HOUSING MARKET INFORMATION

HOUSING NOW

Kitchener

Canada Mortgage and Housing Corporation

Date Released: Fourth Quarter 2006

New Home Market

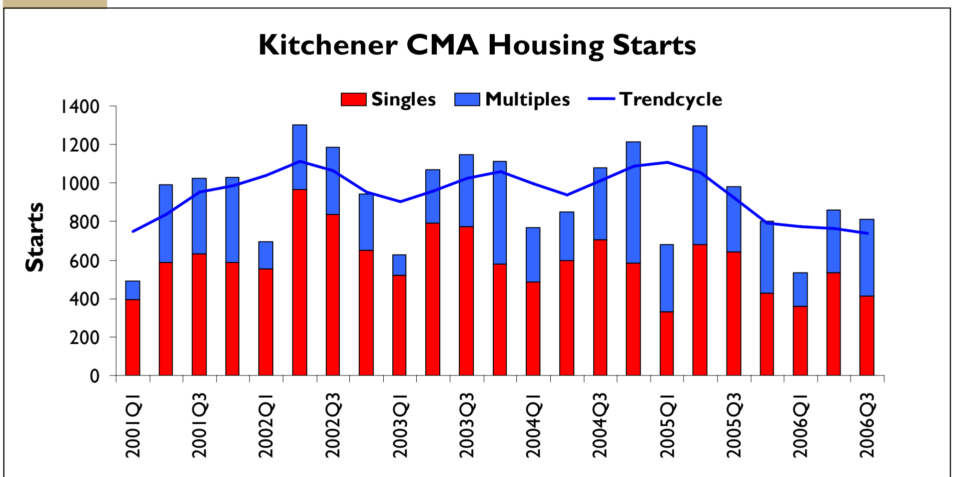
Weaker Starts in Third Quarter

Housing starts in the Kitchener Census Metropolitan Area (CMA) were weaker in the third quarter. A total of 813 foundations were poured, down 17 per cent from the same quarter last year. Although lower, home starts in the third quarter were above the 15-year average.

Single-detached and multiple-family home starts moved in opposite directions. Single-detached starts plummeted 36 per cent from the same quarter last year. Multiple-family home starts, which included semi-detached, townhouses, and apartments increased more than 17 per cent. The increase in multiple-family home starts was due to the start of several rental apartment buildings this quarter.

For the first nine months of 2006, housing starts are down 25 per cent. Both single-detached and multiple-family home starts declined. The more popular single-detached home sector saw construction fall by 21 per cent. Multiple-family home starts dropped by 31 per cent. Only semi-detached construction showed a positive result.

Figure 1



Source: CMHC

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New home construction has been negatively affected by several key demand and supply factors. Slightly higher mortgage rates combined with increased new home prices to push carrying costs higher. The exceptional job growth witnessed in 2005 has stalled. Job growth over the last twelve months has been relatively flat with employment down 100 jobs, virtually unchanged compared to the third quarter last year. Another key factor leading to softer new home construction is the loosening of the resale home market. Resale market listings continue to rise. With more choice in the resale market, homebuyers may opt to purchase a more moderately priced resale home rather than a new home. Net migration to the Kitchener CMA, although still relatively strong, has slowed, putting more downward pressure on demand.

Single-detached new home construction continues to trend lower in the Kitchener CMA. In the third quarter, Kitchener, Waterloo, and Cambridge all showed weaker results. The decline in demand for single-detached homes has largely been due to growing home prices and competition from the resale home market. Land, labour and material costs have pushed new home prices higher. The higher selling price for single-detached homes has pushed carrying costs beyond the reach of many homebuyers. Single-detached prices have risen by seven per cent in the last year to $316,793.

The more affordable multiple-family home starts fared better in the third quarter. The start of two larger rental apartment buildings, financed under the Canada-Ontario Affordable Housing agreement, pushed multiple-family starts higher. Except for semi-detached homes, all other types of ownership multiple starts declined. More choice in the resale market, as well as a decline in pent-up demand for ownership housing, has weakened demand for new townhouses and condominium apartments.

Resale Market

Weaker Sales in Third Quarter

The Kitchener-Waterloo resale home market remained strong this quarter. Home sales registered through the Kitchener-Waterloo Real Estate Board are trending slightly lower, but remain at historically strong levels. Home prices grew at a rate above the general rate of inflation.

More choice in the resale market and the lower average price of existing homes when compared to new homes kept demand strong for existing homes in the third quarter. A total of 1,556 homes sold this quarter, down 1.8 per cent from the record third quarter last year. Although lower, these are the second best third quarter sales ever. For the first nine months of 2006, existing home sales are down just 0.6 per cent from the same period last year.

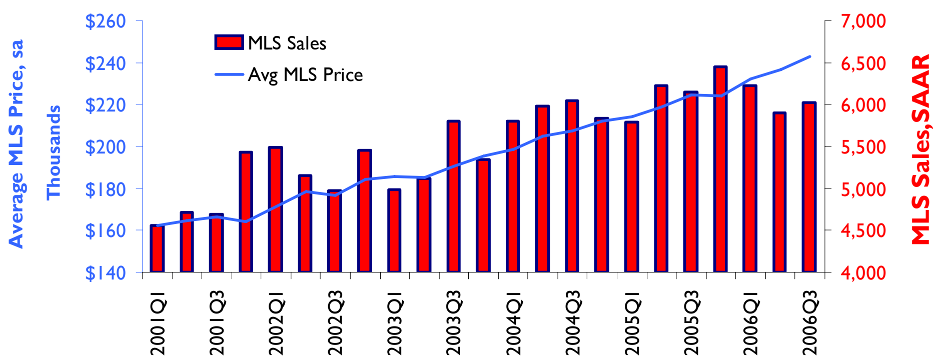
Supply, as measured by the number of newly listed homes on the market, moved higher. Compared to the third quarter of 2005, new listings are up more than 13 per cent. Strong equity gains over the last several years have enticed many homeowners to put their homes up for sale.

With supply moving higher and demand slightly lower, the resale home market has loosened up in the last year. The sales-to-new listings ratio (SNLR), an indicator of market conditions, moved lower this quarter, closer to the 60 per cent mark. In Kitchener-Waterloo, a SNLR above 60 per cent suggests seller's market conditions, while a SNLR between 50 and 60 per cent suggests balanced market conditions.

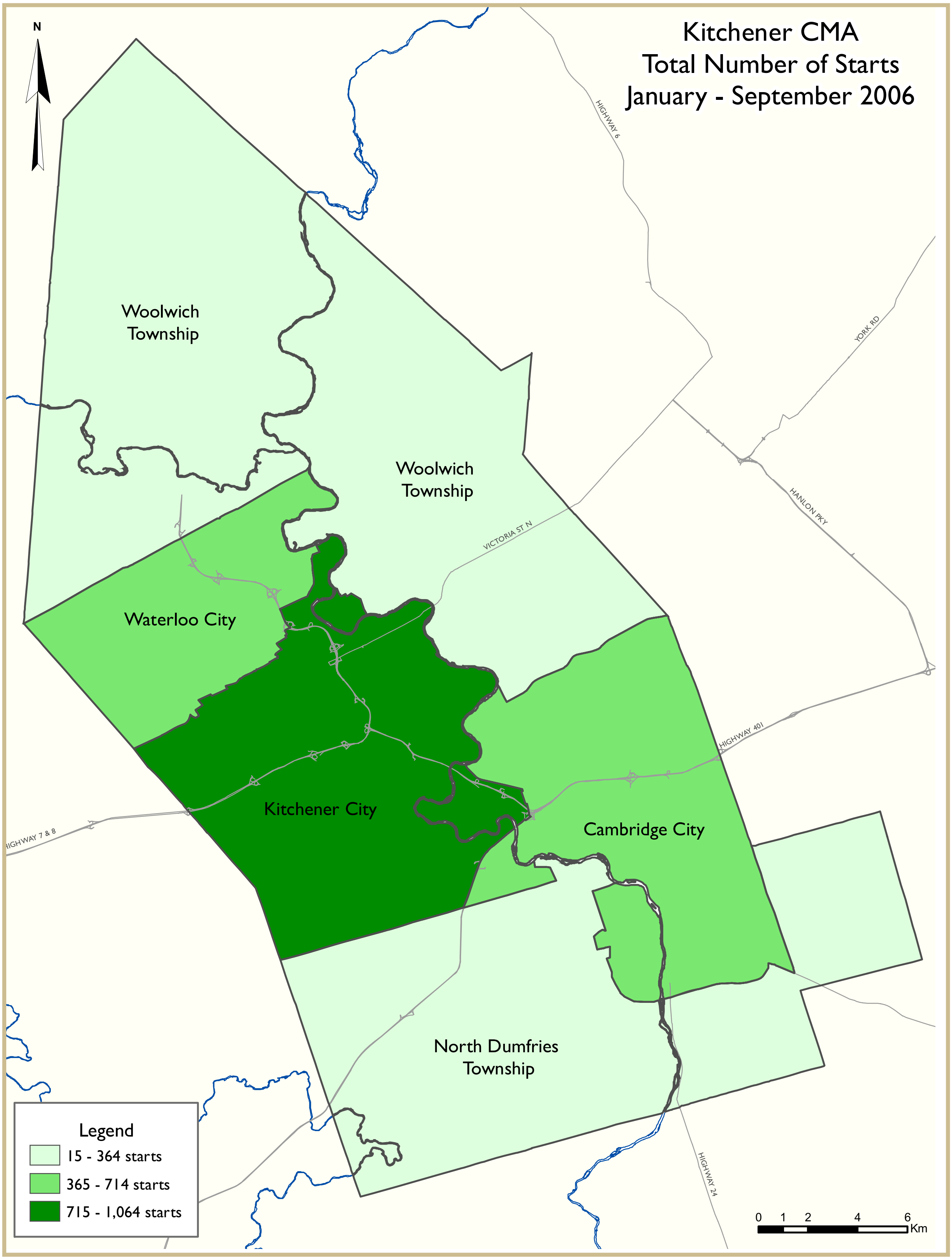
More balanced market conditions should be putting less upward pressure on house prices. However, move-up buyer activity continues to lift resale home prices. Significant sales increases occurred in homes priced between $225,000 and $750,000, while demand for lower-priced resale homes has softened this year. The average price of an existing home in the third quarter was $242,951, an increase of 8.4 per cent over the same quarter last year.

Figure 2

Kitchener MLS® Sales, SAAR and Seasonally Adjusted Average Price



Source: KWREB, CMHC


Kitchener CMA
Total Number of Starts
January - September 2006
N
Woolwich Township
Woolwich Township
Waterloo City
Kitchener City
Cambridge City
North Dumfries Township
HIGHWAY 6
YORK RD
HANLON PKY
VICTORIA ST N
HIGHWAY 401
HIGHWAY 7 & 8
HIGHWAY 24
Legend
15 - 364 starts
365 - 714 starts
715 - 1,064 starts
0 1 2 4 6
Km

HOUSING NOW REPORT TABLES

Available in ALL reports:

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4.1	Average Price ($) of Absorbed Single-Detached Units

SYMBOLS

n/a	Not applicable
*	Totals may not add up due to co-operatives and unknown market types
**	Percent change > 200%
-	Nil or zero
--	Amount too small to be expressed
SA	Monthly figures are adjusted to remove normal seasonal variation

Table 1: Housing Activity Summary of Kitchener CMA
Third Quarter 2006

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
Q3 2006	413	62	156	0	16	0	0	166	813
Q3 2005	642	40	248	0	49	0	4	0	983
% Change	-35,7	55,0	-37,1	n/a	-67,3	n/a	-100,0	n/a	-17,3
Year-to-date 2006	1 307	176	385	0	92	0	0	249	2 209
Year-to-date 2005	1 653	76	622	0	135	119	56	301	2 962
% Change	-20,9	131,6	-38,1	n/a	-31,9	-100,0	-100,0	-17,3	-25,4
UNDER CONSTRUCTION									
Q3 2006	541	80	318	0	134	85	0	683	1 841
Q3 2005	833	74	579	0	157	119	32	490	2 284
% Change	-35,1	8,1	-45,1	n/a	-14,6	-28,6	-100,0	39,4	-19,4
COMPLETIONS									
Q3 2006	555	78	154	0	38	0	0	61	886
Q3 2005	620	30	179	1	44	0	24	281	1 179
% Change	-10,5	160,0	-14,0	-100,0	-13,6	n/a	-100,0	-78,3	-24,9
Year-to-date 2006	1 366	160	446	0	97	0	2	288	2 359
Year-to-date 2005	1 525	67	321	5	93	0	36	525	2 572
% Change	-10,4	138,8	38,9	-100,0	4,3	n/a	-94,4	-45,1	-8,3
COMPLETED & NOT ABSORBED									
Q3 2006	144	33	100	0	22	0	0	118	417
Q3 2005	124	14	45	1	14	0	17	226	441
% Change	16,1	135,7	122,2	-100,0	57,1	n/a	-100,0	-47,8	-5,4
ABSORBED									
Q3 2006	559	60	166	0	32	0	0	107	924
Q3 2005	640	30	169	1	35	0	7	99	981
% Change	-12,7	100,0	-1,8	-100,0	-8,6	n/a	-100,0	8,1	-5,8
Year-to-date 2006	1 327	138	408	0	93	0	5	364	2 335
Year-to-date 2005	1 512	68	298	4	82	0	19	281	2 264
% Change	-12,2	102,9	36,9	-100,0	13,4	n/a	-73,7	29,5	3,1

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1: Housing Activity Summary by Submarket
Third Quarter 2006

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
Kitchener City									
Q3 2006	195	26	77	0	12	0	0	53	363
Q3 2005	274	26	140	0	7	0	4	0	451
Cambridge City									
Q3 2006	126	24	59	0	4	0	0	0	213
Q3 2005	174	4	59	0	42	0	0	0	279
North Dumfries Township									
Q3 2006	3	0	0	0	0	0	0	0	3
Q3 2005	7	0	0	0	0	0	0	0	7
Waterloo City									
Q3 2006	65	6	20	0	0	0	0	113	204
Q3 2005	121	6	39	0	0	0	0	0	166
Woolwich Township									
Q3 2006	24	6	0	0	0	0	0	0	30
Q3 2005	66	4	10	0	0	0	0	0	80
Kitchener CMA									
Q3 2006	413	62	156	0	16	0	0	166	813
Q3 2005	642	40	248	0	49	0	4	0	983
UNDER CONSTRUCTION									
Kitchener City									
Q3 2006	220	26	141	0	26	0	0	233	646
Q3 2005	372	48	341	0	39	0	28	233	1 061
Q3 2006									
Q3 2005	217	36	124	0	102	85	0	352	916
Q3 2006	242	6	85	0	118	119	0	133	703
Q3 2005									
Q3 2006	12	0	0	0	0	0	0	0	12
Q3 2005	12	0	0	0	0	0	0	0	12
Q3 2006									
Q3 2005	61	10	40	0	6	0	0	98	215
Q3 2006	138	12	118	0	0	0	0	124	392
Q3 2005									
Q3 2006	31	8	13	0	0	0	0	0	52
Q3 2005	69	8	35	0	0	0	4	0	116
Kitchener CMA									
Q3 2006	541	80	318	0	134	85	0	683	1 841
Q3 2005	833	74	579	0	157	119	32	490	2 284

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1: Housing Activity Summary by Submarket Third Quarter 2006									
	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
COMPLETIONS									
Kitchener City									
Q3 2006	255	48	41	0	6	0	0	0	350
Q3 2005	296	14	38	0	28	0	24	114	514
Cambridge City									
Q3 2006	140	18	66	0	26	0	0	29	279
Q3 2005	99	2	69	0	16	0	0	0	186
North Dumfries Township									
Q3 2006	4	0	0	0	0	0	0	0	4
Q3 2005	6	0	0	0	0	0	0	0	6
Waterloo City									
Q3 2006	100	8	23	0	6	0	0	32	169
Q3 2005	157	4	67	1	0	0	0	167	396
Woolwich Township									
Q3 2006	56	4	24	0	0	0	0	0	84
Q3 2005	62	10	5	0	0	0	0	0	77
Kitchener CMA									
Q3 2006	555	78	154	0	38	0	0	61	886
Q3 2005	620	30	179	1	44	0	24	281	1 179
COMPLETED & NOT ABSORBED									
Kitchener City									
Q3 2006	77	23	68	0	11	0	0	97	276
Q3 2005	75	11	17	0	4	0	17	126	250
Cambridge City									
Q3 2006	8	0	10	0	10	0	0	1	29
Q3 2005	8	0	7	0	10	0	0	0	25
North Dumfries Township									
Q3 2006	0	0	0	0	0	0	0	0	0
Q3 2005	0	0	0	0	0	0	0	0	0
Waterloo City									
Q3 2006	50	8	14	0	1	0	0	10	83
Q3 2005	31	0	19	1	0	0	0	84	135
Woolwich Township									
Q3 2006	9	2	8	0	0	0	0	10	29
Q3 2005	10	3	2	0	0	0	0	16	31
Kitchener CMA									
Q3 2006	144	33	100	0	22	0	0	118	417
Q3 2005	124	14	45	1	14	0	17	226	441

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1: Housing Activity Summary by Submarket Third Quarter 2006									
	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
ABSORBED									
Kitchener City									
Q3 2006	268	35	61	0	4	0	0	8	376
Q3 2005	299	11	38	0	27	0	7	14	396
Cambridge City									
Q3 2006	137	18	62	0	23	0	0	28	268
Q3 2005	103	4	67	0	8	0	0	0	182
North Dumfries Township									
Q3 2006	4	0	0	0	0	0	0	0	4
Q3 2005	7	0	0	0	0	0	0	0	7
Waterloo City									
Q3 2006	95	5	23	0	5	0	0	70	198
Q3 2005	163	6	60	1	0	0	0	83	313
Woolwich Township									
Q3 2006	55	2	20	0	0	0	0	1	78
Q3 2005	68	9	4	0	0	0	0	2	83
Kitchener CMA									
Q3 2006	559	60	166	0	32	0	0	107	924
Q3 2005	640	30	169	1	35	0	7	99	981

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 2: Starts by Submarket and by Dwelling Type Third Quarter 2006												
Submarket	Single		Semi		Row		Apt. & Other		Total			
	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005	% Change
Kitchener City	195	274	26	26	89	151	53	0	363	451	-19,5
Cambridge City	126	174	24	4	63	101	0	0	213	279	-23,7
North Dumfries Township	3	7	0	0	0	0	0	0	3	7	-57,1
Waterloo City	65	121	6	6	20	39	113	0	204	166	22,9
Woolwich Township	24	66	6	4	0	10	0	0	30	80	-62,5
Kitchener CMA	413	642	62	40	172	301	166	0	813	983	-17,3

Table 2.1: Starts by Submarket and by Dwelling Type January - September 2006											
Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	% Change
Kitchener City	640	804	94	44	235	420	95	140	1064	1408	-24,4
Cambridge City	343	333	52	6	177	210	12	252	584	801	-27,1
North Dumfries Township	15	18	0	0	0	0	0	0	15	18	-16,7
Waterloo City	205	356	18	16	51	124	142	54	416	550	-24,4
Woolwich Township	104	142	12	10	14	33	0	0	130	185	-29,7
Kitchener CMA	1 307	1 653	176	76	477	787	249	446	2 209	2 962	-25,4

Source: CMHC (Starts and Completions Survey)

Table 2.2: Starts by Submarket, by Dwelling Type and by Intended Market Third Quarter 2006								
Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005
Kitchener City	89	147	0	4	0	0	53	0
Cambridge City	63	101	0	0	0	0	0	0
North Dumfries Township	0	0	0	0	0	0	0	0
Waterloo City	20	39	0	0	0	0	113	0
Woolwich Township	0	10	0	0	0	0	0	0
Kitchener CMA	172	297	0	4	0	0	166	0

Table 2.3: Starts by Submarket, by Dwelling Type and by Intended Market January - September 2006								
Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005
Kitchener City	235	368	0	52	0	2	95	138
Cambridge City	177	210	0	0	0	119	12	133
North Dumfries Township	0	0	0	0	0	0	0	0
Waterloo City	51	124	0	0	0	24	142	30
Woolwich Township	14	29	0	4	0	0	0	0
Kitchener CMA	477	731	0	56	0	145	249	301

Source: CMHC (Starts and Completions Survey)

Table 2.4: Starts by Submarket and by Intended Market Third Quarter 2006								
Submarket	Freehold		Condominium		Rental		Total*	
	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005
Kitchener City	298	440	12	7	53	4	363	451
Cambridge City	209	237	4	42	0	0	213	279
North Dumfries Township	3	7	0	0	0	0	3	7
Waterloo City	91	166	0	0	113	0	204	166
Woolwich Township	30	80	0	0	0	0	30	80
Kitchener CMA	631	930	16	49	166	4	813	983

Table 2.5: Starts by Submarket and by Intended Market January - September 2006								
Submarket	Freehold		Condominium		Rental		Total*	
	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005
Kitchener City	921	1 193	48	25	95	190	1 064	1 408
Cambridge City	528	439	44	229	12	133	584	801
North Dumfries Township	15	18	0	0	0	0	15	18
Waterloo City	274	520	0	0	142	30	416	550
Woolwich Township	130	181	0	0	0	4	130	185
Kitchener CMA	1 868	2 351	92	254	249	357	2 209	2 962

Source: CMHC (Starts and Completions Survey)

Table 3: Completions by Submarket and by Dwelling Type Third Quarter 2006												
Submarket	Single		Semi		Row		Apt. & Other		Total			
	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005	% Change
Kitchener City	255	296	48	14	47	88	0	116	350	514	-31,9
Cambridge City	140	99	18	2	92	85	29	0	279	186	50,0
North Dumfries Township	4	6	0	0	0	0	0	0	4	6	-33,3
Waterloo City	100	158	8	4	29	67	32	167	169	396	-57,3
Woolwich Township	56	62	4	10	24	5	0	0	84	77	9,1
Kitchener CMA	555	621	78	30	192	245	61	283	886	1 179	-24,9

Table 3.1: Completions by Submarket and by Dwelling Type January - September 2006											
Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	% Change
Kitchener City	647	770	96	30	325	165	95	306	1163	1271	-8,5
Cambridge City	323	263	30	14	130	108	29	42	512	427	19,9
North Dumfries Township	14	13	0	0	0	0	0	0	14	13	7,7
Waterloo City	245	351	18	6	52	129	164	209	479	695	-31,1
Woolwich Township	137	133	18	17	36	16	0	0	191	166	15,1
Kitchener CMA	1 366	1 530	162	67	543	418	288	557	2 359	2 572	-8,3

Source: CMHC (Starts and Completions Survey)

Table 3.2: Completions by Submarket, by Dwelling Type and by Intended Market Third Quarter 2006								
Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005
Kitchener City	47	64	0	24	0	2	0	114
Cambridge City	92	85	0	0	0	0	29	0
North Dumfries Township	0	0	0	0	0	0	0	0
Waterloo City	29	67	0	0	0	0	32	167
Woolwich Township	24	5	0	0	0	0	0	0
Kitchener CMA	192	221	0	24	0	2	61	281

Table 3.3: Completions by Submarket, by Dwelling Type and by Intended Market January - September 2006								
Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005
Kitchener City	325	141	0	24	0	4	95	302
Cambridge City	130	108	0	0	0	0	29	42
North Dumfries Township	0	0	0	0	0	0	0	0
Waterloo City	52	117	0	12	0	28	164	181
Woolwich Township	36	16	0	0	0	0	0	0
Kitchener CMA	543	382	0	36	0	32	288	525

Source: CMHC (Starts and Completions Survey)

Table 3.4: Completions by Submarket and by Intended Market Third Quarter 2006								
Submarket	Freehold		Condominium		Rental		Total*	
	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005	Q3 2006	Q3 2005
Kitchener City	344	348	6	28	0	138	350	514
Cambridge City	224	170	26	16	29	0	279	186
North Dumfries Township	4	6	0	0	0	0	4	6
Waterloo City	131	228	6	1	32	167	169	396
Woolwich Township	84	77	0	0	0	0	84	77
Kitchener CMA	787	829	38	45	61	305	886	1 179

Table 3.5: Completions by Submarket and by Intended Market January - September 2006								
Submarket	Freehold		Condominium		Rental		Total*	
	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005
Kitchener City	1 014	872	52	73	97	326	1 163	1 271
Cambridge City	444	365	39	20	29	42	512	427
North Dumfries Township	14	13	0	0	0	0	14	13
Waterloo City	309	497	6	5	164	193	479	695
Woolwich Township	191	166	0	0	0	0	191	166
Kitchener CMA	1 972	1 913	97	98	290	561	2 359	2 572

Source: CMHC (Starts and Completions Survey)

Table 4: Absorbed Single-Detached Units by Price Range Third Quarter 2006													
Submarket	**Price Ranges**										Total	Median Price ($)	Average Price ($)
	< $200,000		$200,000 - $249,999		$250,000 - $299,999		$300,000 - $349,999		$350,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
Kitchener City													
Q3 2006	2	0,7	88	32,8	79	29,5	32	11,9	67	25,0	268	270 000	306 576
Q3 2005	6	2,0	137	45,8	82	27,4	40	13,4	34	11,4	299	250 000	276 252
Year-to-date 2006	7	1,1	224	36,2	191	30,9	83	13,4	113	18,3	618	263 779	301 938
Year-to-date 2005	54	7,1	361	47,3	161	21,1	92	12,1	95	12,5	763	242 000	266 896
Cambridge City													
Q3 2006	1	0,7	35	25,5	37	27,0	34	24,8	30	21,9	137	292 540	301 615
Q3 2005	0	0,0	23	22,3	51	49,5	17	16,5	12	11,7	103	277 000	293 513
Year-to-date 2006	2	0,6	90	27,9	95	29,4	78	24,1	58	18,0	323	287 990	295 574
Year-to-date 2005	3	1,1	72	26,7	100	37,0	53	19,6	42	15,6	270	279 565	294 641
North Dumfries Township													
Q3 2006	0	0,0	0	0,0	0	0,0	0	0,0	4	100,0	4	--	--
Q3 2005	0	0,0	0	0,0	1	14,3	0	0,0	6	85,7	7	--	--
Year-to-date 2006	0	0,0	0	0,0	0	0,0	1	7,1	13	92,9	14	645 000	589 286
Year-to-date 2005	0	0,0	0	0,0	2	14,3	1	7,1	11	78,6	14	402 500	466 192
Waterloo City													
Q3 2006	5	5,3	15	15,8	27	28,4	14	14,7	34	35,8	95	300 000	330 192
Q3 2005	18	11,0	52	31,7	43	26,2	23	14,0	28	17,1	164	257 400	282 719
Year-to-date 2006	12	5,2	40	17,2	63	27,0	45	19,3	73	31,3	233	300 000	318 590
Year-to-date 2005	41	12,0	111	32,6	83	24,3	43	12,6	63	18,5	341	250 000	281 616
Woolwich Township													
Q3 2006	2	3,6	9	16,4	15	27,3	14	25,5	15	27,3	55	300 000	357 458
Q3 2005	1	1,5	20	29,4	21	30,9	8	11,8	18	26,5	68	280 950	398 264
Year-to-date 2006	4	2,9	19	13,6	37	26,4	27	19,3	53	37,9	140	310 000	361 967
Year-to-date 2005	4	3,1	34	26,6	39	30,5	13	10,2	38	29,7	128	284 950	377 171
Kitchener CMA													
Q3 2006	10	1,8	147	26,3	158	28,3	94	16,8	150	26,8	559	286 496	316 793
Q3 2005	25	3,9	232	36,2	198	30,9	88	13,7	98	15,3	641	263 000	296 551
Year-to-date 2006	25	1,9	373	28,1	386	29,1	234	17,6	310	23,3	1 328	280 000	312 677
Year-to-date 2005	102	6,7	578	38,1	385	25,4	202	13,3	249	16,4	1 516	252 503	286 300

Source: CMHC (Market Absorption Survey)

Table 4.1: Average Price ($) of Absorbed Single-detached Units Third Quarter 2006						
Submarket	Q3 2006	Q3 2005	% Change	YTD 2006	YTD 2005	% Change
Kitchener City	306 576	276 252	11,0	301 938	266 896	13,1
Cambridge City	301 615	293 513	2,8	295 574	294 641	0,3
North Dumfries Township	--	--	n/a	589 286	466 192	26,4
Waterloo City	330 192	282 719	16,8	318 590	281 616	13,1
Woolwich Township	357 458	398 264	-10,2	361 967	377 171	-4,0
Kitchener CMA	316 793	296 551	6,8	312 677	286 300	9,2

Source: CMHC (Market Absorption Survey)

Table 5: MLS® Residential Activity for Kitchener Third Quarter 2006										
		Number of Sales	Yr/Yr %	Sales SA	Number of New Listings	New Listings SA	Sales-to-New Listings SA	Average Price ($)	Yr/Yr %	Average Price ($) SA
2005	January	309	12,4	472	682	739	63,9	219 545	13,2	209 499
	February	485	12,0	501	694	717	69,9	207 880	2,8	208 333
	March	573	-14,6	487	809	644	75,6	216 001	9,5	226 698
	April	623	0,3	503	1 033	870	57,8	216 128	5,8	219 055
	May	627	5,4	493	939	755	65,3	222 352	10,5	234 262
	June	680	6,1	532	959	788	67,5	221 142	4,1	216 432
	July	513	-7,7	485	704	745	65,1	223 422	10,8	221 427
	August	584	18,2	534	793	790	67,6	225 814	8,2	237 369
	September	487	-1,6	525	789	782	67,1	222 726	5,4	219 265
	October	471	18,3	545	806	824	66,1	230 626	11,8	211 603
	November	481	1,1	524	600	781	67,1	222 393	3,8	229 194
	December	314	13,8	546	319	692	78,9	216 739	0,2	213 039
2006	January	394	27,5	548	783	802	68,3	221 523	0,9	233 285
	February	487	0,4	506	681	719	70,4	233 015	12,1	239 566
	March	585	2,1	504	990	807	62,5	237 610	10,0	241 065
	April	554	-11,1	490	919	805	60,9	236 468	9,4	227 249
	May	676	7,8	510	1 091	832	61,3	240 371	8,1	253 064
	June	602	-11,5	470	977	800	58,8	236 539	7,0	237 797
	July	518	1,0	501	746	786	63,7	238 894	6,9	237 334
	August	552	-5,5	513	903	868	59,1	250 207	10,8	248 349
	September	486	-0,2	524	944	910	57,6	239 035	7,3	233 575
	October									
	November									
	December									
	Q3 2005	1 584	2,5		2 286			224 090	8,3	
	Q3 2006	1 556	-1,8		2 593			242 951	8,4	
	YTD 2005	4 881	2,1		7 402			219 592	7,6	
	YTD 2006	4 854	-0,6		8 034			237 677	8,2	

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

Source: CREA (MLS®)

Table 6: Economic Indicators Third Quarter 2006											
		Interest Rates			NHPI Total % chg Kitchener CMA 1997=100	CPI	Kitchener Labour Market			Average Weekly Earnings ($)
		P & I Per $100,000	Mortage Rates (%) 1 Yr. Term	Mortage Rates (%) 5 Yr. Term			Employment SA (,000)	Unemployment Rate (%) SA	Participation Rate (%) SA	
2005	January	643	4,8	6,1	1,29	1,26	243,6	4,3	70,6	720
	February	643	4,8	6,1	1,30	1,27	245,8	4,7	71,4	721
	March	655	5,1	6,3	1,30	1,28	248,3	5,5	72,7	728
	April	643	4,9	6,1	1,30	1,28	249,9	5,9	73,4	719
	May	637	4,9	6,0	1,31	1,28	251,7	6,3	74,0	715
	June	622	4,8	5,7	1,32	1,28	252,5	6,0	73,9	704
	July	628	4,9	5,8	1,32	1,28	251,1	5,9	73,3	705
	August	628	5,0	5,8	1,32	1,29	250,3	5,9	72,9	717
	September	628	5,0	5,8	1,32	1,30	249,6	5,7	72,5	729
	October	640	5,3	6,0	1,33	1,29	250,1	5,7	72,5	743
	November	649	5,6	6,2	1,34	1,29	249,1	5,7	72,1	746
	December	658	5,8	6,3	1,34	1,29	249,4	5,7	72,0	747
2006	January	658	5,8	6,3	1,35	1,30	251,0	5,7	72,4	738
	February	667	5,9	6,5	1,35	1,30	252,4	5,3	72,4	731
	March	667	6,1	6,5	1,36	1,31	251,8	5,2	72,0	734
	April	685	6,3	6,8	1,36	1,31	250,0	4,9	71,2	736
	May	685	6,3	6,8	1,37	1,32	248,8	5,0	70,8	742
	June	697	6,6	7,0	1,37	1,31	247,3	4,8	70,2	738
	July	697	6,6	7,0	1,37	1,31	248,0	4,8	70,2	746
	August	691	6,4	6,9	1,37	1,31	248,5	4,9	70,4	751
	September	682	6,4	6,7		1,30	249,5	5,4	70,9	755
	October									
	November									
	December									

"P & I" means Principal and Interest (assumes $100,000 mortgage amortized over 25 years using current 5 year interest rate)
"NHPI" means New Housing Price Index
"CPI" means Consumer Price Index
"SA" means Seasonally Adjusted

Source: CMHC, adapted from Statistics Canada (CANSIM), CREA (MLS®), Statistics Canada (CANSIM)

METHODOLOGY

Starts & Completions Survey Methodology

The Starts and Completions Survey is conducted by way of site visits which are used to confirm that new units have reached set stages in the construction process. Since most municipalities in the country issue building permits, these are used as an indication of where construction is likely to take place. In areas where there are no permits, reliance has to be placed either on local sources or searching procedures.

The Starts and Completions Survey is carried out monthly in urban areas with population in excess of 50,000, as defined by the 2001 Census. In urban areas with populations of 10,000 to 49,999, all Starts are enumerated in the last month of the quarter (i.e. four times a year, in March, June, September and December). In these centres with quarterly enumeration, Completion activity is modelled based on historical patterns. Monthly Starts and Completions activity in these quarterly locations are statistically estimated at a provincial level for single and multi categories. Centres with populations below 10,000 are enumerated on a sample basis, also in the last month of each quarter (i.e. four times a year, in March, June, September and December).

The Starts and Completions Survey enumerates dwelling units in new structures only, designed for non-transient and year-round occupancy.

Mobile homes are included in the surveys. A mobile home is a type of manufactured house that is completely assembled in a factory and then moved to a foundation before it is occupied.

Trailers or any other movable dwelling (the larger often referred to as a mobile home) with no permanent foundation are excluded from the survey.

Conversions and/or alterations within an existing structure are excluded from the surveys as are seasonal dwellings, such as: summer cottages, hunting and ski cabins, trailers and boat houses; and hostel accommodations, such as: hospitals, nursing homes, penal institutions, convents, monasteries, military and industrial camps, and collective types of accommodation such as: hotels, clubs, and lodging homes.

Market Absorption Survey Methodology

The Market Absorption Survey is carried out in conjunction with the Starts and Completions Survey in urban areas with populations in excess of 50,000. When a structure is recorded as completed, an update is also made as units are sold or rented. The dwellings are then enumerated each month until such time as full absorption occurs.

STARTS AND COMPLETIONS SURVEY AND MARKET ABSORPTION SURVEY DEFINITIONS

A "**dwelling unit**", for purposes of the Starts and Completions Survey, is defined as a structurally separate set of self-contained living premises with a private entrance from outside the building or from a common hall, lobby, or stairway inside the building. Such an entrance must be one that can be used without passing through another separate dwelling unit.

A "**start**", for purposes of the Starts and Completions Survey, is defined as the beginning of construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

The number of units "**under construction**" as at the end of the period shown, takes into account certain adjustments which are necessary for various reasons. For example, after a start on a dwelling has commenced construction may cease, or a structure, when completed, may contain more or fewer dwelling units than were reported at start.

A "**completion**", for purposes of the Starts and Completions Survey, is defined as the stage at which all the proposed construction work on a dwelling unit has been performed, although under some circumstances a dwelling may be counted as completed where up to 10 per cent of the proposed work remains to be done.

The term "**absorbed**" means that a housing unit is no longer on the market (i.e. has been sold or rented). This usually happens when a binding contract is secured by a non-refundable deposit and has been signed by a qualified purchaser. The purpose of the Market Absorption Survey is to measure the rate at which units are sold or rented after they are completed, as well as collect sale prices.

DWELLING TYPES:

A "**Single-Detached**" dwelling (also referred to as "**Single**") is a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure. Includes link homes, where two units may share a common basement wall but are separated above grade. Also includes cluster-single developments.

A "**Semi-Detached (Double)**" dwelling (also referred to as "**Semi**") is one of two dwellings located side-by-side in a building, adjoining no other structure and separated by a common or party wall extending from ground to roof.

A "**Row (Townhouse)**" dwelling is a one family dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

The term "**Apartment and other**" includes all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

INTENDED MARKET:

The "**intended market**" is the tenure in which the unit is being marketed. This includes the following categories:

Freehold: A residence where the owner owns the dwelling and lot outright.

Condominium (including Strata-Titled): An individual dwelling which is privately owned, but where the building and/or the land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of house.

Rental: Dwelling constructed for rental purposes regardless of who finances the structure.

GEOGRAPHICAL TERMS:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree on integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

A "**Rural**" area, for the purposes of this publication, is a centre with a population less than 10,000.

All data presented in this publication is based on Statistics Canada's 2001 Census area definitions.

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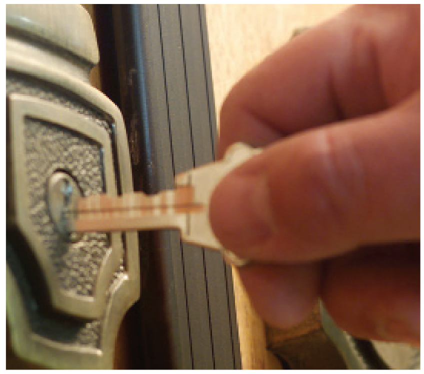


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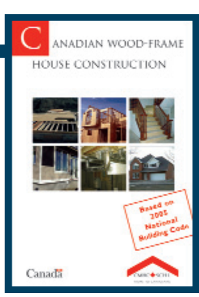

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