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Canada Mortgage and Housing Corporation

FOURTH QUARTER 2003

Another record year for Oshawa CMA New Home Construction

The Oshawa Census Metropolitan Area (CMA) recorded a total of 3,907 housing starts in 2003. This was the best year on record for housing starts surpassing the previous mark of 3,735 units started in 1987. After a weak first quarter, due to a colder than normal winter, the housing market rebounded with three consecutive quarters of positive gains. Low mortgage rates, employment gains, positive net migration, an active resale market with a shortage of listings, and rising house prices in Toronto have all contributed to the strong demand for new homes in the Oshawa CMA. Both the single detached and multiples market benefitted from the increased demand for new homes. Single detached starts in 2003 increased 4.0 per cent to 3,074 units, the highest level ever, while the more volatile multiples increased 55.7 per cent to 833 units. Multiple starts surged due to an increased demand for semi-detached and freehold row units.

Total housing starts in the fourth quarter rose 13.9 per cent to 928 units compared to the fourth

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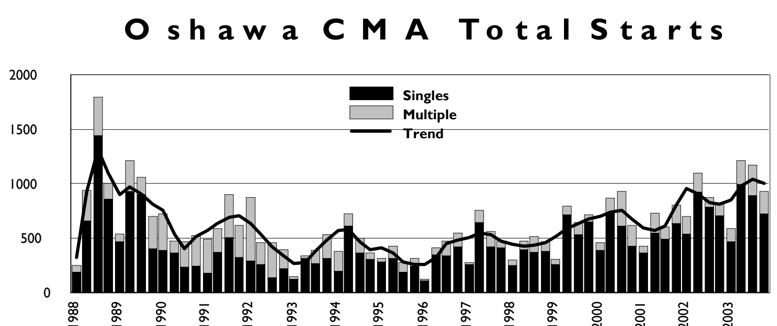

Source: CMHC

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quarter of 2002. Starts in the fourth quarter represented the best fourth quarter since 1988. Single detached starts in the fourth quarter increased by 3.0 per cent to 726 units from the same period in 2002. Multiples, led by freehold row, condo apartment, and rental apartment starts, jumped by 83.6 per cent to 202 units. Nevertheless, after trending upward for three quarters, starts dipped in the fourth quarter. Historically low mortgage rates continue to motivate both first-time and move-up buyers to enter the new home market. Strong new home sales throughout 2003 will bolster new home construction in 2004.

Of the municipalities in the Oshawa CMA, only Whitby showed growth in housing starts in 2003. Nearly two thirds of housing starts in the Oshawa CMA occurred in Whitby. Total starts in Whitby rose by 33.7 per cent to 2,442 units. Demand from Toronto purchasers continue to drive the Whitby new home market. Single detached starts increased by 18.9 per cent to 1,785, while multiple starts skyrocketed 101.5 per cent to 657 units, on the strength of semi-detached and freehold row starts. In 2003, Oshawa City starts fell 19.2 per cent to 690 units, with both single detached and freehold row starts declining. Clarington starts declined a more modest 4.2 per cent to 775 units.

Fourth quarter housing starts were higher in both Clarington and Whitby. Clarington starts rose 38.9 per cent to 250 units, due to the start of two condominium apartment buildings and one rental apartment building. Whitby starts increased by 11.4 per cent in the fourth quarter to 487 units, with both single detached and freehold row units showing positive gains. In the fourth quarter, Oshawa City starts declined 3.5 per cent to 191 units from the same period in 2002.

After rising by 7.5 per cent in 2002, the average price of a new single detached home in the Oshawa CMA rose a more modest 1.8 per cent to reach $240,098 in 2003. Demand for new homes in all price ranges, that is, priced under $250,000, between $250,000 and $349,999, and over $350,000 increased this year. Due to the low mortgage rates, both first-time and move-up buyers are active in the single detached new home market. In 2003, 67.1 per cent of all single detached homes absorbed were priced under $250,000, slightly lower than the 70.3 per cent recorded in 2002. Oshawa City saw the largest increase in the single detached price, rising 3.9 per cent to $236,233, while prices in Whitby rose 1.6% to $251,483. Clarington, with the lowest single detached new home price in the Oshawa CMA, remained virtually unchanged, declining 0.1 per cent to $217,489.

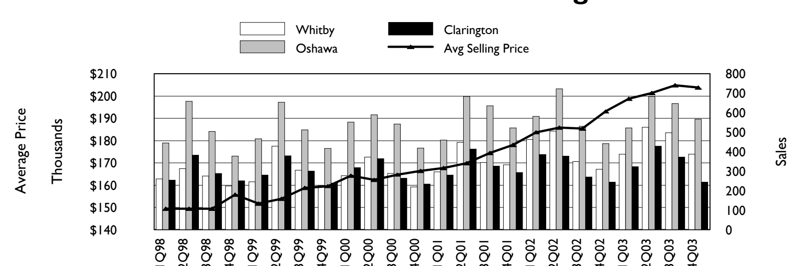
RESALE MARKET

Record breaking year

After a slow start to the resale market in the first quarter of 2003, strength in the final three quarters pushed the year-to-date total resales to a record level. A total of 5,586 homes exchanged hands in 2003, up 7.7 per cent from 2002. Demand for resale homes, as in the new home market, continues to be driven by historically low mortgage rates, strong employment growth, and migration from Toronto. All three municipalities in the Oshawa CMA experienced gains in resale volumes in 2003. Whitby experienced the largest increase in resales, rising 10.2 per cent to 1,630 sales for 2003. On a seasonally adjusted basis, resale volumes, after trending upward for the first nine months of 2003, have begun to trend downward, although still above 2002 levels.

Total resales reached 1,199 in the fourth quarter of 2003, an increase of 20.3 per cent from the same period last year. Oshawa City posted the largest per cent increase in sales, jumping 28.3 per cent to 567 units in the fourth quarter, followed by Whitby with a 24.8 per cent increase to 387 units. Clarington resales volumes remained unchanged.

MLS® Sales and Average Price



Source: TREB, CMHC

In the fourth quarter, as in the previous three quarters, the number of new listings continued to outpace 2002 levels. Existing homeowners, realizing equity gains, and with low mortgage rates, are sellings their homes to move up to larger homes in the new or resale market. A total of 7,772 new listings were recorded in 2003, an increase of 13.3 per cent over 2002 levels. Although new listings remain at record levels, they are in short supply relative to the sales activity. The sales-to-listings ratio in the fourth quarter rose to 85.5 per cent up from the 79.3 per cent recorded a year earlier. Both Whitby and Oshawa City registered increases in their respective sales-to-listings ratios. The 2003 sales-to-listings ratio (an indication of market tightness) came in at 71.9 per cent, indicating a strong sellers' market.

With the resale market firmly in the sellers' favour throughout 2003, the average resale price rose by 8.3 per cent to $202,272 from $186,785 in 2002. The average resale price has been trending upward since 1996. Whitby, with the highest average price in the CMA, and the largest increase in demand in 2003, recorded a price gain of 7.9 per cent to $226,736. Oshawa City, with the lowest average price, and the lowest increase in demand, had a price gain of 7.6 per cent to $157,674. Clarington resales prices recorded the largest gain in 2003, rising 8.7 per cent to $187,721. Although resale prices continue to rise and are at record levels, many first-time buyers continue to leave the rental market to move into homeownership as the historically low mortgage rates are enabling them to afford to purchase a home.

TABLE 1: STARTS ACTIVITIES BY AREA AND INTENDED MARKET OSHAWA CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		PRIVATE		
	SINGLE	SEMI	ROW	ROW	APT	ROW	APT	
Oshawa CMA								
Fourth Quarter 2003	726	0	94	0	72	0	36	928
Fourth Quarter 2002	705	24	86	0	0	0	0	815
% Change	3.0%	-100.0%	9.3%	na	na	na	na	13.9%
Year-to-Date 2003	3074	172	549	0	72	0	40	3907
Year-to-Date 2002	2955	94	295	40	90	16	0	3490
% Change	4.0%	83.0%	86.1%	-100.0%	-20.0%	-100.0%	na	11.9%
Clarington								
Fourth Quarter 2003	142	0	0	0	72	0	36	250
Fourth Quarter 2002	152	0	28	0	0	0	0	180
% Change	-6.6%	na	-100.0%	na	na	na	na	38.9%
Year-to-Date 2003	649	0	18	0	72	0	36	775
Year-to-Date 2002	661	6	52	0	90	0	0	809
% Change	-1.8%	-100.0%	-65.4%	na	-20.0%	na	na	-4.2%
Oshawa City								
Fourth Quarter 2003	184	0	7	0	0	0	0	191
Fourth Quarter 2002	189	0	9	0	0	0	0	198
% Change	-2.6%	na	-22.2%	na	na	na	na	-3.5%
Year-to-Date 2003	640	0	46	0	0	0	4	690
Year-to-Date 2002	793	0	61	0	0	0	0	854
% Change	-19.3%	na	-24.6%	na	na	na	na	-19.2%
Whitby								
Fourth Quarter 2003	400	0	87	0	0	0	0	487
Fourth Quarter 2002	364	24	49	0	0	0	0	437
% Change	9.9%	na	77.6%	na	na	na	na	11.4%
Year-to-Date 2003	1785	172	485	0	0	0	0	2442
Year-to-Date 2002	1501	88	182	40	0	16	0	1827
% Change	18.9%	95.5%	166.5%	-100.0%	na	-100.0%	na	33.7%

Source: CMHC

TABLE 2: RESIDENTIAL CONSTRUCTION BY INTENDED MARKET OSHAWA CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		PRIVATE		
	SINGLE	SEMI	ROW	ROW	APT	ROW	APT	
Pending Starts*								
Fourth Quarter 2003	153	8	20	0	0	0	0	181
Fourth Quarter 2002	218	68	49	0	0	0	0	335
Starts								
Fourth Quarter 2003	726	0	94	0	72	0	36	928
Fourth Quarter 2002	705	24	86	0	0	0	0	815
% Change	3.0%	-100.0%	9.3%	na	na	na	na	13.9%
Year-to-Date 2003	3074	172	549	0	72	0	40	3907
Year-to-Date 2002	2955	94	295	40	90	16	0	3490
% Change	4.0%	83.0%	86.1%	-100.0%	-20.0%	-100.0%	na	11.9%
Under Construction*								
Fourth Quarter 2003	1590	68	334	0	72	0	40	2104
Fourth Quarter 2002	1374	28	163	0	90	0	0	1655
Completions								
Fourth Quarter 2003	875	56	138	0	0	0	0	1069
Fourth Quarter 2002	802	2	30	36	0	0	0	870
% Change	9.1%	2700.0%	360.0%	-100.0%	na	na	na	22.9%
Year-to-Date 2003	2861	130	378	0	90	0	0	3459
Year-to-Date 2002	2644	112	351	40	0	38	130	3315
% Change	8.2%	16.1%	7.7%	-100.0%	na	-100.0%	-100.0%	4.3%
Complete and Not Absorbed*								
Fourth Quarter 2003	17	1	32	0	1	0	0	51
Fourth Quarter 2002	35	6	12	6	0	0	0	59
Total Supply*								
Fourth Quarter 2003	1760	77	386	0	73	0	40	2336
Fourth Quarter 2002	1627	102	224	6	90	0	0	2049
Absorptions								
Fourth Quarter 2003	881	56	112	0	0	0	0	1049
Fourth Quarter 2002	795	4	41	30	0	0	0	870
% Change	10.8%	1300.0%	173.2%	-100.0%	na	na	na	20.6%
Year-to-Date 2003	2874	137	358	6	89	0	0	3464
Year-to-Date 2002	2639	114	356	34	0	38	130	3311
% Change	8.9%	20.2%	0.6%	-82.4%	na	-100.0%	-100.0%	4.6%

Source: CMHC

*At end of quarter

TABLE 3: NEW SINGLE DETACHED PRICE BY MUNICIPALITY OSHAWA CMA

	FOURTH QUARTER 2003	FOURTH QUARTER 2002	PER CENT CHANGE	YEAR-TO-DATE 2003	YEAR-TO-DATE 2002	PER CENT CHANGE
Oshawa CMA	$247,763	$239,250	3.6%	$240,098	$235,809	1.8%
Whitby	$262,473	$247,288	6.1%	$251,483	$247,428	1.6%
Oshawa City	$238,955	$235,516	1.5%	$236,233	$227,394	3.9%
Clarington	$221,036	$225,177	-1.8%	$217,489	$217,795	-0.1%

Source: CMHC

TABLE 4: ABSORBED SINGLE DETACHED UNITS BY PRICE RANGE

	< $150,000	$150,000 - $199,999	$200,000 - $249,999	$250,000 - $299,999	$300,000 - $349,999	$350,000 - $399,999	$400,000+
Oshawa CMA							
Fourth Quarter 2003	2	136	410	193	115	14	11
Fourth Quarter 2002	0	151	383	182	54	12	13
% Change	na	-9.9%	7.0%	6.0%	113.0%	16.7%	-15.4%
Year-to-Date 2003	6	570	1353	603	266	51	25
Year-to-Date 2002	6	570	1278	592	129	34	30
% Change	0.0%	0.0%	5.9%	1.9%	106.2%	50.0%	-16.7%
Whitby							
Fourth Quarter 2003	0	18	232	138	92	9	4
Fourth Quarter 2002	0	46	209	109	37	1	10
% Change	na	-60.9%	11.0%	26.6%	148.6%	800.0%	-60.0%
Year-to-Date 2003	0	141	789	412	199	29	9
Year-to-Date 2002	0	171	686	398	93	12	24
% Change	na	-17.5%	15.0%	3.5%	114.0%	141.7%	-62.5%
Oshawa City							
Fourth Quarter 2003	0	30	86	43	11	3	1
Fourth Quarter 2002	0	32	111	48	7	3	0
% Change	na	-6.3%	-22.5%	-10.4%	57.1%	0.0%	na
Year-to-Date 2003	0	104	314	142	32	9	2
Year-to-Date 2002	3	148	383	124	15	6	1
% Change	-100.0%	-29.7%	-18.0%	14.5%	113.3%	50.0%	100.0%
Clarington							
Fourth Quarter 2003	2	88	92	12	12	2	6
Fourth Quarter 2002	0	73	63	25	10	8	3
% Change	na	20.5%	46.0%	-52.0%	20.0%	-75.0%	100.0%
Year-to-Date 2003	6	325	250	49	35	13	14
Year-to-Date 2002	3	251	209	70	21	16	5
% Change	100.0%	29.5%	19.6%	-30.0%	66.7%	-18.8%	180.0%

Source: CMHC

TABLE 5: MLS®* SALES TO NEW LISTING RATIO BY MUNICIPALITY

	FOURTH QUARTER 2003	FOURTH QUARTER 2002	YEAR-TO-DATE 2003	YEAR-TO-DATE 2002
Durham Region	81.5%	75.0%	68.8%	71.9%
Oshawa CMA	85.5%	79.3%	71.9%	75.6%
Whitby	89.8%	76.9%	72.6%	72.5%
Oshawa City	88.6%	82.5%	71.5%	78.2%
Clarington	74.0%	77.0%	71.6%	75.2%

Source: Toronto Real Estate Board, CMHC

*Multiple Listing Service (MLS®) is a registered certification mark owned by The Canadian Real Estate Association

TABLE 6: MLS®* RESIDENTIAL UNIT SALES BY MUNICIPALITY

	FOURTH QUARTER 2003	FOURTH QUARTER 2002	PER CENT CHANGE	YEAR-TO-DATE 2003	YEAR-TO-DATE 2002	PER CENT CHANGE
Durham Region	1983	1707	16.2%	9510	8875	7.2%
Oshawa CMA	1199	997	20.3%	5586	5186	7.7%
Whitby	387	310	24.8%	1797	1630	10.2%
Oshawa City	567	442	28.3%	2420	2278	6.2%
Clarington	245	245	0.0%	1369	1278	7.1%

Source: Toronto Real Estate Board, CMHC

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TABLE 7: MLS®* AVERAGE PRICE BY MUNICIPALITY

	FOURTH QUARTER 2003	FOURTH QUARTER 2002	PER CENT CHANGE	YEAR-TO-DATE 2003	YEAR-TO-DATE 2002	PER CENT CHANGE
Durham Region	$222,503	$208,203	6.9%	$220,742	$204,954	7.7%
Oshawa CMA	$203,812	$191,754	6.3%	$202,272	$186,785	8.3%
Whitby	$250,068	$231,409	8.1%	$244,700	$226,736	7.9%
Oshawa City	$169,787	$160,342	5.9%	$169,724	$157,674	7.6%
Clarington	$209,489	$198,248	5.7%	$204,118	$187,721	8.7%

Source: Toronto Real Estate Board, CMHC

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TABLE 8: ECONOMIC INDICATORS - OSHAWA CMA

	BANK RATE	MTG. RATE 3 YR TERM	EXCH. RATE ($CDN/$US)	EMPLOYMENT RATIO* (%)	UNEMPLOYMENT RATE*(%)
2001					
August	4.25	7.04	64.67	64.5	5.8
September	3.75	6.64	63.32	64.7	5.8
October	3.00	6.16	63.02	64.1	6.2
November	2.50	5.64	63.19	64.1	6.3
December	2.50	5.64	62.70	64.5	6.4
Average	**4.31**	**6.75**	**64.39**	**65.2**	**5.6**
2002					
January	2.25	5.60	62.80	64.6	7.3
February	2.25	5.61	62.18	64.7	7.5
March	2.25	5.97	62.75	64.1	8.2
April	2.50	6.35	63.96	64.0	7.8
May	2.50	6.40	65.16	64.1	7.3
June	2.75	6.40	65.76	64.4	6.4
July	3.00	6.33	63.12	64.4	5.9
August	3.00	6.02	64.12	64.7	5.9
September	3.00	5.92	63.41	64.9	6.1
October	3.00	5.90	64.20	65.5	6.2
November	3.00	5.83	63.54	66.1	6.1
December	3.00	5.81	64.60	66.3	6.1
Average	**2.71**	**6.01**	**63.80**	**64.9**	**6.7**
2003					
January	3.00	5.79	65.32	66.9	5.9
February	3.00	5.81	66.88	67.3	5.7
March	3.25	5.84	67.98	68.1	5.0
April	3.50	5.97	68.59	68.7	5.1
May	3.50	5.71	72.12	69.7	5.1
June	3.50	5.20	74.48	70.4	5.2
July	3.25	5.29	71.44	70.6	5.4
August	3.25	5.31	71.58	70.6	5.3
September	3.00	5.45	74.23	70.2	5.4
October	3.00	5.35	76.50	69.6	4.9
November	3.00	5.51	76.44	69.0	4.9
December	3.00	5.54	77.38	68.8	4.9
Average	**3.19**	**5.56**	**71.91**	**69.4**	**5.1**

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.

ABSORPTION:

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 yet started.

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