

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Home Construction Increases During Fourth Quarter

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Spurred on by an unusually mild start to this year's winter season, Oshawa's new residential construction market posted a year-over-year increase in building activity. During the fourth quarter of 2001, a total of 804 residential starts were recorded within the Oshawa CMA, up from 616 during the same period one year ago, representing an increase of just over 30 percent. Despite a strong showing towards the end of the year, year end totals fell short of last year, with 2001

registering 313 fewer starts than 2000.

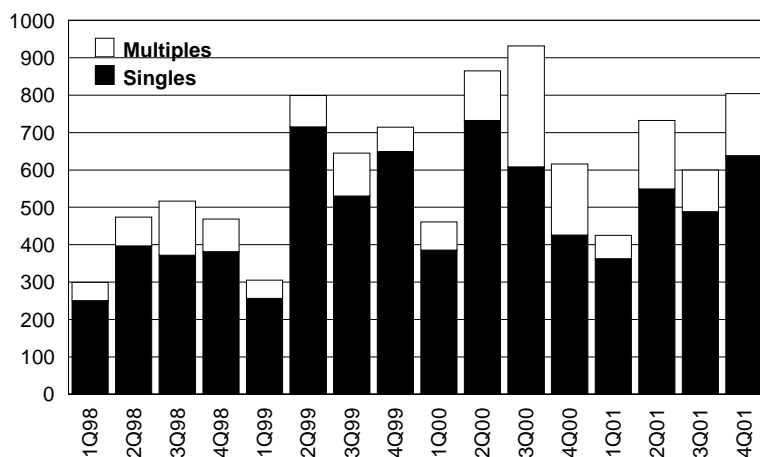
As has been the trend throughout much of the year, single family starts continued to lead the charge during the fourth quarter, accounting for 638 starts, or nearly 80 percent of all construction activity. Row construction followed with a total of 128 starts during the three month ending in December, just shy of last year's 134.

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**Housing Starts
Oshawa CMA**



CMHC Toronto, Market Analysis
Paul Prosper

Tel: (416) 218-3406 Fax: (416)218-3314
pprosper@cmhc-schl.gc.ca



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By municipality, Whitby once again captured the greatest number of residential starts, where construction began on a total of 511 new homes, up from 379 during the same period one year ago. Whitby's closer proximity to the Greater Toronto Area combined with its comparatively lower selling prices continues to draw households to this area, a trend that will likely continue into the near future. Although Whitby registered the greatest amount of new residential construction, both Clarington and Oshawa City also marked increases in construction activity, posting 137 and 156 starts respectively.

Strong Employment Growth, Lower Mortgage Rates and Migration Drive Demand in 2001

Although year-end starts for 2001 fell short of 2000 levels, Oshawa's new construction market continues to be driven by essentially the same factors. Specifically, strong employment growth, especially in 2000, led to increases in consumer confidence levels which ultimately increased the pool of potential homebuyers in the Oshawa CMA. Since there is typically a considerable lag between employment gains and the ensuing increases in the demand for housing, it is expected that employment growth in 2000 would have led to increased rates of household

formation during 2001. While employment growth during 2001 wasn't nearly as pronounced as it was in 2000, the demand for housing, both new and existing, will likely remain stable over the course of 2002.

In addition to a strong employment market, near record low interest rates continued to be a significant driver of housing demand in Oshawa. As has been demonstrated over the years, declines in lending rates usually lead to increases in housing demand, and 2001 proved to be no exception. Forty year low lending rates proved too much for many households to resist, which subsequently pushed up demand for new and existing homes.

Finally, strong net-migration figures are also having a positive influence on

**TABLE 1: HOUSING STARTS BY AREA AND INTENDED MARKET
OSHAWA CMA**

	OWNERSHIP					RENTAL		TOTAL
	FREEHOLD			CONDOMINIUM		PRIVATE		
	SINGLE	SEMI	ROW	ROW	APT	ROW	APT	
Oshawa CMA								
Fourth Quarter 2001	638	16	128	0	0	22	0	804
Fourth Quarter 2000	426	22	134	34	0	0	0	616
Total 2001	2,038	70	431	0	0	22	0	2,561
Total 2000	2,152	86	409	99	0	0	128	2,874
Clarington								
Fourth Quarter 2001	97	0	40	0	0	0	0	137
Fourth Quarter 2000	114	0	12	0	0	0	0	126
Total 2001	464	8	49	0	0	0	0	521
Total 2000	639	0	18	0	0	0	0	657
Oshawa City								
Fourth Quarter 2001	154	2	0	0	0	0	0	156
Fourth Quarter 2000	102	2	7	0	0	0	0	111
Total 2001	500	2	6	0	0	0	0	508
Total 2000	487	2	59	15	0	0	2	565
Whitby								
Fourth Quarter 2001	387	14	88	0	0	22	0	511
Fourth Quarter 2000	210	20	115	34	0	0	0	379
Total 2001	1,074	68	368	0	0	22	0	1,532
Total 2000	1,026	84	332	84	0	0	126	1,652

Source: CMHC

Oshawa's housing markets. While net migration figures during the later half of the 1990's have paled in comparison to those of the late eighties, the most recent figures suggest that this trend may be beginning to shift. According to Statistics Canada estimates, Oshawa's net migration rose from 3,084 in 1999 to 4,665 during 2000, representing an increase of over 50 percent. As more people choose to relocate to the Oshawa CMA in search of affordable housing, demand for housing, both new and existing, will remain strong.

New Single Detached Prices Continue To Edge Upward

For the second consecutive quarter, the average selling price of a new single detached home inched upward in the Oshawa CMA, posting a year-over-year increase of 4.3 percent, or from \$216,200 to \$225,525. Although not quite as pronounced, year-end average selling prices were also on the rise, edging up to \$219,200 during 2001 compared to \$214,845 in 2000, an increase of 2.1 percent. Within the CMA, Whitby was once again home to the most expensive new residences, where the average new home sold for \$233,979. Although the price of a new single detached home in Oshawa City was considerably lower than in Whitby, it's interesting to note that at 7.0 percent, Oshawa City registered the largest year-over-year increase in new home prices. Clarington meanwhile recorded the least expensive new home price at \$209,010.

On the whole, despite a slight decline in the overall number of new residential starts in the Oshawa CMA, demand for new housing remained quite strong in 2001, especially in the Whitby area. As such, average selling prices continued on an upward trend,

and will likely continue to so in the immediate future.

Resale Market Continues Full Steam Ahead

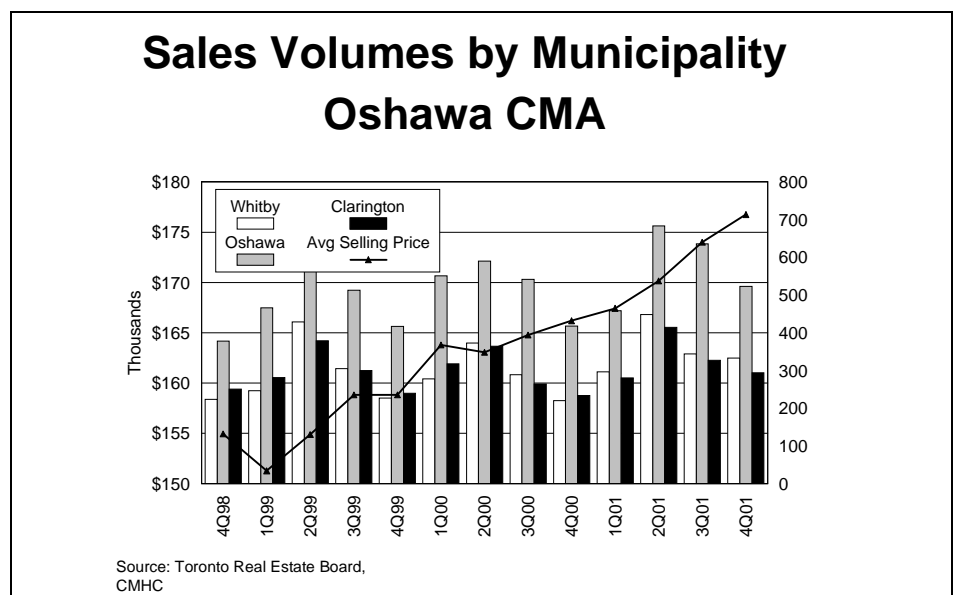
Like the new construction market, Oshawa's resale market also posted a marginal gain in sales volumes during the fourth quarter of 2001. Between October and December of this year, a total of 1,150 homes changed hands in the Oshawa CMA, up from 872 during the same period one year ago. At the sub-market level, Oshawa City led the way with a total of 523 sales during the fourth quarter, followed by Whitby with 333 sales. Clarington also recorded an increase in sales volumes during the third quarter, posting a total of 294 sales, an increase of just over 25 percent.

With the demand for existing housing fueled by low lending rates and a healthy employment market throughout much of the year, it comes as no surprise that year-end sales figures surpassed 2000 totals. With a total of 4,937 homes sold over the course of 2001, the resale market registered a 12.2 percent increase in volumes compared to 2000. Similarly, the number of new listings were also on the rise during 2001. By the close of this year, a total

of 14,263 homes were listed for sale compared to 12,618 in 2000, an increase of 13 percent. Typically, an increase in the number of new listings is indicative of market confidence, particularly from a seller's point of view.

Reflecting an increase in sales volumes, the sales-to-listings ratio increased slightly in the Oshawa CMA over the past three months, pointing to a slight strengthening in market conditions. By the end of December, the benchmark figure stood at 38.1 percent, up from 34.5 percent during the same period last year. Within the Oshawa CMA, Oshawa City once again posted the highest sales-to-listings ratio at 42.2 percent, followed by Whitby at 35.5 percent and Clarington at 35.0 percent.

With market conditions remaining relatively tight over the past three months, average selling price has also been on the rise throughout the fourth quarter. By the end of December, the average price of a home sold in the Oshawa CMA rose by 7.1 percent, from \$165,081 to \$176,755. At the sub market level, Whitby posted the largest jump in selling price, rising by 6.3 percent to \$215,691 followed by Oshawa City and Clarington at 6.1 and 4.9 percent respectively.



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**TABLE 2: SUMMARY OF RESIDENTIAL CONSTRUCTION
BY INTENDED MARKET, OSHAWA CMA**

	OWNERSHIP				RENTAL	TOTAL
	SINGLE	SEMI	ROW	CONDO	ROW & APT	
Starts						
Fourth Quarter 2001	638	16	128	0	22	804
Fourth Quarter 2000	426	22	134	34	0	616
Total 2001	2,038	70	431	0	22	2,561
Total 2000	2,152	86	409	99	128	2,874
Under Construction *						
Fourth Quarter 2001	1,065	46	219	0	150	1,480
Fourth Quarter 2000	964	48	256	84	128	1,480
% Change	10.5	-4.2	-14.5	-100.0	17.2	0.0
Completions						
Fourth Quarter 2001	483	46	103	0	0	632
Fourth Quarter 2000	540	28	61	6	0	635
% Change	-10.6	64.3	68.9	-100.0	n/a	-0.5
Complete and Not Absorbed *						
Fourth Quarter 2001	25	9	17	0	0	51
Fourth Quarter 2000	56	7	14	3	0	80
% Change	-55.4	28.6	21.4	-100.0	n/a	-36.3
Absorptions						
Fourth Quarter 2001	478	45	102	2	0	627
Fourth Quarter 2000	530	25	64	14	0	633
% Change	-9.8	80.0	59.4	-85.7	n/a	-0.9

* As at end of period shown

Source: CMHC

**TABLE 3: NEW SINGLE DETACHED PRICE BY MUNICIPALITY
OSHAWA CMA**

	FOURTH QUARTER 2001	FOURTH QUARTER 2000	PER CENT CHANGE	TOTAL 2001	TOTAL 2000	PER CENT CHANGE
Oshawa CMA	\$225,525	\$216,200	4.3%	\$219,363	\$214,845	2.1%
Whitby	\$239,738	\$233,979	2.5%	\$231,596	\$230,729	0.4%
Oshawa City	\$216,236	\$202,142	7.0%	\$207,638	\$211,480	-1.8%
Clarington	\$209,010	\$196,297	6.5%	\$204,240	\$192,045	6.4%

Source: CMHC

TABLE 4: ABSORBED SINGLE DETACHED UNITS BY PRICE RANGE

	<\$149,999	\$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 2001	4	141	230	73	20	7	3
Fourth Quarter 2000	26	216	201	73	15	7	7
Total 2001	31	713	793	290	62	24	12
Total 2000	88	837	882	264	55	15	27
Whitby							
Fourth Quarter 2001	0	33	130	53	14	2	2
Fourth Quarter 2000	2	68	124	53	12	5	4
Total 2001	0	246	488	224	41	7	6
Total 2000	2	243	514	178	41	8	14
Oshawa City							
Fourth Quarter 2001	0	45	54	13	2	3	0
Fourth Quarter 2000	15	61	37	11	1	0	3
Total 2001	15	201	154	32	8	7	3
Total 2000	21	221	242	50	10	2	7
Clarington							
Fourth Quarter 2001	4	63	46	7	4	2	1
Fourth Quarter 2000	9	87	40	9	2	2	0
Total 2001	16	266	151	34	13	10	3
Total 2000	65	373	126	36	4	5	6

Source: CMHC

TABLE 5: MLS* SALES TO LISTINGS RATIO BY MUNICIPALITY

	FOURTH QUARTER 2001	FOURTH QUARTER 2000	TOTAL 2001	TOTAL 2000
Durham Region	36.9%	33.9%	33.0%	32.9%
Oshawa CMA	38.1%	34.5%	34.6%	34.9%
Whitby	35.5%	29.7%	31.8%	32.8%
Oshawa City	42.2%	40.7%	37.6%	36.8%
Clarington	35.0%	33.6%	33.4%	34.0%

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 2001	FOURTH QUARTER 2000	PER CENT CHANGE	TOTAL 2001	TOTAL 2000	PER CENT CHANGE
Durham Region	1,909	1,546	23.5%	8,343	7,598	9.8%
Oshawa CMA	1,150	872	31.9%	4,937	4,401	12.2%
Whitby	333	220	51.4%	1,422	1,160	22.6%
Oshawa City	523	418	25.1%	2,200	2,061	6.7%
Clarington	294	234	25.6%	1,315	1,180	11.4%

Source: Toronto Real Estate Board, CMHC

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

TABLE 7: MLS* AVERAGE PRICES BY MUNICIPALITY

	FOURTH QUARTER 2001	FOURTH QUARTER 2000	PER CENT CHANGE	TOTAL 2001	TOTAL 2000	PER CENT CHANGE
Durham Region	\$193,615	\$182,899	5.9%	\$189,454	\$180,382	5.0%
Oshawa CMA	\$176,755	\$165,081	7.1%	\$172,603	\$164,416	5.0%
Whitby	\$215,691	\$202,909	6.3%	\$213,470	\$202,155	5.6%
Oshawa City	\$150,162	\$141,523	6.1%	\$146,299	\$141,407	3.5%
Clarington	\$179,959	\$171,599	4.9%	\$172,417	\$167,504	2.9%

Source: Toronto Real Estate Board, CMHC

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

TABLE 8: ECONOMIC INDICATORS - OSHAWA CMA

	BANK RATE	MTG. RATE 3 YR TERM	EXCH. RATE (\$CDN/\$US)	EMPLOYMENT RATIO* (%)	UNEMPLOYMENT RATE* (%)
1999					
April	5.00	6.59	68.18	66.7	6.4
May	4.75	6.77	67.79	66.7	6.4
June	4.75	7.21	67.93	66.4	6.5
July	4.75	7.25	66.39	66.6	6.4
August	4.75	7.63	66.39	66.2	6.1
September	4.75	7.55	67.61	66.0	6.0
October	4.75	7.74	67.72	65.7	5.9
November	5.00	7.96	68.27	65.6	5.7
December	5.00	7.97	68.09	65.2	5.3
Average	4.94	7.24	67.25	66.0	6.1
2000					
January	5.00	8.15	69.73	64.2	5.2
February	5.25	8.22	68.95	63.9	5.3
March	5.50	8.08	68.74	63.7	5.6
April	5.50	8.07	67.61	63.8	5.4
May	6.00	8.34	66.41	63.4	5.5
June	6.00	8.22	67.49	62.9	5.7
July	6.00	8.06	67.99	62.6	6.1
August	6.00	7.97	67.87	63.1	5.8
September	6.00	7.96	66.53	63.7	5.8
October	6.00	7.97	66.30	65.0	5.6
November	6.00	7.94	64.99	65.8	6.0
December	6.00	7.75	66.35	66.8	5.6
Average	5.77	8.06	67.41	64.28	5.7
2001					
January	5.75	7.44	66.89	66.9	5.6
February	5.75	7.37	64.58	66.9	5.2
March	5.25	6.97	63.61	66.5	5.3
April	5.00	6.91	64.11	66.2	5.2
May	5.00	7.01	64.93	65.9	5.3
June	4.75	7.46	65.79	65.2	5.2
July	4.50	7.30	65.27	65.1	5.2
August	4.25	7.15	65.25	64.4	5.5
September	3.75	6.70	63.35	64.5	5.5
October	3.45	6.15	62.94	64.2	6.0
November	2.88	5.75	63.58	64.4	6.0
December	2.5	5.75	62.78	64.8	6.2
Average	4.40	6.83	64.42	65.4	5.5

*Figures have been seasonally adjusted.

Source: Bank of Canada, CMHC, Statistics Canada

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.

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 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 started.

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