



HOUSING NOW

Oshawa

YOUR LINK TO THE HOUSING MARKET

Oshawa CMA Residential Construction Nears Record High

Canada Mortgage and Housing Corporation

SECOND QUARTER 2002

Building on a solid first quarter performance, second quarter (2Q02) new home construction levels soared in the Oshawa CMA. A tight resale market and a strong local economy both contributed to the increase in demand. The second quarter surge in single detached construction was also driven by low mortgage rates which allowed buyers to purchase more home for their money. For many first time buyers, the improvement in affordability resulted in the purchase of single detached units in favour of semi-detached and row units. Multiple construction was, however, bolstered by the start of a 90 unit

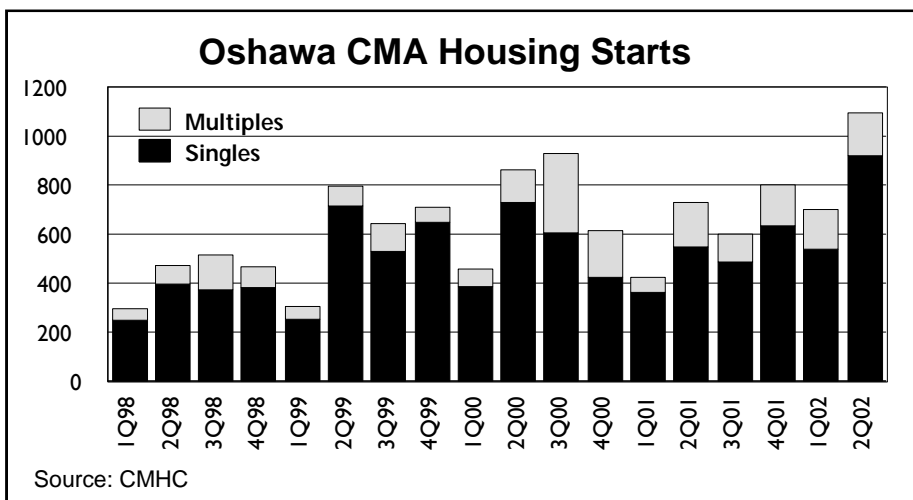
condominium apartment in Clarington. This marks only the second condo apartment start in the Oshawa CMA since 1991.

Oshawa CMA total starts climbed 50.1 per cent to 1,099. This marks the best second quarter performance since 1989. Single detached construction climbed by 67.9 per cent to 922 units, while the volatile multiple sector faltered by 3.3 per cent to 177 units. Gains in construction levels were spread across all three local municipalities. Total starts in Clarington more than doubled last year's

continued on page 3

IN THIS ISSUE

- 1 Oshawa CMA Residential Construction Nears Record High
- 2 Resale Market Still Expanding
- 2 Oshawa CMA Population Ages
- 3 Table 1: Housing Starts by Area and Intended Market
- 4 Table 2: Summary of Residential Construction by Intended Market
- 5 Table 3: New Single Detached Price by Municipality
- 5 Table 4: Absorbed Single Detached Units by Price Range
- 6 Table 5: MLS Sales to Listings Ratio
- 6 Table 6: MLS Residential Unit Sales By Municipality
- 6 Table 7: MLS Average Price By Municipality
- 7 Table 8: Economic Indicators
- 8 Definitions



CMHC Toronto, Market Analysis
 Beverly Kueper
 Tel: (416) 218-3406 Fax: (416) 218-3314
 bkueper@cmhc-schl.gc.ca



HOME TO CANADIANS
Canada

Resale Market Still Expanding

Historically low mortgage rates, high employment levels, migration and longer waits for new homes continue to bolster demand for resale homes in the Oshawa CMA. Total sales reached 1,606 units in the second quarter of 2002 (2Q02), an increase of 3.9 per cent over the same period last year. This marks the best second quarter performance since 1991. By municipality, sales climbed 12.9 per cent in Whitby and 5.9 per cent in Oshawa. Second quarter sales dipped 8.9 per cent in Clarington. Table 6 details the exceptional growth in sales experienced year-to-date in all areas of the Oshawa CMA.

Market Continues to Favour Sellers

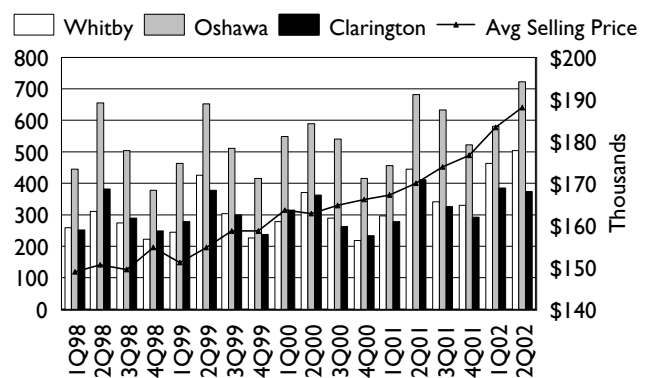
The growth in demand for resale

homes has also been met with a limited supply of listings, which have fallen short of last year's levels. As such, the Oshawa CMA remains in seller's market territory. The sales-to-listings ratio increased to 39.3 per cent in 2Q02, from 37.3 per cent last year. Oshawa City has the tightest market with a 43.7 per cent sales-to-listings ratio. Clarington is next at 38.6 per cent, while Whitby hit 34.8 per cent in 2Q02.

While the shortage of listings continues to push buyers toward the new home market, those who continue to search for resale homes are faced with higher prices. The average resale price in the Oshawa CMA advanced by 9.4 per cent in 2Q02 to \$188,060. Second quarter price increases were over 8

per cent in all three local municipalities. In the first half of 2002, the average price increased by 9.3 per cent to \$185,897 in the Oshawa CMA. First half price gains were highest in Clarington, followed by Whitby and Oshawa City. Data for the last two months indicates that listings are approaching last year's levels. Increases in supply will keep further price increases in check for the remainder of the year.

MLS Sales and Average Price



Source: TREB, CMHC

Oshawa CMA Population Ages

The latest release of the 2001 Census of population indicates that the population of the Oshawa CMA has grown older. The median age in the Oshawa CMA has increased by 2.2 years to 35.8 between 1996 and 2001. In comparison, the median age for all of Ontario was 37.2 years, noticeably higher.

Although Oshawa's population increased by 10.2 per cent between 1996 and 2001, the accompanying chart demonstrates that there were two age cohorts which declined in population. The population aged zero to four declined by 11.7 per cent while those aged 30 to 34 dipped by 17.3 per cent. All other age groups in the Oshawa CMA

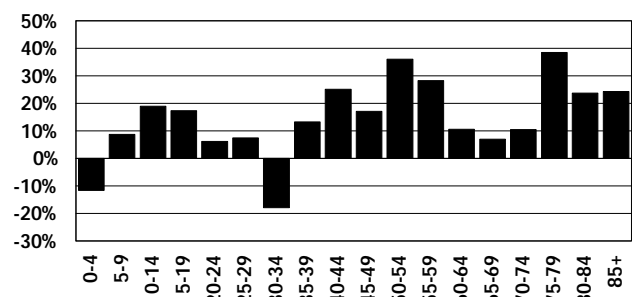
expanded from 1996 to the latest Census period, particularly older age cohorts.

What does this mean for housing demand? The fact that population growth has been concentrated in the older age groups would suggest that the repeat buyer market will continually improve. Yet this depends heavily on the first time buyer market, aged 30 to 39, which has declined. While a smaller pool of first time buyers may impact the future move up market, the potential decline in local demand will be offset by demand from individuals

migrating to Oshawa.

The traditional renter market, consisting of those aged 20 to 29, experienced only a modest increase in growth from 1996 to 2000. This is consistent with stable to declining vacancy rates over the past few years.

Change in Population by Age Group 1996 - 2001



Source: Statistics Canada, 2001 Census

continued from page 1

performance reaching 292 units. Oshawa City also experienced an exceptional second quarter, with total starts up by 139.2 per cent to 342 units. Whitby, the volume leader, saw starts increase only marginally to 465 units.

Strong Demand For More Expensive Homes Pushes Prices Higher

Strong demand for new homes in the Oshawa CMA has pushed the average price of a new single detached home higher. In 2Q02 there

were fewer homes being absorbed priced below \$199,999, relative to the same period last year. It appears that the decline in mortgage rates late in 2001, combined with the threat of rate hikes early in 2002, was enough to push many first time buyers into more expensive homes. Moreover, the absorptions of homes priced between \$250,000 and \$349,999 more than doubled in 2Q02. This is a strong indication that the boost in demand for new homes in the Oshawa CMA was centred toward the move up buyer market.

The overall strength in the new home market has translated into

price increases of 9 per cent in the Oshawa CMA. The average price of a new single detached home in 2Q02 stands at \$233,211. Prices in Whitby have shifted upward to \$246,981, up 9.8 per cent from one year ago. Oshawa City experienced the largest second quarter price increase of 11.4 per cent to \$222,116. Average new home prices increased by 2.8 per cent in Clarington to \$209,483. From January to June, the average price of a new single detached home in the Oshawa CMA increased by 7.9 per cent to \$232,961.

**TABLE 1: STARTS ACTIVITIES BY AREA AND INTENDED MARKET
OSHAWA CMA**

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		PRIVATE		
	SINGLE	SEMI	ROW	ROW	APT	ROW	APT	
Oshawa CMA								
Second Quarter 2002	922	10	37	40	90	0	0	1099
Second Quarter 2001	549	36	147	0	0	0	0	732
% Change	67.9%	-72.2%	-74.8%	na	na	na	na	50.1%
Year-to-date 2002	1463	70	123	40	90	16	0	1802
Year-to-date 2001	912	36	209	0	0	0	0	1157
% Change	60.4%	94.4%	-41.1%	na	na	na	na	55.7%
Clarington								
Second Quarter 2002	194	0	8	0	90	0	0	292
Second Quarter 2001	122	0	8	0	0	0	0	130
% Change	59.0%	na	0.0%	na	na	na	na	124.6%
Year-to-date 2002	307	6	13	0	90	0	0	416
Year-to-date 2001	237	0	8	0	0	0	0	245
% Change	29.5%	na	62.5%	na	na	na	na	69.8%
Oshawa City								
Second Quarter 2002	342	0	0	0	0	0	0	342
Second Quarter 2001	143	0	0	0	0	0	0	143
% Change	139.2%	na	na	na	na	na	na	139.2%
Year-to-date 2002	413	0	18	0	0	0	0	431
Year-to-date 2001	203	0	0	0	0	0	0	203
% Change	103.4%	na	na	na	na	na	na	112.3%
Whitby								
Second Quarter 2002	386	10	29	40	0	0	0	465
Second Quarter 2001	284	36	139	0	0	0	0	459
% Change	35.9%	-72.2%	-79.1%	na	na	na	na	1.3%
Year-to-date 2002	743	64	92	40	0	16	0	955
Year-to-date 2001	472	36	201	0	0	0	0	709
% Change	57.4%	77.8%	-54.2%	na	na	na	na	34.7%

Source: CMHC

MAKING A MOVE TOWARD SUSTAINABILITY

CMHC offers a wide cross-section of information products to consumers and the housing industry to allow for informed purchasing and decision-making. CMHC information products include publications on sustainability.

With the help of CMHC, consider sustainability when choosing the next neighbourhood to call your home. To order a copy of "*Your Next Move: Choosing a Neighbourhood With Sustainable Features*" and other research publications, call 1-800-668-2642 or go to www.cmhc-schl.gc.ca.

**TABLE 2: RESIDENTIAL CONSTRUCTION BY INTENDED MARKET
OSHAWA CMA**

	OWNERSHIP					RENTAL		GRAND TOTAL
	FREEHOLD			CONDOMINIUM		PRIVATE		
	SINGLE	SEMI	ROW	ROW	APT	ROW	APT	
Starts								
Second Quarter 2002	922	10	37	40	90	0	0	1099
Second Quarter 2001	549	36	147	0	0	0	0	732
% Change	67.9%	-72.2%	-74.8%	na	na	na	na	50.1%
Year-to-date 2002	1463	70	123	40	90	16	0	1802
Year-to-date 2001	912	36	209	0	0	0	0	1157
% Change	60.4%	94.4%	-41.1%	na	na	na	na	55.7%
Under Construction*								
Second Quarter 2002	1533	30	191	40	90	5	126	2015
Second Quarter 2001	1014	48	274	8	0	0	128	1472
Completions								
Second Quarter 2002	579	60	80	0	0	29	2	750
Second Quarter 2001	474	22	82	76	0	0	0	654
% Change	22.2%	172.7%	-2.4%	-100.0%	na	na	na	14.7%
Year-to-date 2002	995	86	151	0	0	33	4	1269
Year-to-date 2001	860	36	191	76	0	0	0	1163
% Change	15.7%	138.9%	-20.9%	-100.0%	na	na	na	9.1%
Complete and Not Absorbed*								
Second Quarter 2002	34	13	6	0	0	0	0	53
Second Quarter 2001	21	13	11	13	0	0	0	58
Absorptions								
Second Quarter 2002	579	53	83	0	0	29	3	747
Second Quarter 2001	484	17	88	63	0	0	0	652
% Change	19.6%	211.8%	-5.7%	-100.0%	na	na	na	14.6%
Year-to-date 2002	985	81	162	0	0	33	4	1265
Year-to-date 2001	880	30	195	66	0	0	0	1171
% Change	11.9%	170.0%	-16.9%	-100.0%	na	na	na	8.0%

Source: CMHC

**TABLE 3: NEW SINGLE DETACHED PRICE BY MUNICIPALITY
OSHAWA CMA**

	SECOND QUARTER 2002	SECOND QUARTER 2001	PER CENT CHANGE	TOTAL 2002	TOTAL 2001	PER CENT CHANGE
Oshawa CMA	\$233,211	\$214,040	9.0%	\$232,961	\$215,973	7.9%
Whitby	\$246,981	\$224,914	9.8%	\$245,665	\$225,960	8.7%
Oshawa City	\$222,116	\$199,356	11.4%	\$223,852	\$203,640	9.9%
Clarington	\$209,483	\$203,696	2.8%	\$215,304	\$206,635	4.2%

Source: Toronto Real Estate Board, CMHC

TABLE 4: ABSORBED SINGLE DETACHED UNITS BY PRICE RANGE

	< \$149,999	\$150,000 - \$199,999	\$200,000 - \$249,999	\$250,000 - \$299,999	\$300,000 - \$349,999	\$350,000 - \$399,999	\$400,000+
Oshawa CMA							
Second Quarter 2002	3	148	269	130	27	5	2
Second Quarter 2001	14	208	181	61	12	5	3
% Change	-78.6%	-28.8%	48.6%	113.1%	125.0%	0.0%	-33.3%
Year-to-date 2002	5	249	460	220	36	13	7
Year-to-date 2001	23	357	337	122	24	12	5
% Change	-78.3%	-30.3%	36.5%	80.3%	50.0%	8.3%	40.0%
Whitby							
Second Quarter 2002	0	45	149	101	19	2	2
Second Quarter 2001	0	87	111	49	7	1	1
% Change	na	-48.3%	34.2%	106.1%	171.4%	100.0%	100.0%
Year-to-date 2002	0	77	238	153	22	4	6
Year-to-date 2001	0	137	209	93	13	2	1
% Change	na	-43.8%	13.9%	64.5%	69.2%	100.0%	500.0%
Oshawa City							
Second Quarter 2002	3	43	82	20	4	1	0
Second Quarter 2001	8	55	25	5	2	2	1
% Change	-62.5%	-21.8%	228.0%	300.0%	100.0%	-50.0%	-100.0%
Year-to-date 2002	3	69	145	43	7	2	0
Year-to-date 2001	11	106	54	10	5	3	3
% Change	-72.7%	-34.9%	168.5%	330.0%	40.0%	-33.3%	-100.0%
Clarington							
Second Quarter 2002	0	60	38	9	4	2	0
Second Quarter 2001	6	66	45	7	3	2	1
% Change	-100.0%	-9.1%	-15.6%	28.6%	33.3%	0.0%	-100.0%
Year-to-date 2002	2	103	77	24	7	7	1
Year-to-date 2001	12	114	74	19	6	7	1
% Change	-83.3%	-9.6%	4.1%	26.3%	16.7%	0.0%	0.0%

Source: CMHC

TABLE 5: MLS* SALES TO LISTING RATIO BY MUNICIPALITY

	SECOND QUARTER 2002	SECOND QUARTER 2001	TOTAL 2002	TOTAL 2001
Durham Region	35.9%	33.9%	36.2%	31.1%
Oshawa CMA	39.3%	37.3%	39.3%	33.1%
Whitby	34.8%	34.4%	35.1%	30.6%
Oshawa City	43.7%	40.8%	42.3%	35.9%
Clarington	38.6%	35.4%	40.4%	31.9%

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

	SECOND QUARTER 2002	SECOND QUARTER 2001	PER CENT CHANGE	TOTAL 2002	TOTAL 2001	PER CENT CHANGE
Durham Region	2775	2657	4.4%	5193	4491	15.6%
Oshawa CMA	1606	1545	3.9%	3038	2581	17.7%
Whitby	506	448	12.9%	970	745	30.2%
Oshawa City	723	683	5.9%	1305	1142	14.3%
Clarington	377	414	-8.9%	763	694	9.9%

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 PRICE BY MUNICIPALITY

	SECOND QUARTER 2002	SECOND QUARTER 2001	PER CENT CHANGE	TOTAL 2002	TOTAL 2001	PER CENT CHANGE
Durham Region	\$206,688	\$188,534	9.6%	\$204,712	\$187,538	9.2%
Oshawa CMA	\$188,060	\$171,972	9.4%	\$185,897	\$170,093	9.3%
Whitby	\$229,858	\$212,548	8.1%	\$226,755	\$209,709	8.1%
Oshawa City	\$158,807	\$145,268	9.3%	\$156,348	\$145,300	7.6%
Clarington	\$188,063	\$172,119	9.3%	\$184,495	\$168,366	9.6%

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	39.73	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	64.4	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
April	2.50	6.35	63.96	63.9	7.9
May	2.50	6.40	65.16	64.0	7.4
June	2.75	6.40	65.76	64.2	6.5
July					
August					
September					
October					
November					
December					
Average	2.42	6.06	63.77	64.2	7.4

Source: Bank of Canada, CMHC, Statistics Canada

* Figures have been seasonally adjusted.

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 yet started.

Housing Now is published quarterly 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.