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Sudbury: One Step Forward, Thunder Bay: One Step Back

Second quarter housing starts in Thunder Bay picked up dramatically but still, at mid-year, pale in comparison to 2004 figures. Fifty-six starts were recorded in 2005:Q2, above the 5-year average for second quarters but down from 70 recorded in 2004:Q2. Despite the relatively strong

second quarter, single-detached starts to the end of the first half of 2005 reached 57. There were 16 multi-family starts in the first half of the year, nearly triple the six recorded last year. The demand that existed in the market causing a run-up in starts to 2004 is waning in 2005 due to insufficient job creation. In Greater Sudbury, the 134 single-detached starts that commenced in the second

Canada Mortgage and Housing Corporation

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SECOND QUARTER 2005

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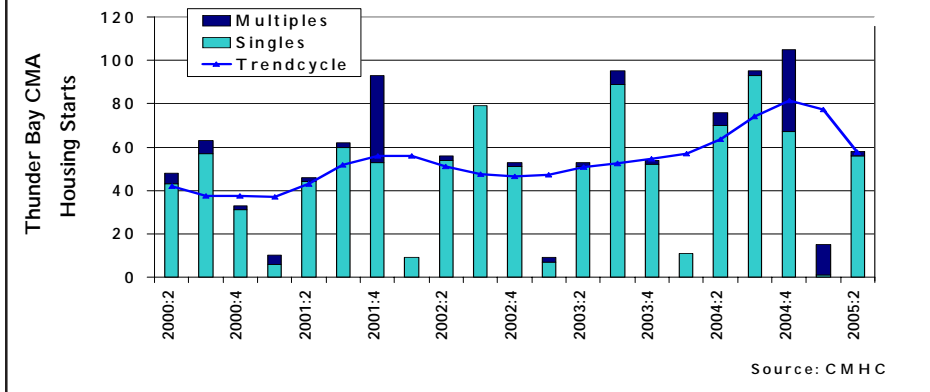
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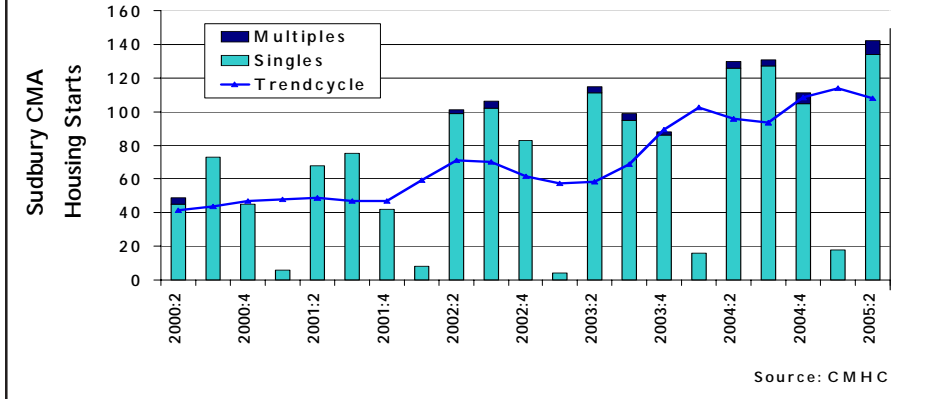
quarter were eight units higher than last year and nearly 50 per cent more than the average for the second quarter over the last five years. Greater Sudbury is on track for 390 starts this year, triple the recent annual low of 131 units in 1999. Strength in nickel prices, improved demographics and a broadening economic base are sustaining demand for new residential construction.

North Bay, Sault Ste. Marie and Timmins are ahead of last year to June 30th in terms of total housing starts. Sault Ste. Marie had a strong second quarter and is 14.3 ahead of last year's six month total. North Bay is showing continued strength. Although the resale market has weakened slightly, demand is still good and moderating listings make a new product more appealing. Starts are up 12.2 per cent for the quarter and 25.6 per cent to June 30th over last year and nearly 50 per cent ahead of the five year average. Timmins tripled its starts total to June 30th from last year while the resale market is experiencing some listings shortages that often pave the way for

Thunder Bay Starts Soften



Strong Sudbury Starts



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Rapport aussi disponible en francais

more housing starts especially when those shortages are in high price ranges. Multiple starts continue to be few and far between in Northern Ontario. Vacancy rates have recently risen in Thunder Bay and continue healthy in Greater Sudbury.

In other parts of Northern Ontario, activity continued ahead of last year in the second quarter. Year-to-date numbers for the same markets are found in Table 2B.

Average prices for absorbed new single-detached units in our key markets, Thunder Bay, Sudbury, Sault Ste. Marie, and North Bay are found in Table 3. Average prices for the quarter are over \$200,000 in each of the four markets with the exception of Sault Ste. Marie. Price increases between 2004:Q2 and 2005:Q2 range from 6.9 per cent in Thunder Bay to 25% in North Bay although average prices can be somewhat volatile depending on the

number of units from which the price is derived.

Table 4 presents new construction absorption information by volume and by price range. The \$200,000 plus price range is the most popular in Sudbury, Sault Ste. Marie, Thunder Bay and North Bay while the \$150,000 to \$199,999 range is second most common. Rising construction costs and demand for larger units with more amenities are contributing to this upward shift in price ranges.

Resale Markets in Northern Ontario

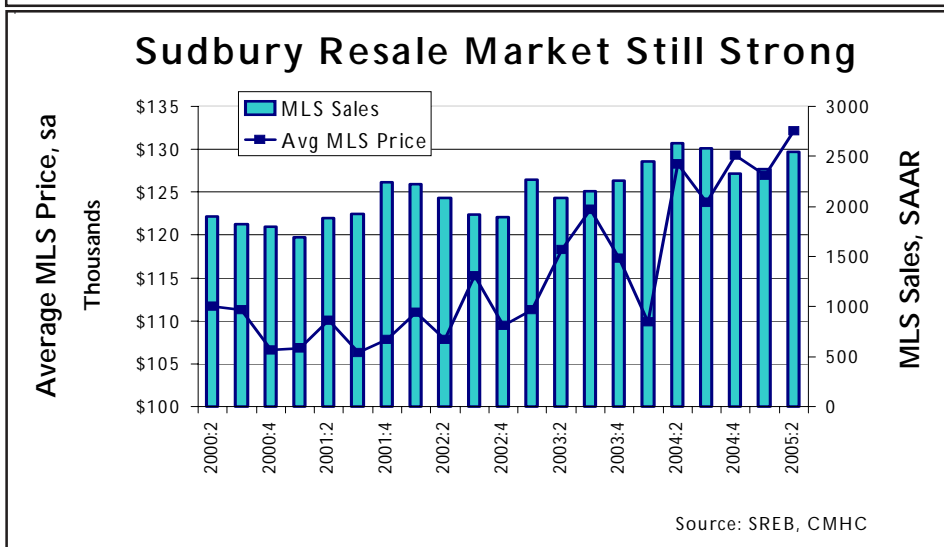
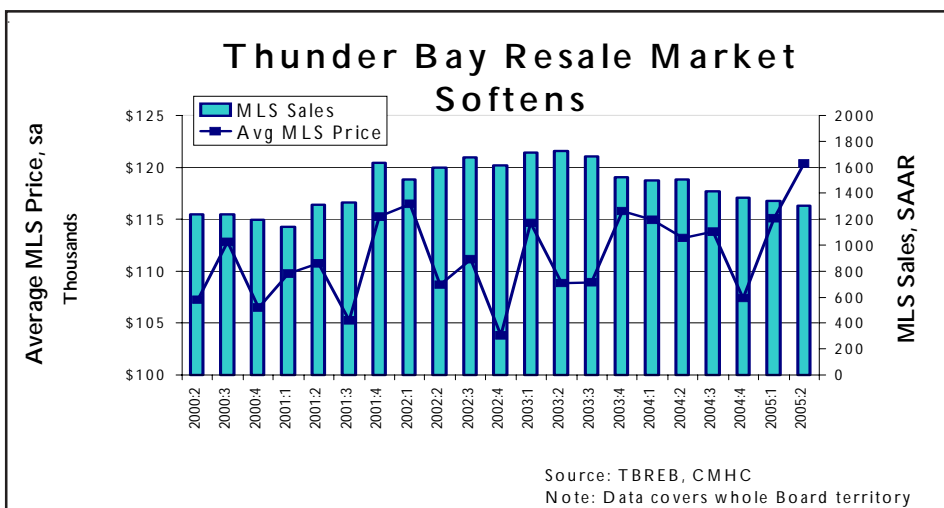
Resale market information is provided in Table 5 for all markets that have Real Estate Boards in Northern Ontario. Slight employment gains have helped resale markets although both Greater Sudbury and Thunder Bay are off peaks reached in 2004 so far this year. Low mortgage rates are keeping monthly carrying costs manageable. This is an important factor in boosting resale markets in Northern Ontario.

Sudbury Q2 Review

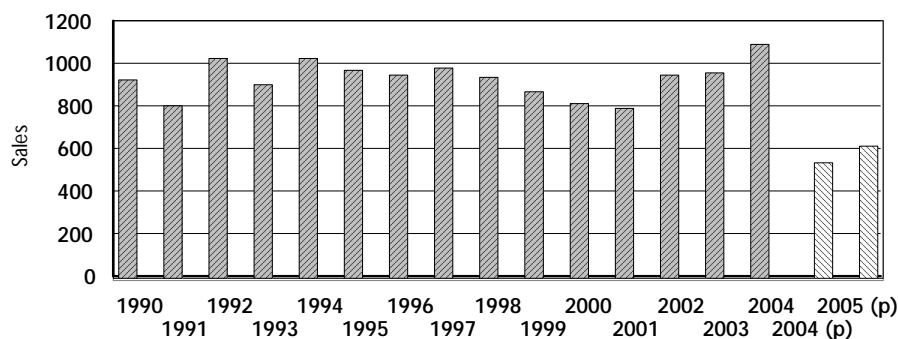
- Greater Sudbury sales are off in the second quarter compared to last year's second quarter. The 804 sales in 2005:Q2 were 2.9 per cent off last year's mark recorded by the Sudbury Real Estate Board. In the year-to-date, Sudbury sales are 3.4 per cent below last year.
- Listings are also down from 2004 levels. The 1294 new listings in the second quarter are off slightly from the 1299 in 2004:Q2. New listings are off 4.5 per cent examining the year-to-date numbers.
- Average prices continue strong. Average prices are up 6.0 per cent in the first six months of 2004. The average price in the second quarter was \$133,554 up 4.5 per cent from a year prior and is not surprising given the still-high sales to new listings ratio in the Sudbury market.
- Sudbury's resale market is currently in a balanced state. However, segments of the market, depending on price range and neighbourhood, are stronger and may be considered seller's markets. Again, strength in nickel prices, improved demographics and a broadening economic base are sustaining demand in both the resale market and new residential construction market.

Thunder Bay Q2 Review

- Sales continued on the downswing from above average sales activity over the past couple years. Residential MLS sales fell to 410 in 2005:Q2, off 12.8 per cent from 2004:Q2.
- New listings edged up in 2004 and continue to trend up in 2005. Listings increased strongly to 908 units from 801 in 2004:Q2.
- Prices were remarkably strong in 2005:Q2 finishing up 6.5 per cent to \$126,087 for the quarter compared to Q2:2004.
- Lower interest rates, only slight improvement to employment levels and faltering overall demand support a continued balanced market classification at the present time.



**2004 SSM sales were the second highest on record.
Volumes are up another 14 per cent to June 30th.**



(p) to June 30th.
Source: SSMREB.

Sault Ste. Marie Sales: Full Steam Ahead

After a third strong year of sales, the resale market in Sault Ste. Marie is on pace to surpass a modern-day record for resale market activity. Sales to the end of June are ahead 14 per cent from this time last year. These 395 sales in the second quarter were the highest recorded by the SSMREB since 1990. While new listings have been advanced 7.7 per cent year-to-date they have failed to keep pace with demand. The Sault's average priced unit sold for \$95,445, in the first six months of 2005.

Table 1A: Housing Activity Summary for Thunder Bay CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q2 2005	56	2	0	0	0	0	0	58
Q2 2004	70	6	0	0	0	0	0	76
% Change	-20.0	-66.7	NA	NA	NA	NA	NA	-23.7
Year-to-date 2005	57	2	0	0	14	0	0	73
Year-to-date 2004	81	6	0	0	0	0	0	87
% Change	-29.6	-66.7	NA	NA	NA	NA	NA	-16.1
UNDER CONSTRUCTION								
June 2005	90	4	5	0	45	0	0	144
June 2004	94	6	0	0	0	0	0	100
COMPLETIONS								
Q2 2005	34	2	0	0	0	0	0	36
Q2 2004	42	2	0	0	0	0	0	44
% Change	-19.0	0.0	NA	NA	NA	NA	NA	-18.2
Year-to-date 2005	88	4	0	0	0	0	0	92
Year-to-date 2004	87	2	0	0	0	0	0	89
% Change	1.1	100.0	NA	NA	NA	NA	NA	3.4
COMPLETE & NOT ABSORBED								
June 2005	2	1	0	0	0	0	0	3
June 2004	6	2	0	0	0	0	0	8
ABSORPTIONS								
Q2 2005	37	1	0	0	0	0	0	38
Q2 2004	38	0	0	0	0	0	0	38
% Change	-2.6	NA	NA	NA	NA	NA	NA	0.0
Year-to-date 2005	89	3	0	0	0	0	0	92
Year-to-date 2004	83	1	0	0	0	0	6	84
% Change	7.2	200.0	NA	NA	NA	NA	-100.0	9.5

*Includes all market types

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

Source: CMHC

Table 1B: Housing Activity Summary for Sudbury CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	SINGLE	SEMI	ROW	ROW	APT			
STARTS								
Q2 2005	134	4	4	0	0	0	0	142
Q2 2004	126	4	0	0	0	0	0	130
% Change	6.3	0.0	NA	NA	NA	NA	NA	9.2
Year-to-date 2005	152	4	4	0	0	0	0	160
Year-to-date 2004	142	4	0	0	0	0	0	146
% Change	7.0	0.0	NA	NA	NA	NA	NA	9.6
UNDER CONSTRUCTION								
June 2005	148	2	4	0	0	4	0	158
June 2004	131	4	0	0	0	0	0	135
COMPLETIONS								
Q2 2005	64	2	0	0	0	0	0	66
Q2 2004	51	0	0	0	0	0	0	51
% Change	25.5	NA	NA	NA	NA	NA	NA	29.4
Year-to-date 2005	133	4	0	0	0	0	0	137
Year-to-date 2004	104	0	0	0	0	0	0	104
% Change	27.9	NA	NA	NA	NA	NA	NA	31.7
COMPLETE & NOT ABSORBED								
June 2005	12	0	0	0	0	0	0	12
June 2004	12	0	0	0	0	0	0	12
ABSORPTIONS								
Q2 2005	66	2	0	0	0	0	0	68
Q2 2004	48	0	0	0	0	0	0	48
% Change	37.5	NA	NA	NA	NA	NA	NA	41.7
Year-to-date 2005	129	4	0	0	0	0	0	133
Year-to-date 2004	98	0	0	0	0	0	0	98
% Change	31.6	NA	NA	NA	NA	NA	NA	35.7

*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		
	Q2 2004	Q2 2005	% change	Q2 2004	Q2 2005	% change	Q2 2004	Q2 2005	% change
North Bay	41	46	12.2	8	0	-100.0	49	46	-6.1
Sault Ste. Marie	34	29	-14.7	4	10	150.0	38	39	2.6
Timmins	5	15	200.0	0	0	NA	5	15	200.0
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	3	6	100.0	0	0	NA	3	6	100.0
Kenora	5	8	60.0	0	0	NA	5	8	60.0
Fort Frances	3	1	-66.7	0	0	NA	3	1	-66.7
Dryden	2	3	50.0	0	0	NA	2	3	50.0

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
North Bay	43	54	25.6	8	0	-100.0	51	54	5.9
Sault Ste. Marie	38	38	0.0	4	10	150.0	42	48	14.3
Timmins	5	15	200.0	0	0	NA	5	15	200.0
Elliot Lake	0	0	NA	0	0	NA	0	0	NA
Haileybury	3	7	133.3	0	0	NA	3	7	133.3
Kenora	6	8	33.3	0	0	NA	6	8	33.3
Fort Frances	3	1	-66.7	0	0	NA	3	1	-66.7
Dryden	2	3	50.0	0	0	NA	2	3	50.0

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

Sub Market Area	Q2 2004	Q2 2005	% Change	YTD 2004	YTD 2005	% Change
Sudbury	213,000	243,583	14.4	203,286	232,975	14.6
Thunder Bay	206,053	220,324	6.9	209,277	218,573	4.4
North Bay	205,545	256,140	24.6	186,581	247,961	32.9
Sault Ste. Marie	176,000	199,783	13.5	187,606	193,636	3.2

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

AREA	PRICE RANGES						
	<\$149,999		\$150-\$199,999		\$200,000 +		TOTAL
	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Sudbury CMA							
Q2 2005	2	3.0	21	31.8	43	65.2	66
Q2 2004	3	6.3	24	50.0	21	43.8	48
YTD 2005	8	6.2	47	36.4	74	57.4	129
YTD 2004	17	17.3	44	44.9	37	37.8	98
Thunder Bay CMA							
Q2 2005	1	2.7	15	40.5	21	56.8	37
Q2 2004	3	7.9	15	39.5	20	52.6	38
YTD 2005	7	7.9	26	29.2	56	62.9	89
YTD 2004	8	9.6	28	33.7	47	56.6	83
Sault Ste. Marie CA							
Q2 2005	3	13.0	11	47.8	9	39.1	23
Q2 2004	0	0.0	5	100.0	0	0.0	5
YTD 2005	8	13.8	23	39.7	27	46.6	58
YTD 2004	26	24.5	39	36.8	41	38.7	106
North Bay CA							
Q2 2005	0	0.0	1	10.0	9	90.0	10
Q2 2004	2	18.2	3	27.3	6	54.5	11
YTD 2005	1	2.3	11	25.0	32	72.7	44
YTD 2004	12	32.4	12	32.4	13	35.1	37

Source: CMHC

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

Table 5: Resale Housing Activity for Northern Ontario

	Number of Sales	Yr/Yr %	Number of New Listings	Sales-to-New Listings	Average Price (\$)	Yr/Yr %
Thunder Bay CMA						
Q2 2004	470	-12.6	825	57.0	118,355	6.9
Q2 2005	406	-13.6	890	45.6	125,327	5.9
YTD 2004	788	-10.9	1,396		112,239	1.4
YTD 2005	674	-14.5	1,453		119,048	6.1
Sudbury CMA						
Q2 2004	828	23.8	1299	63.7	127,821	0.0
Q2 2005	804	-2.9	1294	62.1	133,553	4.5
YTD 2004	1,343	17.6	2,301		123,486	5.7
YTD 2005	1,298	-3.4	2,198		130,870	6.0
Sault Ste Marie CA						
Q2 2004	353	15.7	631	55.9	98,797	2.1
Q2 2005	393	11.3	659	59.6	96,477	-2.3
YTD 2004	535	10.1	1,040		95,807	1.5
YTD 2005	610	14.0	1,118		95,716	-0.1
North Bay CA						
Q2 2004	526	20.1	682	77.1	143,398	12.2
Q2 2005	463	-12.0	724	64.0	153,669	7.2
YTD 2004	800	22.5	1,121		137,162	6.8
YTD 2005	698	-12.8	1,098		146,931	7.1
Timmins CA						
Q2 2004	329	41.2	632	52.1	91,713	8.5
Q2 2005	308	-6.4	568	54.2	88,575	-3.4
YTD 2004	537	36.3	1,111		87,981	2.9
YTD 2005	486	-9.5	968		86,724	-1.4

Source: Canadian Real Estate Association

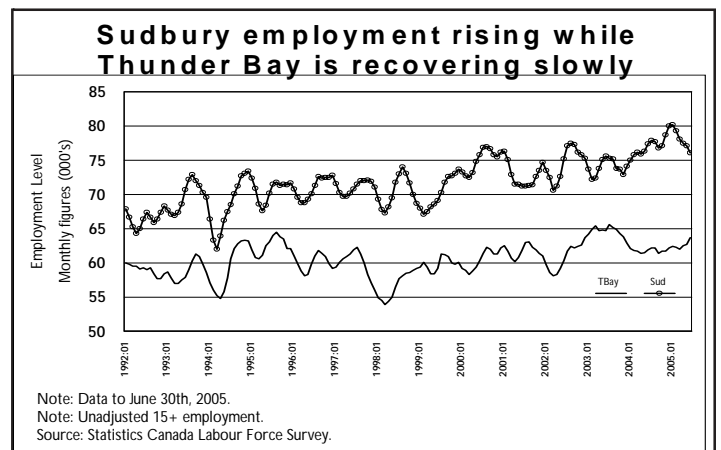
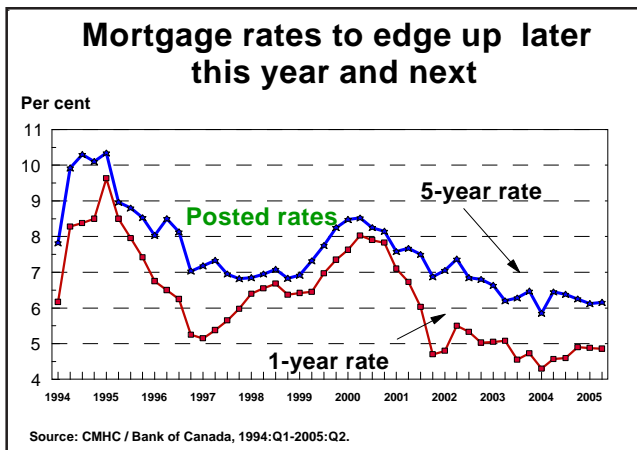
Table 6: Economic Indicators

	Interest and Exchange Rates				Inflation Rate (%) Ontario 1996=100	Thunder Bay Labour Market		Sudbury Labour Market	
	P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)		Employment SA** (,000)	Unemployment Rate (%) SA	Employment SA** (,000)	Unemployment Rate (%) SA
		1 Yr. Term	5 Yr. Term						
2004 January	642.78	4.3	6.1%	0.755	1.5	62.6	7.5	75.2	9.5
February	627.97	4.3	5.8%	0.749	0.8	62.6	7.7	77.1	8.6
March	622.08	4.3	5.7%	0.763	1.1	62.6	7.0	78.0	8.3
April	648.75	4.5	6.2	0.729	2.3	62.5	6.9	77.5	8.4
May	669.82	4.6	6.5	0.733	2.8	62.2	7.2	77.1	9.2
June	681.99	4.7	6.7	0.750	2.4	62.0	8.1	77.2	9.0
July	672.86	4.6	6.6	0.752	2.4	61.3	8.6	77.2	8.6
August	657.75	4.4	6.3	0.762	1.5	61.2	8.7	76.8	8.4
September	657.75	4.8	6.3	0.793	1.5	61.1	8.8	76.7	8.3
October	663.77	4.9	6.4	0.821	2.1	61.7	8.5	77.3	8.0
November	657.75	5.0	6.3	0.843	2.2	62.0	8.7	78.7	7.6
December	642.78	4.8	6.1	0.832	1.9	62.3	8.4	79.5	7.3
2005 January	642.78	4.8	6.1	0.806	1.6	62.6	8.5	80.1	7.8
February	642.78	4.8	6.1	0.811	2.2	62.7	8.2	80.2	7.7
March	654.74	5.1	6.3	0.827	2.3	62.5	7.8	79.6	7.9
April	642.78	4.9	6.1	0.795	2.3	63.2	7.6	78.8	7.4
May	636.84	4.9	6.0	0.797	1.5	63.1	7.3	77.7	7.4
June	622.08	4.8	5.7	0.816	1.9	63.6	7.6	75.9	7.4
July									
August									
September									
October									
November									
December									

* Principal and Interest Payment assumes a five year mortgage rate and 25 year amortization period.

** Seasonally Adjusted

Source: CMHC, Statistics Canada Labour Force Survey



Definitions

- 1. Starts:** refers to units where construction has advanced to a stage where full (100%) footings are in place. For multiple dwellings (semi-detached, row housing and apartments) the definition of a start applies to the structure or block of row units rather than to the project as a whole.
- 2. Under Construction:** those units which have been started but which are not complete.
- 3. Completions - Single-detached/semi-detached units:** this generally is the stage at which all proposed construction work is complete. A unit may be completed at the 90% stage where the remaining work is largely cosmetic. **Row housing/ Apartment:** completions means that 90% or more of the dwelling units within a block of row units or an apartment structure are completed and ready for occupancy
- 4. Completed and Not Absorbed:** all completed units of new construction (excluding model homes not available for sale) which have never been sold or leased.
- 5. Absorptions:** the number of completed units (excluding model homes) that have been sold or leased.
- 6. Seasonally Adjusted (SA):** Actual monthly (or quarterly) figures adjusted to remove normal seasonal variation.
- 7. Seasonally Adjust Annual Rates (SAAR):** Seasonally adjusted monthly figures multiplied by 12 (or quarterly figures multiplied by 4) to reflect annualized levels of activity.
- 8. Definitions for CMA, and Inflation Rate** can be found in the Statistics Canada website - <http://www.statcan.ca>

CMHC Housing Award Winners Announced

Fifteen winners in CMHC's Housing Awards were announced October 1, 2004. This year's Housing Awards, under the theme, "*Best Practices in Affordable Housing*", is the eighth since the program's inception in 1988.

The competition was open to both groups and individuals in the public and private sectors. The fifteen winners were chosen by an independent multi-disciplinary selection committee comprised of housing experts from across Canada.

The CMHC Housing Awards has been successful in promoting innovations in: seniors' housing (1988); housing for young families (1990); housing for persons with disabilities (1992); housing for Aboriginal people (1994); housing for youth (1997); housing challenges of the new millennium (2000); and affordable housing (2002). A fact sheet on each project is available on the CMHC Web site at www.cmhc.ca search keyword: Housing Awards

Ontario's 2004 Retirement Homes Report

Do you want to learn more about the dynamic private retirement home market in Ontario? The 2004 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.

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