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NEW HOME MARKET

Multi-family construction a big contributor to a strong third quarter

Demand for new homes in Oshawa continues to be supported by favourable economic and demographic factors. Steady employment and low borrowing costs provide Oshawa's homebuyers with the financial ability to purchase and maintain homes. Oshawa has experienced increasing flows of intra-provincial migrants coming to the area. Migrants are able to find a home value advantage in comparison

to more expensive Toronto's neighbourhoods.

Oshawa CMA (Census Metropolitan Area) residential construction increased to 817 starts in the third quarter of 2005, up by 22.9 per cent from the same period last year.

Single-detached home starts recorded a five per cent dip in starts numbers compared to the third quarter of 2004. Of the three Oshawa submarkets, only Clarington recorded a decrease in single-detached starts. A 29 per cent decline in this community outpaced the gains registered in Whitby and

THIRD QUARTER 2005

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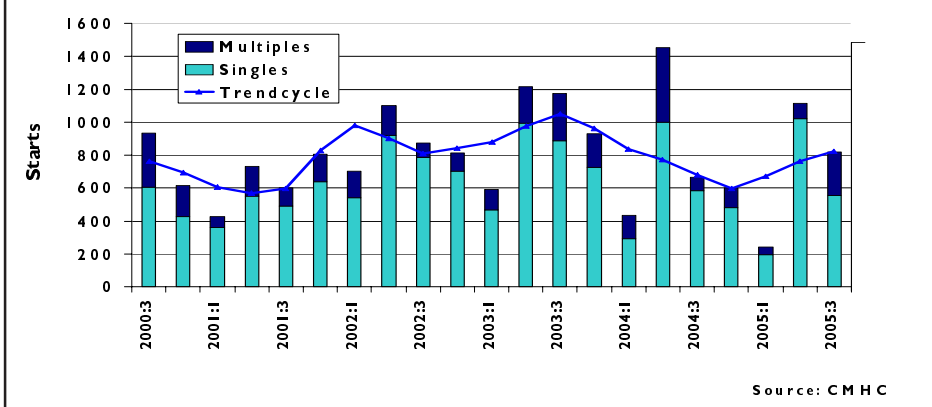
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Oshawa City, and was the reason why the single-detached home segment softened in the third quarter of 2005. The popular single detached sector accounts for the major share of Oshawa's construction market. However, even in relatively inexpensive market, as Oshawa home prices continue to rise, some homebuyers, particularly

Oshawa CMA Housing Starts



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first-time buyers, will consider buying more affordable multi-family types of housing.

The multiple-family sector scored a remarkable performance this quarter. With a three-digit increase above last year's third quarter, multi-family construction boosted total home starts. In third quarter multiple-family starts rose in all of Oshawa CMA's municipalities.

Year-to-date figures reveal a slow down in both the single and multi-family construction sectors. It's important to mention, that although starts are 15 per cent below last year's level, 2,172 housing starts over the nine month period are still above the historical average.

Respectable demand from move up buyers and Toronto residents, seeking affordability has led to strong price appreciation for new homes in Oshawa. Increasing construction costs and a shortage of serviced lots have pushed new home prices higher. The average price of a new single-detached dwelling in the Oshawa CMA rose by 13 per cent and registered a new high of \$303,530 in third quarter of 2005. In this period, price increases were similar across all Oshawa's submarkets.

Over the first nine months of this year, the popular new single detached homes in Whitby recorded the greatest price increases of 19 per cent to reach \$326,491. High home prices in Whitby didn't discourage homebuyers from shopping in this community. For example, from January to September of this year, 57.7 per cent of new single detached homes were absorbed for more than \$300,000 compared to only 23 per cent a year ago. A strong demand for single-family homes in this municipality has encouraged homebuilders to construct more this year. Year-to-date, in more moderately priced Clarington and Oshawa City prices reached the \$257,668 and \$285,812 respectively.

A low level of inventory indicates that there is very little speculative construction taking place in the Oshawa CMA and that rising house prices are a reflection of the strong housing demand.

RESALE MARKET

The strongest third quarter ever

Third quarter home sales reached 6,427 units on a seasonally adjusted

annualized basis this year, above the record level of 6,328 sales recorded in 2004. Very strong resale activity in Whitby and Clarington outpaced the decline in sales in Oshawa City. Solid demand for existing homes in Oshawa CMA continues to be driven by stable job situation, very low mortgage rates and large flows of migrants attracted by relatively affordable home prices. On a year to date basis Oshawa home sales have shifted lower from last year's level of 5,122 to 4,749. Despite this decline, year-to-date sales are well above their long term historical average.

On supply side, a strong appreciation of house prices encouraged more people to list their homes for sale. With more listings on the market and fewer sales taking place, the Oshawa resale market has inched into a more balanced state, with a 57 per cent sales-to-new listings ratio average over the nine month period. All three municipalities registered a decline in their sales-to-new listings ratios.

Average resale prices in Oshawa CMA have edged higher this year. In the third quarter of 2005 the average home prices reached the \$235,518 mark, 4.8 per cent above the same quarter a year ago. While upward trend is expected to continue, home price appreciation will be much more restrained compared to the previous years as more balanced market conditions emerge. A greater choice of properties generates less pressure on the prices and leaves more room for price negotiation.

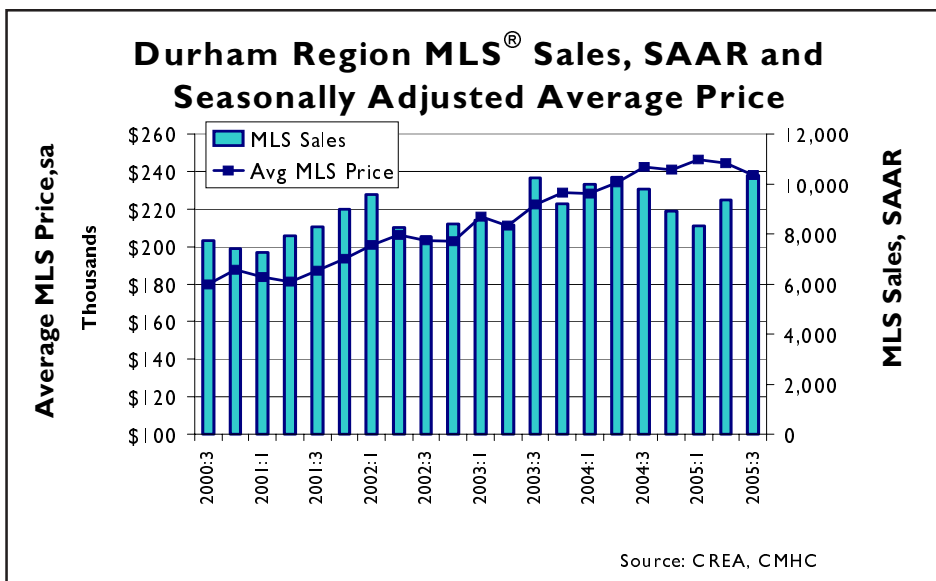


Table I: Housing Activity Summary for Oshawa CMA

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
STARTS								
Q3 2005	555	2	114	22	104	16	4	817
Q3 2004	584	20	33	28	0	0	0	665
% Change	-5.0	-90.0	**	-21.4	NA	NA	NA	22.9
Year-to-date 2005	1,770	6	229	22	104	37	4	2,172
Year-to-date 2004	1,874	48	409	28	192	0	0	2,551
% Change	-5.5	-87.5	-44.0	-21.4	-45.8	NA	NA	-14.9
UNDER CONSTRUCTION								
September 2005	1,425	14	190	22	119	28	7	1,805
September 2004	1,433	46	276	28	300	0	0	2,083
COMPLETIONS								
Q3 2005	596	12	69	0	0	9	0	686
Q3 2004	743	6	164	0	0	0	0	913
% Change	-19.8	100.0	-57.9	NA	NA	NA	NA	-24.9
Year-to-date 2005	1,489	42	156	16	144	9	0	1,856
Year-to-date 2004	2,025	70	468	0	0	0	4	2,567
% Change	-26.5	-40.0	-66.7	NA	NA	NA	-100.0	-27.7
COMPLETE & NOT ABSORBED								
September 2005	16	1	19	0	0	0	0	36
September 2004	6	2	7	0	0	0	0	15
ABSORPTIONS								
Q3 2005	606	14	60	2	5	9	0	696
Q3 2004	765	7	162	0	0	0	0	934
% Change	-20.8	100.0	-63.0	NA	NA	NA	NA	-25.5
Year-to-date 2005	1,475	45	149	16	144	9	0	1,838
Year-to-date 2004	2,051	69	490	0	1	0	4	2,615
% Change	-28.1	-34.8	-69.6	NA	**	NA	-100.0	-29.7

*Includes all market types

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

Source: CMHC

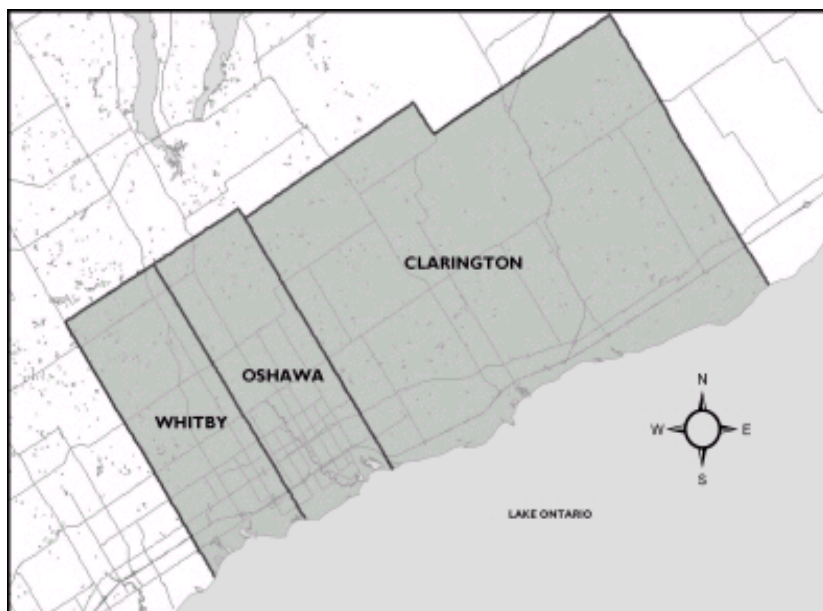
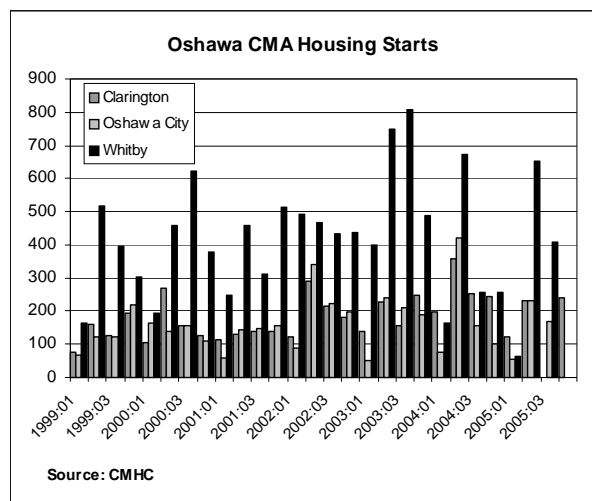


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q3 2004	Q3 2005	% change	Q3 2004	Q3 2005	% change	2004	2005	% change
Oshawa CMA	584	555	-5.0	81	262	**	665	817	22.9
Clarington	238	169	-29.0	15	72	**	253	241	-4.7
Oshawa City	111	119	7.2	45	51	13.3	156	170	9.0
Whitby	235	267	13.6	21	139	**	256	406	58.6

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	1,874	1,770	-5.5	677	402	-40.6	2,551	2,172	-14.9
Clarington	647	454	-29.8	159	138	-13.2	806	592	-26.6
Oshawa City	472	407	-13.8	180	51	-71.7	652	458	-29.8
Whitby	755	909	20.4	338	213	-37.0	1,093	1,122	2.7

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

Sub Market Area	Q3 2004	Q3 2005	% Change	YTD 2004	YTD 2005	% Change
Oshawa CMA	268,425	303,530	13.1	261,762	291,082	11.2
Clarington	241,098	268,664	11.4	237,730	257,668	8.4
Oshawa City	264,007	302,222	14.5	256,654	285,812	11.4
Whitby	289,975	330,202	13.9	274,468	326,491	19.0

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

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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											
Q3 2005	25	4.1	134	22.1	184	30.4	145	23.9	118	19.5	606
Q3 2004	70	9.2	246	32.2	279	36.5	125	16.3	45	5.9	765
YTD 2005	111	7.5	429	29.1	406	27.5	301	20.4	228	15.5	1,475
YTD 2004	208	10.1	764	37.3	697	34.0	281	13.7	101	4.9	2,051
Clarington											
Q3 2005	24	11.2	88	41.1	69	32.2	15	7.0	18	8.4	214
Q3 2004	55	24.8	95	42.8	48	21.6	13	5.9	11	5.0	222
YTD 2005	97	16.8	267	46.2	123	21.3	39	6.7	52	9.0	578
YTD 2004	131	29.2	193	43.1	71	15.8	26	5.8	27	6.0	448
Oshawa City											
Q3 2005	1	0.9	22	20.6	32	29.9	30	28.0	22	20.6	107
Q3 2004	10	4.6	68	31.3	100	46.1	36	16.6	3	1.4	217
YTD 2005	14	4.6	93	30.4	102	33.3	55	18.0	42	13.7	306
YTD 2004	50	9.3	210	39.0	195	36.2	71	13.2	13	2.4	539
Whitby											
Q3 2005	0	0.0	24	8.4	83	29.1	100	35.1	78	27.4	285
Q3 2004	5	1.5	83	25.5	131	40.2	76	23.3	31	9.5	326
YTD 2005	0	0.0	69	11.7	181	30.6	207	35.0	134	22.7	591
YTD 2004	27	2.5	361	33.9	431	40.5	184	17.3	61	5.7	1,064

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						
Q3 2004	2,448	-5.4%	4,135	59.2%	\$245,413	9.5%
Q3 2005	2,583	5.5%	4,536	56.9%	\$256,956	4.7%
YTD 2004	8,412	11.8%	13,039		\$240,669	9.3%
YTD 2005	7,800	-7.3%	14,314		\$253,875	5.5%
Oshawa CMA						
Q3 2004	1,474	-2.8%	2,407	61.2%	\$224,702	9.7%
Q3 2005	1,559	5.8%	2,626	59.4%	\$235,518	4.8%
YTD 2004	5,122	16.8%	7,560		\$221,076	9.5%
YTD 2005	4,749	-7.3%	8,286		\$235,055	6.3%
Whitby						
Q3 2004	441	-11.3%	786	56.1%	\$274,986	11.4%
Q3 2005	530	20.2%	970	54.6%	\$277,261	0.8%
YTD 2004	1,594	13.0%	2,489		\$266,992	9.8%
YTD 2005	1,606	0.8%	3,096		\$277,573	4.0%
Oshawa City						
Q3 2004	651	0.6%	1,018	63.9%	\$192,257	11.5%
Q3 2005	602	-7.5%	1,005	59.9%	\$198,037	3.0%
YTD 2004	2,222	19.9%	3,139		\$187,241	10.3%
YTD 2005	1,876	-15.6%	3,126		\$197,515	5.5%
Clarington						
Q3 2004	382	2.7%	603	63.3%	\$221,944	8.1%
Q3 2005	427	11.8%	651	65.6%	\$236,547	6.6%
YTD 2004	1,306	16.2%	1,932		\$222,600	9.7%
YTD 2005	1,267	-3.0%	2,064		\$236,743	6.4%

Oshawa CMA						
	Annual Sales	Yr/Yr %	Annual New Listings	Yr/Yr %	Annual Average Price	Yr/Yr %
1996	4,211		6,515		\$141,308	
1997	4,314	2.4%	6,232	-4.3%	\$147,408	4.3%
1998	4,237	-1.8%	6,009	-3.6%	\$150,995	2.4%
1999	4,454	5.1%	6,063	0.9%	\$155,994	3.3%
2000	4,401	-1.2%	6,368	5.0%	\$164,416	5.4%
2001	4,937	12.2%	6,937	8.9%	\$172,603	5.0%
2002	5,186	5.0%	6,859	-1.1%	\$186,785	8.2%
2003	5,586	7.7%	7,772	13.3%	\$202,272	8.3%
2004	6,328	13.3%	9,081	16.8%	\$220,873	9.2%

Source: Toronto Real Estate Board

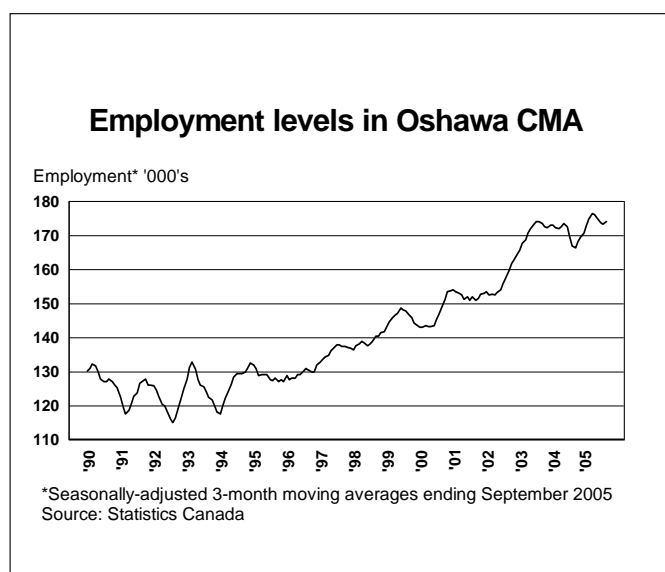
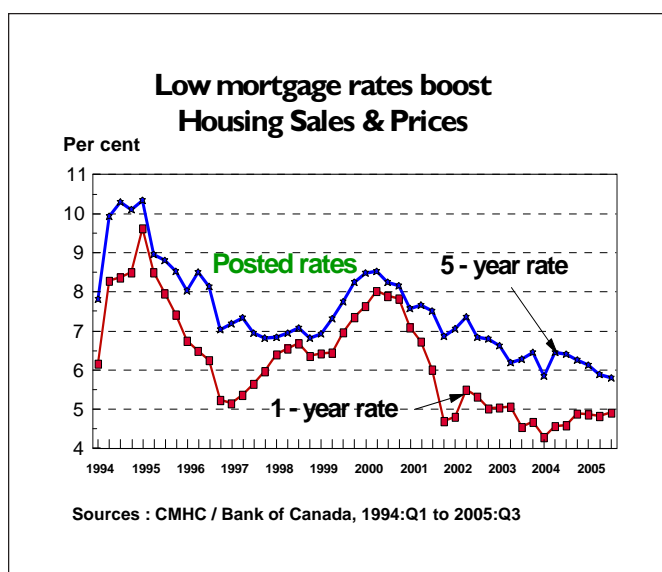
Table 6: Economic Indicators

	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	627.97	4.9	5.8	0.817	174.0	-0.7	6.0
August	627.97	5.0	5.8	0.842	173.5	-0.3	6.5
September	627.97	5.0	5.8	0.860	174.2	0.4	6.1
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 2005 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**.

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