



# HOUSING NOW

Northern  
Ontario

## YOUR LINK TO THE HOUSING MARKET

### New Home Market

#### Single Family Construction Outpaces Last Year in Sudbury and Thunder Bay

Sudbury and Thunder Bay single-detached starts were up in the first quarter compared to one year ago. Sudbury's count of eight units was one third higher than the 5 year average for singles starts while Thunder Bay's total of nine units was just slightly ahead of the 8.4 unit 5 year average. (see Chart below) Both markets are looking at modest increases this year and building permit activity in the two centers for the first three months suggests that it will be a better year. Permits are, of course, a precursor of things to come in residential constructions. North Bay recorded triple the level of starts

compared to one year prior with six units started in the first quarter. Even Sault Ste. Marie saw housing starts increase to five in 2002:Q1 versus last year's count of three in the first trimester. (see Tables 1a-1d) In other parts of Northern Ontario things were very quiet with Dryden and Haileybury recording the only starts of six centers tracked. (see Table 2).

An analysis of the supply and demand of new construction in our key markets, Thunder Bay, Sudbury, Sault Ste. Marie, North Bay and Kenora is found in Table 3. Monthly average absorption rates in the five markets remain relatively low with Sudbury having the highest of the five, followed by Thunder Bay and North Bay. Duration of supply is

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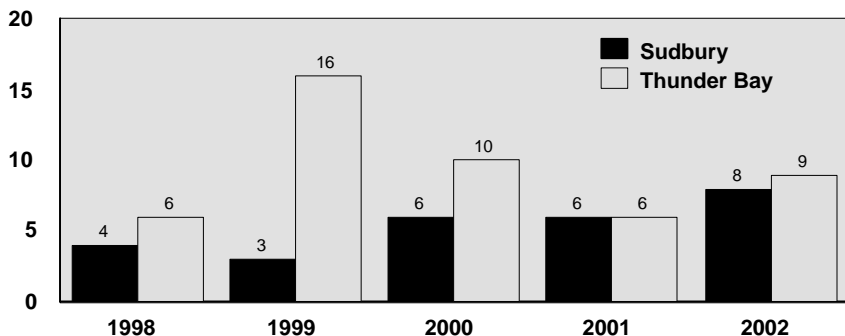
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lowest in Sudbury given historical levels of absorption.

Table 4 presents absorptions by volume and by price range. Firstly, absorptions are up in each of the four centers in the first quarter over the same period last year. And secondly, the \$150,000 to \$199,999 price range remains the most popular in the four key markets throughout Northern Ontario.

First Quarter 2002 single-detached housing starts for Thunder Bay and Greater Sudbury



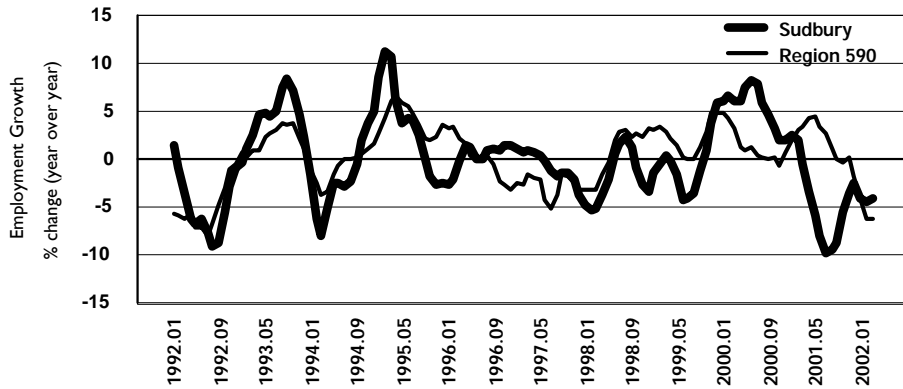
Source: CMHC.

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HOME TO CANADIANS  
Canada

**Employment growth continues soft in Greater Sudbury and Economic Region 590 in the 1st quarter**



Note: Per cent change of unadjusted 15+ employment.  
 Source: Statistics Canada Labour Force Survey.  
 Note: Data to March 31, 2002.

year, Sudbury labour market is an early year disappointment. Sudbury averaged 75,800 jobs over last year's twelve monthly surveys while the first quarter resulted in only 72,000 employed persons, nearly a 4,000 job drop. Thunder Bay's drop, although not as severe, was nearly 2,500 off a base of 62,300 jobs over the course of 2001. (see Charts below). Not surprisingly, unemployment rates have also risen in the two CMA's with Sudbury's rate jumping up to 10.3 per cent from 8.6 per cent this past quarter and from 8.3 per cent last year. Thunder Bay's rate also climbed but less sharply, moving to 8.0 per cent

### Labour Markets Softening

An examination of Table 5 reveals rather poor results from the Statistics Canada monthly Labour Force Survey as it relates to Northern Ontario. Quarterly average employment numbers are behind last year's level in all but one jurisdiction tracked. The charts found on this page clearly show the trend in Thunder Bay, Sudbury and Northeastern is one of employment weakness with growth having been in negative range for some time. Only Northwestern Ontario (Region 595) shows a gain in jobs over the same period last year and a trend in the positive growth range. After witnessing strong employment growth according to the survey last

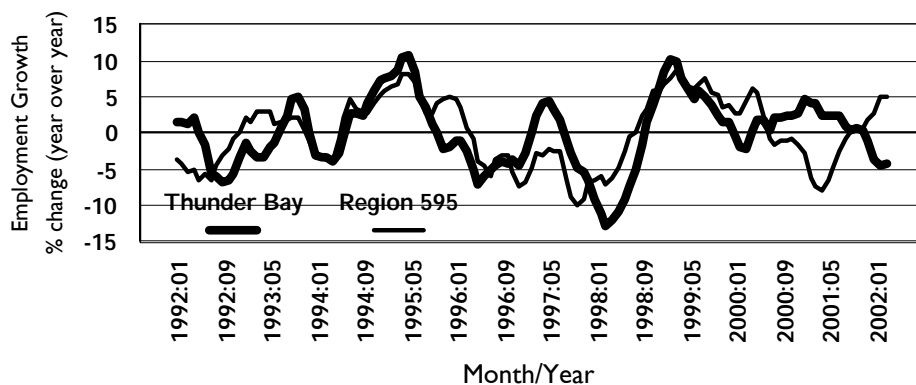
in 2002:Q1 up from 7.3 per cent in 2001:Q4. (see Table 5).

### Affordability Boosting Resale Markets in Northern Ontario

Resale market information is provided in Table 6 for all markets that have functioning Real Estate Boards in Northern Ontario. With mortgage rates at historical lows, affordability has been a key factor in boosting four of five resale markets in Northern Ontario. Only Timmins, saw a sales decline in the first quarter compared to last year's first quarter. Resales were up 35.0 per cent in Thunder Bay, 27.1 per cent in North Bay, 25.7 per cent in Sudbury and

19.8 per cent in Sault Ste. Marie according to data released by the five Northern Ontario Real Estate Boards. Sales strength was not necessarily accompanied by price firmness as only Sudbury saw average prices increase in 2002:Q1. Listing shortages may have partially contributed to the price rise in Sudbury as new listings fell 11.4 per cent from the same period last year. Listings also fell in North Bay, Northern Ontario's only balanced market. (see Table 6).

**Employment growth weakened further in Thunder Bay while Economic Region 595 continued to trend up in the 1st quarter**



Note: Per cent change of unadjusted 15+ employment.  
 Source: Statistics Canada Labour Force Survey.  
 Note: Data to March 31, 2002.

**Table 1A: Sudbury CMA**  
**Housing Starts and Completions, First Quarter, 2002**

SUDBURY CMA	OWNERSHIP							RENTAL				GRAND TOTAL
	FREEHOLD			CONDOMINIUM				PRIVATE		ASSISTED		
	SINGLE	SEMI	ROW	SINGLE	SEMI	ROW	APT	ROW	APT	ROW	APT	
<b>PENDING</b>												
- Current Quarter	6	0	0	0	0	0	0	0	0	0	0	6
- Previous Year	24	0	0	0	0	0	0	0	0	0	0	24
<b>STARTS</b>												
- Current Quarter	8	0	0	0	0	0	0	0	0	0	0	8
- Previous Year	6	0	0	0	0	0	0	0	0	0	0	6
- Year-To-Date 2002	8	0	0	0	0	0	0	0	0	0	0	8
- Year-To-Date 2001	6	0	0	0	0	0	0	0	0	0	0	6
<b>UNDER CONSTRUCTION</b>												
- 2002	31	0	0	0	0	0	0	0	0	0	0	31
- 2001	27	0	0	0	0	0	0	0	0	0	0	27
<b>COMPLETIONS</b>												
- Current Quarter	35	0	0	0	0	0	0	0	0	0	0	35
- Previous Year	27	0	0	0	0	0	0	0	0	0	0	27
- Year-To-Date 2002	35	0	0	0	0	0	0	0	0	0	0	35
- Year-To-Date 2001	27	0	0	0	0	0	0	0	0	0	0	27
<b>COMPLETED &amp; NOT ABSORBED</b>												
- 2002	12	0	0	0	0	0	0	0	0	0	0	12
- 2001	10	2	0	0	0	0	0	0	0	0	0	12
<b>TOTAL SUPPLY</b>												
- 2002	49	0	0	0	0	0	0	0	0	0	0	49
- 2001	61	2	0	0	0	0	0	0	0	0	0	63
<b>ABSORPTIONS</b>												
- Current Quarter	37	1	0	0	0	0	0	0	0	0	0	38
- Previous Year	26	0	0	0	0	0	0	0	6	0	0	32
- Year-To-Date 2002	37	1	0	0	0	0	0	0	0	0	0	38
- Year-To-Date 2001	26	0	0	0	0	0	0	0	6	0	0	32
3-month Average	14	0	0	0	0	0	0	0	0	0	0	14
12-month Average	15	0	0	0	0	0	0	0	0	0	0	15

Source: CMHC Starts and Completions Survey.

**Table 1B: Thunder Bay CMA**  
**Housing Starts and Completions, First Quarter, 2002**

THUNDER BAY CMA	OWNERSHIP							RENTAL				GRAND TOTAL
	FREEHOLD			CONDOMINIUM				PRIVATE		ASSISTED		
	SINGLE	SEMI	ROW	SINGLE	SEMI	ROW	APT	ROW	APT	ROW	APT	
<b>PENDING</b>												
- Current Quarter	20	0	0	0	0	0	0	0	38	0	0	58
- Previous Year	11	0	0	0	0	0	0	0	0	0	0	11
<b>STARTS</b>												
- Current Quarter	9	0	0	0	0	0	0	0	0	0	0	9
- Previous Year	6	0	0	0	0	0	0	4	0	0	0	10
- Year-To-Date 2002	9	0	0	0	0	0	0	0	0	0	0	9
- Year-To-Date 2001	6	0	0	0	0	0	0	4	0	0	0	10
<b>UNDER CONSTRUCTION</b>												
- 2002	51	2	0	0	0	0	38	0	4	0	0	95
- 2001	30	2	0	0	0	0	0	4	0	0	0	36
<b>COMPLETIONS</b>												
- Current Quarter	35	0	0	0	0	0	0	0	0	0	0	35
- Previous Year	18	0	5	0	0	0	0	0	0	0	0	23
- Year-To-Date 2002	35	0	0	0	0	0	0	0	0	0	0	35
- Year-To-Date 2001	18	0	5	0	0	0	0	0	0	0	0	23
<b>COMPLETED &amp; NOT ABSORBED</b>												
- 2002	9	0	0	0	0	0	8	0	0	0	0	17
- 2001	14	0	2	0	0	0	8	0	0	0	0	24
<b>TOTAL SUPPLY</b>												
- 2002	80	2	0	0	0	0	46	0	42	0	0	170
- 2001	55	2	2	0	0	0	8	4	0	0	0	71
<b>ABSORPTIONS</b>												
- Current Quarter	35	1	0	0	0	0	0	0	0	0	0	36
- Previous Year	17	0	3	0	0	0	0	0	0	0	0	20
- Year-To-Date 2002	35	1	0	0	0	0	0	0	0	0	0	36
- Year-To-Date 2001	17	0	3	0	0	0	0	0	0	0	0	20
3-month Average	18	0	0	0	0	0	0	0	0	0	0	18
12-month Average	12	1	0	0	0	0	0	0	0	0	0	13

Source: CMHC Starts and Completions Survey.

**Table 1C: North Bay CA**  
**Housing Starts and Completions, First Quarter, 2002**

NORTH BAY CA	OWNERSHIP							RENTAL				GRAND TOTAL
	FREEHOLD			CONDOMINIUM				PRIVATE		ASSISTED		
	SINGLE	SEMI	ROW	SINGLE	SEMI	ROW	APT	ROW	APT	ROW	APT	
<b>PENDING</b>												
- Current Quarter	5	0	0	0	0	0	0	0	0	0	0	5
- Previous Year	8	0	0	0	0	0	0	0	0	0	0	8
<b>STARTS</b>												
- Current Quarter	6	0	0	0	0	0	0	0	0	0	0	6
- Previous Year	2	0	0	0	0	0	0	0	0	0	0	2
- Year-To-Date 2002	6	0	0	0	0	0	0	0	0	0	0	6
- Year-To-Date 2001	2	0	0	0	0	0	0	0	0	0	0	2
<b>UNDER CONSTRUCTION</b>												
- 2002	25	0	0	0	0	0	0	0	0	0	0	25
- 2001	22	6	0	0	0	0	0	0	0	0	0	28
<b>COMPLETIONS</b>												
- Current Quarter	15	0	0	0	0	0	0	0	0	0	0	15
- Previous Year	12	2	0	0	0	0	0	0	0	0	0	14
- Year-To-Date 2002	15	0	0	0	0	0	0	0	0	0	0	15
- Year-To-Date 2001	12	2	0	0	0	0	0	0	0	0	0	14
<b>COMPLETED &amp; NOT ABSORBED</b>												
- 2002	10	4	0	0	0	0	0	0	0	0	0	14
- 2001	10	10	0	0	0	0	0	0	3	0	0	23
<b>TOTAL SUPPLY</b>												
- 2002	40	4	0	0	0	0	0	0	0	0	0	44
- 2001	40	16	0	0	0	0	0	0	3	0	0	59
<b>ABSORPTIONS</b>												
- Current Quarter	16	4	0	0	0	0	0	0	0	0	0	20
- Previous Year	15	0	0	0	0	0	0	0	0	0	0	15
- Year-To-Date 2002	16	4	0	0	0	0	0	0	0	0	0	20
- Year-To-Date 2001	15	0	0	0	0	0	0	0	0	0	0	15
3-month Average	6	1	0	0	0	0	0	0	0	0	0	7
12-month Average	7	1	0	0	0	0	0	0	0	0	0	8

Source: CMHC Starts and Completions Survey.

**Table 1D: Sault Ste. Marie CA**  
**Housing Starts and Completions, First Quarter, 2002**

SAULT STE. MARIE CA	OWNERSHIP							RENTAL				GRAND TOTAL
	FREEHOLD			CONDOMINIUM				PRIVATE		ASSISTED		
	SINGLE	SEMI	ROW	SINGLE	SEMI	ROW	APT	ROW	APT	ROW	APT	
<b>PENDING</b>												
- Current Quarter	1	0	0	0	0	0	0	0	0	0	0	1
- Previous Year	7	0	0	0	0	0	0	0	0	0	0	7
<b>STARTS</b>												
- Current Quarter	5	0	0	0	0	0	0	0	0	0	0	5
- Previous Year	3	0	0	0	0	0	0	0	0	0	0	3
- Year-To-Date 2002	5	0	0	0	0	0	0	0	0	0	0	5
- Year-To-Date 2001	3	0	0	0	0	0	0	0	0	0	0	3
<b>UNDER CONSTRUCTION</b>												
- 2002	21	0	0	0	0	0	0	0	0	0	0	21
- 2001	24	0	4	0	0	0	0	0	0	0	0	28
<b>COMPLETIONS</b>												
- Current Quarter	19	0	0	0	0	0	0	0	0	0	0	19
- Previous Year	9	4	6	0	0	0	0	0	0	0	0	19
- Year-To-Date 2002	19	0	0	0	0	0	0	0	0	0	0	19
- Year-To-Date 2001	9	4	6	0	0	0	0	0	0	0	0	19
<b>COMPLETED &amp; NOT ABSORBED</b>												
- 2002	2	2	3	0	0	0	0	0	0	0	0	7
- 2001	5	0	5	0	0	0	0	0	0	0	0	10
<b>TOTAL SUPPLY</b>												
- 2002	24	2	3	0	0	0	0	0	0	0	0	29
- 2001	36	0	9	0	0	0	0	0	0	0	0	45
<b>ABSORPTIONS</b>												
- Current Quarter	18	0	0	0	0	0	0	0	0	0	0	18
- Previous Year	10	4	3	0	0	0	0	0	0	0	0	17
- Year-To-Date 2002	18	0	0	0	0	0	0	0	0	0	0	18
- Year-To-Date 2001	10	4	3	0	0	0	0	0	0	0	0	17
3-month Average	10	0	0	0	0	0	0	0	0	0	0	10
12-month Average	6	0	1	0	0	0	0	0	0	0	0	7

Source: CMHC Starts and Completions Survey.

**Table 2: Northern Ontario Small Markets  
Housing Starts By Municipality, First Quarter, 2002**

	OWNERSHIP							RENTAL				GRAND TOTAL
	FREEHOLD			CONDOMINIUM				PRIVATE		ASSISTED		
	SINGLE	SEMI	ROW	SINGLE	SEMI	ROW	APT	ROW	APT	ROW	APT	
<b>TIMMINS CA</b>												
<b>STARTS</b>												
- Current Quarter	0	0	0	0	0	0	0	0	0	0	0	0
- Previous Year	1	0	0	0	0	0	0	0	0	0	0	1
- Year-To-Date 2002	0	0	0	0	0	0	0	0	0	0	0	0
- Year-To-Date 2001	1	0	0	0	0	0	0	0	0	0	0	1
<b>ELLIOT LAKE CA</b>												
<b>STARTS</b>												
- Current Quarter	0	0	0	0	0	0	0	0	0	0	0	0
- Previous Year	0	0	0	0	0	0	0	0	0	0	0	0
- Year-To-Date 2002	0	0	0	0	0	0	0	0	0	0	0	0
- Year-To-Date 2001	0	0	0	0	0	0	0	0	0	0	0	0
<b>HAILEYBURY CA</b>												
<b>STARTS</b>												
- Current Quarter	1	0	0	0	0	0	0	0	0	0	0	1
- Previous Year	0	0	0	0	0	0	0	0	0	0	0	0
- Year-To-Date 2002	1	0	0	0	0	0	0	0	0	0	0	1
- Year-To-Date 2001	0	0	0	0	0	0	0	0	0	0	0	0
<b>KENORA CA</b>												
<b>STARTS</b>												
- Current Quarter	0	0	0	0	0	0	0	0	0	0	0	0
- Previous Year	1	0	0	0	0	0	0	0	0	0	0	1
- Year-To-Date 2002	0	0	0	0	0	0	0	0	0	0	0	0
- Year-To-Date 2001	1	0	0	0	0	0	0	0	0	0	0	1
<b>FORT FRANCES</b>												
<b>STARTS</b>												
- Current Quarter	0	0	0	0	0	0	0	0	0	0	0	0
- Previous Year	0	0	0	0	0	0	0	0	0	0	0	0
- Year-To-Date 2002	0	0	0	0	0	0	0	0	0	0	0	0
- Year-To-Date 2001	0	0	0	0	0	0	0	0	0	0	0	0
<b>DRYDEN</b>												
<b>STARTS</b>												
- Current Quarter	1	0	0	0	0	0	0	0	0	0	0	1
- Previous Year	3	0	0	0	0	0	0	0	0	0	0	3
- Year-To-Date 2002	1	0	0	0	0	0	0	0	0	0	0	1
- Year-To-Date 2001	3	0	0	0	0	0	0	0	0	0	0	3

Source: CMHC Starts and Completions Survey.

**Table 3: Northern Ontario New Construction Supply and Demand**

	UNDER CONSTRUCTION	COMPLETE & UNOCCUPIED	TOTAL	DURATION OF SUPPLY	AVERAGE MONTHLY ABSORPTION
<b>THUNDER BAY CMA</b>					
SINGLES	51	9	60	5.1	11.8
SEMIS	2	0	2	4.0	0.5
<b>SUDBURY CMA</b>					
SINGLES	31	12	43	2.8	15.3
SEMIS	n/a	n/a	n/a	n/a	n/a
<b>SAULT STE MARIE CA</b>					
SINGLES	21	2	23	3.6	6.4
SEMIS	0	2	2	6.0	0.3
<b>NORTH BAY CA</b>					
SINGLES	25	10	35	4.8	7.3
SEMIS	0	4	4	5.3	0.8
<b>KENORA CA</b>					
SINGLES	6	0	6	4.5	1.3
SEMIS	n/a	n/a	n/a	n/a	n/a

Note: Duration of Supply, in months (Total Supply/Monthly absorption)

Data to March 31, 2002.

Source: CMHC Starts and Completions Survey.

**Table 4: Northern Ontario**

**ABSORBED NEW SINGLE AND SEMI-DETACHED DWELLINGS BY PRICE RANGE  
First Quarter, 2002**

Price Range		1Q 2002	1Q 2001	% change
<b>Sudbury C M A</b>				
< \$150,000	No.	9	5	80.0
	%	24.3	19.2	
\$150,000-199,999	No.	18	10	80.0
	%	48.6	38.5	
\$200,000 +	No.	10	11	-9.1
	%	27.0	42.3	
<b>TOTAL (100%)</b>		<b>37</b>	<b>26</b>	<b>42.3</b>
<b>Thunder Bay C M A</b>				
< \$150,000	No.	6	0	n/a
	%	16.2	0.0	
\$150,000-199,999	No.	23	15	53.3
	%	62.2	57.7	
\$200,000 +	No.	6	2	200.0
	%	16.2	7.7	
<b>TOTAL (100%)</b>		<b>35</b>	<b>17</b>	<b>105.9</b>
<b>Sault Ste. Marie C A</b>				
< \$150,000	No.	5	5	0.0
	%	27.8	50.0	
\$150,000-199,999	No.	7	5	40.0
	%	38.9	50.0	
\$200,000 +	No.	6	0	n/a
	%	33.3	0.0	
<b>TOTAL (100%)</b>		<b>18</b>	<b>10</b>	<b>80.0</b>
<b>North Bay C A</b>				
< \$150,000	No.	3	2	50.0
	%	18.8	13.3	
\$150,000-199,999	No.	8	7	14.3
	%	50.0	46.7	
\$200,000 +	No.	5	6	-16.7
	%	31.3	40.0	
<b>TOTAL (100%)</b>		<b>16</b>	<b>15</b>	<b>6.7</b>

Source: CMHC Starts and Completions Survey.

**Table 5: Northern Ontario, First Quarter, 2002  
Economic Snapshot (All data is average of quarter)**

	1Q 02	4Q 01	3Q 01	2Q 01	1Q 01	4Q 00	3Q 00
<b>Sudbury Jobs</b>							
Total Employment ('000)	72.0	73.5	71.1	71.4	74.9	76.2	77.7
Unemployment Rate (%)	10.3	8.6	9.8	9.4	7.5	8.3	7.7
<b>NEO Region 590 Jobs</b>							
Total Employment ('000)	242.6	255.0	261.7	256.8	255.5	256.5	258.3
Unemployment Rate (%)	9.4	7.4	8.0	8.8	8.7	8.5	7.8
<b>Thunder Bay Jobs</b>							
Total Employment ('000)	59.7	62.1	63.3	61.6	62.1	62.2	62.5
Unemployment Rate (%)	8.0	7.3	8.0	9.1	7.0	6.1	6.8
<b>NWO Region 595 Jobs</b>							
Total Employment ('000)	111.8	111.6	112.5	108.1	106.9	110.3	113.6
Unemployment Rate (%)	6.7	6.2	7.2	8.0	9.0	7.1	6.9
<b>Canadian Dollar</b>							
Exchange Rate	62.7	63.2	64.7	65.0	65.4	66.0	67.5
<b>Bank of Canada</b>							
Bank Rate	2.3	3.0	4.4	4.9	5.7	6.0	6.0
<b>Mortgages</b>							
One Year Mortgage Rate	4.6	4.7	6.2	6.6	7.2	7.7	7.8
Three Year Mortgage Rate	5.7	5.8	6.9	7.0	7.4	7.9	8
Five Year Mortgage Rate	6.7	6.6	7.3	7.4	7.5	8.0	8.1

Source: Statistics Canada, CMHC.

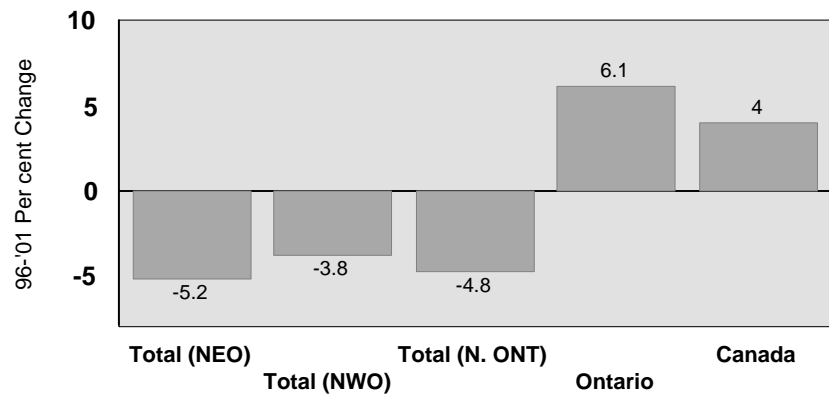
## Census results show negative trend in Northern Ontario

Between 1996 and 2001, Canada's population grew by four per cent according to data released in March by Statistics Canada. Canada's population gain was one of the smallest growth rates experienced between two census periods. With natural increase declining, immigration accounted for more than half of the 1.16 million person growth between 1996 and 2001. Ontario's population grew 6.1 per cent and was second to only Alberta which experienced 10.3 per cent growth. Immigrants coming to Ontario accounted for more than half of those coming to Canada in the five year period. Northern Ontario's population, meanwhile, fell by 4.8 per cent in the same period to a level under 800,000. Looking at each section of the North, Northeastern Ontario's population decreased 5.2 per cent and Northwestern Ontario's population fell 3.8 per cent. (see chart above right)

## Rural population declines in country and in Northern Ontario

Canada is a highly urbanized country compared to many developed nations. The rural population in Canada, that is, those living in centres with less than 10,000 people, fell 0.4 per cent. Such centres in Northern Ontario fared much worse. Northern Ontario has six of Canada's fastest declining centres with populations over 5,000. There are 11 districts in Northern Ontario, eight in the Northeast and three in the Northwest. Population change information is presented in the chart at right. Interestingly, districts on the fringes of Northern Ontario fared the best of the 11 districts with Manitoulin District experiencing the only population increase. Kenora,

## 2001 Census data showed the North lagged behind Ontario and the Nation in population growth



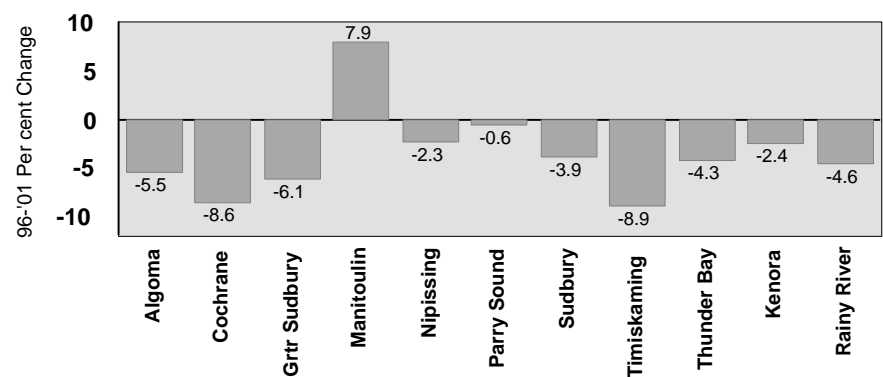
Source: Statistics Canada Census

Nipissing and Parry Sound posted modest dips in population while Timiskaming District fared the worst with a population decline of 8.9 per cent between 1996 and 2001.

With the exception of Alberta, areas with resource-based economies saw populations fall between 1996 and 2001. Northern Ontario, northern Quebec, northern B.C. and the rural sections of Manitoba and Saskatchewan all saw population fall between 1996 and 2001.

the Northwest saw their populations fall at roughly the same rate as their respective regions. Thunder Bay CMA illustrates this most clearly as the population dropped 3.7 per cent compared to the Northwest Region's 3.8 per cent. Sudbury's situation was not quite as similar as the CMA's count fell 6.0 per cent compared to the Northeast Region's 5.2 per cent. There are 27 CMAs (centres over 100,000) in the country. Not surprisingly, Calgary had the fastest population growth between 1996 and

## Of Northern Ontario Districts, all but Manitoulin District saw their population decline



Source: Statistics Canada Census

## Sudbury and Thunder Bay growth rates lowest of 27 CMAs in the country

As the region fared, so fared the CMA within that region. Sudbury, in the Northeast and Thunder Bay in

2001 at 15.8 per cent followed by Oshawa and Toronto. Chicoutimi with 3.4 per cent and Saint John with a 2.4 per cent decline were the next weakest CMA's in terms of population growth to Thunder Bay and Sudbury.

Table 6. Northern Ontario Resale Markets  
Summary of Resale Market Activity, First Quarter, 2002

CITY/AREA	SALES	PRICES	NEW LISTINGS	SALES TO NEW LISTINGS %
<b>THUNDER BAY CMA (THUNDER BAY REAL ESTATE BOARD)</b>				
First Quarter 2002	305	\$ 106,548	712	42.8
First Quarter 2001	226	\$ 109,029	590	38.3
% Change	35.0	-2.3	20.7	N/A
First Quarter 2000	301	\$ 109,725	675	44.6
<b>SUDBURY CMA (SUDBURY REAL ESTATE BOARD)</b>				
First Quarter 2002	455	\$ 112,263	972	46.8
First Quarter 2001	362	\$ 109,672	1097	33
% Change	25.7	2.4	-11.4	N/A
First Quarter 2000	377	\$ 109,164	1348	28
<b>SAULT STE MARIE CA (SAULT STE MARIE REAL ESTATE BOARD)</b>				
First Quarter 2002	200	\$91,540	490	40.8
First Quarter 2001	167	\$92,209	419	39.9
% Change	19.8	-0.7	16.9	N/A
First Quarter 2000	148	\$88,630	437	33.9
<b>NORTH BAY CA (NORTH BAY REAL ESTATE BOARD)</b>				
First Quarter 2002	244	\$ 115,384	459	53.2
First Quarter 2001	192	\$ 116,246	565	34
% Change	27.1	-0.7	-18.8	N/A
First Quarter 2000	202	\$ 111,074	467	43.3
<b>TIMMINS CA (TIMMINS REAL ESTATE BOARD)</b>				
First Quarter 2002	170	\$76,280	449	37.9
First Quarter 2001	187	\$66,235	532	35.2
% Change	-9.1	15.2	-15.6	N/A
First Quarter 2000	148	\$90,456	565	26.2

Source: Northern Ontario Real Estate Boards, CMHC.

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

**PENDING START:** refers to dwelling units where a building permit has been issued but construction has not yet started.

**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

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# FORECAST

Northern Ontario

## SUMMARY

Canada Mortgage and Housing Corporation

### Affordability to drive Northern Ontario Resale Markets

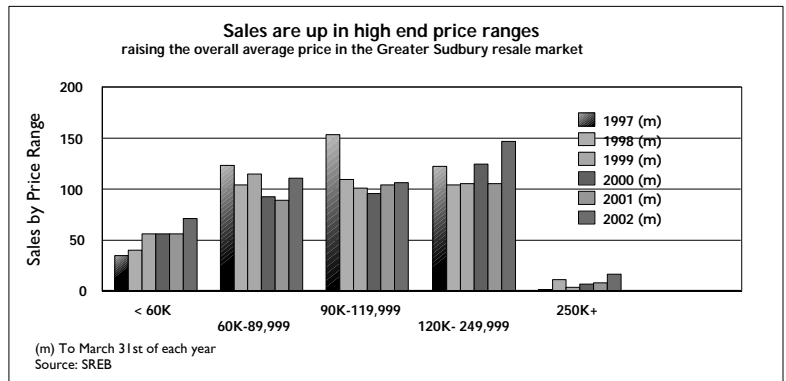
Continued low mortgage rates forecast for 2002 will drive Canadian resale market activity this year. Northern Ontario, is no exception, although weaker economic conditions will curtail the magnitude of expansion in certain centers. Sudbury and Thunder Bay both experienced robust first quarters and stand to see healthy sales expansion this year. Thunder Bay, saw sales shoot up 35 per cent over the first three months combined while Sudbury saw a 25.7 per cent gain

in first quarter sales compared to one year ago. With rates rising marginally, sales will not sustain this pace but we can expect resale volumes to finish three per cent ahead in Thunder Bay (see Chart page 2) and five per cent up in Sudbury (see Chart below. Resale markets will continue to be in a buyer's position for the foreseeable future in both communities.

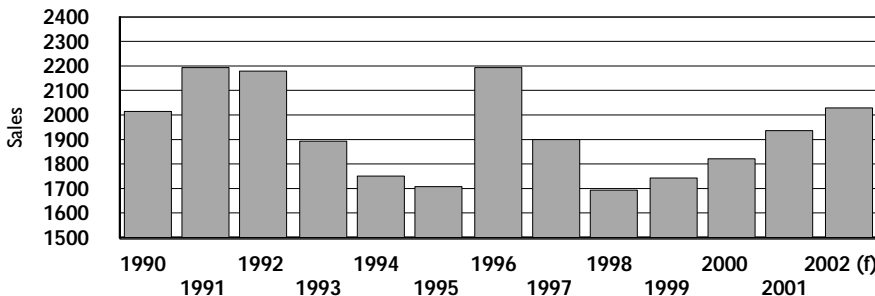
A history of first quarter sales activity in Sudbury

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SPRING 2002

- 1 Resale Market Analysis
- 2 Resale Market Analysis
- 2 Mortgage Rates
- 3 Employment Analysis
- 3 Vacancy Rates
- 4 Forecast Summary Table



### Good affordability will boost Sudbury MLS sales in 2002



(f) CMHC Forecast.  
Source: Sudbury REB.

by price range is found in the chart above. Sales are up in all five price ranges tracked over the same period last year and three of the five are the highest they have been in the last five years. High end prices ranges are faring especially well serving to prop up the Sudbury average MLS price.

Warren Philp

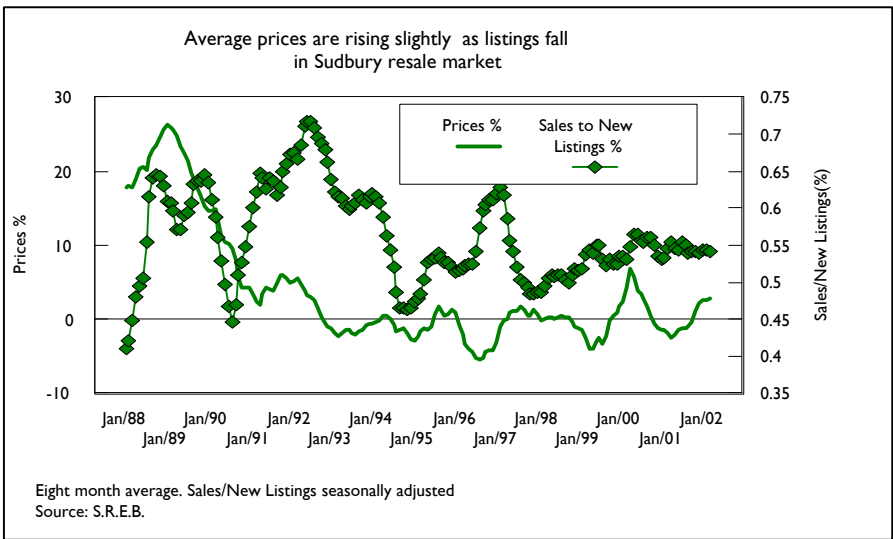
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HOME TO CANADIANS  
Canada



Listings shortages amidst strong sales are resulting in a stable to increasing sales to new listings ratios in Sudbury (see Chart above). This supply-demand relationship is pulling up average prices in the market thus far in 2002. If this situation continues, there may be some price pressure in certain ranges.

Activity at the low end of the market has dominated sales activity in Thunder Bay in the first quarter drawing the average price for the market down 2.3 per cent. Listings shortages in the \$120,000+ range are preventing more activity in the upper strata of the market. Despite the shortage, sales in highly coveted \$120,000 to \$250,000 range were up 55 per cent from the same period last year. Listings in the low end (under \$60,000) are double the number last year, an undeniable indicator of a soft market. New listings are up 21 per cent overall from last year's first quarter. This surplus of listings is resulting in a depressed sales to new listings ratio that is in turn moderating average prices (see Chart at right). Continuation of this situation may bring our

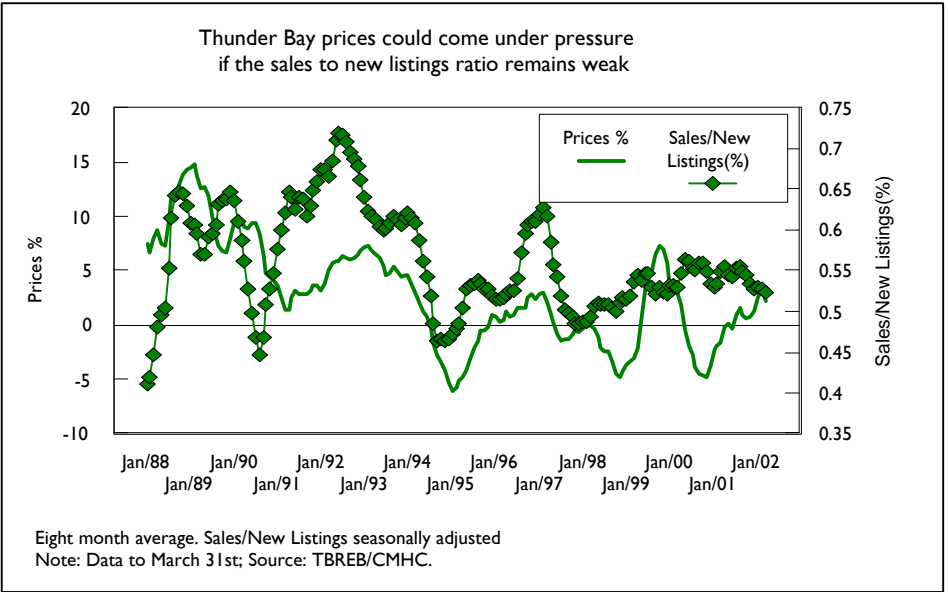
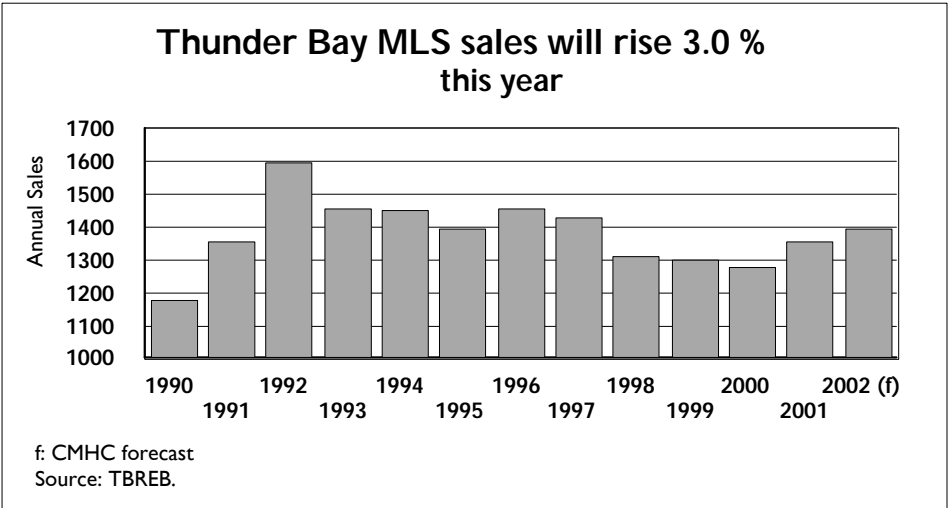
Thunder Bay price forecast into question.

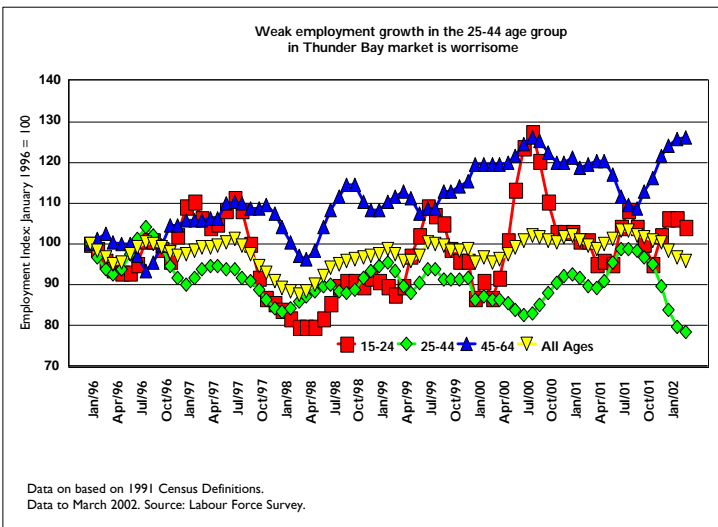
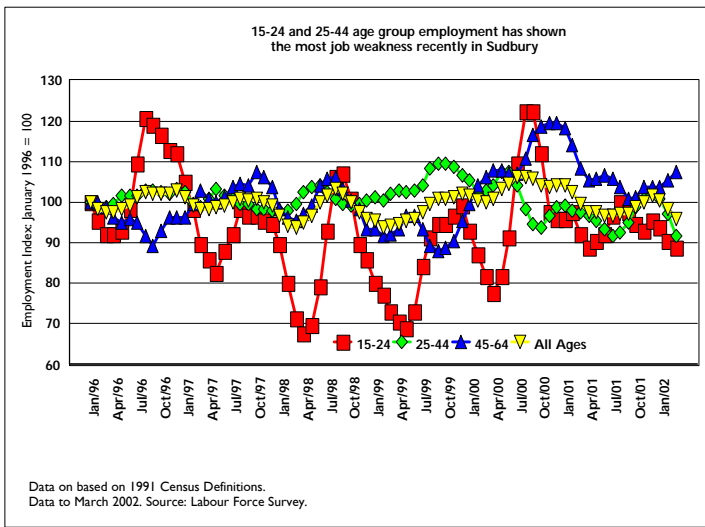
**Mortgage Rates**

While open and variable rate

mortgages generally track lenders prime rate, fixed rate mortgages move in tandem with the bond market. As the prime rate, money market and short-term bond yields are expected to remain stable in 2002, so will short-term mortgage rates. However, as the economy strengthens and financial markets foresee some monetary tightening, long-term interest and mortgage rates will increase.

The outlook for short-term mortgage rates in 2002 remains favourable with the one-year mortgage rate in the 4.00-5.00 per cent range. The three and five year mortgage rates will remain in 6.00-7.00 and 7.00-8.00 per cent ranges respectively.





## Age specific employment data finds troubling weakness in North's CMA's

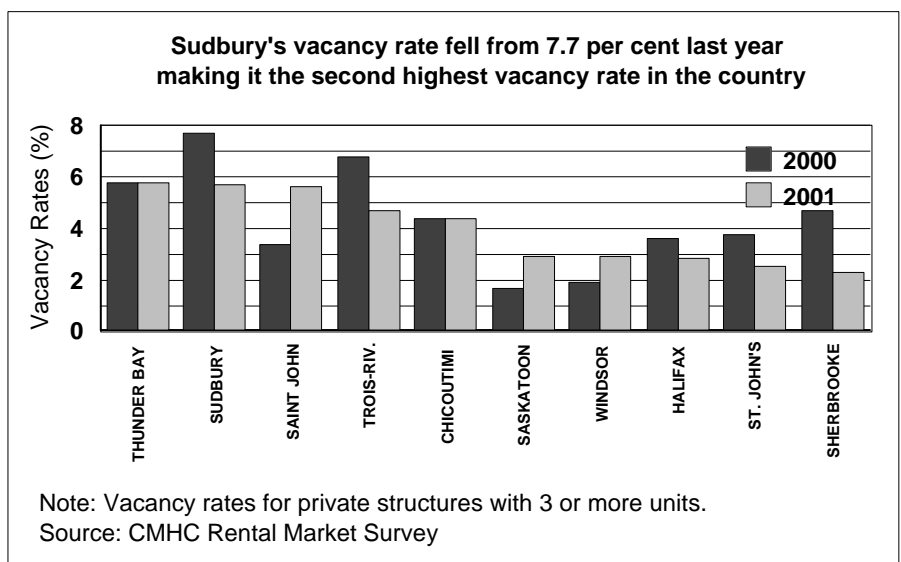
Both Greater Sudbury and Thunder Bay's job market is showing some weakness so far this year according to data from the Labour Force Survey of Statistics Canada. The charts on this page illustrate where specifically the weakness is occurring in terms of age of worker. In both markets, employment in the 45-64 age category is the strongest according to the indexed based employment data. Thunder Bay's employment data for the 25-44 age group is especially troubling with employment for this age group being roughly 80 per cent of the 1996 level of employment. Employment for those 15-24 is slightly ahead of levels in '96. In Sudbury, meantime, weakness is across the two youngest age groups with 15-24 being near 90 per cent and 25-44 also approaching 90 per cent of 1996 base year. Certainly, for either market to see sustained growth in housing starts and a change in the buyer's status of their resale markets, employment in the these critical age groups must advance.

CMHC is still forecasting employment growth this year in both markets reversing the recent negative trend. Greater Sudbury is forecast to have employment average nearly 74,000 while Thunder Bay will reach 63,000 employed over the 12 month period ending December 31<sup>st</sup>, 2002.

## Sudbury vacancy rate continues to fall in 2001, Thunder Bay's remains stable

CMHC's 2001 Rental Market Survey results showed an improved vacancy rate last October in Sudbury dipping to 5.7

per cent, down from 7.7 per cent in 2000. This marked the third consecutive year that the rate has come down in the CMA. Thunder Bay's rate, meanwhile, remained unchanged, staying at 5.8 per cent for the second consecutive year. The two Northern Ontario CMA's have the highest vacancy rates in the country amongst cities with greater than 100,000 people. Vacancy rates for Thunder Bay and Sudbury are forecast to fall slightly this year but still will favour renters.



## FORECAST SUMMARY

### Northern Ontario

<b>RESALE MARKET</b>	<b>2000</b>	<b>%chg</b>	<b>2001</b>	<b>%chg</b>	<b>2002(f)</b>	<b>%chg</b>	<b>2003(f)</b>	<b>%chg</b>
Sudbury MLS sales*	1,825	4.6	1,937	6.1	2,034	5.0	2,095	3.0
Sudbury MLS average price	C\$109,262	4.0	C\$107,774	(1.4)	C\$109,390	1.5	C\$111,578	2.0
Sudbury New Listings (Total)	4,498	(9.6)	4,361	(3.0)	4,230	(3.0)	4,146	(2.0)
Thunder Bay MLS sales*	1,279	(1.7)	1,354	5.9	1,395	3.0	1,436	2.9
Thunder Bay MLS average price	C\$109,811	(2.2)	C\$111,064	1.1	C\$112,175	1.0	C\$114,418	2.0
Thunder Bay New Listings (Total)	2,400	(7.0)	2,557	6.5	2,608	2.0	2,582	(1.0)
<b>NEW HOME MARKET</b>	<b>2000</b>	<b>%chg</b>	<b>2001</b>	<b>%chg</b>	<b>2002(f)</b>	<b>%chg</b>	<b>2003(f)</b>	<b>%chg</b>
<b>Sudbury Starts</b>								
Total	173	(13.1)	191	10.4	230	20.4	240	4.3
Single family	169	29.0	191	13.0	195	2.1	200	2.6
Multiple (semi, row, apt)	4	(94.1)	0	(100.0)	35	n/a	40	14.3
<b>Thunder Bay Starts</b>								
Total	154	(13.1)	211	37.0	280	32.7	250	(10.7)
Single family	141	29.0	163	15.6	170	4.3	180	5.9
Multiple (semi, row, apt)	13	(94.1)	48	269.2	110	n/a	70	(36.4)
<b>RENTAL MARKETS</b>	<b>2000</b>	<b>%chg</b>	<b>2001</b>	<b>%chg</b>	<b>2002(f)</b>	<b>%chg</b>	<b>2003(f)</b>	<b>%chg</b>
Sudbury Vacancy rate (Oct. '01)	7.7%	n/a	5.7%	n/a	5.0%	n/a	4.5%	n/a
Average rent, two-bed. apt.	C\$619	1.1	C\$620	0.2	C\$619	(0.2)	C\$618	(0.2)
Thunder Bay Vacancy rate (Oct. '01)	5.8%	n/a	5.8%	n/a	5.0%	n/a	4.5%	n/a
Average rent, two-bed. apt.	C\$654	1.1	C\$657	0.5	C\$655	(0.3)	C\$653	(0.3)
<b>ECONOMIC OVERVIEW</b>	<b>2000</b>	<b>%chg</b>	<b>2001</b>	<b>%chg</b>	<b>2002(f)</b>	<b>%chg</b>	<b>2003(f)</b>	<b>%chg</b>
Mortgage rate, 1 year	7.85	n/a	6.14	n/a	4.55	n/a	6.00	n/a
Mortgage rate, 5 year	8.35	n/a	7.41	n/a	7.23	n/a	8.21	n/a
Sudbury Employed (Annual avg.)	75,800	5.9	72,700	(4.1)	73,500	1.1	74,500	1.4
ER 590 ** Employed	252,300	0.1	257,000	1.9	n/a	n/a	n/a	n/a
Thunder Bay Employed (Annual avg.)	61,000	5.9	62,300	2.1	63,000	1.1	64,000	1.6
ER 595 *** Employed	112,900	0.1	109,800	(2.7)	n/a	n/a	n/a	n/a

\* Based on SREB/TBREB (Sudbury/Thunder Bay Real Estate Board) territories.

\*\* Economic Region 590 includes the Northeastern Ontario Districts excluding Sudbury CMA.

\*\*\* Economic Region 595 includes the Northwestern Ontario Districts excluding Thunder Bay CMA.

## Watch for the Northern Ontario Housing Outlook Conferences this fall!

The dates for the fall Housing Outlook Conferences for Northern Ontario have been set. Thunder Bay's Conference will take place at the Valhalla Inn on October 3rd while Sudbury's will be presented October 24th at the Cavern at Science North. To inquire about sponsorship opportunities or attending the event, call Warren Philp at 807-343-2016.

Forecast Summary is CMHC's forecast for new home and resale markets. Issues are released in the Spring and Fall of each year.

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