CANADA MORTGAGE AND HOUSING CORPORATION

HOUSING NOW

Kitchener

Date Released: First Quarter 2007

New Home Market

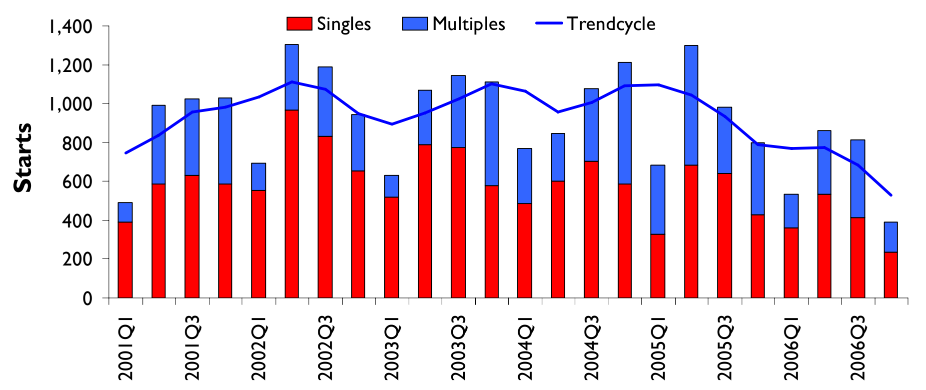
Weaker New Home Construction

Home starts in the Kitchener Census Metropolitan Area (CMA) pulled back to their lowest level since 1999. Construction started on a total of 2,599 homes in 2006, down 31 per cent from 2005. Both single-detached and multiple family home starts dropped. Single-detached starts, at 1,542, dropped by 26 per cent to their lowest level since 1997. Multiple family starts (which include semi-detached, townhouse and apartments) fell by 37 per cent to 1,057.

Several key demand and supply factors contributed to the fall in new home construction. On the demand side, employment in the Kitchener CMA remained high. However, the slower job growth in 2006 was a drag on household formation. Employment grew by only 0.6 per cent, over the last twelve months, compared to 5.3 per cent in 2005. Lower net migration in 2005 and 2006 did little to support demand for homes. Even though mortgage rates remained low in 2006, in-

Figure 1

Kitchener CMA Housing Starts



Source: CMHC

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creased new home prices pushed carrying costs higher.

On the supply side, tighter land supply has limited development in some areas. In addition, resale home market listings rose and generated less spill-over demand for new homes. A larger share of homebuyers turned to the resale home market for their purchase.

High new single-detached home prices and stronger competition from the resale home market moved single-detached starts down from a peak year in 2002. Land, labour and material costs have pushed home prices higher. Single-detached home prices have risen by more than 37 per cent in the last five years, and by nine per cent in 2006 alone to reach $313,149. Some homebuyers, especially first-time buyers, have found the higher mortgage carrying costs beyond their means.

Construction of the more affordable multiple family home types did not fair any better in 2006. After reaching their highest level in 15 years in 2005, multiple starts pulled back to a level not seen since the late 1990's. Only semi-detached starts moved higher. Demand for new ownership townhouses and apartments plummeted. Rental housing starts fell by 48 per cent as higher than average vacancy rates slowed the development of new rental projects.

Within the Kitchener CMA, construction activity was lower in all municipalities. The City of Cambridge, the most affordable municipality for single-detached homes, recorded the lowest decline in single-detached starts. On the other hand, Cambridge saw the largest drop in multiple family home starts.

Resale Market

Strong Resale Market Continues

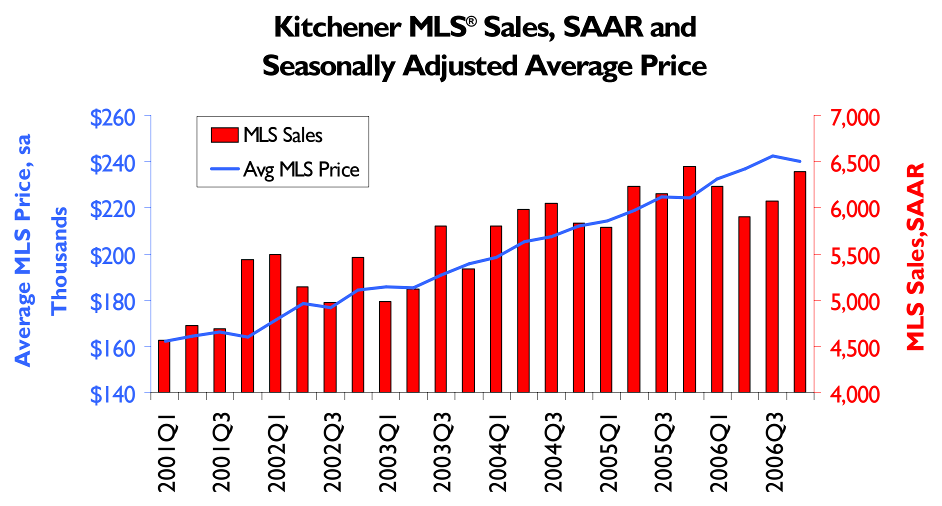
Demand for resale homes was strong, driven by low mortgage rates, strong consumer confidence, and the lower price of resale homes compared to new homes. The growth phase of the sales cycle has come to an end. Sales of existing homes, however, remain at a very high level. A total of 6,115 homes changed hands through the Kitchener-Waterloo Real Estate Board, down just 0.1 per cent from the record of 6,123 sales in 2005. This was the second highest total annual sales in the history of the Board.

Price growth over the last several years has enticed homeowners to list their homes for sale. New listings are up 8.4 per cent compared to 2005.

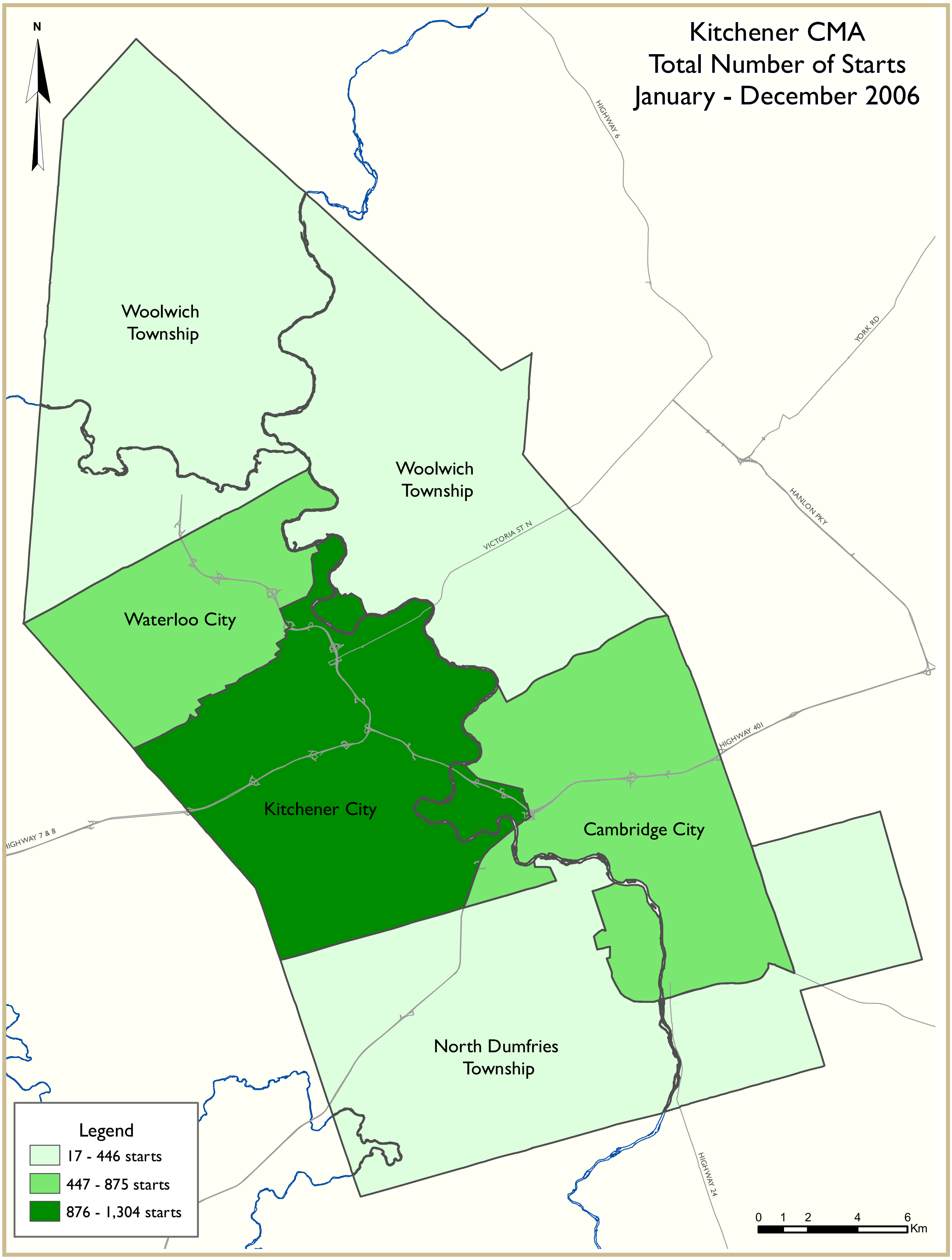
The sales-to-new listings ratio (SNLR) is a measure of the current state of the resale home market. In Kitchener-Waterloo, a SNLR between 50 and 60 per cent suggests balanced market conditions, while a ratio above 60 per cent suggests seller's market conditions. With sales marginally lower and new listings higher, the resale home market moved toward more balanced market conditions in 2006. The Kitchener-Waterloo resale market has loosened up a bit as the fourth quarter sales-to-new listings ratio edged lower, closer to 60 per cent.

Market conditions remained relatively tight. However, resale home prices outpaced inflation. For example, the average price of a resale home increased by 7.9 per cent in 2006 to reach $237,913. Demand has been especially strong for higher priced homes in the $200,000 to $750,000 range.

Figure 2



Source: KWREB, CMHC


Kitchener CMA
Total Number of Starts
January - December 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
17 - 446 starts
447 - 875 starts
876 - 1,304 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 Fourth 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									
Q4 2006	235	34	69	0	3	32	0	17	390
Q4 2005	429	40	104	0	10	85	17	116	801
% Change	-45.2	-15.0	-33.7	n/a	-70.0	-62.4	-100.0	-85.3	-51.3
Year-to-date 2006	1,542	210	454	0	95	32	0	266	2,599
Year-to-date 2005	2,082	116	726	0	145	204	73	417	3,763
% Change	-25.9	81.0	-37.5	n/a	-34.5	-84.3	-100.0	-36.2	-30.9
UNDER CONSTRUCTION									
Q4 2006	365	54	242	0	93	117	0	544	1,415
Q4 2005	601	66	365	0	149	204	17	586	1,988
% Change	-39.3	-18.2	-33.7	n/a	-37.6	-42.6	-100.0	-7.2	-28.8
COMPLETIONS									
Q4 2006	411	60	135	0	54	0	0	157	817
Q4 2005	661	48	300	0	40	0	28	20	1,097
% Change	-37.8	25.0	-55.0	n/a	35.0	n/a	-100.0	**	-25.5
Year-to-date 2006	1,777	220	581	0	151	0	2	445	3,176
Year-to-date 2005	2,186	115	621	5	133	0	64	545	3,669
% Change	-18.7	91.3	-6.4	-100.0	13.5	n/a	-96.9	-18.3	-13.4
COMPLETED & NOT ABSORBED									
Q4 2006	111	27	96	0	27	0	0	112	373
Q4 2005	94	10	62	0	18	0	5	194	383
% Change	18.1	170.0	54.8	n/a	50.0	n/a	-100.0	-42.3	-2.6
ABSORBED									
Q4 2006	431	62	139	0	49	0	0	163	844
Q4 2005	677	52	283	1	36	0	41	52	1,142
% Change	-36.3	19.2	-50.9	-100.0	36.1	n/a	-100.0	**	-26.1
Year-to-date 2006	1,758	200	547	0	142	0	5	527	3,179
Year-to-date 2005	2,189	120	581	5	118	0	60	333	3,406
% Change	-19.7	66.7	-5.9	-100.0	20.3	n/a	-91.7	58.3	-6.7

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

Table 1.1: Housing Activity Summary by Submarket Fourth 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									
Q4 2006	120	20	62	0	3	32	0	3	240
Q4 2005	212	20	56	0	6	0	0	0	294
Cambridge City									
Q4 2006	37	0	0	0	0	0	0	0	37
Q4 2005	67	8	30	0	4	85	17	100	311
North Dumfries Township									
Q4 2006	2	0	0	0	0	0	0	0	2
Q4 2005	4	0	0	0	0	0	0	0	4
Waterloo City									
Q4 2006	51	8	7	0	0	0	0	14	80
Q4 2005	81	4	4	0	0	0	0	16	105
Woolwich Township									
Q4 2006	25	6	0	0	0	0	0	0	31
Q4 2005	65	8	14	0	0	0	0	0	87
Kitchener CMA									
Q4 2006	235	34	69	0	3	32	0	17	390
Q4 2005	429	40	104	0	10	85	17	116	801
UNDER CONSTRUCTION									
Kitchener City									
Q4 2006	141	28	136	0	23	32	0	236	596
Q4 2005	227	28	209	0	52	0	0	233	749
Cambridge City									
Q4 2006	123	8	64	0	70	85	0	196	546
Q4 2005	197	14	82	0	97	204	17	233	844
North Dumfries Township									
Q4 2006	10	0	0	0	0	0	0	0	10
Q4 2005	11	0	0	0	0	0	0	0	11
Waterloo City									
Q4 2006	53	6	33	0	0	0	0	112	204
Q4 2005	101	10	43	0	0	0	0	120	274
Woolwich Township									
Q4 2006	38	12	9	0	0	0	0	0	59
Q4 2005	65	14	31	0	0	0	0	0	110
Kitchener CMA									
Q4 2006	365	54	242	0	93	117	0	544	1,415
Q4 2005	601	66	365	0	149	204	17	586	1,988

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

Table 1.1: Housing Activity Summary by Submarket
Fourth 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									
Q4 2006	199	18	61	0	12	0	0	0	290
Q4 2005	357	40	170	0	11	0	28	0	606
Cambridge City									
Q4 2006	131	28	56	0	36	0	0	157	408
Q4 2005	112	0	33	0	25	0	0	0	170
North Dumfries Township									
Q4 2006	4	0	0	0	0	0	0	0	4
Q4 2005	5	0	0	0	0	0	0	0	5
Waterloo City									
Q4 2006	59	12	14	0	6	0	0	0	91
Q4 2005	118	6	79	0	0	0	0	20	223
Woolwich Township									
Q4 2006	18	2	4	0	0	0	0	0	24
Q4 2005	69	2	18	0	4	0	0	0	93
Kitchener CMA									
Q4 2006	411	60	135	0	54	0	0	157	817
Q4 2005	661	48	300	0	40	0	28	20	1,097
COMPLETED & NOT ABSORBED									
Kitchener City									
Q4 2006	46	12	57	0	16	0	0	63	194
Q4 2005	42	7	30	0	5	0	5	104	193
Cambridge City									
Q4 2006	12	2	24	0	11	0	0	49	98
Q4 2005	6	0	6	0	10	0	0	0	22
North Dumfries Township									
Q4 2006	1	0	0	0	0	0	0	0	1
Q4 2005	0	0	0	0	0	0	0	0	0
Waterloo City									
Q4 2006	41	10	10	0	0	0	0	0	61
Q4 2005	32	1	22	0	0	0	0	79	134
Woolwich Township									
Q4 2006	11	3	5	0	0	0	0	0	19
Q4 2005	14	2	4	0	3	0	0	11	34
Kitchener CMA									
Q4 2006	111	27	96	0	27	0	0	112	373
Q4 2005	94	10	62	0	18	0	5	194	383

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

Table 1.1: Housing Activity Summary by Submarket Fourth 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									
Q4 2006	213	25	72	0	7	0	0	34	351
Q4 2005	384	44	157	0	10	0	41	22	658
Cambridge City									
Q4 2006	127	26	42	0	35	0	0	109	339
Q4 2005	114	0	34	0	25	0	0	0	173
North Dumfries Township									
Q4 2006	3	0	0	0	0	0	0	0	3
Q4 2005	5	0	0	0	0	0	0	0	5
Waterloo City									
Q4 2006	70	10	18	0	7	0	0	10	115
Q4 2005	110	5	76	1	0	0	0	25	217
Woolwich Township									
Q4 2006	18	1	7	0	0	0	0	10	36
Q4 2005	64	3	16	0	1	0	0	5	89
Kitchener CMA									
Q4 2006	431	62	139	0	49	0	0	163	844
Q4 2005	677	52	283	1	36	0	41	52	1,142

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

Table 1.2: History of Housing Starts of Kitchener CMA 1997 - 2006									
	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
2006	1,542	210	454	0	95	32	0	266	2,599
% Change	-25.9	81.0	-37.5	n/a	-34.5	-84.3	-100.0	-36.2	-30.9
2005	2,082	116	726	0	145	204	73	417	3,763
% Change	-12.0	-40.2	65.8	-100.0	-7.6	**	-34.8	-32.9	-3.8
2004	2,366	194	438	8	157	16	112	621	3,912
% Change	-10.9	36.6	-15.8	**	**	n/a	-47.9	71.5	-1.1
2003	2,655	142	520	2	9	0	215	362	3,955
% Change	-11.3	-1.4	6.6	-33.3	-59.1	n/a	**	-6.9	-4.2
2002	2,992	144	488	3	22	0	6	389	4,130
% Change	36.4	24.1	34.4	200.0	-67.2	n/a	-62.5	-42.4	16.8
2001	2,194	116	363	1	67	0	16	675	3,537
% Change	-2.6	7.4	-4.7	-87.5	-52.5	n/a	-42.9	17.8	0.8
2000	2,253	108	381	8	141	0	28	573	3,509
% Change	12.8	-34.1	0.3	166.7	51.6	n/a	-24.3	**	24.4
1999	1,998	164	380	3	93	0	37	146	2,821
% Change	13.7	13.9	27.5	200.0	-29.0	n/a	n/a	-32.7	10.7
1998	1,758	144	298	1	131	0	0	217	2,549
% Change	14.2	-39.0	0.3	n/a	84.5	-100.0	-100.0	n/a	17.4
1997	1,539	236	297	0	71	23	5	0	2,171

Source: CMHC (Starts and Completions Survey)

Table 2: Starts by Submarket and by Dwelling Type Fourth Quarter 2006												
Submarket	Single		Semi		Row		Apt. & Other		Total			
	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005	% Change
Kitchener City	120	212	20	20	61	62	39	0	240	294	-18.4
Cambridge City	37	67	0	8	0	51	0	185	37	311	-88.1
North Dumfries Township	2	4	0	0	0	0	0	0	2	4	-50.0
Waterloo City	51	81	8	4	7	4	14	16	80	105	-23.8
Woolwich Township	25	65	6	8	0	14	0	0	31	87	-64.4
Kitchener CMA	235	429	34	40	68	131	53	201	390	801	-51.3

Table 2.1: Starts by Submarket and by Dwelling Type January - December 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	760	1016	114	64	296	482	134	140	1304	1702	-23.4
Cambridge City	380	400	52	14	177	261	12	437	621	1112	-44.2
North Dumfries Township	17	22	0	0	0	0	0	0	17	22	-22.7
Waterloo City	256	437	26	20	58	128	156	70	496	655	-24.3
Woolwich Township	129	207	18	18	14	47	0	0	161	272	-40.8
Kitchener CMA	1,542	2,082	210	116	545	918	302	647	2,599	3,763	-30.9

Source: CMHC (Starts and Completions Survey)

Table 2.2: Starts by Submarket, by Dwelling Type and by Intended Market
Fourth Quarter 2006

Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005
Kitchener City	61	62	0	0	36	0	3	0
Cambridge City	0	34	0	17	0	85	0	100
North Dumfries Township	0	0	0	0	0	0	0	0
Waterloo City	7	4	0	0	0	0	14	16
Woolwich Township	0	14	0	0	0	0	0	0
Kitchener CMA	68	114	0	17	36	85	17	116

Table 2.3: Starts by Submarket, by Dwelling Type and by Intended Market
January - December 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	296	430	0	52	36	2	98	138
Cambridge City	177	244	0	17	0	204	12	233
North Dumfries Township	0	0	0	0	0	0	0	0
Waterloo City	58	128	0	0	0	24	156	46
Woolwich Township	14	43	0	4	0	0	0	0
Kitchener CMA	545	845	0	73	36	230	266	417

Source: CMHC (Starts and Completions Survey)

Table 2.4: Starts by Submarket and by Intended Market Fourth Quarter 2006								
Submarket	Freehold		Condominium		Rental		Total*	
	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005
Kitchener City	202	288	35	6	3	0	240	294
Cambridge City	37	105	0	89	0	117	37	311
North Dumfries Township	2	4	0	0	0	0	2	4
Waterloo City	66	89	0	0	14	16	80	105
Woolwich Township	31	87	0	0	0	0	31	87
Kitchener CMA	338	573	35	95	17	133	390	801

Table 2.5: Starts by Submarket and by Intended Market January - December 2006								
Submarket	Freehold		Condominium		Rental		Total*	
	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005
Kitchener City	1,123	1,481	83	31	98	190	1,304	1,702
Cambridge City	565	544	44	318	12	250	621	1,112
North Dumfries Township	17	22	0	0	0	0	17	22
Waterloo City	340	609	0	0	156	46	496	655
Woolwich Township	161	268	0	0	0	4	161	272
Kitchener CMA	2,206	2,924	127	349	266	490	2,599	3,763

Source: CMHC (Starts and Completions Survey)

Table 3: Completions by Submarket and by Dwelling Type Fourth Quarter 2006												
Submarket	Single		Semi		Row		Apt. & Other		Total			
	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005	% Change
Kitchener City	199	357	18	40	73	209	0	0	290	606	-52.1
Cambridge City	131	112	28	0	92	58	157	0	408	170	140.0
North Dumfries Township	4	5	0	0	0	0	0	0	4	5	-20.0
Waterloo City	59	118	12	6	20	79	0	20	91	223	-59.2
Woolwich Township	18	69	2	2	4	22	0	0	24	93	-74.2
Kitchener CMA	411	661	60	48	189	368	157	20	817	1,097	-25.5

Table 3.1: Completions by Submarket and by Dwelling Type January - December 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	846	1127	114	70	398	374	95	306	1453	1877	-22.6
Cambridge City	454	375	58	14	222	166	186	42	920	597	54.1
North Dumfries Township	18	18	0	0	0	0	0	0	18	18	0.0
Waterloo City	304	469	30	12	72	208	164	229	570	918	-37.9
Woolwich Township	155	202	20	19	40	38	0	0	215	259	-17.0
Kitchener CMA	1,777	2,191	222	115	732	786	445	577	3,176	3,669	-13.4

Source: CMHC (Starts and Completions Survey)

Table 3.2: Completions by Submarket, by Dwelling Type and by Intended Market
Fourth Quarter 2006

Submarket	Row				Apt. & Other			
	Freehold and Condominium		Rental		Freehold and Condominium		Rental	
	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005
Kitchener City	73	181	0	28	0	0	0	0
Cambridge City	92	58	0	0	0	0	157	0
North Dumfries Township	0	0	0	0	0	0	0	0
Waterloo City	20	79	0	0	0	0	0	20
Woolwich Township	4	22	0	0	0	0	0	0
Kitchener CMA	189	340	0	28	0	0	157	20

Table 3.3: Completions by Submarket, by Dwelling Type and by Intended Market
January - December 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	398	322	0	52	0	4	95	302
Cambridge City	222	166	0	0	0	0	186	42
North Dumfries Township	0	0	0	0	0	0	0	0
Waterloo City	72	196	0	12	0	28	164	201
Woolwich Township	40	38	0	0	0	0	0	0
Kitchener CMA	732	722	0	64	0	32	445	545

Source: CMHC (Starts and Completions Survey)

Table 3.4: Completions by Submarket and by Intended Market Fourth Quarter 2006								
Submarket	Freehold		Condominium		Rental		Total*	
	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005	Q4 2006	Q4 2005
Kitchener City	278	567	12	11	0	28	290	606
Cambridge City	215	145	36	25	157	0	408	170
North Dumfries Township	4	5	0	0	0	0	4	5
Waterloo City	85	203	6	0	0	20	91	223
Woolwich Township	24	89	0	4	0	0	24	93
Kitchener CMA	606	1,009	54	40	157	48	817	1,097

Table 3.5: Completions by Submarket and by Intended Market January - December 2006								
Submarket	Freehold		Condominium		Rental		Total*	
	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005
Kitchener City	1,292	1,439	64	84	97	354	1,453	1,877
Cambridge City	659	510	75	45	186	42	920	597
North Dumfries Township	18	18	0	0	0	0	18	18
Waterloo City	394	700	12	5	164	213	570	918
Woolwich Township	215	255	0	4	0	0	215	259
Kitchener CMA	2,578	2,922	151	138	447	609	3,176	3,669

Source: CMHC (Starts and Completions Survey)

Table 4: Absorbed Single-Detached Units by Price Range Fourth 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													
Q4 2006	2	0.9	60	28.2	58	27.2	31	14.6	62	29.1	213	284,900	314,206
Q4 2005	14	3.6	149	38.8	120	31.3	55	14.3	46	12.0	384	250,000	280,515
Year-to-date 2006	9	1.1	284	34.2	249	30.0	114	13.7	175	21.1	831	270,000	305,086
Year-to-date 2005	68	5.9	510	44.5	281	24.5	147	12.8	141	12.3	1,147	248,521	271,456
Cambridge City													
Q4 2006	0	0.0	52	40.9	43	33.9	17	13.4	15	11.8	127	255,000	287,911
Q4 2005	3	2.6	31	27.2	44	38.6	21	18.4	15	13.2	114	269,608	288,101
Year-to-date 2006	2	0.4	142	31.6	138	30.7	95	21.1	73	16.2	450	274,750	293,412
Year-to-date 2005	6	1.6	103	26.8	144	37.5	74	19.3	57	14.8	384	277,354	292,700
North Dumfries Township													
Q4 2006	0	0.0	0	0.0	0	0.0	0	0.0	3	100.0	3	--	--
Q4 2005	0	0.0	0	0.0	0	0.0	0	0.0	5	100.0	5	--	--
Year-to-date 2006	0	0.0	0	0.0	0	0.0	1	5.9	16	94.1	17	650,000	597,059
Year-to-date 2005	0	0.0	0	0.0	2	10.5	1	5.3	16	84.2	19	410,000	499,562
Waterloo City													
Q4 2006	1	1.4	9	12.9	24	34.3	10	14.3	26	37.1	70	300,000	329,270
Q4 2005	0	0.0	28	25.2	44	39.6	15	13.5	24	21.6	111	275,000	300,306
Year-to-date 2006	13	4.3	49	16.2	87	28.7	55	18.2	99	32.7	303	300,000	321,057
Year-to-date 2005	41	9.1	139	30.8	127	28.1	58	12.8	87	19.2	452	259,999	286,206
Woolwich Township													
Q4 2006	2	11.1	2	11.1	3	16.7	4	22.2	7	38.9	18	305,000	397,377
Q4 2005	7	10.9	5	7.8	20	31.3	14	21.9	18	28.1	64	302,400	314,910
Year-to-date 2006	6	3.8	21	13.3	40	25.3	31	19.6	60	38.0	158	310,000	366,001
Year-to-date 2005	11	5.7	39	20.3	59	30.7	27	14.1	56	29.2	192	287,981	356,417
Kitchener CMA													
Q4 2006	5	1.2	123	28.5	128	29.7	62	14.4	113	26.2	431	275,000	314,599
Q4 2005	24	3.5	213	31.4	228	33.6	105	15.5	108	15.9	678	264,900	290,582
Year-to-date 2006	30	1.7	496	28.2	514	29.2	296	16.8	423	24.0	1,759	279,100	313,149
Year-to-date 2005	126	5.7	791	36.1	613	27.9	307	14.0	357	16.3	2,194	259,068	287,623

Source: CMHC (Market Absorption Survey)

Table 4.1: Average Price ($) of Absorbed Single-detached Units Fourth Quarter 2006						
Submarket	Q4 2006	Q4 2005	% Change	YTD 2006	YTD 2005	% Change
Kitchener City	314,206	280,515	12.0	305,086	271,456	12.4
Cambridge City	287,911	288,101	-0.1	293,412	292,700	0.2
North Dumfries Township	--	--	n/a	597,059	499,562	19.5
Waterloo City	329,270	300,306	9.6	321,057	286,206	12.2
Woolwich Township	397,377	314,910	26.2	366,001	356,417	2.7
Kitchener CMA	314,599	290,582	8.3	313,149	287,623	8.9

Source: CMHC (Market Absorption Survey)

Table 5: MLS® Residential Activity for Kitchener Fourth 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	460	682	740	62.2	219,545	13.2	221,461
	February	485	12.0	506	694	736	68.8	207,880	2.8	208,908
	March	573	-14.6	490	809	692	70.8	216,001	9.5	214,441
	April	623	0.3	514	1,033	831	61.9	216,128	5.8	217,831
	May	627	5.4	492	939	744	66.1	222,352	10.5	223,276
	June	680	6.1	561	959	787	71.3	221,142	4.1	218,052
	July	513	-7.7	492	704	758	64.9	223,422	10.8	223,786
	August	584	18.2	533	793	772	69.0	225,814	8.2	223,470
	September	487	-1.6	519	789	739	70.2	222,726	5.4	225,177
	October	471	18.3	540	806	867	62.3	230,626	11.8	220,934
	November	481	1.1	511	600	767	66.6	222,393	3.8	227,385
	December	314	13.8	529	319	694	76.2	216,739	0.2	221,364
2006	January	394	27.5	537	783	805	66.7	221,523	0.9	225,315
	February	487	0.4	502	681	727	69.1	233,015	12.1	235,759
	March	585	2.1	503	990	810	62.1	237,610	10.0	234,981
	April	554	-11.1	484	919	808	59.9	236,468	9.4	238,928
	May	676	7.8	511	1,091	823	62.1	240,371	8.1	240,996
	June	602	-11.5	478	977	800	59.8	236,539	7.0	231,985
	July	518	1.0	500	746	784	63.8	238,894	6.9	240,055
	August	552	-5.5	511	903	855	59.8	250,207	10.8	249,353
	September	486	-0.2	522	944	906	57.6	239,035	7.3	238,856
	October	484	2.8	511	790	813	62.9	246,791	7.0	237,745
	November	461	-4.2	520	688	879	59.2	231,744	4.2	239,473
	December	316	0.6	536	384	886	60.5	236,945	9.3	241,558
	Q4 2005	1,266	10.1		1,725			224,054	5.7	
	Q4 2006	1,261	-0.4		1,862			238,823	6.6	
	YTD 2005	6,147	3.6		9,127			220,511	7.2	
	YTD 2006	6,115	-0.5		9,896			237,913	7.9	

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

Source: CREA (MLS®)

Table 6: Economic Indicators Fourth 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 (%)				Employment SA (,000)	Unemployment Rate (%) SA	Participation Rate (%) SA	
			1 Yr. Term	5 Yr. Term						
2005	January	643	4.80	6.05	1.29	1.26	243.6	4.3	70.6	720
	February	643	4.80	6.05	1.30	1.27	245.8	4.7	71.4	721
	March	655	5.05	6.25	1.30	1.28	248.3	5.5	72.7	728
	April	643	4.90	6.05	1.30	1.28	249.9	5.9	73.4	719
	May	637	4.85	5.95	1.31	1.28	251.7	6.3	74.0	715
	June	622	4.75	5.70	1.32	1.28	252.5	6.0	73.9	704
	July	628	4.90	5.80	1.32	1.28	251.1	5.9	73.3	705
	August	628	5.00	5.80	1.32	1.29	250.3	5.9	72.9	717
	September	628	5.00	5.80	1.32	1.30	249.6	5.7	72.5	729
	October	640	5.25	6.00	1.33	1.29	250.1	5.7	72.5	743
	November	649	5.60	6.15	1.34	1.29	249.1	5.7	72.1	746
	December	658	5.80	6.30	1.34	1.29	249.4	5.7	72.0	747
2006	January	658	5.80	6.30	1.35	1.30	251.0	5.7	72.4	738
	February	667	5.85	6.45	1.35	1.30	252.4	5.3	72.4	731
	March	667	6.05	6.45	1.36	1.31	251.8	5.2	72.0	734
	April	685	6.25	6.75	1.36	1.31	250.0	4.9	71.2	736
	May	685	6.25	6.75	1.37	1.32	248.8	5.0	70.8	742
	June	697	6.60	6.95	1.37	1.31	247.3	4.8	70.2	738
	July	697	6.60	6.95	1.37	1.31	248.0	4.8	70.2	746
	August	691	6.40	6.85	1.37	1.31	248.5	4.9	70.4	751
	September	682	6.40	6.70	1.37	1.30	249.5	5.4	70.9	755
	October	688	6.40	6.80	1.37	1.30	252.3	5.3	71.5	749
	November	673	6.40	6.55	1.38	1.31	255.3	5.3	72.2	736
	December	667	6.30	6.45		1.31	257.2	5.4	72.8	728

"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 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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