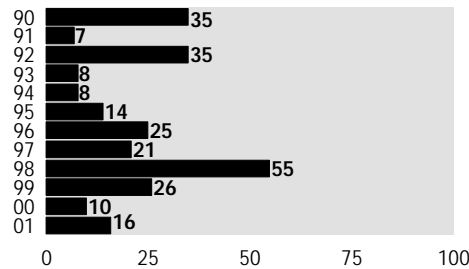
### Kingston: Multiples slip

First quarter housing starts, 1990-2001



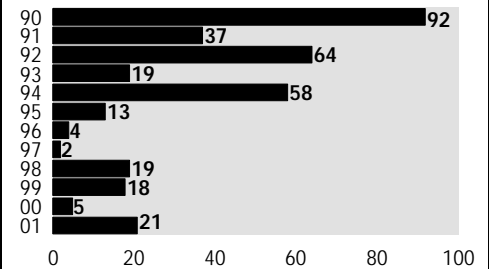
### Belleville: Starts up strongly

First quarter housing starts, 1990-2001



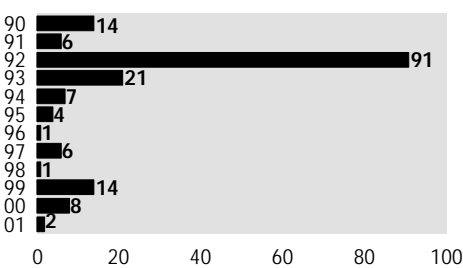
### Cornwall: Condo causes jump

First quarter housing starts, 1990-2001



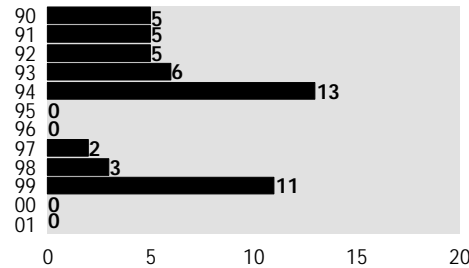
### Brockville: Starts lower this year

First quarter housing starts, 1990-2001



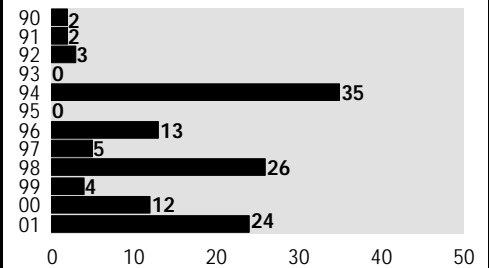
### Pembroke: More donuts in the 1st

First quarter housing starts, 1990-2001



### Hawkesbury: More rentals

First quarter housing starts, 1990-2001

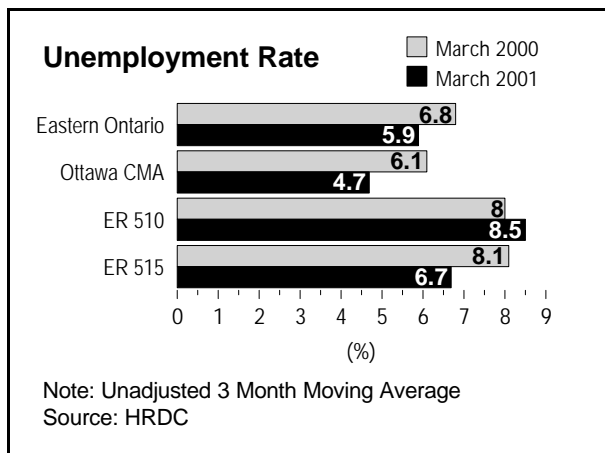


## Table 1: Starts by Municipality

| MUNICIPALITY                         | OWNERSHIP |               |        |                 |     | RENTAL PRIVATE |     | GRAND TOTAL |
|--------------------------------------|-----------|---------------|--------|-----------------|-----|----------------|-----|-------------|
|                                      | SINGLE    | FREEHOLD SEMI | ROW    | CONDOMINIUM ROW | APT | ROW            | APT |             |
| <b>KINGSTON CA</b>                   |           |               |        |                 |     |                |     |             |
| 1 Q 2001                             | 34        | 4             | 0      | 0               | 0   | 0              | 0   | 38          |
| 1 Q 2000                             | 52        | 8             | 6      | 0               | 0   | 0              | 0   | 66          |
| % change                             | - 34.6    | -50.0         | -100.0 | -               | -   | -              | -   | -42.4       |
| 1 Q 1999                             | 32        | 8             | 6      | 0               | 0   | 0              | 18  | 64          |
| 1 Q 1998                             | 23        | 8             | 4      | 0               | 0   | 0              | 0   | 35          |
| <b>City of Kingston</b>              |           |               |        |                 |     |                |     |             |
| 1 Q 2001                             | 27        | 4             | 0      | 0               | 0   | 0              | 0   | 31          |
| 1 Q 2000                             | 38        | 8             | 6      | 0               | 0   | 0              | 0   | 52          |
| % change                             | - 28.9    | - 50.0        | -100.0 | -               | -   | -              | -   | -40.4       |
| 1 Q 1999                             | 26        | 6             | 6      | 0               | 0   | 0              | 18  | 56          |
| 1 Q 1998                             | 26        | 6             | 0      | 0               | 0   | 0              | 0   | 32          |
| <b>Township of South Frontenac</b>   |           |               |        |                 |     |                |     |             |
| 1 Q 2001                             | 5         | 0             | 0      | 0               | 0   | 0              | 0   | 5           |
| 1 Q 2000                             | 7         | 0             | 0      | 0               | 0   | 0              | 0   | 7           |
| % change                             | - 28.6    | -             | -      | -               | -   | -              | -   | -28.6       |
| 1 Q 1999                             | 5         | 2             | 0      | 0               | 0   | 0              | 0   | 7           |
| 1 Q 1998                             | 7         | 0             | 0      | 0               | 0   | 0              | 0   | 7           |
| <b>Loyalist Township</b>             |           |               |        |                 |     |                |     |             |
| 1 Q 2001                             | 2         | 0             | 0      | 0               | 0   | 0              | 0   | 2           |
| 1 Q 2000                             | 6         | 0             | 0      | 0               | 0   | 0              | 0   | 6           |
| % change                             | - 66.7    | -             | -      | -               | -   | -              | -   | - 66.7      |
| 1 Q 1999                             | 1         | 0             | 0      | 0               | 0   | 0              | 0   | 1           |
| 1 Q 1998                             | 6         | 0             | 0      | 0               | 0   | 0              | 0   | 6           |
| <b>Township of Frontenac Islands</b> |           |               |        |                 |     |                |     |             |
| 1 Q 2001                             | 0         | 0             | 0      | 0               | 0   | 0              | 0   | 0           |
| 1 Q 2000                             | 1         | 0             | 0      | 0               | 0   | 0              | 0   | 1           |
| % change                             | -100.0    | -             | -      | -               | -   | -              | -   | -100.0      |
| 1 Q 1999                             | 1         | 0             | 0      | 0               | 0   | 0              | 0   | 1           |
| 1 Q 1998                             | 1         | 0             | 0      | 0               | 0   | 0              | 0   | 1           |
| <b>BELLEVILLE CA</b>                 |           |               |        |                 |     |                |     |             |
| 1 Q 2001                             | 13        | 0             | 0      | 3               | 0   | 0              | 0   | 16          |
| 1 Q 2000                             | 10        | 0             | 0      | 0               | 0   | 0              | 0   | 10          |
| % change                             | + 30.0    | -             | -      | -               | -   | -              | -   | + 60.0      |
| 1 Q 1999                             | 24        | 2             | 0      | 0               | 0   | 0              | 0   | 26          |
| 1 Q 1998                             | 26        | 0             | 0      | 0               | 0   | 0              | 0   | 26          |
| <b>City of Belleville</b>            |           |               |        |                 |     |                |     |             |
| 1 Q 2001                             | 8         | 0             | 0      | 3               | 0   | 0              | 0   | 11          |
| 1 Q 2000                             | 9         | 0             | 0      | 0               | 0   | 0              | 0   | 9           |
| % change                             | - 11.1    | -             | -      | -               | -   | -              | -   | + 22.2      |
| 1 Q 1999                             | 14        | 0             | 0      | 0               | 0   | 0              | 0   | 14          |
| 1 Q 1998                             | 9         | 0             | 0      | 0               | 0   | 0              | 0   | 9           |

# Table 1: Starts by Municipality

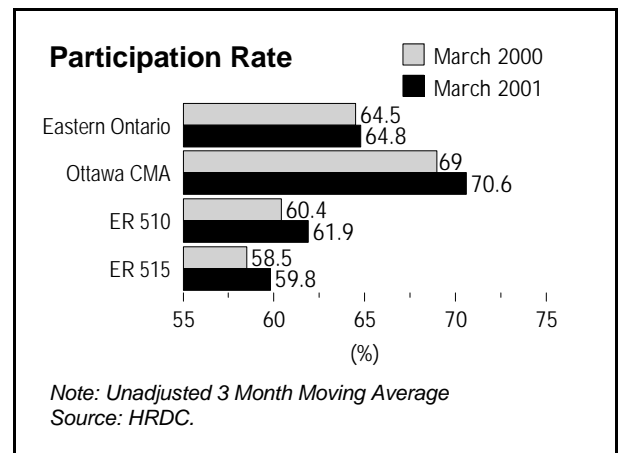
| MUNICIPALITY               | OWNERSHIP |               |     |                 |     | RENTAL PRIVATE |     | GRAND TOTAL |
|----------------------------|-----------|---------------|-----|-----------------|-----|----------------|-----|-------------|
|                            | SINGLE    | FREEHOLD SEMI | ROW | CONDOMINIUM ROW | APT | ROW            | APT |             |
| <b>City of Quinte West</b> |           |               |     |                 |     |                |     |             |
| 1 Q 2001                   | 5         | 0             | 0   | 0               | 0   | 0              | 0   | 5           |
| 1 Q 2000                   | 1         | 0             | 0   | 0               | 0   | 0              | 0   | 1           |
| % change                   | + 400.0   | -             | -   | -               | -   | -              | -   | + 400.0     |
| 1 Q 1999                   | 10        | 2             | 0   | 0               | 0   | 0              | 0   | 12          |
| 1 Q 1998                   | 1         | 0             | 0   | 0               | 0   | 0              | 0   | 1           |
| <b>CORNWALL CA</b>         |           |               |     |                 |     |                |     |             |
| 1 Q 2001                   | 5         | 0             | 0   | 0               | 16  | 0              | 0   | 21          |
| 1 Q 2000                   | 5         | 0             | 0   | 0               | 0   | 0              | 0   | 5           |
| % change                   | 0         | -             | -   | -               | -   | -              | -   | 320         |
| 1 Q 1999                   | 14        | 0             | 0   | 0               | 0   | 0              | 4   | 18          |
| 1 Q 1998                   | 14        | 2             | 0   | 0               | 0   | 0              | 8   | 24          |
| <b>BROCKVILLE CA</b>       |           |               |     |                 |     |                |     |             |
| 1 Q 2001                   | 2         | 0             | 0   | 0               | 0   | 0              | 0   | 2           |
| 1 Q 2000                   | 6         | 2             | 0   | 0               | 0   | 0              | 0   | 8           |
| % change                   | - 66.7    | -100.0        | -   | -               | -   | -              | -   | - 75.0      |
| 1 Q 1999                   | 1         | 2             | 11  | 0               | 0   | 0              | 0   | 14          |
| 1 Q 1998                   | 1         | 0             | 0   | 0               | 0   | 0              | 0   | 1           |
| <b>PEMBROKE CA</b>         |           |               |     |                 |     |                |     |             |
| 1 Q 2001                   | 0         | 0             | 0   | 0               | 0   | 0              | 0   | 0           |
| 1 Q 2000                   | 0         | 0             | 0   | 0               | 0   | 0              | 0   | 0           |
| % change                   | -         | -             | -   | -               | -   | -              | -   | -           |
| 1 Q 1999                   | 9         | 2             | 0   | 0               | 0   | 0              | 0   | 11          |
| 1 Q 1998                   | 3         | 0             | 0   | 0               | 0   | 0              | 0   | 3           |
| <b>HAWKESBURY CA</b>       |           |               |     |                 |     |                |     |             |
| 1 Q 2001                   | 0         | 0             | 0   | 0               | 0   | 0              | 24  | 24          |
| 1 Q 2000                   | 0         | 0             | 0   | 0               | 0   | 0              | 12  | 12          |
| % change                   | -         | -             | -   | -               | -   | -              | 100 | 100         |
| 1 Q 1999                   | 2         | 0             | 0   | 0               | 0   | 0              | 0   | 2           |
| 1 Q 1998                   | 0         | 0             | 0   | 0               | 0   | 0              | 0   | 0           |



### ECONOMIC SNAPSHOT

**ER 510** = Cornwall, Brockville, Hawkesbury (without Ottawa)

**ER 515** = Kingston, Quinte, Pembroke



**Table 2: Housing Supply and Demand, 1Q 2001**

|                       | UNDER CONSTRUCTION | COMPLETED & UNABSORBED | TOTAL SUPPLY | MONTHLY ABSORPTION (4-QTR. AVG.) | DURATION OF SUPPLY (MONTHS) |
|-----------------------|--------------------|------------------------|--------------|----------------------------------|-----------------------------|
| <b>Kingston CA</b>    |                    |                        |              |                                  |                             |
| SINGLES               | 98                 | 29                     | 127          | 40                               | 3.2                         |
| OTHER OWNERSHIP UNITS | 96                 | 27                     | 123          | 8                                | 15.4                        |
| RENTAL                | 8                  | 0                      | 100          | 8                                | 12.5                        |
| <b>Belleville CA</b>  |                    |                        |              |                                  |                             |
| SINGLES               | 68                 | 0                      | 68           | 39                               | 1.7                         |
| OTHER OWNERSHIP UNITS | 58                 | 2                      | 60           | 4                                | 15                          |
| RENTAL                | 14                 | 0                      | 14           | 0                                | -                           |
| <b>Cornwall CA</b>    |                    |                        |              |                                  |                             |
| SINGLES               | 16                 | 2                      | 18           | 28                               | 0.6                         |
| OTHER OWNERSHIP UNITS | 2                  | 2                      | 4            | 3                                | 1.3                         |
| RENTAL                | 4                  | 0                      | 4            | 1                                | 4                           |
| <b>Brockville CA</b>  |                    |                        |              |                                  |                             |
| SINGLES               | 20                 | 2                      | 22           | 9                                | 2.4                         |
| OTHER OWNERSHIP UNITS | 8                  | 0                      | 8            | 2                                | 4                           |
| RENTAL                | 0                  | 0                      | 0            | 0                                | -                           |
| <b>Pembroke CA</b>    |                    |                        |              |                                  |                             |
| SINGLES               | 4                  | 1                      | 5            | 3                                | 1.7                         |
| OTHER OWNERSHIP UNITS | 2                  | 0                      | 2            | 0                                | -                           |
| RENTAL                | 0                  | 6                      | 6            | 0                                | 6.0                         |
| <b>Hawkesbury CA</b>  |                    |                        |              |                                  |                             |
| SINGLES               | 0                  | 2                      | 2            | 1                                | 2                           |
| OTHER OWNERSHIP UNITS | 32                 | 5                      | 37           | 1                                | 37                          |
| RENTAL                | 44                 | 2                      | 46           | 4                                | 11.5                        |

Source: CMHC, Starts and Completions Survey

**Table 3: Average Prices of Absorbed Singles**

| CITY       | 1 Q 2001 | 1 Q 2000 | % chg. | 1 Q 1999 | 1 Q 1998 | 1 Q 1997 |
|------------|----------|----------|--------|----------|----------|----------|
| KINGSTON   | 159,586  | 148,810  | 7.2    | 152,597  | 140,000  | 152,043  |
| BELLEVILLE | 167,935  | 156,591  | 7.2    | 161,091  | 168,386  | 153,437  |
| CORNWALL   | 155,354  | 140,308  | 10.7   | 152,640  | 162,063  | 100,714  |

Source: CMHC

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| CITY/AREA  | SALES  | NEW LISTINGS | SALES TO NEW LISTINGS RATIO | AVERAGE PRICE |
|--|--------|--------------|-----------------------------|---------------|
| <b>Kingston</b> (Kingston and Area Real Estate Board)                  |        |              |                             |               |
| 1Q 2001  | 616    | 1,312        | 47.0                        | \$117,051     |
| 1Q 2000  | 586    | 1,357        | 43.0                        | \$128,810     |
| % change   | + 5.1  | -3.3         | + 8.7                       | - 9.1         |
| <b>Belleville</b> (Quinte and District Real Estate Board)              |        |              |                             |               |
| 1Q 2001  | 451    | 1192         | 38.0                        | \$106,844     |
| 1Q 2000  | 425    | 1124         | 38.0                        | \$106,750     |
| % change   | + 6.1  | + 6.0        | 0.0                         | 0.1           |
| <b>Cornwall / Hawkesbury</b> (Cornwall and District Real Estate Board) |        |              |                             |               |
| 1Q 2001  | 248    | 675          | 37.0                        | \$98,949      |
| 1Q 2000  | 208    | 651          | 32.0                        | \$91,639      |
| % change   | + 19.2 | + 3.7        | +15.0                       | + 8.0         |
| <b>Brockville</b> (Rideau-St. Lawrence Real Estate Board)              |        |              |                             |               |
| 1Q 2001  | 230    | 554          | 42.0                        | \$104,933     |
| 1Q 2000  | 198    | 604          | 33.0                        | \$108,525     |
| % change   | + 16.2 | - 8.3        | + 26.6                      | - 3.3         |
| <b>Pembroke</b> (Renfrew Real Estate Board)                            |        |              |                             |               |
| 1Q 2001  | 203    | 647          | 31.0                        | \$100,358     |
| 1Q 2000  | 206    | 661          | 31.0                        | \$100,921     |
| % change   | - 1.5  | - 2.1        | + 0.7                       | - 0.6         |

Source Area Real Estate Boards, CMHC.

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# Resale Market

## Kingston

Some mixed signals in the Kingston resale market thus far in 2001. While sales rose 5.1 per cent, average prices fell 9.1 per cent this quarter compared to 2000 Q1. This price decline will be partially explained below.

CMHC's forecast of gradual declines in listings has so far been realized with active listings easing 3.3 per cent compared to the first quarter 2000. So despite the increase in the sales to new listings ratio, prices have not increased as yet but increases should not be far ahead if the recent trend continues.

After recording 2,838 sales in the Kingston and Area Real Estate Board territory last year, CMHC is forecasting 2,980 this year. Whereas sales have been proceeding well enough to meet that forecast, prices will have to escalate to meet the strong growth anticipated for this year.

The sales-to-new listings ratio remains just under the "sellers market" threshold, although average prices fell almost 10 per cent. However, this is due to an unusually low average price

recorded for February, and with this month removed average prices actually rose 2 per cent in the first quarter. Given these strong, stable conditions, a continued "balanced" designation is assigned to the Kingston MLS market, with further improvements forecast.

## Belleville

The year started with the highest number of first quarter sales on record for the Belleville-Quinte area, but both sales and new listings climbed by 6 per cent compared to 2000, resulting in no net change to the sales-to-new listings ratio. The first quarter is historically quite soft in Belleville, and seasonally adjusted figures indicate modest improvements in sales and prices. A solid "balanced" market is forecast for 2001.

## Cornwall-Hawkesbury

First quarter sales in the Cornwall/Hawkesbury area climbed by 19 per cent compared to the same period last year, while listings rose by a more modest 4 per cent. This translated into both a higher sales-to-new listings ratio and substantial 8 per cent jump in average prices, with prices from the first three months of 2001 being the highest of any quarter on record. Except for the seasonally weaker first quarters, the

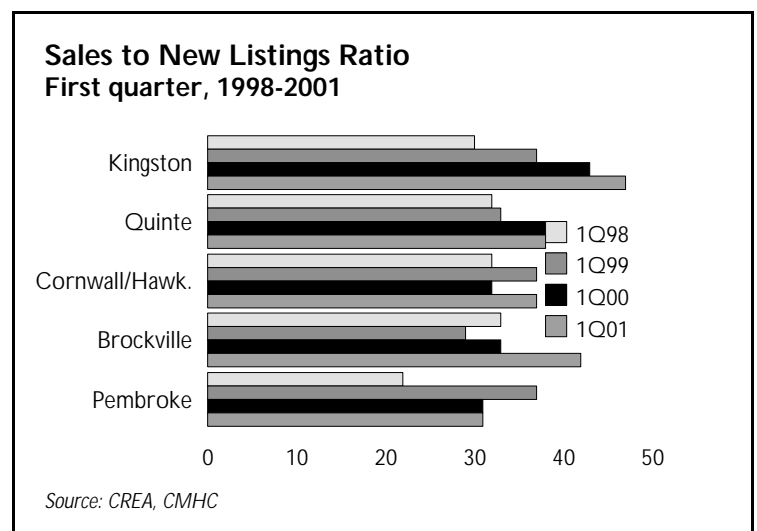
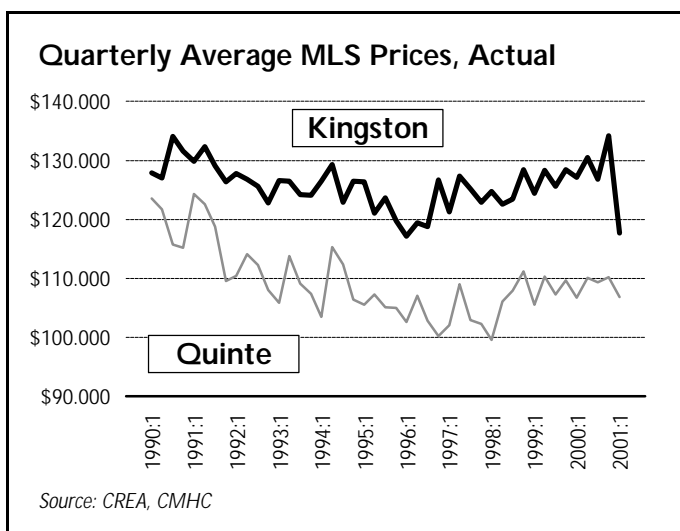
sales-to-new listings ratio has consistently been above the 0.50 threshold since 1999, but relatively stagnant prices indicate a continued "balanced market" classification.

## Brockville

The MLS market in Brockville continues to experience higher sales amidst a lower volume of new listings, but prices have remained relatively flat and actually declined 3 per cent from the first quarter of last year. The 16 per cent rise in sales and 8 per cent drop in listings from the first three months of 2000 resulted in a substantial increase in the sales-to-new listings ratio. Average prices have lingered between \$100,000 and \$110,000 for the past eight years, and continue to fluctuate despite a general strengthening of the market. Conditions will remain "balanced" throughout the year.

## Pembroke

The MLS market in Pembroke remained remarkably static in the first quarter of 2001. Sales and listings both dropped modestly by 2 per cent, producing no real change in the sales-to-new listings ratio and a negligible 0.6 per cent drop in average prices. Average prices have been volatile throughout the past ten years, but the number of sales has held steady, and a steady "balanced market" is forecast for 2001. ❖



# WHAT'S INCLUDED WITHIN CA BORDERS?

The following municipalities are included in the Census Agglomerations covered by this report:

**Kingston CA:** City of Kingston, Township of South Frontenac, Loyalist Township, Township of Frontenac Islands

**Belleville CA:** City of Belleville, City of Quinte West

**Cornwall CA:** City of Cornwall, Township of South Glengarry, Township of South Stormont

**Brockville CA:** City of Brockville, Township of Elizabethtown, Township of Augusta, Township of Front of Yonge, Township of Rear of Yonge and Escott, Village of Athens

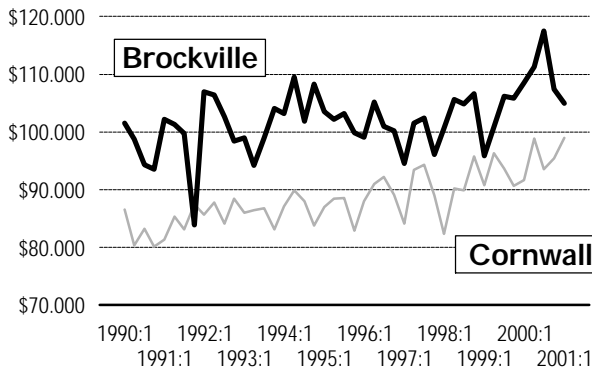
**Pembroke CA:** City of Pembroke, Township of Stafford and Pembroke, Township of Alice and Fraser

**Hawkesbury CA:** Town of Hawkesbury

Housing starts for other Eastern Ontario municipalities which are not part of the above C.A.'s may also be available and can be obtained through a custom order. Please call (613) 748-5120 for details.

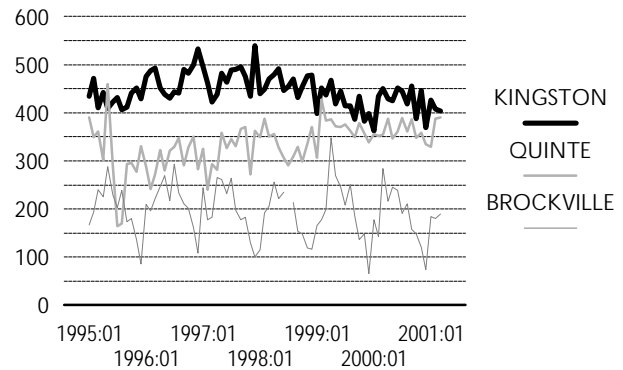
## Resale Market

### Average Quarterly MLS Price, Actual



Source: CREA, CMHC

### Monthly New Listings, 1995-2001



Source: CREA, CMHC

# Definitions

Refer to the following definitions when interpreting the tables in this report.

**HOUSING START** refers to a dwelling unit where construction has advanced to a state where full (100%) footings are in place. In the case of multiple unit structures, this definition of a start applies to the entire structure.

**UNDER CONSTRUCTION** refers to the inventory of units currently being constructed. Under construction figures include current month starts and exclude current month completions.

## COMPLETION

*For single-detached and semi-detached dwellings:* implies that 90% or more of the structure has been completed. A structure may be considered to be complete and ready for occupancy when only seasonal deficiencies and/or minor infractions to building codes remain.  
*Row and apartments:* implies that 90% or more of the dwelling units within a structure are completed and ready for occupancy.

## COMPLETED AND NOT ABSORBED

refers to newly constructed, completed units which have not been sold or rented.

**TOTAL SUPPLY** refers to the total supply of new units and includes pending starts, units under construction and units that are completed but not absorbed.

**ABSORPTIONS** refer to newly completed units which have been sold or rented. The number of absorptions is obtained from a survey initiated when the structure is completed. Units sold or leased prior to construction are not considered as absorbed until the completion stage.

**PENDING START** refers to a dwelling unit where a building permit and/or National Housing Act (NHA) approval exists but construction has not started.

NHA 2169

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# FORECAST

Seaway/  
Valley Region

## SUMMARY

### New Homes Market

#### Kingston

A strong local economy coupled with an increasing number of move-up buyers will ensure that demand for new homes in the Greater Kingston Area remains strong over the next 12-18 months.

Residential housing starts are forecast to rise marginally in 2001 and are expected to reach 675 by year end, representing a small increase over 2000. New single family dwellings will continue to capture the lion's share of new construction activity, accounting for 575 of all new homes built in the Kingston CA. As expected, new construction will be most heavily concentrated within the City of Kingston, however the township of South

Frontenac will experience continued growth.

With Kingston's private apartment vacancy rate currently pegged 1.8 percent, demand for new multiple units is expected to remain strong, and as such, a total of 100 new units will be added to the market during 2001.

#### Belleville

After posting a 10.5 percent decrease in new residential construction activity during 2000, Belleville is once again poised to record a decrease in total housing starts during 2001, albeit a more modest 6.6 percent decrease. By the close of this year, a total of 255 new homes are expected to be added to the market, down slightly from 273 recorded during 2000. Similar to other communities in the seaway corridor, single family dwellings will capture most of the dollars spent on new construction, accounting for all but 35 starts.

With the private apartment vacancy rate currently sitting at 4.9 percent, Belleville's rental market is considered to be slightly oversupplied, and as such new construction in the multiples market is expected to maintain levels posted in the past three years.

spring 2001

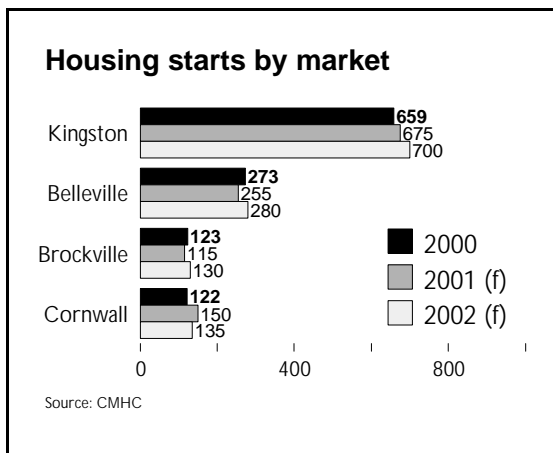
#### IN THIS ISSUE

- 1 **New Homes Market**
- 2 **Resale Market**
- 3 **Mortgage Rates Outlook**
- 4 **Forecast Summary**

#### Cornwall

Cornwall's new residential construction market is once again poised to record an increase in building activity during 2001, and is expected to close out the year with a total of 150 new residential units, a 22 percent increase from 2000. Similar to last year, South Glengarry is expected to capture most the new construction, with the City of Cornwall a close second.

Multiple unit construction will maintain levels posted during 2000, and will close



HOME TO CANADIANS  
Canada

out both this year and next with approximately 35 new units.

## Brockville

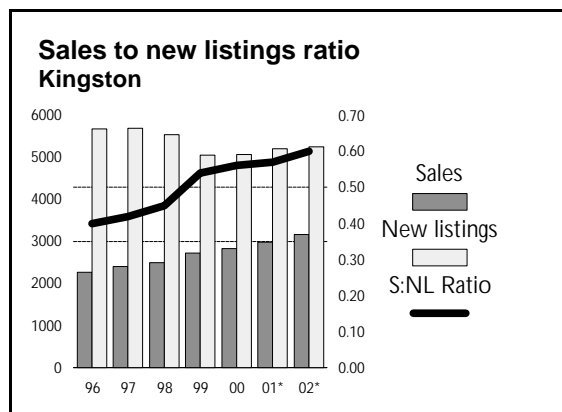
After registering a considerable jump in 1999, Brockville's new residential construction market slipped somewhat during 2000, and is expected to continue on this path into 2001. By year end, a total of 115 new residential units will be added to the market, representing a -6.5 percent change from 2000.

By 2002, Brockville will once again experience an increase in overall construction volumes, with starts expected to increase marginally to 130 units. ❖

# Resale Market

## Kingston

With a total of 2,980 homes expected to change hands in the Greater Kingston Area during 2001, sales volumes are on track to surpass last year's totals by nearly 5 percent, and the resale market is poised to record it's sixth consecutive year of rising sales volumes. With current economic conditions expected



to persist during the foreseeable future, this overall upward trend will continue over the next 12-18 months, and total sales are expected to surpass the 3,000 mark by the end of 2002.

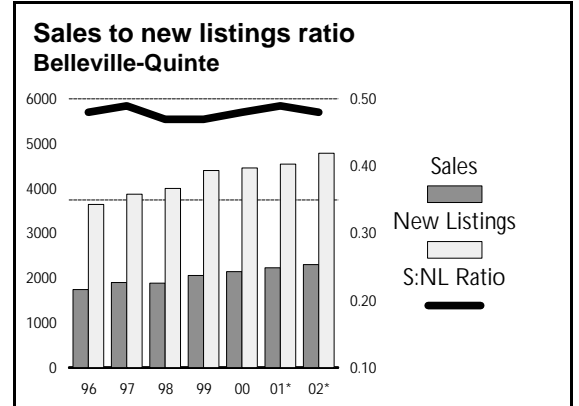
During 2000, Central Kingston captured the largest number of sales within the Greater Kingston Area with 285 homes changing hands, followed closely by City North with 274 sales. This distribution of sales activity will continue in 2001, with the majority of sales occurring in areas of highest population density.

The increasing presence of move-up buyers will ensure that price growth remains healthy, with the average home expected to sell for \$133,390 over the course of this year, and rising once again in 2002 to \$137,525

## Belleville

Resales are expected to grow by 4.1 percent in 2001, followed by 3.1 percent gain in 2002. Like the Kingston market, this growth can largely be attributed to the increasing presence of move-up buyers.

Despite an increase in overall sales volumes, the sales-to-listings ratio is expected to remain at approximately 0.45 throughout the remainder of this year and into next. As such, upward pressure on average selling price will be kept to a minimum, and price growth is expected to remain close to inflation levels. Average selling price is expected to top the \$110,000 mark by the end of 2001, and will rise only marginally in 2002.



## Cornwall / Hawkesbury

Unlike other markets in the Seaway region, the Cornwall / Hawkesbury resale market will record a slight decline in sales volumes in 2001, with a total of 1,165 homes expected to change hands by the end of this year.

Given this year's overall decline in sales volumes, average selling price will rise only marginally in 2001, with the average home selling for \$96,780 in 2001, up from \$95,235 in 2000

## Brockville

With a total of 1,150 homes expected to change hands by the end of 2001, Brockville's resale market is poised for another year of strong growth. Like the Kingston market, market growth will be fuelled by the strong presence of move-up buyers, which will in turn provide upward pressure on average selling price. By the close of 2001, the average price of a home sold in Brockville will reach \$114,200 - a 2.2 percent increase over 2000.

On the supply side, the sales-to-listings ratio is expected to hover in the .40 to .45 range giving potential homebuyers

## MORTGAGE RATES OUTLOOK

### Don't Expect Higher Interest Rates in 2001

Waning consumer confidence, equity market volatility, heightened financial risks, continued weakness in the manufacturing sector, and moderate inflation rates point to lower interest rates in the U.S. this year. Close ties between our economy and that of the U.S. will help usher lower interest and mortgage rates in Canada in 2001. However, the timing and magnitude of rate cuts in Canada are expected to be more moderate given better economic conditions at home.

The outlook for mortgage rates is favourable with the one, three and five-year mortgage rates in the 6.25-7.25, 6.50-7.50, and 6.75-7.75 per cent range respectively. Mortgage rate discounts ranging from 0.5 to 1.5 percentage point will remain an important competitive instrument over the forecast horizon.

There are risks to the forecast. Mortgage rates could move lower if the manufacturing sector weakens further, labour market and consumer spending weakness intensify, proposed tax cuts prove insufficient to strengthen domestic demand, or new sources of financial stress emerge in the U.S. and Canada. On the other hand, interest and mortgage rates could fall less than our base scenario if the Canadian dollar faces severe downward pressure, consumer prices escalate fast, or the economy regains too much momentum later this year and next.

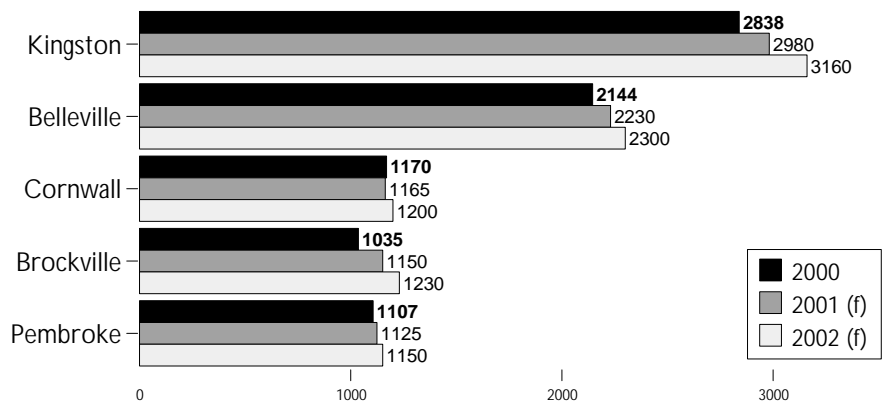
adequate choice when shopping for a new home.

## Pembroke

The capital of Renfrew County is expected to post moderate growth during 2001, and should record a total of 1,125 sales by the end of the year, up from 1,107 during 2000. Since sales volumes rose at the same rate as new listings, the sales-to-new listings ratio maintained last year's level of 0.50, and should maintain this level throughout the remainder of this year, and into 2002.

Reflecting the stability of the market, average selling price will rise only marginally in 2001, and should close out the year at approximately \$96,050, a 0.2 percent increase over 2000. This trend will continue into 2002, with prices expected to rise by 0.5 percent to \$96,500. ❖

### Resales by Market



## RETIREMENT HOME REPORT

Do you want to learn more about the dynamic Retirement Home Market in Ontario? If that's the case, one of the tools that you need in order to succeed is certainly the Retirement Home Report. This CMHC Market Analysis product will give you a comprehensive look at this specialized market.

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# FORECAST SUMMARY

## Seaway Region

| NEW HOMES MARKET                    |            | 2000   | 2001(f) | % chg. | 2002 (f) | % chg. |
|-------------------------------------|------------|--------|---------|--------|----------|--------|
| <b>Housing Starts</b>               | Kingston   | 659    | 675     | 2.4%   | 700      | 3.7%   |
|                                     | Belleville | 273    | 255     | -6.6%  | 280      | 9.8%   |
|                                     | Cornwall   | 122    | 150     | 23.0%  | 135      | -10.0% |
|                                     | Brockville | 123    | 115     | -6.5%  | 130      | 13.0%  |
|                                     | Pembroke   | 29     | 35      | 20.7%  | 40       | 14.3%  |
|                                     | Hawkesbury | 33     | 40      | 21.2%  | 50       | 25.0%  |
| <b>Single Detached Starts</b>       | Kingston   | 500    | 575     | 15.0%  | 625      | 8.7%   |
|                                     | Belleville | 234    | 220     | -6.0%  | 245      | 11.4%  |
|                                     | Cornwall   | 120    | 125     | 4.2%   | 105      | -16.0% |
|                                     | Brockville | 109    | 95      | -12.8% | 105      | 10.5%  |
|                                     | Pembroke   | 27     | 31      | 14.8%  | 35       | 12.9%  |
|                                     | Hawkesbury | 11     | 15      | 36.4%  | 15       | 0.0%   |
| <b>Average Detached House Price</b> | Kingston   | 153800 | 164500  | 7.0%   | 167250   | 1.7%   |
|                                     | Belleville | 166617 | 168000  | 0.8%   | 169575   | 0.9%   |
|                                     | Cornwall   | 162554 | 167675  | 3.2%   | 169200   | 0.9%   |

## RESALE MARKET

|                                |                     |        |        |       |        |      |
|--------------------------------|---------------------|--------|--------|-------|--------|------|
| <b>MLS Sales (Residential)</b> | Kingston            | 2838   | 2980   | 5.0%  | 3160   | 6.0% |
|                                | Belleville          | 2144   | 2230   | 4.0%  | 2300   | 3.1% |
|                                | Cornwall/Hawkesbury | 1170   | 1165   | -0.4% | 1200   | 3.0% |
|                                | Brockville          | 1035   | 1150   | 11.1% | 1230   | 7.0% |
|                                | Pembroke            | 1107   | 1125   | 1.6%  | 1150   | 2.2% |
| <b>MLS Average Price</b>       | Kingston            | 129639 | 133390 | 2.9%  | 137525 | 3.1% |
|                                | Belleville          | 109279 | 110125 | 0.8%  | 110680 | 0.5% |
|                                | Cornwall/Hawkesbury | 95235  | 96780  | 1.6%  | 98475  | 1.8% |
|                                | Brockville          | 111758 | 114200 | 2.2%  | 115965 | 1.5% |
|                                | Pembroke            | 95856  | 96050  | 0.2%  | 96500  | 0.5% |

## RENTAL MARKET

|                                      |            |     |     |  |     |  |
|--------------------------------------|------------|-----|-----|--|-----|--|
| <b>Rental Vacancy Rate (October)</b> | Kingston   | 1.8 | 1.5 |  | 1.6 |  |
|                                      | Belleville | 4.9 | 4.6 |  | 4.4 |  |
|                                      | Cornwall   | 7.9 | 7.5 |  | 7.5 |  |
|                                      | Brockville | 5.9 | 5.1 |  | 4.8 |  |

## MORTGAGE OUTLOOK

|                       |        |     |     |  |     |  |
|-----------------------|--------|-----|-----|--|-----|--|
| <b>Mortgage Rates</b> | 1 year | 7.8 | 6.7 |  | 6.7 |  |
|                       | 5 year | 8.3 | 7.3 |  | 7.0 |  |

All resale information applies to residential MLS sales as provided by local Real Estate Boards.

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