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OWNERSHIP DEMAND REMAINS STRONG

FEBRUARY 2006

IN THIS ISSUE

Total housing starts in the Toronto Census Metropolitan Area (CMA) declined in February. Construction began on 1,539 homes, representing a 33 per cent drop from the same-month in 2005. On a seasonally-adjusted basis, the annual rate of housing starts dipped to 28,300 versus the January rate of 46,300.

The major factor contributing to February's sharp decline was the complete absence of new condominium apartment construction. Condominium apartment starts are volatile, because they reflect the laying of foundations for entire multiple unit buildings at one time.

February starts of the other lower density housing types decreased by a much smaller amount. New footings for single-detached, semi-detached and town (row) houses were down by only 4.6 per cent.

New home construction will remain well above average in 2006. The demand for ownership housing remains strong due to steady growth in employment and real wages coupled with very low borrowing costs. Households remain confident in their ability to purchase and pay for a home over the long term.

However, due to the expected increase in the share of condominium apartment construction, starts will not be uniformly distributed throughout the year. Rising average prices have shifted home buyer demand away from single and semi-detached houses toward less-expensive town homes and condominium apartments. Year-to-date, the average price of a completed and absorbed single-detached home in the Toronto CMA rose to almost $457,000. This price point is arguably too high for most first-time buyers and many move-up buyers as well.

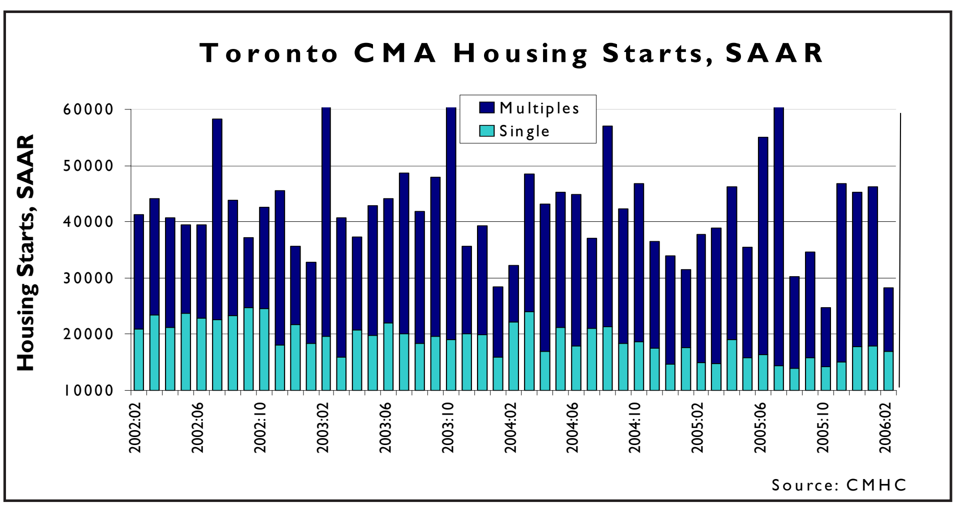

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Table 1: Housing Activity Summary for Toronto CMA

	OWNERSHIP					RENTAL		
	FREEHOLD			CONDOMINIUM				GRAND
	*SINGLE	*SEMI	ROW	ROW	APT	ROW	APT	**TOTAL
STARTS								
February 2006	841	210	297	191	0	0	0	1,539
February 2005	767	242	353	211	599	40	84	2,296
% Change	9.6	-13.2	-15.9	-9.5	-100.0	-100.0	-100.0	-33.0
Year-to-date 2006	1,797	428	551	386	730	0	307	4,199
Year-to-date 2005	1,653	454	646	253	845	40	86	3,977
% Change	8.7	-5.7	-14.7	52.6	-13.6	-100.0	**	5.6
Q4 2005	3,872	649	995	549	3,095	14	680	9,854
Q4 2004	4,336	832	934	461	3,544	51	95	10,253
% Change	-10.7	-22.0	6.5	19.1	-12.7	-72.5	**	-3.9
UNDER CONSTRUCTION								
February 2006	9,404	1,855	2,980	1,710	22,861	14	2,410	41,234
February 2005	9,608	1,994	2,814	976	23,264	91	1,271	40,018
COMPLETIONS								
February 2006	1,130	210	270	160	1,072	24	16	2,882
February 2005	1,489	246	322	38	361	6	299	2,761
% Change	-24.1	-14.6	-16.1	**	197.0	**	-94.6	4.4
Year-to-date 2006	2,279	456	616	191	3,711	24	32	7,309
Year-to-date 2005	3,077	444	838	137	1,133	6	299	5,934
% Change	-25.9	2.7	-26.5	39.4	**	**	-89.3	23.2
Q4 2005	3,987	1,232	1,460	286	2,882	0	95	9,942
Q4 2004	5,237	1,116	1,165	431	2,911	10	9	10,879
% Change	-23.9	10.4	25.3	-33.6	-1.0	-100.0	**	-8.6
COMPLETE & NOT ABSORBED								
February 2006	268	96	146	37	574	25	179	1,325
February 2005	603	150	155	55	960	6	502	2,431
ABSORPTIONS								
February 2006	1,199	211	270	141	1,099	0	108	3,028
February 2005	1,525	219	346	43	565	11	109	2,818
% Change	-21.4	-3.7	-22.0	**	94.5	-100.0	-0.9	7.5
Year-to-date 2006	2,372	465	619	168	3,687	0	329	7,640
Year-to-date 2005	3,071	421	867	149	988	11	118	5,625
% Change	-22.8	10.5	-28.6	12.8	**	-100.0	178.8	35.8
Q4 2005	4,033	1,242	1,402	291	3,000	0	153	10,121
Q4 2004	5,058	1,176	1,084	389	2,458	19	27	10,211
% Change	-20.3	5.6	29.3	-25.2	22.1	-100.0	**	-0.9

*Includes all market types

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

Source: CMHC

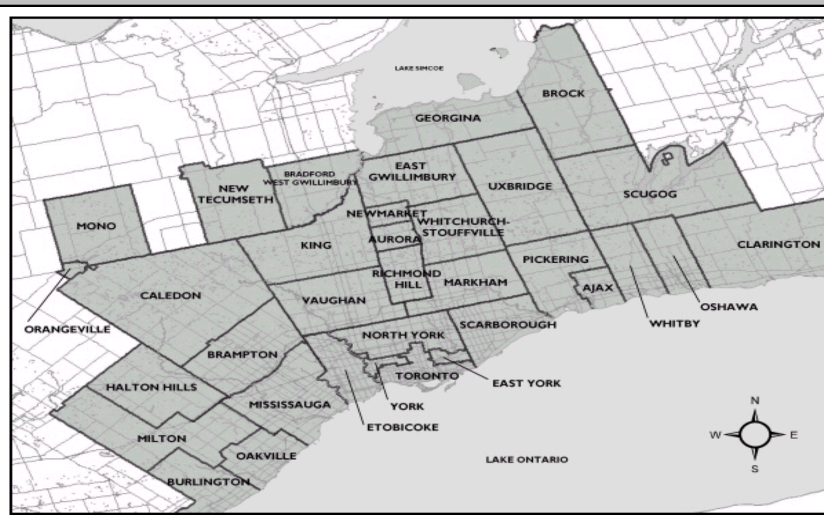

Table 2A: Starts by Area and by Intended Market - Current Month

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Feb 05	Feb 06	% change	Feb 05	Feb 06	% change	Feb 05	Feb 06	% change
Greater Toronto Area	866	1,018	17.6	1,591	978	-38.5	2,457	1,996	-18.8
Toronto City	159	133	-16.4	674	53	-92.1	833	186	-77.7
Toronto	8	6	-25.0	239	9	-96.2	247	15	-93.9
East York	0	1	NA	0	0	NA	0	1	NA
Etobicoke	0	5	NA	46	2	-95.7	46	7	-84.8
North York	42	22	-47.6	364	0	-100.0	406	22	-94.6
Scarborough	108	96	-11.1	25	42	68.0	133	138	3.8
York	1	3	200.0	0	0	NA	1	3	200.0
York Region	202	348	72.3	217	226	4.1	419	574	37.0
Aurora	2	3	50.0	0	0	NA	2	3	50.0
East Gwillimbury	1	0	-100.0	0	0	NA	1	0	-100.0
Georgina Township	3	23	**	0	2	NA	3	25	**
King Township	1	3	200.0	0	0	NA	1	3	200.0
Markham	88	203	130.7	151	154	2.0	239	357	49.4
Newmarket	1	15	**	0	32	NA	1	47	**
Richmond Hill	81	12	-85.2	30	38	26.7	111	50	-55.0
Vaughan	17	67	**	36	0	-100.0	53	67	26.4
Whitchurch-Stouffville	8	22	175.0	0	0	NA	8	22	175.0
Peel Region	280	79	-71.8	537	202	-62.4	817	281	-65.6
Brampton	220	59	-73.2	68	77	13.2	288	136	-52.8
Caledon	4	3	-25.0	0	2	NA	4	5	25.0
Mississauga	56	17	-69.6	469	123	-73.8	525	140	-73.3
Halton Region	105	150	42.9	125	161	28.8	230	311	35.2
Burlington	59	42	-28.8	62	63	1.6	121	105	-13.2
Halton Hills	4	3	-25.0	0	24	NA	4	27	**
Milton	19	17	-10.5	59	50	-15.3	78	67	-14.1
Oakville	23	88	**	4	24	**	27	112	**
Durham Region	120	308	156.7	38	336	**	158	644	**
Ajax	36	131	**	10	115	**	46	246	**
Brock	0	0	NA	0	0	NA	0	0	NA
Clarington	37	33	-10.8	0	0	NA	37	33	-10.8
Oshawa	8	72	**	0	0	NA	8	72	**
Pickering	10	6	-40.0	28	0	-100.0	38	6	-84.2
Scugog	0	0	NA	0	0	NA	0	0	NA
Uxbridge	19	4	-78.9	0	0	NA	19	4	-78.9
Whitby	10	62	**	0	221	NA	10	283	**
Rest of Toronto CMA	15	32	113.3	0	4	NA	15	36	140.0
Bradford West Gwillimbury	2	2	0.0	0	0	NA	2	2	0.0
Town of Mono	2	0	-100.0	0	0	NA	2	0	-100.0
New Tecumseth	5	27	**	0	4	NA	5	31	**
Orangeville	6	3	-50.0	0	0	NA	6	3	-50.0

Source: CMHC

**Change greater than 200 per cent.

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

Sub Market	SINGLES			MULTIPLES			TOTAL		
Area	YTD 2005	YTD 2006	% change	YTD 2005	YTD 2006	% change	YTD 2005	YTD 2006	% change
Greater Toronto Area	1,808	2,125	17.5	2,420	2,721	12.4	4,228	4,846	14.6
Toronto City	236	239	1.3	821	613	-25.3	1,057	852	-19.4
Toronto	10	14	40.0	245	277	13.1	255	291	14.1
East York	1	3	200.0	0	0	NA	1	3	200.0
Etobicoke	2	6	200.0	48	280	**	50	286	**
North York	59	32	-45.8	495	8	-98.4	554	40	-92.8
Scarborough	163	181	11.0	33	48	45.5	196	229	16.8
York	1	3	200.0	0	0	NA	1	3	200.0
York Region	573	804	40.3	630	1,098	74.3	1,203	1,902	58.1
Aurora	9	4	-55.6	0	0	NA	9	4	-55.6
East Gwillimbury	5	0	-100.0	27	0	-100.0	32	0	-100.0
Georgina Township	20	48	140.0	0	2	NA	20	50	150.0
King Township	3	5	66.7	0	0	NA	3	5	66.7
Markham	200	354	77.0	216	579	168.1	416	933	124.3
Newmarket	5	50	**	11	106	**	16	156	**
Richmond Hill	163	80	-50.9	261	250	-4.2	424	330	-22.2
Vaughan	142	181	27.5	115	149	29.6	257	330	28.4
Whitchurch-Stouffville	26	82	**	0	12	NA	26	94	**
Peel Region	464	251	-45.9	713	378	-47.0	1,177	629	-46.6
Brampton	340	167	-50.9	86	87	1.2	426	254	-40.4
Caledon	22	7	-68.2	8	2	-75.0	30	9	-70.0
Mississauga	102	77	-24.5	619	289	-53.3	721	366	-49.2
Halton Region	265	323	21.9	165	287	73.9	430	610	41.9
Burlington	86	61	-29.1	67	104	55.2	153	165	7.8
Halton Hills	54	33	-38.9	12	48	**	66	81	22.7
Milton	45	31	-31.1	69	56	-18.8	114	87	-23.7
Oakville	80	198	147.5	17	79	**	97	277	185.6
Durham Region	270	508	88.1	91	345	**	361	853	136.3
Ajax	103	176	70.9	10	117	**	113	293	159.3
Brock	0	0	NA	0	0	NA	0	0	NA
Clarington	45	62	37.8	35	0	-100.0	80	62	-22.5
Oshawa	21	149	**	0	0	NA	21	149	**
Pickering	34	7	-79.4	46	0	-100.0	80	7	-91.3
Scugog	0	0	NA	0	0	NA	0	0	NA
Uxbridge	19	4	-78.9	0	0	NA	19	4	-78.9
Whitby	48	110	129.2	0	228	NA	48	338	**
Rest of Toronto CMA	45	54	20.0	6	13	116.7	51	67	31.4
Bradford West Gwillimbury	21	9	-57.1	4	0	-100.0	25	9	-64.0
Town of Mono	7	0	-100.0	0	0	NA	7	0	-100.0
New Tecumseth	6	39	**	2	13	**	8	52	**
Orangeville	11	6	-45.5	0	0	NA	11	6	-45.5

Source: CMHC

**Change greater than 200 per cent.

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

Sub Market Area	Feb 05	Feb 06	% change	YTD 2005	YTD 2006	% change
Toronto CMA	402,608	430,535	6.9	398,674	456,858	14.6
Ajax, Pickering, Uxbridge	336,476	349,094	3.7	338,420	320,691	-5.2
Brampton, Caledon	365,101	384,860	5.4	366,278	390,167	6.5
Toronto	521,441	963,524	84.8	489,863	962,065	96.4
Mississauga	469,333	585,462	24.7	459,436	557,476	21.3
Oakville, Milton, Halton Hills	350,641	404,792	15.4	362,327	498,322	37.5
Richmond Hill	407,068	454,279	11.6	405,986	440,291	8.4
Vaughan	481,871	491,919	2.1	476,981	531,075	11.3
Markham	385,876	449,846	16.6	368,649	432,582	17.3

** 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										
	<$249,999		$250-$299,999		$300-$399,999		$400-$499,999		$500,000 +		TOTAL
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Toronto CMA											
February 2006	65	5.4	82	6.8	548	45.7	298	24.9	206	17.2	1,199
February 2005	38	2.5	212	13.9	704	46.2	407	26.7	164	10.8	1,525
YTD 2006	108	4.6	196	8.3	1,029	43.4	584	24.6	455	19.2	2,372
YTD 2005	88	2.9	406	13.2	1,483	48.3	741	24.1	353	11.5	3,071
Ajax, Pickering, Uxbridge											
February 2006	19	18.1	14	13.3	46	43.8	22	21.0	4	3.8	105
February 2005	13	13.0	16	16.0	52	52.0	19	19.0	0	0.0	100
YTD 2006	50	19.1	71	27.1	105	40.1	30	11.5	6	2.3	262
YTD 2005	28	17.8	24	15.3	71	45.2	31	19.7	3	1.9	157
Brampton, Caledon											
February 2006	0	0.0	22	5.9	221	59.2	106	28.4	24	6.4	373
February 2005	9	2.4	58	15.5	209	56.0	74	19.8	23	6.2	373
YTD 2006	0	0.0	30	4.6	403	62.3	160	24.7	54	8.3	647
YTD 2005	9	1.2	123	15.7	459	58.7	136	17.4	55	7.0	782
Toronto											
February 2006	0	0.0	0	0.0	4	7.3	1	1.8	50	90.9	55
February 2005	3	1.6	33	18.1	69	37.9	25	13.7	52	28.6	182
YTD 2006	1	0.7	4	2.7	15	10.1	5	3.4	123	83.1	148
YTD 2005	3	0.8	61	16.6	146	39.8	77	21.0	80	21.8	367
Mississauga											
February 2006	0	0.0	0	0.0	5	14.7	17	50.0	12	35.3	34
February 2005	0	0.0	1	0.9	41	36.6	49	43.8	21	18.8	112
YTD 2006	0	0.0	0	0.0	14	20.6	34	50.0	20	29.4	68
YTD 2005	0	0.0	1	0.5	70	31.5	110	49.5	41	18.5	222
Oakville, Milton, Halton Hills											
February 2006	3	1.3	26	10.9	138	57.7	34	38	38	15.9	239
February 2005	6	3.2	55	29.1	81	42.9	44	23.3	3	1.6	189
YTD 2006	3	0.7	43	10.3	214	51.1	73	17.4	86	20.5	419
YTD 2005	20	5.5	86	23.7	143	39.4	91	25.1	23	6.3	363
Richmond Hill											
February 2006	0	0.0	0	0.0	26	19.8	74	56.5	31	23.7	131
February 2005	0	0.0	3	1.4	119	56.4	72	34.1	17	8.1	211
YTD 2006	0	0.0	0	0.0	90	30.5	164	55.6	41	13.9	295
YTD 2005	0	0.0	3	0.9	215	62.1	91	26.3	37	10.7	346
Vaughan											
February 2006	0	0.0	0	0.0	6	14.0	21	48.8	16	37.2	43
February 2005	0	0.0	0	0.0	8	9.4	51	60.0	26	30.6	85
YTD 2006	0	0.0	0	0.0	6	5.0	57	47.1	58	47.9	121
YTD 2005	0	0.0	0	0.0	40	18.4	111	51.2	66	30.4	217
Markham											
February 2006	0	0.0	1	1.1	52	55.3	18	19.1	23	24.5	94
February 2005	0	0.0	10	6.8	74	50.3	59	40.1	4	2.7	147
YTD 2006	0	0.0	3	1.4	117	54.4	47	21.9	48	22.3	215
YTD 2005	2	0.6	26	7.6	242	70.6	68	19.8	5	1.5	343

Source: CMHC

Table 5A: Resale Housing Activity for Toronto 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	4,154	-2.4	80,000	10,856	149,600	53.5	323,220	9.2	345,863
	February	6,172	1.8	81,100	11,679	145,200	55.9	334,254	7.8	333,625
	March	7,904	-12.9	82,900	14,583	140,500	59.0	330,545	7.6	312,758
	April	8,834	-3.6	85,500	16,161	155,700	54.9	342,032	6.5	324,389
	May	9,209	0.2	86,300	16,443	155,800	55.4	346,474	6.4	343,625
	June	9,153	-1.2	87,500	14,576	151,400	57.8	345,065	9.0	334,506
	July	7,373	0.8	85,800	11,954	153,600	55.9	325,985	4.3	334,119
	August	7,473	10.8	90,800	12,681	157,000	57.8	323,354	6.3	333,884
	September	7,326	11.2	89,300	14,798	155,800	57.3	338,267	5.4	337,513
	October	7,174	7.8	85,700	12,516	156,700	54.7	342,450	5.6	358,456
	November	6,646	5.5	88,400	10,172	154,900	57.1	341,177	7.0	336,470
	December	4,254	0.5	84,700	4,933	140,000	60.5	326,689	3.5	338,713
2006	January	4,586	10.4	89,100	12,092	161,700	55.1	332,670	2.9	348,371
	February	6,756	9.5	90,100	12,869	160,900	56.0	353,928	5.9	351,345
	March									
	April									
	May									
	June									
	July									
	August									
	September									
	October									
	November									
	December									
	Q4 2004	17,189	-0.5	82,680	26,860	145,592	56.8	320,187	7.1	327,797
	Q4 2005	18,074	5.1	86,280	27,621	150,564	57.3	338,272	5.6	344,483
	YTD 2005	10,326	0.1		22,535			329,815	8.4	
	YTD 2006	11,342	9.8		24,961			345,333	4.7	

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price ($)	Yr/Yr %	
1996	58,283	20.7		94,157	-4.9		196,476	0.6	
1997	58,841	1.0		88,894	-5.6		210,453	7.1	
1998	55,360	-5.9		85,709	-3.6		216,795	3.0	
1999	58,957	6.5		84,285	-1.7		228,372	5.3	
2000	58,349	-1.0		89,463	6.1		243,249	6.5	
2001	67,612	15.9		101,800	13.8		251,508	3.4	
2002	74,759	10.6		109,819	7.9		275,887	9.7	
2003	79,366	6.2		132,819	20.9		293,308	6.3	
2004	84,854	6.9		145,023	9.2		315,266	7.5	
2005	85,672	1.0		151,352	4.4		336,176	6.6	

Source: Canadian Real Estate Association

Table 5B: Average Price ($) of Resale Single-Detached Dwellings

Area	Feb 05	Feb 06	% Change	YTD 2005	YTD 2006	% Change
Toronto CMA	439,052	468,576	6.7	433,390	454,597	4.9
Ajax, Pickering, Uxbridge	429,330	329,727	-23.2	384,179	336,386	-12.4
Brampton, Caledon	323,463	362,380	12.0	324,005	355,094	9.6
Toronto	502,253	553,984	10.3	497,434	528,498	6.2
Mississauga	431,438	456,686	5.9	426,633	453,562	6.3
Oakville, Milton, Halton Hills	461,296	447,778	-2.9	447,235	439,020	-1.8
Richmond Hill	483,216	506,276	4.8	480,333	495,847	3.2
Vaughan	450,395	499,149	10.8	460,284	473,230	2.8
Markham	442,109	475,838	7.6	435,844	478,319	9.7

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

Source: CMHC

Table 6: Economic Indicators

		Interest and Exchange Rates				Inflation Rate (%)	NHPI*** % chg.	Toronto CMA Labour Market		
		P & I* Per $100,000	Mortgage Rate (%) 1 Yr. Term	Mortgage Rate (%) 5 Yr. Term	Exch. Rate ($US/$Cdn)	Ontario 1996=100	Toronto CMA 1997=100	Employment SA** (,000)	Employment SA m/m (%)	Unemployment Rate (%) SA
2005	January	642.78	4.8	6.1	0.806	1.0	5.2	2706.9	0.0	7.5
	February	642.78	4.8	6.1	0.811	1.4	4.9	2698.9	-0.3	7.6
	March	654.74	5.1	6.3	0.827	1.9	5.3	2707.3	0.3	7.5
	April	642.78	4.9	6.1	0.795	1.9	4.8	2714.2	0.3	7.6
	May	636.84	4.9	6.0	0.797	1.3	4.0	2739.0	0.9	7.4
	June	622.08	4.8	5.7	0.816	1.6	4.4	2754.8	0.6	7.3
	July	627.97	4.9	5.8	0.817	1.7	4.2	2770.9	0.6	7.3
	August	627.97	5.0	5.8	0.842	2.4	4.0	2777.8	0.2	7.0
	September	627.97	5.0	5.8	0.860	2.7	4.3	2786.3	0.3	6.8
	October	639.81	5.3	6.0	0.847	2.3	4.6	2804.9	0.7	6.5
	November	648.75	5.6	6.2	0.857	1.9	4.3	2809.8	0.2	6.4
	December	657.75	5.8	6.3	0.860	2.1	4.0	2804.9	-0.2	6.3
2006	January	657.75	5.8	6.3	0.878	2.8	4.6	2789.3	-0.6	6.5
	February	666.80	5.9	6.5	0.880			2778.5	-0.4	6.7
	March									
	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

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

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".

2005 Ontario Retirement Homes Report

Do you want to learn more about the dynamic private retirement home market in Ontario?
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For more information on the content of this report, please contact:
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