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Canada Mortgage and Housing Corporation

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New Homes

Single-detached starts buoyed by strong resale market

A resurgent late-spring resale market and persistently low long-term mortgage rates resulted in a high level of demand for new housing in the third quarter of 2005. In the London metro region, there were 603 single-detached new homes started from July to September, only 13.9 per cent down from 2004's record level and well above the 469 home average for the previous four years of this decade.

Townhouse starts eased in the third quarter after a quick start to the year. Activity was concentrated in further

blocks in already ongoing townhouse projects. In the third quarter, 87 townhouse units were started, down from 116 units in 2004.

Rental apartment construction paused in the third quarter after a fast start to 2005. No units started from July to September, compared to 12 units a year earlier. However, this stoppage will prove temporary as several projects are planned for later this year and into early 2006. The lack of apartment starts together with slower townhouse units have resulted in a sharp 32.2 per cent drop in total multiple home construction, which totalled just 99 units in the third quarter in the

ISSUE 28 THIRD QUARTER 2005

IN THIS ISSUE

New Homes

- 1 Singles-detached starts strong
- 2 Location map: single starts
- 3 Stages of construction
- 4 Single starts and prices by municipality
- 5 Single-detached new home sales by price range

Resale Market

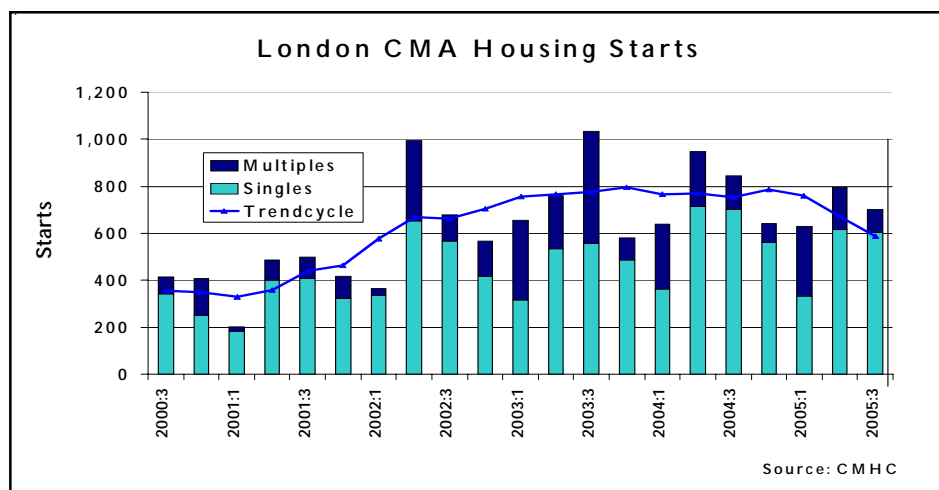
- 6 Hot summer for MLS sales

Economic Indicators

- 7 Employment steady

London metro area. Overall total third quarter starts in the London metro area fell a more modest 17% to 702 units.

With potential new home buyers benefitting from rising prices in the resale market, the average sale price for completed and sold singles in the London CMA jumped 13.7 per cent from 2004:Q3 to 2005:Q3, passing the \$275,000 mark for the first time. Over a quarter of all single-family homes sold in the London metro area from July to September were priced at \$300,000 or more, an increase from only 17% in this price range a year earlier.



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WHERE'S THE HAMMERING BY SUB-MARKET

London metro's 2005:Q3 single-detached starts

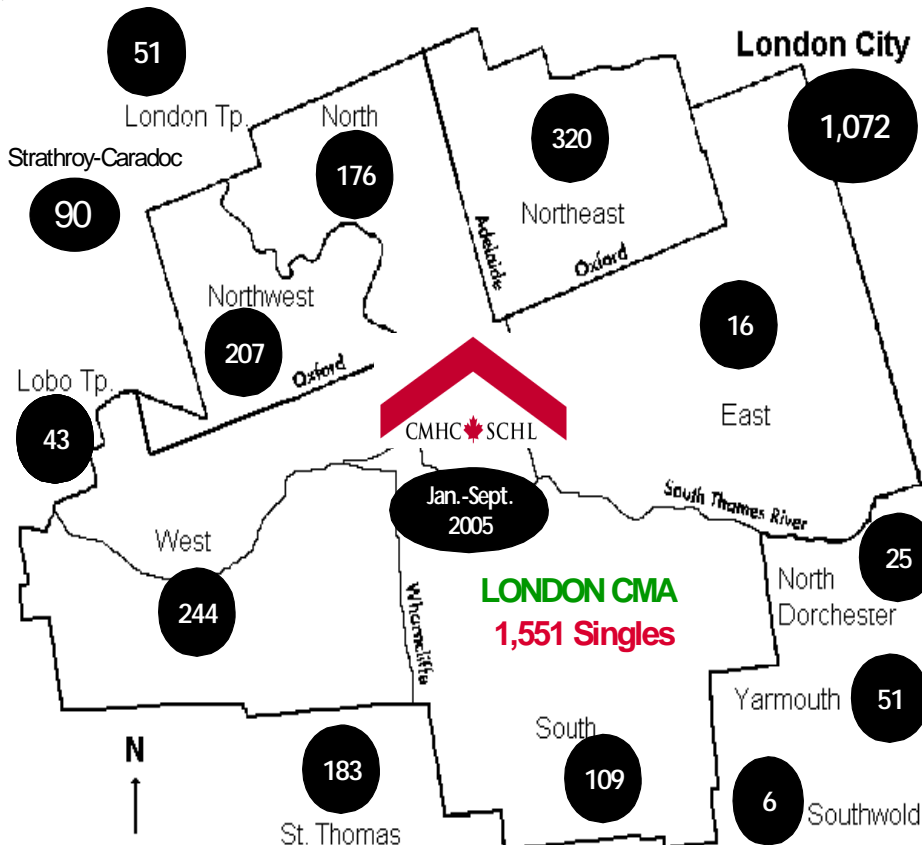
69.1 per cent or 1,072 of the 1,551 single starts were in London and 11.8 per cent in St. Thomas (183 units). Not shown on the map are 18 units started in Port Stanley, 3 units in Delaware, 1 unit in Belmont and 8 units in West Nissouri.

MLS Sales have hottest summer ever

MLS home sales in the London & St. Thomas Real Estate area reached their highest third quarter level in history, fuelled by historically low five-year interest rates. Third quarter sales hit a new peak at 2,496 sales.

The strong level of sales soaked up most of the increase in new listings which emerged during the second quarter. As a result the London market, which had flirted with a return to a balanced state, headed firmly back into sellers territory. The seasonally-adjusted sales to new listings ratio moved steadily higher through the third quarter, ending at 67.3 per cent in September compared to 62.5 per cent a year earlier.

With competition for desirable listings heating up, the pace of price growth also picked up during the quarter. The average price for a resale home in the LSTREB area between July and September was \$180,649, a 6.5 per cent increase from the same period in 2004. However, by September that average price had risen to \$184,672, up 8.3 per cent on a year-over-year basis.



Source: CMHC

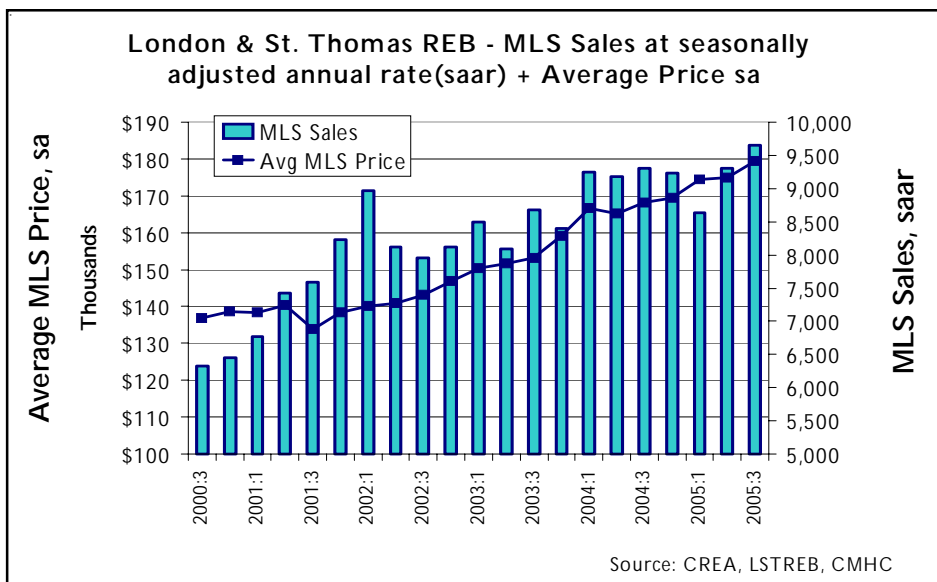


Table 1: Housing Activity Summary for London CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q3 2005	603	12	0	82	0	5	0	702
Q3 2004	700	18	12	85	0	19	12	846
% Change	-13.9	-33.3	-100.0	-3.5	NA	-73.7	-100.0	-17.0
Year-to-date 2005	1,551	24	0	219	0	44	289	2,127
Year-to-date 2004	1,776	20	12	150	80	67	331	2,436
% Change	-12.7	20.0	-100.0	46.0	-100.0	-34.3	-12.7	-12.7
UNDER CONSTRUCTION								
September 2005	698	30	6	191	80	17	425	1,447
September 2004	829	18	12	167	80	31	707	1,844
COMPLETIONS								
Q3 2005	678	10	0	53	0	27	179	947
Q3 2004	676	2	15	102	0	38	141	974
% Change	0.3	**	-100.0	-48.0	NA	-28.9	27.0	-2.8
Year-to-date 2005	1,542	14	6	212	0	49	422	2,245
Year-to-date 2004	1,542	18	34	164	0	75	674	2,507
% Change	0.0	-22.2	-82.4	29.3	NA	-34.7	-37.4	-10.5
COMPLETE & NOT ABSORBED								
September 2005	88	7	3	95	0	16	431	640
September 2004	70	0	0	36	0	25	252	383
ABSORPTIONS								
Q3 2005	690	4	0	54	0	29	183	960
Q3 2004	682	2	17	99	0	43	216	1,059
% Change	1.2	100.0	-100.0	-45.5	NA	-32.6	-15.3	-9.3
Year-to-date 2005	1,557	7	3	170	0	45	276	2,058
Year-to-date 2004	1,546	18	39	164	0	50	423	2,240
% Change	0.7	-61.1	-92.3	3.7	NA	-10.0	-34.8	-8.1

* Includes all market types

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

Source: CMHC

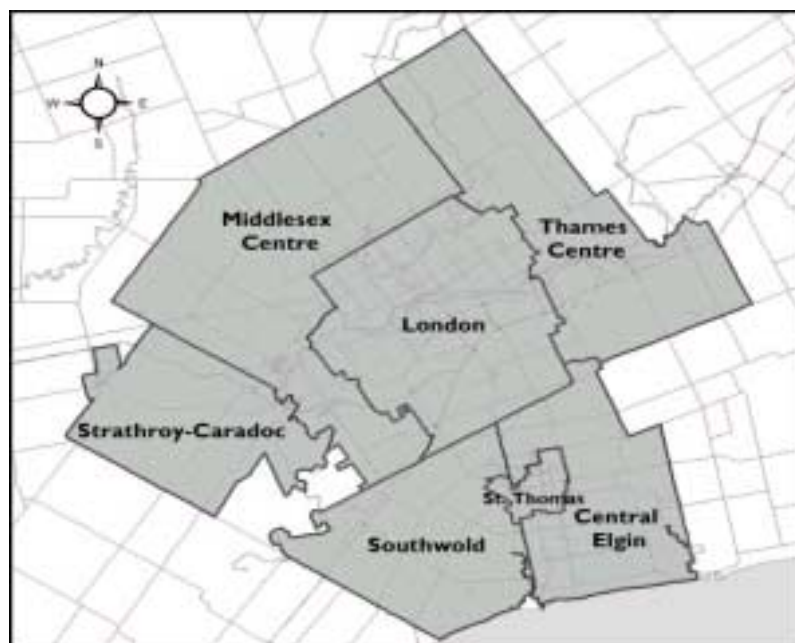


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q3 2004	Q3 2005	% change	Q3 2004	Q3 2005	% change	Q3 2004	Q3 2005	% change
London CMA	700	603	-13.9	146	99	-32.2	846	702	-17.0
London City	472	403	-14.6	126	79	-37.3	598	482	-19.4
St. Thomas City	90	72	-20.0	6	10	66.7	96	82	-14.6
Central Elgin	39	35	-10.3	0	0	NA	39	35	-10.3
Middlesex Centre	37	36	-2.7	2	10	**	39	46	17.9
Southwold Twp.	3	4	33.3	0	0	NA	3	4	33.3
Strathroy-Caradoc Twp.	41	37	-9.8	12	0	-100.0	53	37	-30.2
Thames Centre	18	16	-11.1	0	0	NA	18	16	-11.1

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
London CMA	1,776	1,551	-12.7	660	576	-12.7	2,436	2,127	-12.7
London City	1,259	1,072	-14.9	625	508	-18.7	1,884	1,580	-16.1
St. Thomas City	223	183	-17.9	6	14	133.3	229	197	-14.0
Central Elgin	54	70	29.6	0	0	NA	54	70	29.6
Middlesex Centre	85	97	14.1	2	52	**	87	149	71.3
Southwold Twp.	5	6	20.0	0	0	NA	5	6	20.0
Strathroy-Caradoc Twp.	103	90	-12.6	14	2	-85.7	117	92	-21.4
Thames Centre	47	33	-29.8	13	0	-100.0	60	33	-45.0

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

Sub Market Area	Q3 2004	Q3 2005	% Change	YTD 2004	YTD 2005	% Change
London CMA	242,352	275,668	13.7	241,171	269,911	11.9
London City	251,368	279,946	11.4	247,189	276,031	11.7
St. Thomas City	183,110	218,492	19.3	179,992	216,164	20.1
Central Elgin	216,500	276,578	27.7	249,333	246,705	-1.1
Middlesex Centre	282,667	307,985	9.0	284,066	322,926	13.7
Southwold Twp.	NA	NA	NA	287,500	445,800	55.1
Strathroy-Caradoc Twp.	200,691	293,781	46.4	199,627	250,887	25.7
Thames Centre	315,033	306,938	-2.6	320,528	318,926	-0.5

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 (%)	
London CMA											
Q3 2005	6	0.9	57	8.3	303	44.0	142	20.6	181	26.3	689
Q3 2004	23	3.4	90	13.4	333	49.5	112	16.6	115	17.1	673
YTD 2005	14	0.9	129	8.3	733	47.3	287	18.5	388	25.0	1,551
YTD 2004	55	3.6	230	15.0	746	48.8	248	16.2	251	16.4	1,530
London City											
Q3 2005	1	0.2	26	5.6	208	44.6	98	21.0	133	28.5	466
Q3 2004	0	0.0	58	12.3	235	49.9	81	17.2	97	20.6	471
YTD 2005	2	0.2	59	5.5	502	47.0	205	19.2	301	28.2	1,069
YTD 2004	10	0.9	143	13.3	542	50.4	186	17.3	194	18.0	1,075
St. Thomas City											
Q3 2005	4	4.5	18	20.5	44	50.0	16	18.2	6	6.8	88
Q3 2004	17	18.1	22	23.4	51	54.3	3	3.2	1	1.1	94
YTD 2005	8	4.2	42	21.9	101	52.6	27	14.1	14	7.3	192
YTD 2004	35	17.5	64	32.0	92	46.0	8	4.0	1	0.5	200
Central Elgin											
Q3 2005	0	0.0	4	15.4	15	57.7	3	11.5	4	15.4	26
Q3 2004	0	0.0	2	25.0	3	37.5	3	37.5	0	0.0	8
YTD 2005	0	0.0	10	14.5	42	60.9	8	11.6	9	13.0	69
YTD 2004	0	0.0	5	15.2	14	42.4	5	15.2	9	27.3	33
Middlesex Centre											
Q3 2005	0	0.0	2	4.2	12	25.0	12	25.0	22	45.8	48
Q3 2004	0	0.0	0	0.0	13	36.1	11	30.6	12	33.3	36
YTD 2005	1	1.1	3	3.2	27	28.7	26	27.7	37	39.4	94
YTD 2004	0	0.0	1	1.3	26	34.7	21	28.0	27	36.0	75
Southwold Twp.											
Q3 2005	0	0.0	1	33.3	0	0.0	0	0.0	2	66.7	3
Q3 2004	0	NA	0	NA	0	NA	0	NA	0	NA	0
YTD 2005	0	0.0	1	20.0	0	0.0	0	0.0	4	80.0	5
YTD 2004	0	0.0	2	33.3	0	0.0	1	16.7	3	50.0	6
Strathroy-Caradoc Twp.											
Q3 2005	1	2.4	6	14.3	21	50.0	7	16.7	7	16.7	42
Q3 2004	6	15.0	8	20.0	20	50.0	6	15.0	0	0.0	40
YTD 2005	3	3.2	14	14.7	54	56.8	11	11.6	13	13.7	95
YTD 2004	10	13.2	15	19.7	41	53.9	8	10.5	2	2.6	76
Thames Centre											
Q3 2005	0	0.0	0	0.0	3	18.8	6	37.5	7	43.8	16
Q3 2004	0	0.0	0	0.0	11	45.8	8	33.3	5	20.8	24
YTD 2005	0	0.0	0	0.0	7	25.9	10	37.0	10	37.0	27
YTD 2004	0	0.0	0	0.0	31	47.7	19	29.2	15	23.1	65

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
2004	January	443	-12.1	8,500	1,010	12,600	67.7	167,090	13.3	168,066
	February	701	9.4	8,900	1,024	12,400	71.2	163,715	10.3	166,069
	March	1,049	40.1	10,400	1,519	14,500	71.7	165,469	7.5	166,371
	April	963	8.4	9,100	1,517	14,500	62.8	169,899	12.9	167,428
	May	1,002	16.6	9,800	1,476	14,500	67.6	168,836	7.7	164,445
	June	921	8.0	8,600	1,433	15,100	57.2	164,097	5.0	163,548
	July	901	-2.1	9,500	1,327	14,600	65.1	170,651	11.2	164,862
	August	801	14.4	9,200	1,140	14,300	64.4	167,489	7.7	168,758
	September	712	2.6	9,200	1,192	14,600	62.5	170,580	11.3	170,747
	October	698	8.4	9,800	1,071	15,300	64.4	171,633	9.8	174,193
	November	639	14.9	9,000	947	14,500	62.5	163,030	7.4	169,281
	December	408	1.0	8,800	527	13,300	66.3	162,496	1.9	163,953
2005	January	456	2.9	9,200	1,071	14,200	64.8	165,342	-1.0	168,315
	February	688	-1.9	8,700	1,143	14,000	62.2	179,395	9.6	178,659
	March	796	-24.1	8,000	1,247	12,300	64.8	176,439	6.6	176,848
	April	917	-4.8	9,000	1,567	15,100	59.7	179,155	5.4	176,095
	May	996	-0.6	9,300	1,704	15,400	59.9	178,734	5.9	175,069
	June	1,020	10.7	9,600	1,338	14,400	67.1	178,538	8.8	173,432
	July	808	-10.3	9,000	1,231	14,300	63.3	180,675	5.9	176,416
	August	923	15.2	10,100	1,262	15,200	66.6	177,292	5.9	178,775
	September	765	7.4	9,800	1,203	14,600	67.3	184,672	8.3	183,017
	October									
	November									
	December									
Q3 2004	2,414	4.3	9,300	3,659	14,500	64.0	169,581	10.1	168,081	
Q3 2005	2,496	3.4	9,700	3,696	14,700	65.7	180,649	6.5	179,474	
YTD 2004	7,493	10.1		11,638			167,576	9.4%		
YTD 2005	7,369	-1.7		11,766			178,393	6.5%		

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price (\$)	Yr/Yr %	
1995	5,510	-7.5		15,843	-1.6		128,643	-5.1	
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	

Source: Canadian Real Estate Association

Table 6: Economic Indicators

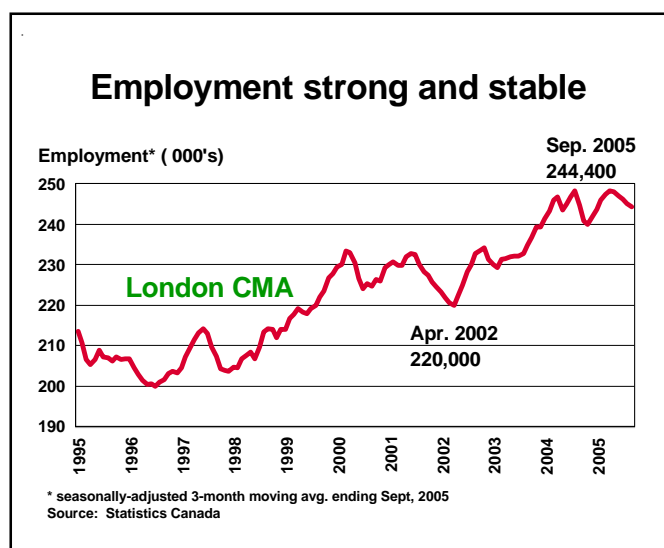
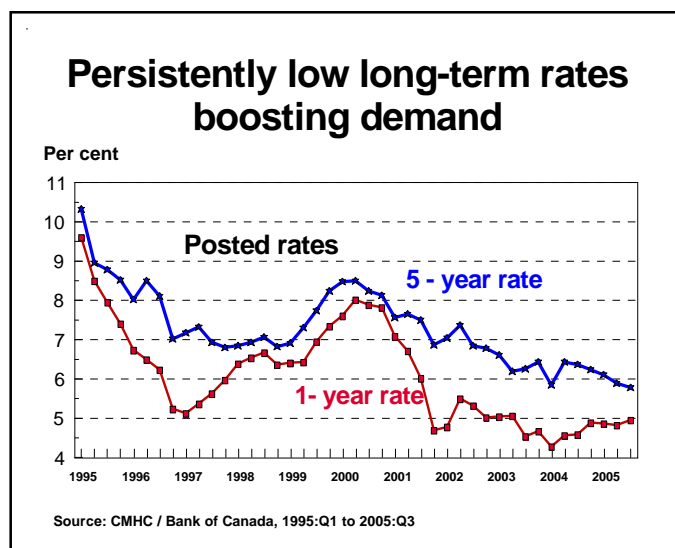
	Interest and Exchange Rates				Inflation Rate (%)	NHPI*** % chg.	London CMA Labour Market		
	P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)			Ontario 1996=100	London CMA 1997=100	Employment
		1 Yr. Term	5 Yr. Term		SA** (,000)	SA m/m (%)			Rate (%) SA
2004 January	642.78	4.3	6.1	0.755	1.5	5.0	241.5	0.9	6.4
February	627.97	4.3	5.8	0.749	0.8	6.1	243.2	0.7	6.6
March	622.08	4.3	5.7	0.763	1.1	5.2	245.9	1.1	6.0
April	648.75	4.5	6.2	0.729	2.3	4.3	246.8	0.4	5.8
May	669.82	4.6	6.5	0.733	2.8	4.3	243.6	-1.3	5.5
June	681.99	4.7	6.7	0.750	2.4	4.7	245.0	0.6	5.0
July	672.86	4.6	6.6	0.752	2.4	4.7	246.9	0.8	4.9
August	657.75	4.4	6.3	0.762	1.5	4.8	248.3	0.6	5.0
September	657.75	4.8	6.3	0.793	1.5	4.8	244.7	-1.4	5.7
October	663.77	4.9	6.4	0.821	2.1	5.1	240.8	-1.6	6.3
November	657.75	5.0	6.3	0.843	2.2	4.3	240.1	-0.3	6.8
December	642.78	4.8	6.1	0.832	1.9	4.0	242.0	0.8	6.7
2005 January	642.78	4.8	6.1	0.806	1.6	4.9	243.7	0.7	6.4
February	642.78	4.8	6.1	0.811	2.2	3.2	246.0	0.9	6.0
March	654.74	5.1	6.3	0.827	2.3	3.5	247.4	0.6	6.4
April	642.78	4.9	6.1	0.795	2.3	5.1	248.3	0.4	6.6
May	636.84	4.9	6.0	0.797	1.5	5.9	248.0	-0.1	6.9
June	622.08	4.8	5.7	0.816	1.9	5.5	247.1	-0.4	6.7
July	627.97	4.9	5.8	0.817	1.9	5.1	246.1	-0.4	6.7
August	627.97	5.0	5.8	0.842	2.7	5.0	245.1	-0.4	6.7
September	627.97	5.0	5.8	0.860			244.4	-0.3	6.5
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>

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 2005 Retirement Homes Report

Do you want to learn more about the dynamic private retirement home market in Ontario? The 2005 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**.

Housing Now is published four times a year. Housing Market Outlook is published in the Spring (week of May 16) and the Fall (week of October 24). For more information and to order, please call Ontario Market Analysis at 1 800 493-0059.