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Ottawa Construction Rebounds in May

Date Released: June 2006

In May, residential construction rebounded by 55 per cent in the Ottawa Census Metropolitan Area. According to the latest data released by Canada Mortgage and Housing Corporation (CMHC), there were 591 housing starts in May, compared to 381 one year earlier.

It was once again the multiple housing segment that stood out in the area. In May, 303 units of this type were started, or more than double the number recorded in May 2005. Multi-family housing activity is very dynamic in the area. Nepean, in particular, saw its number of row home starts explode to 102 units. Rising construction costs and high prices for single-detached houses are prompting many consumers to turn to this housing type.

In the single-detached home segment, starts also increased in May. There were 288 single starts, for an appreciable gain of 17 per cent in relation to May 2005. The market therefore remains very robust in Ottawa.

In May, several sectors stood out with significant gains in starts. Nepean, Cumberland, Kanata, Ottawa, Gouldbourn and Osgoode posted considerable increases ranging from 61 per cent to 190 per cent. In Gloucester, activity remained stable, as starts increased by three units, while in Rideau and the outlying area, residential construction was down in relation to May 2005.

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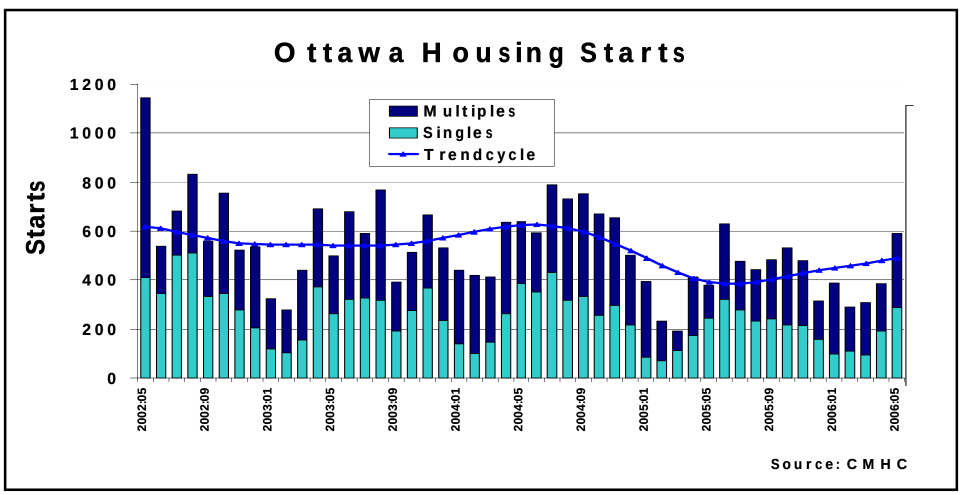

CMHC Ottawa Office - Market Analysis
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Table 1: Housing Activity Summary for Ottawa

	OWNERSHIP					RENTAL		
	FREEHOLD			CONDOMINIUM				GRAND
	*SINGLE	*SEMI	ROW	ROW	APT	ROW	APT	**TOTAL
STARTS								
May 2006	288	30	199	24	50	0	0	591
May 2005	246	34	89	12	0	0	0	381
% Change	17.1	-11.8	123.6	100.0	NA	NA	NA	55.1
Year-to-date 2006	784	150	646	152	213	12	8	1,965
Year-to-date 2005	687	82	320	143	356	0	27	1,615
% Change	14.1	82.9	101.9	6.3	-40.2	NA	-70.4	21.7
Q1 2006	304	78	333	128	128	9	8	988
Q1 2005	266	38	175	131	211	0	0	821
% Change	14.3	105.3	90.3	-2.3	-39.3	NA	NA	20.3
UNDER CONSTRUCTION								
May 2006	1,127	238	932	195	896	96	99	3,583
May 2005	1,156	152	734	335	1,286	50	314	4,027
COMPLETIONS								
May 2006	189	34	173	41	66	0	45	548
May 2005	188	24	140	47	0	11	0	410
% Change	0.5	41.7	23.6	-12.8	NA	-100.0	NA	33.7
Year-to-date 2006	875	110	451	170	334	3	53	1,996
Year-to-date 2005	1,043	110	531	181	370	35	21	2,291
% Change	-16.1	0.0	-15.1	-6.1	-9.7	-91.4	152.4	-12.9
Q1 2006	511	50	206	77	33	3	8	888
Q1 2005	648	58	261	91	280	24	19	1,381
% Change	-21.1	-13.8	-21.1	-15.4	-88.2	-87.5	-57.9	-35.7
COMPLETE & NOT ABSORBED								
May 2006	51	26	90	27	78	2	92	366
May 2005	88	32	70	28	66	12	175	471
ABSORPTIONS								
May 2006	192	35	176	45	66	0	50	564
May 2005	192	16	136	40	19	14	0	417
% Change	0.0	118.8	29.4	12.5	**	-100.0	NA	35.3
Year-to-date 2006	883	111	471	159	347	5	94	2,070
Year-to-date 2005	1,047	103	534	180	381	37	39	2,321
% Change	-15.7	7.8	-11.8	-11.7	-8.9	-86.5	141.0	-10.8
Q1 2006	520	48	218	75	46	5	21	933
Q1 2005	657	58	275	104	261	21	33	1,409
% Change	-20.9	-17.2	-20.7	-27.9	-82.4	-76.2	-36.4	-33.8

*Includes all market types

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

Source: CMHC

Save on Home Energy Costs

Effective November 18, 2004
CMHC will offer a 10% refund on its mortgage loan insurance premium when a borrowers buys or builds an energy-efficient home or makes energy-saving renovations to an existing home. Multi-residential buildings are also eligible.

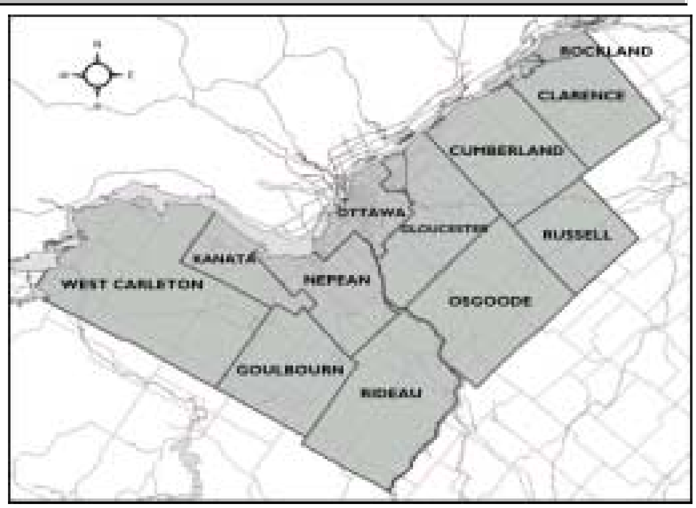


Table 2A: Starts by Area and by Intended Market - Current Month

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	May 05	May 06	% change	May 05	May 06	% change	May 05	May 06	% change
Ottawa	246	288	17.1	135	303	124.4	381	591	55.1
Ottawa City	218	258	18.3	135	303	124.4	353	561	58.9
Ottawa, Vanier, Rockcliffe	10	16	60.0	16	36	125.0	26	52	100.0
Nepean inside greenbelt	2	1	-50.0	12	0	-100.0	14	1	-92.9
Nepean outside greenbelt	51	65	27.5	44	110	150.0	95	175	84.2
Gloucester inside greenbelt	3	0	-100.0	4	0	-100.0	7	0	-100.0
Gloucester outside greenbelt	34	30	-11.8	36	50	38.9	70	80	14.3
Kanata	11	34	**	11	30	172.7	22	64	190.9
Cumberland	48	40	-16.7	12	58	**	60	98	63.3
Goulbourn	25	24	-4.0	0	19	NA	25	43	72.0
West Carleton	13	9	-30.8	0	0	NA	13	9	-30.8
Rideau	5	4	-20.0	0	0	NA	5	4	-20.0
Osgoode	16	35	118.8	0	0	NA	16	35	118.8
Clarence-Rockland City	12	9	-25.0	0	0	NA	12	9	-25.0
Russell Twp.	16	21	31.3	0	0	NA	16	21	31.3

Table 2B: Starts by Area and by Intended Market- Year-to-Date

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	YTD 2005	YTD 2006	% change	YTD 2005	YTD 2006	% change	YTD 2005	YTD 2006	% change
Ottawa	687	784	14.1	928	1,181	27.3	1,615	1,965	21.7
Ottawa City	613	710	15.8	891	1,175	31.9	1,504	1,885	25.3
Ottawa, Vanier, Rockcliffe	27	37	37.0	396	270	-31.8	423	307	-27.4
Nepean inside greenbelt	4	9	125.0	24	12	-50.0	28	21	-25.0
Nepean outside greenbelt	151	166	9.9	158	270	70.9	309	436	41.1
Gloucester inside greenbelt	7	3	-57.1	4	0	-100.0	11	3	-72.7
Gloucester outside greenbelt	83	85	2.4	76	272	**	159	357	124.5
Kanata	56	83	48.2	91	148	62.6	147	231	57.1
Cumberland	96	137	42.7	142	161	13.4	238	298	25.2
Goulbourn	105	104	-1.0	0	42	NA	105	146	39.0
West Carleton	34	26	-23.5	0	0	NA	34	26	-23.5
Rideau	10	6	-40.0	0	0	NA	10	6	-40.0
Osgoode	40	54	35.0	0	0	NA	40	54	35.0
Clarence-Rockland City	37	27	-27.0	33	6	-81.8	70	33	-52.9
Russell Twp.	37	47	27.0	4	0	-100.0	41	47	14.6

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

Sub Market Area	May 05	May 06	% change	YTD 2005	YTD 2006	% change
Ottawa	347,684	362,643	4.3	347,442	379,845	9.3
Ottawa City	414,611	531,196	28.1	407,304	503,489	23.6
Cumberland	312,048	327,644	5.0	312,924	316,795	1.2
Gloucester	331,885	335,694	1.1	341,307	375,554	10.0
Nepean	359,203	332,771	-7.4	351,283	379,098	7.9
Kanata	355,179	379,864	7.0	381,844	379,078	-0.7
Rest of CMA	353,940	345,465	-2.4	346,927	391,211	12.8

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

Note: NA may appear where CMHC data suppression rules apply

Source: CMHC

Table 4: New Home Sales, City of Ottawa

	Singles			Lowrise Multiples			Total		
	2005	2006	% Chg	2005	2006	% Chg	2005	2006	% Chg
January	132	94	-28.8	138	125	-9.4	270	219	-18.9
February	179	149	-16.8	179	208	16.2	358	357	-0.3
March	199	167	-16.1	248	239	-3.6	447	406	-9.2
April	150	143	-4.7	201	231	14.9	351	374	6.6
May	174		NA	206		NA	380		NA
June	114		NA	178		NA	292		NA
July	116		NA	152		NA	268		NA
August	147		NA	183		NA	330		NA
September	121		NA	133		NA	254		NA
October	130		NA	147		NA	277		NA
November	122		NA	146		NA	268		NA
December	83		NA	110		NA	193		NA
Year-to-date	**660**	**553**	**-16.2**	**766**	**803**	**4.8**	**1,426**	**1,356**	**-4.9**
YEARLY TOTAL	**1,667**			**2,021**			**3,688**		

Source: Corporate Research Group Ltd.

Table 5: Completed and Absorbed Single-Detached Units by Price Range

	PRICE RANGES										
	<$250,000		$250-$299,999		$300-$399,999		$400-$499,999		$500,000 +		
AREA	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	TOTAL
Ottawa total											
May 2006	9	4.7	46	24.0	96	50.0	23	12.0	18	9.4	192
May 2005	22	11.5	35	18.2	98	51.0	25	13.0	12	6.3	192
YTD 2006	47	5.3	214	24.2	384	43.5	146	16.5	92	10.4	883
YTD 2005	76	7.3	219	20.9	580	55.4	119	11.4	53	5.1	1,047
Ottawa City											
May 2006	0	0.0	0	0.0	5	22.7	4	18.2	13	59.1	22
May 2005	0	0.0	2	22.2	3	33.3	2	22.2	2	22.2	9
YTD 2006	0	0.0	3	5.4	23	41.1	10	17.9	20	35.7	56
YTD 2005	1	3.7	3	11.1	13	48.1	6	22.2	4	14.8	27
Cumberland											
May 2006	1	3.1	13	40.6	16	50.0	1	3.1	1	3.1	32
May 2005	3	9.1	15	45.5	13	39.4	2	6.1	0	0.0	33
YTD 2006	14	9.0	67	43.2	61	39.4	10	6.5	3	1.9	155
YTD 2005	19	11.0	64	37.0	82	47.4	6	3.5	2	1.2	173
Gloucester											
May 2006	0	0.0	4	23.5	12	70.6	1	5.9	0	0.0	17
May 2005	2	7.7	1	3.8	21	80.8	2	7.7	0	0.0	26
YTD 2006	1	1.1	7	7.5	66	71.0	15	16.1	4	4.3	93
YTD 2005	3	2.1	15	10.3	117	80.7	8	5.5	2	1.4	145
Nepean											
May 2006	0	0.0	11	26.2	26	61.9	5	11.9	0	0.0	42
May 2005	0	0.0	4	11.8	22	64.7	8	23.5	0	0.0	34
YTD 2006	0	0.0	37	22.0	84	50.0	32	19.0	15	8.9	168
YTD 2005	0	0.0	50	21.1	142	59.9	38	16.0	7	3.0	237
Kanata											
May 2006	0	0.0	3	21.4	7	50.0	2	14.3	2	14.3	14
May 2005	2	8.3	2	8.3	16	66.7	3	12.5	1	4.2	24
YTD 2006	0	0.0	34	31.8	41	38.3	18	16.8	14	13.1	107
YTD 2005	2	1.5	19	14.5	75	57.3	22	16.8	13	9.9	131
Rest of CMA											
May 2006	8	12.3	15	23.1	30	46.2	10	15.4	2	3.1	65
May 2005	15	22.7	11	16.7	23	34.8	8	12.1	9	13.6	66
YTD 2006	32	10.5	66	21.7	109	35.9	61	20.1	36	11.8	304
YTD 2005	51	15.3	68	20.4	151	45.2	39	11.7	25	7.5	334

Source: CMHC

Table 6A: Resale Housing Activity for Ottawa Real Estate Board

		Number of Sales	Yr/Yr %	Sales SAAR	Number of New Listings	New Listings SAAR	Sales-to-New Listings SA	Average Price ($)	Yr/Yr %	Average Price ($) SA
2005	January	646	-0.9	13,300	1,689	23,200	57.3	242,934	5.7	246,686
	February	933	-3.5	12,800	1,855	23,100	55.6	240,533	4.9	242,630
	March	1,120	-20.4	11,700	2,367	23,400	50.1	248,865	4.9	245,052
	April	1,440	-4.7	13,500	2,758	26,100	51.7	247,681	2.8	245,252
	May	1,564	-4.6	12,900	2,691	23,500	54.7	248,436	2.1	244,400
	June	1,494	2.0	14,100	2,448	24,000	58.9	254,725	4.6	247,067
	July	1,215	-0.2	13,500	2,052	24,300	55.8	250,996	5.2	248,772
	August	1,264	18.4	14,000	2,082	24,100	58.2	243,419	4.3	251,185
	September	1,111	12.4	14,100	2,141	24,800	57.0	248,128	3.9	248,845
	October	946	-3.4	12,900	1,741	23,000	56.1	249,895	5.3	252,556
	November	931	2.6	13,500	1,491	24,800	54.3	251,756	5.3	255,408
	December	636	-3.0	13,100	828	25,400	51.7	248,748	5.6	251,726
2006	January	659	2.0	13,000	1,844	24,600	52.7	245,787	1.2	250,454
	February	1,002	7.4	13,800	2,026	25,300	54.8	250,689	4.2	253,929
	March	1,337	19.4	13,900	2,511	25,000	55.6	255,550	2.7	256,068
	April	1,469	2.0	13,900	2,528	25,000	55.6	263,122	6.2	257,941
	May	1,683	7.6	13,600	2,907	24,900	54.6	260,219	4.7	257,559
	June									
	July									
	August									
	September									
	October									
	November									
	December									
	Q1 2005	2,699	-10.8	12,620	5,911	23,232	54.3	244,565	4.9	244,805
	Q1 2006	2,998	11.1	13,576	6,381	25,020	54.3	251,779	2.9	253,577
	YTD 2005	5,703	-7.7		11,360			246,413	4.0	
	YTD 2006	6,150	7.8		11,816			256,798	4.2	

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price ($)	Yr/Yr %	
1997	9,431	9.1		20,312	-1.4		143,866	2.4	
1998	9,552	1.3		18,825	-7.3		143,914	0.0	
1999	11,334	18.7		17,512	-7.0		149,626	4.0	
2000	12,692	12.0		16,213	-7.4		159,511	6.6	
2001	12,240	-3.6		17,338	6.9		175,972	10.3	
2002	12,894	5.3		17,982	3.7		200,711	14.1	
2003	12,877	-0.1		19,706	9.6		219,713	9.5	
2004	13,457	4.5		22,348	13.4		238,152	8.4	
2005	13,300	-1.2		24,143	8.0		248,358	4.3	

Source: Canadian Real Estate Association

Table 6B: Average Price ($) of Resale Dwellings

Area	May 05	May 06	% Change	YTD 2005	YTD 2006	% Change
Orléans	$243,555	$254,348	4.4	$237,899	$247,201	3.9
East End	$219,617	$228,252	3.9	$214,379	$215,206	0.4
SouthEast	$264,649	$269,407	1.8	$256,517	$263,171	2.6
Downtown	$361,232	$348,423	-3.5	$341,103	$366,174	7.3
West End	$262,294	$285,395	8.8	$258,617	$279,903	8.2
Nepean	$236,048	$245,619	4.1	$244,667	$246,194	0.6
Barrhaven	$245,932	$261,783	6.4	$242,244	$253,361	4.6
Kanata-Stittsville	$261,324	$281,140	7.6	$255,963	$272,110	6.3

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

Source: Ottawa Real Estate Board

Table 7: Economic Indicators

		Interest and Exchange Rates				Inflation Rate (%)	NHPI*** % chg.	Ottawa Labour Market		
		P & I*	Mortgage Rate (%)		Exch. Rate	Ontario	Ottawa-Gatineau CMA	Employment	Employment	Unemployment
		Per $100,000	1 Yr. Term	5 Yr. Term	($US/$Cdn)	1996=100	1997=100	SA** (,000)	SA m/m(%)	Rate (%) SA
2005	January	642.78	4.8	6.1	0.806	1.7	7.1	619.0	0.0	6.5
	February	642.78	4.8	6.1	0.811	2.2	6.4	615.8	-0.5	6.6
	March	654.74	5.1	6.3	0.827	2.5	5.8	613.9	-0.3	6.9
	April	642.78	4.9	6.1	0.795	2.4	4.4	614.7	0.1	7.1
	May	636.84	4.9	6.0	0.797	1.4	4.4	614.4	0.0	7.2
	June	622.08	4.8	5.7	0.816	1.9	3.4	612.6	-0.3	6.9
	July	627.97	4.9	5.8	0.817	1.9	4.4	610.3	-0.4	6.9
	August	627.97	5.0	5.8	0.842	2.8	3.7	610.9	0.1	7.1
	September	627.97	5.0	5.8	0.860	3.5	4.0	613.6	0.4	7.1
	October	639.81	5.3	6.0	0.847	2.6	4.3	619.5	1.0	6.6
	November	648.75	5.6	6.2	0.857	2.1	3.9	624.8	0.9	6.0
	December	657.75	5.8	6.3	0.860	2.3	3.4	633.6	1.4	5.5
2006	January	657.75	5.8	6.3	0.878	3.0	3.1	641.3	1.2	5.4
	February	666.80	5.9	6.5	0.880	1.9	3.0	648.6	1.1	5.1
	March	666.80	6.1	6.5	0.856	2.1	2.8	650.5	0.3	5.2
	April	685.05	6.3	6.8	0.894	2.4	3.3	651.0	0.1	5.1
	May	685.05	6.3	6.8	0.908			650.1	-0.1	5.1
	June									
	July									
	August									
	September									
	October									
	November									
	December									

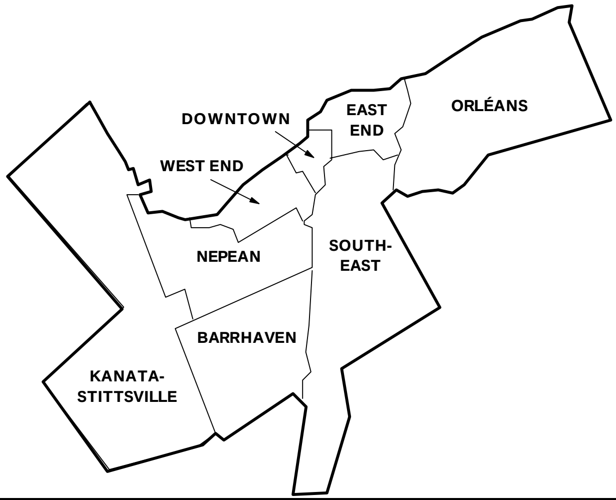
* Principal and Interest Payment assumes a five year mortgage rate and 25 year amortization period.

** Seasonally Adjusted

*** New Housing Price Index

Source: CMHC, Statistics Canada Labour Force Survey

Resale - Urban Sub-Markets



RESALE - URBAN SUB-MARKETS DEFINITIONS (REFER TO TABLE 6B):

Sub- Market	MLS Zones
Orléans	11, 20, 23
East End	21, 22, 31, 34, 35
South East	26, 36, 37, 38, 46, 48, 80
Downtown	33, 40, 41, 44
West End	42, 43, 45, 50, 51, 52, 53, 54, 60, 61, 62, 63
Nepean	47, 70, 71, 72, 73, 74, 75, 76, 78
Barrhaven	77, 79
Kanata-Stittsville	82, 90

Source: Ottawa Real Estate Board

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

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