

H

HOUSING NOW

Oshawa

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

www.cmhc.ca

NEW HOME MARKET

Second Quarter housing starts lower

Oshawa Census Metropolitan Area (CMA) total housing starts in the second quarter of 2005 were below levels seen in the last two years, but the third best second quarter in fifteen years. A total of 1,113 units were started, down 23 per cent from the record showing in the second quarter of 2004. While single-detached construction came in at a strong 1,023 units, multiple sector starts pulled total starts lower.

Demand for new homes continues to be driven by stimulative demographic and economic factors. Low mortgage rates, reasonable job growth, strong consumer confidence,

and high levels of net migration continue to fuel this demand. The price differential for single-detached homes between Toronto and the Oshawa CMA will keep demand for these homes at a respectable level in 2005. Single-detached homes continue to be the first choice for homebuyers in the Oshawa CMA.

All three municipalities in the Oshawa CMA recorded declines in housing starts in the second quarter. Whitby housing starts registered the smallest decline. After five quarters of year over year declines in single-detached starts, Whitby single-detached starts rebounded in

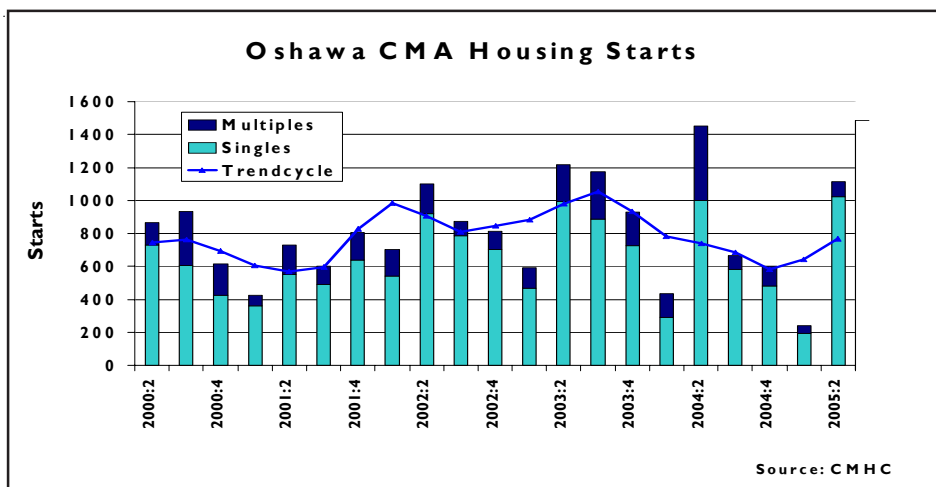
SECOND QUARTER 2005

IN THIS ISSUE

- 1 Second quarter housing starts lower
- 2 Average single-detached price has double digit gain
- 2 Strong second quarter resales
- 3 Table 1: Housing Activity Summary
- 4 Table 2A: Starts by Area and Intended Market - Current Quarter
- 4 Table 2B: Starts by Area and Intended Market - Year-to-Date
- 4 Table 3: Average Price of Completed and Absorbed Single-Detached Dwellings
- 5 Table 4: Completed and Absorbed Single Detached Units by Price Range
- 6 Table 5: Resale Housing Activity
- 7 Table 6: Economic Indicators
- 8 Definitions

the second quarter. Low inventory of completed and unsold single-detached units and higher new home prices continue to give homebuilders the incentive to build. Multiple sector construction dropped, as demand weakened for this sector. Just under 60 per cent of CMA starts this quarter were located in Whitby.

The decline in new home construction was more pronounced in Oshawa City and Clarington, where



Erica McLerie, CMHC - Market Analysis
Tel: (416) 218-3318 * Fax: (416) 218-3314
emclerie@cmhc-schl.gc.ca

starts dropped most, as homebuyers began their search for new homes in areas closer to Toronto. These two municipalities saw declines in both single-detached and multiple construction.

Housing starts in the first half of 2005 in the Oshawa CMA are down 28 per cent from this time last year. All three municipalities registered declines. The multiple sector has been especially hard hit by the decline in new construction, falling 77 per cent from last year's pace. Single-detached starts declined by a more modest amount. The more affordable price of single-detached homes in the Oshawa CMA continue to attract homebuyers from Toronto.

Average single-detached price has double digit gain

Strong demand from move-up buyers and migrants to the Oshawa CMA has pushed the average price of a single-detached home higher. As homebuyers demand more upgrades and amenities in their homes, homebuilders have been meeting this demand. Rising lot prices and higher costs for labour and building materials have also contributed to higher home prices.

The average price of a single-detached home in the Oshawa CMA in the second quarter rose by 11 per cent from this time last year. Whitby, with the highest single-detached price in the CMA, recorded the largest gain in price, rising by 19 per cent. The higher single-detached prices in Whitby did not deter homebuyers in this municipality.

RESALE MARKET

Strong Second quarter resales

The resale market in the Oshawa CMA remained strong in the second quarter, despite slowing down from record 2004 levels. With a seasonally adjusted annual rate (SAAR) of just over 6,000 SAAR in the second quarter, sales are very strong, relative to the record sales of 6,328 in 2004. Low mortgage rates, respectable employment, strong consumer confidence and migration from Toronto continue to drive demand for resale homes.

A total of 1,901 existing homes were sold in the second quarter of 2005, down nearly 10 per cent from the record level seen in the second quarter of last year. Despite lower resales, this was the second best second quarter since 1994.

New listings, an indicator of supply, outpaced levels seen last year. Rising home equity continues to encourage many homeowners to list their homes. Second quarter new listings rose by 13 per cent when compared to the second quarter of 2004. New listings in the second quarter were at the highest level of any quarter. This added supply of existing homes on the market fuelled choice and contributed to the strong sales performance.

With higher new listings and lower sales, the sales-to-new listings ratio edged lower. The sales-to-new listings ratio is a leading indicator of future price growth and a good measure of market tightness. The sales-to-new listings ratio, although still in sellers' territory at 60 per cent, is edging lower towards a more balanced state, in which price pressures will subside.

Average resale prices continue to trend upward. In the second quarter of 2005, the average price rose by 5 per cent to \$237,344 when compared to the second quarter of 2004. Price increases have slowed from double digit increases last year. Currently, homebuyers have more choice in the resale market and more room to negotiate a better price.

All three municipalities in the Oshawa CMA experienced declines in sales numbers in the second quarter of 2005 when compared to 2004, with Oshawa City experiencing the largest drop. New listings were higher in all three municipalities. With the sales-to-new listings ratio moving lower in all three municipalities, the increase in the average resale price was kept below 5 per cent, but still above the general rate of inflation.

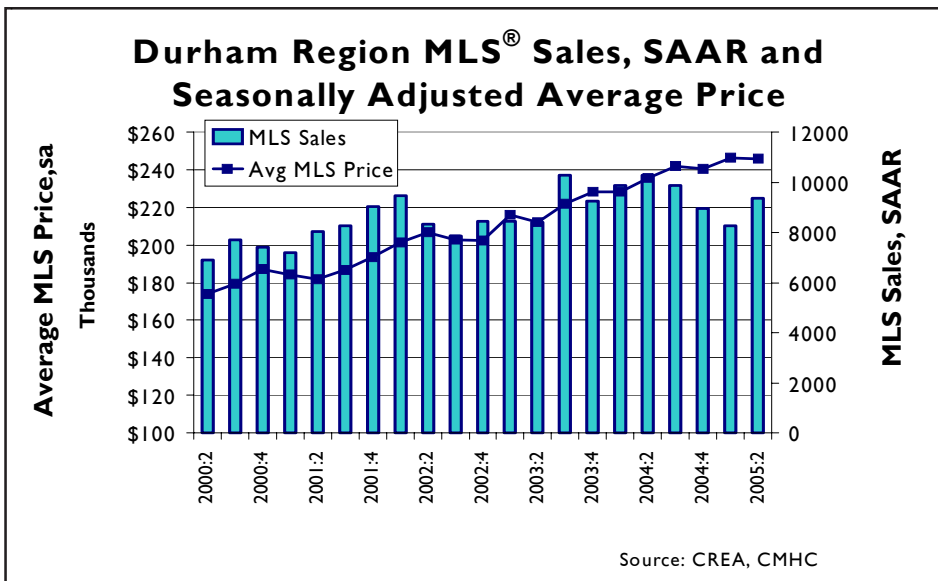


Table I: Housing Activity Summary for Oshawa CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q2 2005	1,023	4	69	0	0	17	0	1,113
Q2 2004	998	28	304	0	120	0	0	1,450
% Change	2.5	-85.7	-77.3	NA	-100.0	NA	NA	-23.2
Year-to-date 2005	1,215	4	115	0	0	21	0	1,355
Year-to-date 2004	1,290	28	376	0	192	0	0	1,886
% Change	-5.8	-85.7	-69.4	NA	-100.0	NA	NA	-28.2
UNDER CONSTRUCTION								
June 2005	1,467	24	145	0	18	21	0	1,675
June 2004	1,598	32	406	0	300	0	0	2,336
COMPLETIONS								
Q2 2005	407	26	42	11	72	0	0	558
Q2 2004	652	22	126	0	0	0	0	800
% Change	-37.6	18.2	-66.7	NA	NA	NA	NA	-30.3
Year-to-date 2005	893	30	87	16	144	0	0	1,170
Year-to-date 2004	1,282	64	304	0	0	0	4	1,654
% Change	-30.3	-53.1	-71.4	NA	NA	NA	-100.0	-29.3
COMPLETE & NOT ABSORBED								
June 2005	27	3	10	2	5	0	0	47
June 2004	16	3	5	0	0	0	0	24
ABSORPTIONS								
Q2 2005	406	28	42	10	67	0	0	553
Q2 2004	665	20	139	0	1	0	0	825
% Change	-38.9	40.0	-69.8	NA	**	NA	NA	-33.0
Year-to-date 2005	869	31	89	14	139	0	0	1,142
Year-to-date 2004	1,286	62	328	0	1	0	4	1,681
% Change	-32.4	-50.0	-72.9	NA	**	NA	-100.0	-32.1

*Includes all market types

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

Source: CMHC

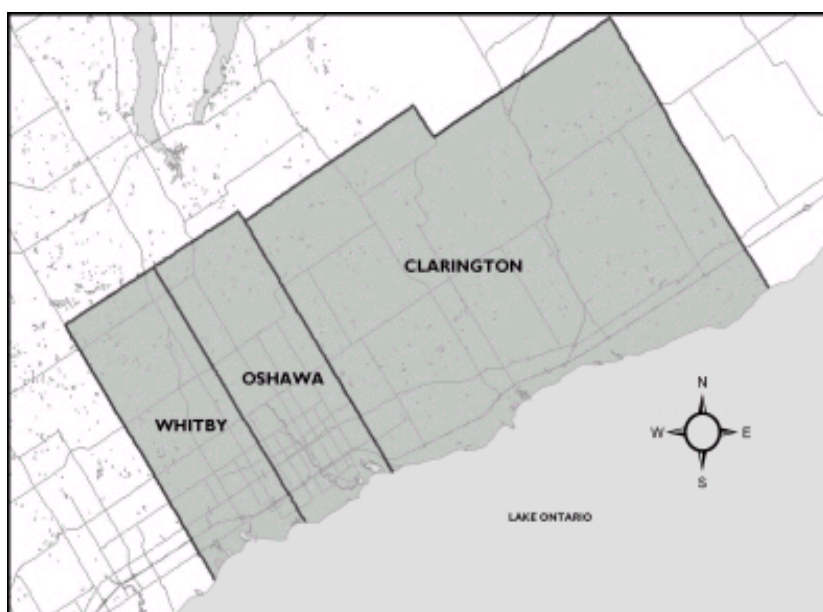
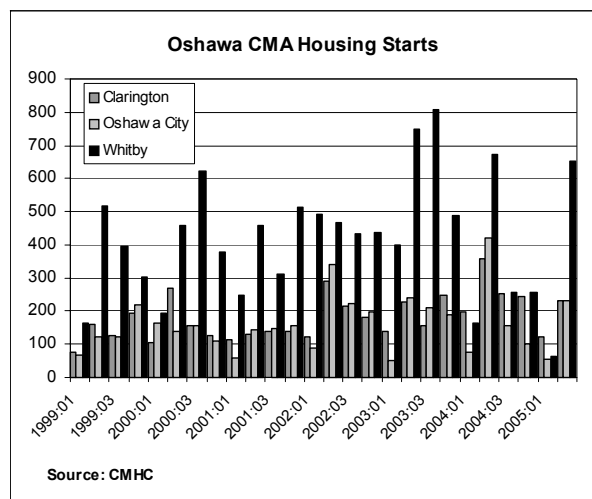


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q2 2004	Q2 2005	% change	Q2 2004	Q2 2005	% change	2004	2005	% change
Oshawa CMA	998	1023	2.5	452	90	-80.1	1450	1113	-23.2
Clarington	299	210	-29.8	58	20	-65.5	357	230	-35.6
Oshawa City	291	232	-20.3	131	0	-100.0	422	232	-45.0
Whitby	408	581	42.4	263	70	-73.4	671	651	-3.0

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	2004	2005	% change
Oshawa CMA	1,290	1,215	-5.8	596	140	-76.5	1,886	1,355	-28.2
Clarington	409	285	-30.3	144	66	-54.2	553	351	-36.5
Oshawa City	361	288	-20.2	135	0	-100.0	496	288	-41.9
Whitby	520	642	23.5	317	74	-76.7	837	716	-14.5

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

Sub Market Area	Q2 2004	Q2 2005	% Change	YTD 2004	YTD 2005	% Change
Oshawa CMA	260,152	287,798	10.6	257,798	282,402	9.5
Clarington	234,133	256,029	9.4	234,422	251,204	7.2
Oshawa City	257,818	294,892	14.4	251,699	276,988	10.0
Whitby	270,083	320,939	18.8	267,618	323,034	20.7

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

To succeed in today's market you need
THE INFORMATION EDGE

CMHC is the source for expert analysis and comprehensive data
on housing in your community

Local Reports

Rental Market Reports, Housing Now, Housing Market Outlook
Annual Housing Outlook Conferences, Custom Data Runs and Special Tables

Call 1-800-493-0059 today

to find out how our information can help you stay one step ahead.

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

AREA	PRICE RANGES										TOTAL
	<\$199,999		\$200-249,999		\$250-299,999		\$300-349,999		\$350,000+		
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
Oshawa CMA											
Q2 2005	37	9.1	117	28.8	111	27.3	86	21.2	55	13.5	406
Q2 2004	72	10.8	242	36.4	234	35.2	86	12.9	31	4.7	665
YTD 2005	86	9.9	295	33.9	222	25.5	156	18.0	110	12.7	869
YTD 2004	138	10.7	518	40.3	418	32.5	156	12.1	56	4.4	1,286
Clarington											
Q2 2005	35	19.7	78	43.8	28	15.7	18	10.1	19	10.7	178
Q2 2004	39	31.5	53	42.7	19	15.3	4	3.2	9	7.3	124
YTD 2005	73	20.1	179	49.2	54	14.8	24	6.6	34	9.3	364
YTD 2004	76	33.6	98	43.4	23	10.2	13	5.8	16	7.1	226
Oshawa City											
Q2 2005	2	2.7	19	26.0	28	38.4	13	17.8	11	15.1	73
Q2 2004	22	12.6	63	36.0	60	34.3	24	13.7	6	3.4	175
YTD 2005	13	6.5	71	35.7	70	35.2	25	12.6	20	10.1	199
YTD 2004	40	12.4	142	44.1	95	29.5	35	10.9	10	3.1	322
Whitby											
Q2 2005	0	0.0	20	12.9	55	35.5	55	35.5	25	16.1	155
Q2 2004	11	3.0	126	34.4	155	42.3	58	15.8	16	4.4	366
YTD 2005	0	0.0	45	14.7	98	32.0	107	35.0	56	18.3	306
YTD 2004	22	3.0	278	37.7	300	40.7	108	14.6	30	4.1	738

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

CMHC has recently published two new reports - *Residential Intensification Case Studies: Municipal Incentives* and *Residential Intensification Case Studies: Built Projects*. The former profiles municipal initiatives (e.g. infill development, brownfield redevelopment, secondary suites) that have been successfully implemented to overcome obstacles and encourage residential intensification. The latter report includes 23 examples to illustrate the unique challenges and rewards of intensification.

To download the Research Highlights or order the full reports on-line, click on www.cmhc.ca. For more information, or to order by phone, call 1-800-668-2642.

Table 5: Resale Housing Activity for Oshawa CMA

	Number of Sales	Yr/Yr %	Number of New Listings	Sales-to-New Listings	Average Price (\$)	Yr/Yr %
Durham Region						
Q2 2004	3,482	23.7%	4,811	72.4%	\$243,794	11.4%
Q2 2005	3,154	-9.4%	5,484	57.5%	\$255,287	4.7%
YTD 2004	5,964	20.7%	8,904		\$238,722	9.4%
YTD 2005	5,217	-12.5%	9,778		\$252,349	5.7%
Oshawa CMA						
Q2 2004	2,105	28.5%	2,772	75.9%	\$226,197	12.3%
Q2 2005	1,901	-9.7%	3,144	60.5%	\$237,344	4.9%
YTD 2004	3,648	27.1%	5,153		\$219,611	9.7%
YTD 2005	3,190	-12.6%	5,660		\$234,828	6.9%
Whitby						
Q2 2004	670	27.6%	889	75.4%	\$269,924	10.8%
Q2 2005	641	-4.3%	1,145	56.0%	\$279,569	3.6%
YTD 2004	1,153	26.3%	1,703		\$263,935	9.4%
YTD 2005	1,076	-6.7%	2,126		\$277,727	5.2%
Oshawa City						
Q2 2004	899	31.4%	1,146	78.4%	\$190,388	13.6%
Q2 2005	749	-16.7%	1,225	61.1%	\$198,305	4.2%
YTD 2004	1,571	30.3%	2,121		\$185,162	10.0%
YTD 2005	1,274	-18.9%	2,121		\$197,268	6.5%
Clarington						
Q2 2004	536	24.9%	737	72.7%	\$231,600	13.8%
Q2 2005	511	-4.7%	774	66.0%	\$241,597	4.3%
YTD 2004	924	22.9%	1,329		\$222,871	10.4%
YTD 2005	840	-9.1%	1,413		\$236,842	6.3%

Oshawa CMA						
	Annual Sales	Yr/Yr %	Annual New Listings	Yr/Yr %	Annual Average Price	Yr/Yr %
1995	2,124		6,573		\$150,018	
1996	2,401	13.0%	7,527	14.5%	\$143,054	-4.6%
1997	4,211	75.4%	6,515	-13.4%	\$141,308	-1.2%
1998	4,314	2.4%	6,232	-4.3%	\$147,408	4.3%
1999	4,237	-1.8%	6,009	-3.6%	\$150,995	2.4%
2000	4,454	5.1%	6,063	0.9%	\$155,994	3.3%
2001	4,401	-1.2%	6,368	5.0%	\$164,416	5.4%
2002	4,937	12.2%	6,937	8.9%	\$172,603	5.0%
2003	5,186	5.0%	6,859	-1.1%	\$186,785	8.2%
2004	5,586	7.7%	7,772	13.3%	\$202,272	8.3%

Source:

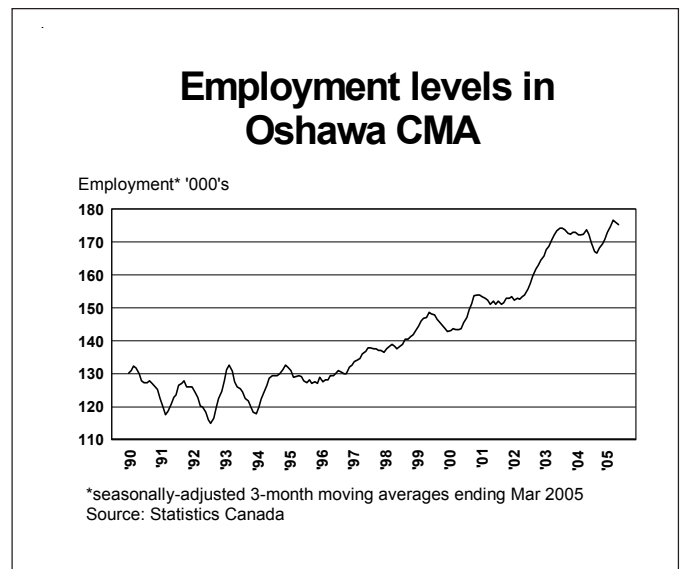
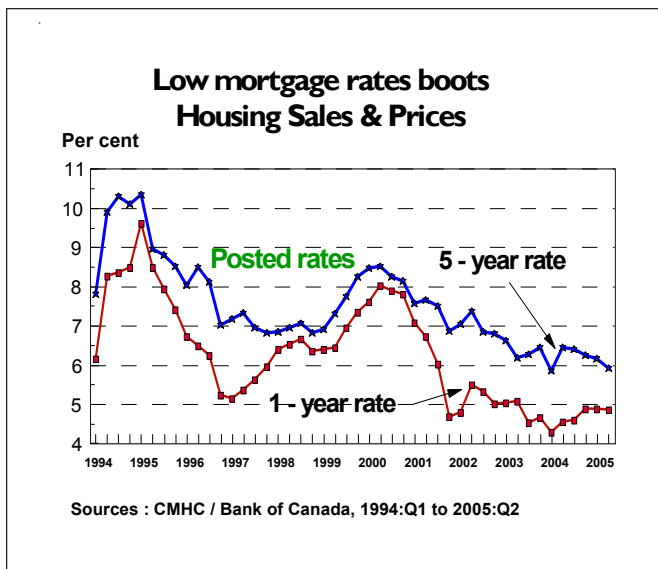
Table 6: Economic Indicators

	Interest and Exchange Rates				Oshawa CMA Labour Market		
	P & I* Per \$ 100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)	Employment SA** (,000)	Employment SA m/m (%)	Unemployment Rate (%) SA
		1 Yr. Term	5 Yr. Term				
2004							
January	642.78	4.3	6.1	0.755	173.1	0.3	5.0
February	627.97	4.3	5.8	0.749	173.1	0.0	5.0
March	622.08	4.3	5.7	0.763	172.3	-0.5	5.2
April	648.75	4.5	6.2	0.729	172.1	-0.1	5.4
May	669.82	4.6	6.5	0.733	172.6	0.3	5.2
June	681.99	4.7	6.7	0.750	173.7	0.6	5.1
July	672.86	4.6	6.6	0.752	172.6	-0.6	4.6
August	657.75	4.4	6.3	0.762	169.9	-1.6	5.1
September	657.75	4.8	6.3	0.793	167.1	-1.6	5.5
October	663.77	4.9	6.4	0.821	166.6	-0.3	5.7
November	657.75	5.0	6.3	0.843	168.3	1.0	5.8
December	642.78	4.8	6.1	0.832	169.6	0.8	5.7
2005							
January	642.78	4.8	6.1	0.806	170.9	0.8	6.2
February	642.78	4.8	6.1	0.811	173.0	1.2	6.4
March	654.74	5.1	6.3	0.827	174.9	1.1	7.2
April	642.78	4.9	6.1	0.795	176.6	1.0	7.1
May	636.84	4.9	6.0	0.797	176.2	-0.2	6.7
June	622.08	4.8	5.7	0.816	175.3	-0.5	6.1
July							
August							
September							
October							
November							
December							

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

** Seasonally Adjusted

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 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**.

Housing Now is published four times a year. An annual subscription to the Oshawa Housing Now is \$55 plus GST. For more information and to order; please call Ontario Market Analysis customer service at 1-800-493-0059.