

H

HOUSING NOW

Oshawa

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

Oshawa CMA Starts Rebound in First Quarter

FIRST QUARTER 2002

Oshawa Census Metropolitan Area (CMA) new home construction levels have posted a remarkable rebound from last year's first quarter lull. Total starts in the Oshawa CMA hit 703 units in the first quarter of this year, representing an impressive 65.4 per cent climb over year ago levels. First quarter gains were recorded in both the single detached and multiple unit sectors. Single detached starts increased by 49 per cent to 541 units, while 162 multiple units were started, up from 62 units during the same period last year. This marks the best first quarter for multiple starts since 1994 when 182 multiples commenced construction,

and the best first quarter for single detached construction ever.

Continued strong housing demand in Whitby has once again bolstered total housing starts in the Oshawa CMA. Single detached starts in Whitby reached 357 units in 1Q02, up 89.9 per cent, while multiple starts increased to 133 units from 62 one year ago. Oshawa City also registered solid gains with total starts rising by 48.3 per cent to 89 units. First quarter residential construction levels in Clarington advanced only marginally over 1Q01, boosted by

continued on page 2

IN THIS ISSUE

1 Oshawa CMA Starts Rebound in First Quarter

2 Demand Increases for Resale Homes in Oshawa CMA

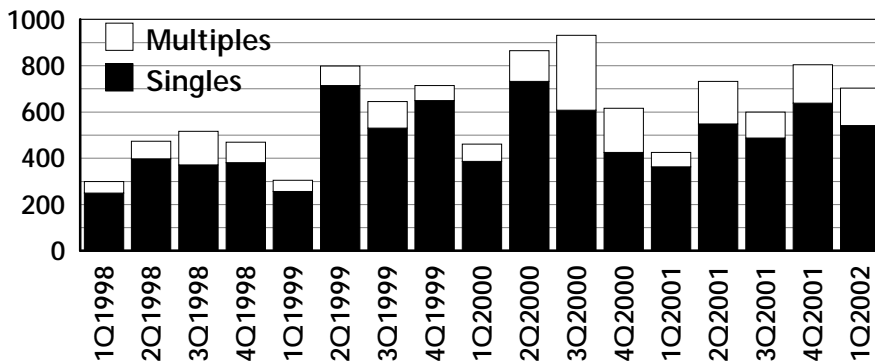
3 Oshawa Ranks 2nd Fastest Growing CMA

8 Definitions

TABLES

- 3 Starts Activities by Area and by Intended Market
- 4 Housing Activity Summary by Intended Market
- 5 New Single Detached Price by Municipality
- 5 Absorbed Single Detached Units by Price Range
- 6 MLS Sales to Listing Ratio by Municipality
- 6 MLS Residential Unit Sales by Municipality
- 6 MLS Average Prices by Municipality
- 7 Economic Indicators

Oshawa CMA Housing Starts



Source: CMHC

CMHC Toronto, Market Analysis
Beverly Kueper

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



HOME TO CANADIANS

Canada

a small number of semi-detached and row starts. Clarington's single detached starts dropped by two units to 113 in 1Q02.

New Home Prices on the Rise

Strong demand for new single detached accommodation in the Oshawa CMA has driven the average price of such units higher in the first quarter of 2002. In the first quarter 2001 report, year-over-year price increases were reported to be 1.5 per cent for the CMA as a whole. In 1Q02, the average price has climbed by an impressive 6.5 per cent to \$232,600.

By municipality, the average price of a single detached home in Oshawa City posted the largest gain with an 8.7 per cent increase over 1Q01 to \$226,143. Whitby was next with its average single detached price up 7.1 per cent to \$243,364. Clarington's average single detached price also increased by a very respectable 5.3 per cent to \$221,394. ❖

Demand Increases for Resale Homes in Oshawa CMA

With momentum continuing in the resale market, solid economic fundamentals are translating into another strong year for the Oshawa CMA resale market. Total sales in the Oshawa CMA reached 1,432 units in the first quarter of 2002, representing an increase of 38.2 per cent over a soft start to the year in 2001. This marks the fourth consecutive quarter of sales growth in the CMA.

By municipality, Whitby led the charge with respect to an increase in 1Q02 sales volumes. Sales in Whitby, at 464 units, were up 56.2 per cent. Clarington saw a 37.9 per cent increase in sales to 386 units, while sales in Oshawa City posted a 26.8 per cent gain to 582 units.

Tighter Market Drives Prices in First Quarter

The boost in first quarter demand for resale homes was not met by an equivalent increase in listings in the Oshawa CMA, resulting in a tighter resale market. The sales-to-listings ratio for the CMA as a whole jumped from 28.4 per cent in 1Q01 to 39.3 per cent in 2Q02. Generally speaking, a sellers' market is noted as having a sales-to-listings ratio above 32 per cent. Where the sales-to-listings ratio is above this benchmark, sellers usually command bargaining strength. All three municipalities within the Oshawa CMA registered substantial increases in their respective sales-to-listings ratio, translating into a tighter market across the CMA.

Not unlike the new home market, growing demand combined with a

limited supply of listings, has resulted in added upward pressure on resale prices in the Oshawa CMA. The average resale price increased by 9.7 per cent in 1Q02 to \$183,472, nearing the highs reached in the last boom period of the late 1980s and early 1990s. Clarington, the tightest market in the CMA, recorded an average price increase of 11.2 per cent in 1Q02 to \$181,010. Whitby also recorded solid price gains of 8.7 per cent to \$223,372. Finally, Oshawa City's average resale price increased by 5.5 per cent to \$153,293. ❖

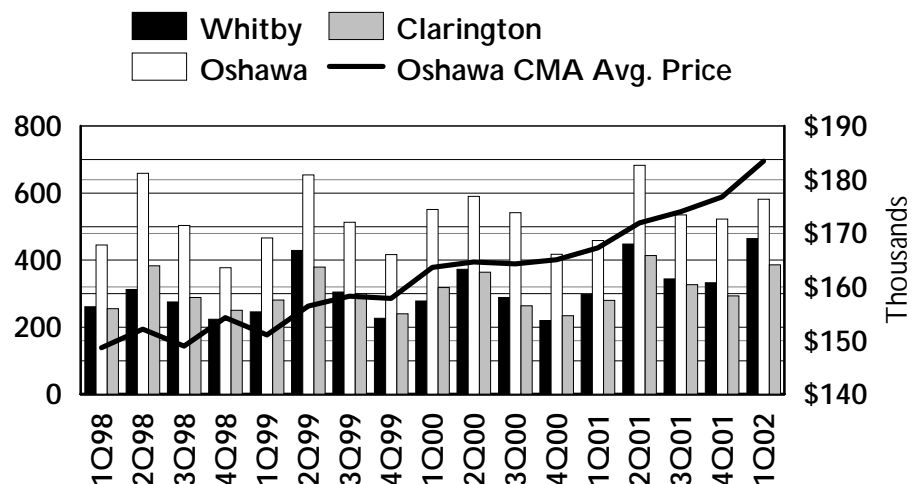
2001 Rental Market Survey

Get a picture of average rents, vacancy rates and universe size by bedroom type by zone across the Oshawa CMA area.

To order or for more information please call:

1-800-493-0059

MLS Sales and Average Price



Source: TREB, CMHC

Oshawa Ranked 2nd Fastest Growing CMA

The newly released 2001 Census population data highlights the hottest housing markets across the country. Cities growing the fastest offer opportunities for residential construction and related industries, while cities in decline present challenges.

In terms of cumulative population growth during the 1996 to 2001 period, the Oshawa CMA ranked second of the country's large CMAs with the population increasing by a whopping 10.2 per cent to 296,298. Calgary registered the fastest growing population with a 15.8 per cent gain, while Toronto ranked third with a population growth rate of 9.8 per cent. The population of

Canada increased by 4 per cent during the 1996 to 2001 period.

Within the province of Ontario, the Oshawa CMA ranked the third fastest growing urban area between 1996 and 2001. Only Barrie and Guelph experienced greater population increases, with 25.1 and 10.7 per cent growth respectively. To round out the top five fastest growing urban areas in Ontario, Toronto ranked fourth, while Kitchener ranked fifth at 8.2 per cent. The population of Ontario increased by 6.1 per cent between the last two Census years.

Ontario also had its share of urban areas experiencing declining populations. Elliot Lake took the lead with a 12 per cent drop in population, between 1996 and 2001. Timmins, Haileybury, Sudbury and Sault Ste. Marie rounded out the pack with declining populations. ❖

Ontario's Top 5 Fastest Growing Urban Areas

Population			
	1996	2001	% ch.
Barrie	118,695	148,480	25.1
Guelph	105,997	117,344	10.7
Oshawa	268,773	296,298	10.2
Toronto	4,263,759	4,682,897	9.8
Kitchener	382,940	414,284	8.2

Source: Statistics Canada

Ontario's Top 5 Fastest Declining Urban Areas

Population			
	1996	2001	% ch.
Elliot Lake	13,588	11,956	-12.0
Timmins	47,499	43,686	-8.0
Haileybury	13,712	12,867	-6.2
Sudbury	165,618	155,601	-6.0
Sault Ste. Marie	83,619	78,908	-5.6

Source: Statistics Canada

TABLE 1: STARTS ACTIVITIES BY AREA AND INTENDED MARKET

	OWNERSHIP					RENTAL PRIVATE		GRAND TOTAL
	SINGLE	FREEHOLD SEMI	ROW	CONDOMINIUM ROW	APT	ROW	APT	
Oshawa CMA								
First Quarter 2002	541	60	86	0	0	16	0	703
First Quarter 2001	363	0	62	0	0	0	0	425
% Change	49.0	na	38.7	na	na	na	na	65.4
Clarington								
First Quarter 2002	113	6	5	0	0	0	0	124
First Quarter 2001	115	0	0	0	0	0	0	115
% Change	-1.7	na	na	na	na	na	na	7.8
Oshawa City								
First Quarter 2002	71	0	18	0	0	0	0	89
First Quarter 2001	60	0	0	0	0	0	0	60
% Change	18.3	na	na	na	na	na	na	48.3
Whitby								
First Quarter 2002	357	54	63	0	0	16	0	490
First Quarter 2001	188	0	62	0	0	0	0	250
% Change	89.9	na	1.6	na	na	na	na	96.0

Source: CMHC

To succeed in today's market you need

THE INFORMATION EDGE

CMHC is the source for expert analysis and comprehensive data on housing in your community.

Local Reports

Rental Market Reports, Housing Now, Housing Market Outlook

Annual Housing Outlook Conferences

Custom data Runs and Special Tables

Call 1-800-493-0059 today to find out how our information can help you stay one step ahead.

TABLE 2: HOUSING ACTIVITY SUMMARY BY INTENDED MARKET

	SINGLE	OWNERSHIP SEMI	ROW	CONDO	RENTAL ROW & APT	GRAND TOTAL
OSHAWA CMA						
STARTS						
First Quarter 2002	541	60	86	0	16	703
First Quarter 2001	363	0	62	0	0	425
% Change	49.0	na	38.7	na	na	65.4
UNDER CONSTRUCTION						
End of First Quarter 2002	1190	78	234	0	162	1664
End of First Quarter 2001	941	34	209	84	128	1396
COMPLETIONS						
First Quarter 2002	416	26	71	0	6	519
First Quarter 2001	386	14	109	0	0	509
% Change	7.8	85.7	-34.9	na	na	2.0
COMPLETE AND NOT ABSORBED						
End of First Quarter 2002	40	7	9	0	1	57
End of First Quarter 2001	36	8	16	0	0	60
ABSORPTIONS						
First Quarter 2002	406	28	79	0	5	518
First Quarter 2001	396	13	107	3	0	519
% Change	2.5	115.4	-26.2	-100.0	na	-0.2

Source: CMHC

TABLE 3: NEW SINGLE DETACHED PRICE BY MUNICIPALITY

	FIRST QUARTER 2002	FIRST QUARTER 2001	PER CENT CHANGE	YEAR-TO-DATE 2002	YEAR-TO-DATE 2001	PER CENT CHANGE
Oshawa CMA	\$232,600	\$218,336	6.5%	\$232,600	\$218,336	6.5%
Whitby	\$243,364	\$227,305	7.1%	\$243,364	\$227,305	7.1%
Oshawa City	\$226,143	\$208,106	8.7%	\$226,143	\$208,106	8.7%
Clarington	\$221,394	\$210,344	5.3%	\$221,394	\$210,344	5.3%

Source: CMHC

TABLE 4: ABSORBED SINGLE DETACHED UNITS BY PRICE RANGE

	<\$149,999	\$150,000 to \$199,999	\$200,000 to \$249,999	\$250,000 to \$299,999	\$300,000 to \$349,999	\$350,000 to \$399,999	\$400,000+
Oshawa CMA							
First Quarter 2002	2	101	191	90	9	8	5
First Quarter 2001	9	149	156	61	12	7	2
% Change	-77.8	-32.2	22.4	47.5	-25.0	14.3	150.0
Whitby							
First Quarter 2002	0	32	89	52	3	2	4
First Quarter 2001	0	50	98	44	6	1	0
% Change	na	-36.0	-9.2	18.2	-50.0	100.0	na
Oshawa City							
First Quarter 2002	0	26	63	23	3	1	0
First Quarter 2001	3	51	29	5	3	1	2
% Change	-100.0	-49.0	117.2	360.0	0.0	0.0	-100.0
Clarington							
First Quarter 2002	2	43	39	15	3	5	1
First Quarter 2001	6	48	29	12	3	5	0
% Change	-66.7	-10.4	34.5	25.0	0.0	0.0	na

Source: CMHC

TABLE 5: MLS* SALES TO LISTING RATIO BY MUNICIPALITY

OSHAWA CMA	FIRST QUARTER 2002	FIRST QUARTER 2001	YEAR-TO-DATE 2002	YEAR-TO-DATE 2001
Durham Region	36.6%	27.9%	36.6%	27.9%
Oshawa CMA	39.3%	28.4%	39.3%	28.4%
Whitby	35.6%	26.3%	35.6%	26.3%
Oshawa City	40.6%	30.4%	40.6%	30.4%
Clarington	42.4%	27.8%	42.4%	27.8%

Source: Toronto Real Estate Board, CMHC

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

TABLE 6: MLS* RESIDENTIAL UNIT SALES BY MUNICIPALITY

OSHAWA CMA	FIRST QUARTER 2002	FIRST QUARTER 2001	PER CENT CHANGE	YEAR-TO-DATE 2002	YEAR-TO-DATE 2001	PER CENT CHANGE
Durham Region	2418	1834	31.8%	2418	1834	31.8%
Oshawa CMA	1432	1036	38.2%	1432	1036	38.2%
Whitby	464	297	56.2%	464	297	56.2%
Oshawa City	582	459	26.8%	582	459	26.8%
Clarington	386	280	37.9%	386	280	37.9%

Source: Toronto Real Estate Board, CMHC

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

TABLE 7: MLS* AVERAGE PRICES BY MUNICIPALITY

OSHAWA CMA	FIRST QUARTER 2002	FIRST QUARTER 2001	PER CENT CHANGE	YEAR-TO-DATE 2002	YEAR-TO-DATE 2001	PER CENT CHANGE
Durham Region	\$202,444	\$186,094	8.8%	\$202,444	\$186,094	8.8%
Oshawa CMA	\$183,472	\$167,292	9.7%	\$183,472	\$167,292	9.7%
Whitby	\$223,372	\$205,428	8.7%	\$223,372	\$205,428	8.7%
Oshawa City	\$153,293	\$145,347	5.5%	\$153,293	\$145,347	5.5%
Clarington	\$181,010	\$162,817	11.2%	\$181,010	\$162,817	11.2%

Source: Toronto Real Estate Board, CMHC

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

TABLE 8: ECONOMIC INDICATORS - OSHAWA CMA

	BANK RATE	MTG. RATE 3 YR TERM	EXCH. RATE (\$CDN/\$US)	EMPLOYMENT RATIO* (%)	UNEMPLOYMENT RATE* (%)
2000					
January	5.00	8.15	69.73	63.8	5.2
February	5.25	8.22	68.95	63.4	5.5
March	5.50	8.08	68.74	63.4	5.7
April	5.50	8.07	67.61	63.5	5.5
May	6.00	8.34	66.41	63.4	5.6
June	6.00	8.22	67.49	63.2	5.8
July	6.00	8.06	67.99	63.1	6.1
August	6.00	7.97	67.87	63.8	5.8
September	6.00	7.96	66.53	64.2	5.8
October	6.00	7.97	66.30	65.3	5.5
November	6.00	7.94	64.99	66.0	5.9
December	6.00	7.75	66.35	66.8	5.5
Average	5.77	8.06	67.41	64.9	5.7
2001					
January	5.75	7.44	66.89	66.7	5.6
February	5.75	7.37	64.58	66.5	5.2
March	5.25	6.97	63.61	66.3	5.4
April	5.00	6.91	64.70	65.9	5.3
May	4.75	7.01	65.27	65.7	5.3
June	4.75	7.10	65.67	65.1	5.2
July	4.50	7.10	65.04	65.0	5.3
August	4.25	7.04	64.67	64.5	5.6
September	3.75	6.64	63.32	64.6	5.7
October	3.00	6.16	63.02	64.2	6.0
November	2.50	5.64	63.19	64.4	6.0
December	2.50	5.64	62.70	64.8	6.2
Average	4.31	6.75	64.39	65.2	5.6
2002					
January	2.25	5.60	62.80	64.8	7.2
February	2.25	5.61	62.18	64.7	7.6
March	2.25	5.97	62.75	64.1	8.3
Average	2.25	5.73	62.58	64.1	8.3

*Employment figures are seasonally adjusted. 3 month moving average data.

Source: Bank of Canada, CMHC, Statistics Canada

DEFINITIONS

Refer to the following definitions when interpreting the tables in this report.

HOUSING START:

refers to a dwelling unit where construction has advanced to a state where full (100%) footings are in place. In the case of multiple unit structures, this definition of a start applies to the entire structure.

UNDER CONSTRUCTION:

refers to the inventory of units currently being constructed. Under construction figures include current month starts and exclude current month completions.

COMPLETION:

For single-detached and semi-detached dwellings: implies that 90% or more of the structure has been completed. A structure may be considered to be complete and ready for occupancy when only seasonal deficiencies and/or minor infractions to building codes remain.

Row and apartments: implies that 90% or more of the dwelling units within a structure are completed and ready for occupancy.

COMPLETED AND NOT ABSORBED:

refers to newly constructed, completed units which have not been sold or rented.

TOTAL SUPPLY:

refers to the total supply of new units and includes pending starts, units under construction and units that are completed but not absorbed.

ABSORPTIONS:

refer to newly completed units which have been sold or rented. The number of absorptions is obtained from a survey initiated when the structure is completed. Units sold or leased prior to construction are not considered as absorbed until the completion stage.

PENDING START:

refers to a dwelling unit where a building permit and/or National Housing Act (NHA) approval exists but construction has not started.

Housing Now is published four times yearly for the Oshawa market. An annual subscription to the Oshawa Housing Now is \$55.00 plus taxes. For more information or to order please contact Ontario Customer Service at 1-800-493-0059.

© 2002 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada Mortgage and Housing

Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this publication are based on

various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.

F

ORECAST

Oshawa

SUMMARY

Canada Mortgage and Housing Corporation

ISSUE: SPRING 2002

Resale Market

Sales Volumes Continue To Climb

After a slow start in the first quarter of 2001, the Oshawa CMA resale market resumed an upward trend recording solid growth in the remaining three quarters last year. In fact, many of the economic indicators which were expected to negatively impact the resale market in 2001 had no impact at all. For example, the downturn in the US economy did translate into a slowdown in the manufacturing/auto related sector in Oshawa. However, the employment losses in this particular sector were offset by gains

in other areas of the local employment market.

With no adverse affect on consumer confidence and an anticipated increase in auto production this year, the Oshawa CMA resale market will continue to expand in 2002. By year end, the Oshawa CMA will see a total of 5,600 sales representing an increase of 13.4 per cent over 2001's strong showing.

Typically, the resale market gets off to a slow start early in the year as colder temperatures keep buyers indoors in anticipation of the warmer spring months ahead. With first quarter year-over-year sales increasing by 38.6 per cent, this year

IN THIS ISSUE

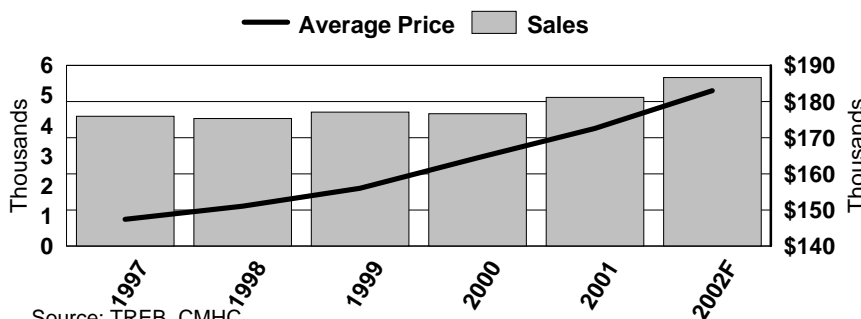
- 1 Resale Market
- 2 New Home Market
- 3 Rental Market
- 3 Mortgage Rate Outlook
- 4 Summary

is the exception. While milder temperatures this winter did have a positive impact on resale market activity, so too did the threat of rising mortgage rates which in reality only changed from 6.85 per cent (5 year rate) at the beginning of January to 7.45 per cent at the end of March.

Along with continued low mortgage rates in 2002, the Oshawa market will also benefit from gains in the employment market and strong migration. In 2001, a total of just over 5,600 net new jobs were created in the Oshawa CMA. Although employment growth in 2002 may not reach last year's level, the overall number of employed persons in the Oshawa CMA will remain very high. Overall,

continued on page 2

Resale Market Forecast Oshawa CMA



Source: TREB, CMHC

CMHC Toronto, Market Analysis
Beverly Kueper

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



HOME TO CANADIANS
Canada

employment growth over the last few years will continue to bolster housing demand in the forecast period as there is typically a lag between the time a prospective buyer secures employment and the time they are able to accumulate a sufficient down payment. In this respect, resale market activity in 2002 will continue to benefit from employment gains over the past few years.

Finally, the latest migration estimates from Statistics Canada supports the notion that housing demand in the Oshawa CMA relies heavily on migration from other CMAs in Ontario, the most important being Toronto. The number of net migrants from Ontario CMAs increased by almost 40 per cent in 2000 from the year previous. With the Toronto housing market still in an expansion phase, it is expected that the Oshawa housing market will continue to be supported by a flow of first time buyers from Toronto.

On the supply side, rising resale prices, strong demand and, subsequent vendor confidence in the market will translate into a 5.1 per cent increase in listings this year. More product on the market will also result in more sales. Overall, the growth in supply combined with an even greater increase in demand will push the sales-to-listings ratio up to 37.3 per cent, and keep the market firmly in favour of the seller throughout 2002.

Vendors to Gain from Rising Prices

Reflecting an overall tightening in resale market conditions (particularly in the 1st quarter), good job and income growth, selling prices are also forecasted to continue trending upward throughout 2002. By the end of this year, the average home in the

Oshawa CMA is expected to sell for \$183,000, up from \$172,603 during 2001, representing an increase of 6.0 per cent.

New Home Market

New Home Market Rebounds in 2002

Unlike the resale market, the new home construction market closed out 2001 with a decline in annual volumes. The tides are expected to turn in the next 12 months, as the same positive influences driving the resale market in 2002 result in upward pressure on the new construction market. The new home market, however, will also benefit from spillover from Oshawa's tight resale market. In early 2002, unseasonally strong demand for resale homes dried up listings and pushed buyers into the new home market.

By the close of this year, the Oshawa CMA is expected to register a total

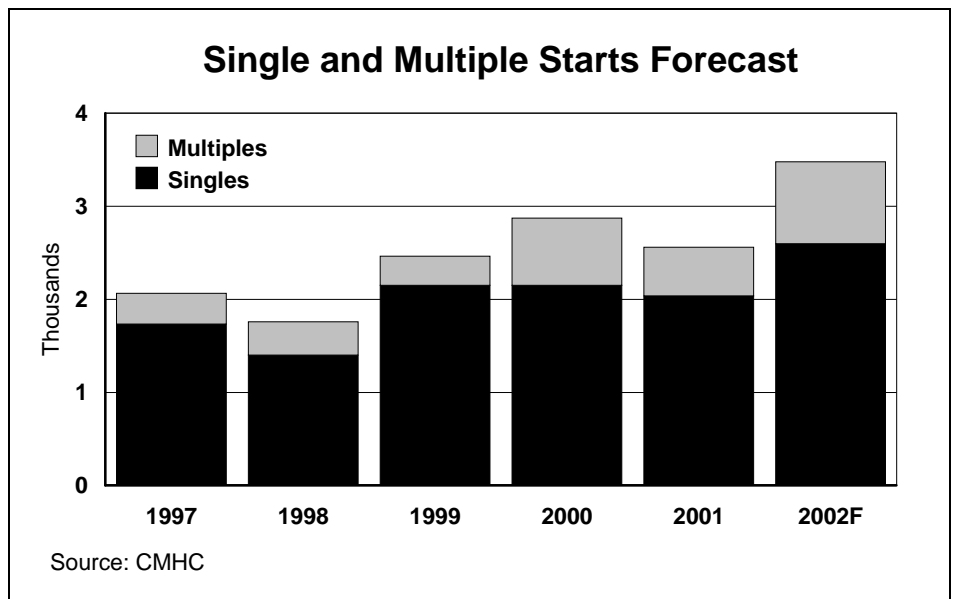
of 3,480 residential housing starts, up from 2,561 during 2001, an increase of 35.9 per cent. Like the resale market, the new construction market will benefit from employment growth in 2001, as well as continued increases in net migration and overall increases in population. In particular, with Toronto's housing market continuing to expand, the most significant growth will occur in the western edge of the Oshawa CMA as households look to purchase new homes within commuting distance of the Toronto core.

By type, a total of 2,600 single family starts are expected by the close of 2002, with the multiples market accounting for the remaining 880 starts. With interest rates at all time lows in 2001, gains in affordability continue to be the driving force behind increases in the demand for new housing, a trend that will continue into 2002.

New Home Prices Set to Grow

Along with increases in annual construction volumes, new home prices are also expected to continue

continued on page 3



trending upward throughout 2002. By year end, the average price of a new single detached home in the Oshawa CMA will reach \$224,500, an increase of 2.3 per cent over 2001. Despite rising input costs, the price growth of new homes will be moderated by increasing competition in the new construction market. Price increases in the resale market will, however, transcend into the new home market placing added pressure on new home prices this year.

Rental Market

Vacancy Rate To Edge Up

Although positively influenced by an influx of new migrants, gains in the Oshawa CMA rental market will be offset by individuals making the tenure switch from renter to home owner. As a result, the Oshawa CMA vacancy rate is expected to edge up slightly to 1.8 percent in October 2002 from 1.3 percent in 2001. Despite this slight increase, rental market conditions will remain quite tight, and as such, rental rates are expected to continue trending upward. By October 2002, the average rent for a two bedroom apartment will rise to \$820 per month, up from \$799 during 2001, an increase of 2.6 percent.

On the supply side, it is expected that new construction in the rental market throughout 2002 will be concentrated in the life-lease market and will not be traditional rental units. While the Ontario government has announced that money will be made available for publicly funded housing in the next three years, it is uncertain at this time how the

Oshawa CMA will benefit from this announcement.

Mortgage Rate Outlook

Canadian/US economies avoid recession; rates have bottomed

Economic reports indicating much stronger growth in 4Q01 real GDP silenced many in the "gloom and doom" camp early in 2002. Growth in real 4Q01 GDP in the range of 1.5 - 2.0 per cent in both Canada and the US triggered renewed talks of the strength of the recovery rather than the depth of the downturn. The strength of the recovery has implications for both current and future interest/mortgage rates. As the economic recovery picks up steam, it is anticipated that some of the easing over the past 12 months will be taken back by both central banks throughout 2002. To date, stronger job and consumer price growth suggests Canada may lead the next tightening cycle.

On the demand side, inventory rebuilding and government spending will support economic activity (GDP) for a good part of this year. Although consumer expenditures may subside from the torrid pace witnessed over the past few quarters, due in most part to auto price incentives, consumer sentiment should keep spending healthy. Exports will accelerate as foreign production and demand pick up, especially in the US. However, business spending on machinery and equipment will take time to gather strength due to excess capacity in

some sectors and narrowing corporate profits.

The Fed, BoC move from easing to neutral bias; tightening bias may not be too far off

As the job market shows steady improvement throughout 2002, inflation containment will become the next target via monetary policy. The inflation rate in Canada, however, should remain subdued for the first half of 2002 while edging above its target rate of 2 per cent later this year. The base case scenario calls for current inflation expectations to remain stable while long term inflationary expectations gain strength. This scenario may change due to unforeseen shocks to commodity markets and to a stronger than expected pickup in domestic demand.

While open and variable rate mortgages generally track lender's prime rate, fixed rate mortgages move in tandem with the bond market. As the prime rate, money market and short term bond yields are expected to remain stable for much of 2002, so will short term mortgage rates. However, as the economy strengthens and financial markets foresee some monetary tightening, long term interest and mortgage rates will increase.

The outlook for short term mortgage rates in 2002 remains favourable with the one year mortgage rate in the 4.6-5.9 per cent range. The three and five year mortgage rates will remain in the 5.9-7.6 and 6.8-8.3 per cent ranges, respectively.

SUMMARY

OSHAWA CENSUS METROPOLITAN AREA - FIRST QUARTER 2002

Resale Market	1999	2000	2001	2002F	% Chg.
MLS Sales	4,454	4,401	4,937	5,600	13.4%
MLS Average Price	\$155,994	\$164,416	\$172,603	\$183,000	6.0%
MLS Listings	11,964	12,618	14,268	15,000	5.1%
Sales-to-Listings Ratio	37.2%	34.9%	34.6%	37.3%	
New Home Market					
Housing Starts					
Total	2,463	2,874	2,561	3,480	35.9%
Single family	2,150	2,152	2,038	2,600	27.6%
Multiples	275	594	501	840	75.6%
Rental	38*	128	22	40	81.8%
Average Single-detached Price	\$213,342	\$214,845	\$219,363	\$224,500	2.3%
Completed & Unoccupied					
Single (March)	35	70	36	40	
Multiple (March)	33	24	24	17	
Rental Market					
Vacancy Rate (October)	1.7%	1.7%	1.3%	1.8%	
Average Rent (2 bedroom)	\$745	\$778	\$799	\$820	2.6%
Economic Overview					
Mortgage Rate (3 yr. term)	7.38%	8.17%	6.88%	6.47%	
Mortgage Rate (5 yr. term)	7.56%	8.35%	7.41%	7.23%	
Employment (annual average)	147,850	148,600	154,200	156,800	1.7%
Employment growth (# jobs)	7,275	750	5,600	2,600	
Net migration (census year)	2,860	4,426	5,000	6,000	

*These units operate as life lease.

Forecast Summary is CMHC's forecast for new home and resale markets. Issues are released in the Spring and Fall of each year. For more information contact Beverly Kueper at (416)218-3406 eMail bkueper@cmhc-schl.gc.ca

Forecast Summary is published by Canada Mortgage and Housing Corporation. All rights reserved. To become a subscriber or for more information about CMHC's wide range of housing related publications, please call 1-800-493-0059.

© 2002 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada

Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this

publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.