

# H

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Hamilton

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Canada Mortgage and Housing Corporation

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### New Home Market

#### Starts hold firm

Total housing starts have been trending lower since the end of 2004. Low mortgage rates and job growth have, however, kept new home starts virtually unchanged in the second quarter of 2005 in the Hamilton Census Metropolitan Area (CMA), hereafter referred to as Hamilton. Total housing starts edged 0.7 per cent lower to 1,026 units in the second quarter compared to the same time period last year.

Escalating new detached home prices have led to increases in demand for multi-family dwelling types. Multiple starts soared by 19 per cent to 578

units in the second quarter from the same time period last year. This large increase helped to offset the dramatic decline in detached home starts, which plunged by 18 per cent to 448 units.

The shift towards condominium apartments and town houses is also a reflection of diminishing family size. Recent demographic survey results suggest that household composition is tilting towards smaller households (usually two member families). Housing demand is thus being shaped by changing demographic patterns.

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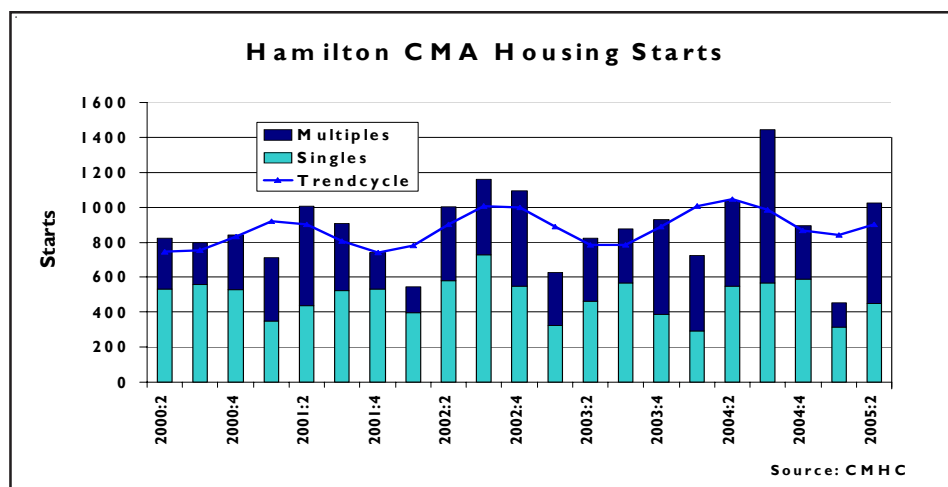
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Hamilton City witnessed the biggest gain in housing construction where total starts more than doubled in the second quarter compared to last year. This surge in demand is attributed to Hamilton City recording the lowest new home price level within the CMA. Burlington in contrast, which is one of the most expensive sub-markets within Hamilton, saw its share of total starts drop by 15 per cent.

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It is interesting to observe that the Flamborough sub-market, which is traditionally associated with more expensive detached homes, is driving new multi-family construction activity. This is evident from its tripling of year-to-date multi-family starts compared to the same time period last year. This is both a reflection of affordability shaping housing demand as well as a shortage of land dictating the type of new home construction.

The average absorbed detached home price rose by 9.5 per cent to \$346,367 compared to the same time period last year. Six out of the nine sub-markets within Hamilton recorded an average detached home price above \$300,000. Hamilton City and Stoney Creek remained the only markets to post detached home prices below \$300,000. Burlington recorded the highest average price growth for an absorbed detached home posting a 19.3 per cent increase.

Lack of serviceable land, rising lot prices, labour and increasing material costs continued to push new home prices higher in the second quarter of 2005. Rising detached house prices explain the significant decline in detached housing starts during the second quarter.

## Resale Market MLS® sales remain unchanged

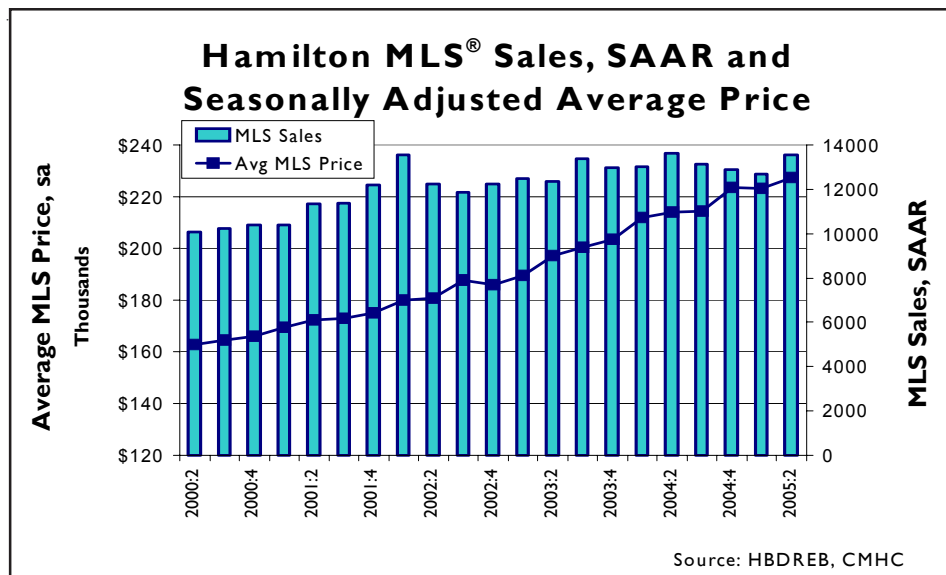
Seasonally adjusted sales have been trending lower since the second quarter of 2004. Strong job growth, influx of migrants from Toronto and low mortgage rates however kept home sales at strong levels during the second quarter of 2005. Multiple Listing Service® (MLS) sales remained steady with a marginal decline of 0.3 per cent to 4157 units compared to the same time period last year.

A shortage of new listings has been a characteristic feature in the Hamilton resale market. New listings have not kept pace with sales. Seasonally adjusted new listings have been on the decline since the early 1990s. It would seem that once people take up residence in Hamilton, they simply do not want to move!

Soaring resale home prices in Hamilton has been driven by a shortage of new listings. The sales-to-new listings ratio is considered a good indicator of price pressures in a resale home market. A market with a ratio in excess of 55 per cent favours sellers with average price growth

being above the general rate of inflation. A market is considered balanced if this ratio falls below 55 per cent. The Hamilton resale market has been in strong sellers' territory for the past four consecutive years. The second quarter of 2005 was no exception as the sales-to-new listings ratio stood at 76 per cent. Hamilton continues to be one of the tightest resale markets in Ontario.

The seasonally adjusted average MLS price has been trending higher since the late 1990s. A tight resale home market, increasingly sparked by recent demand from Toronto home buyers hoping to escape rising prices, was a key factor driving resale home prices higher. The average MLS home price rose by six per cent to \$232,461 during the second quarter of 2005 from the same time period last year. This increase was roughly three times the rate of inflation (as measured by the Consumer Price Index) over the same period.



### Did you know?

For those who have difficulty meeting their housing needs on their own, CMHC plays a key role in helping them gain access to safe, affordable housing.

On behalf of the Government of Canada, we provide annual housing support to hundreds of thousands of low-income households in communities across the country. We also work in partnership with public, private and non-profit organizations as well as other levels of government to develop innovative financing and to increase the supply of affordable housing in Canada.

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**“Home to Canadians.”**

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Table I: Housing Activity Summary for Hamilton CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
<b>STARTS</b>								
Q2 2005	448	100	89	129	84	4	172	1,026
Q2 2004	548	44	79	142	48	26	146	1,033
% Change	-18.2	127.3	12.7	-9.2	75.0	-84.6	17.8	-0.7
Year-to-date 2005	762	112	159	186	84	4	172	1,479
Year-to-date 2004	839	106	284	237	120	26	146	1,758
% Change	-9.2	5.7	-44.0	-21.5	-30.0	-84.6	17.8	-15.9
<b>UNDER CONSTRUCTION</b>								
June 2005	932	122	269	434	579	18	310	2,664
June 2004	809	104	435	440	389	26	150	2,353
<b>COMPLETIONS</b>								
Q2 2005	434	8	86	118	153	0	34	833
Q2 2004	353	22	135	66	0	0	0	576
% Change	22.9	-63.6	-36.3	78.8	NA	NA	NA	44.6
Year-to-date 2005	755	34	139	231	213	12	37	1,421
Year-to-date 2004	763	40	224	113	0	0	12	1,152
% Change	-1.0	-15.0	-37.9	104.4	NA	NA	**	23.4
<b>COMPLETE &amp; NOT ABSORBED</b>								
June 2005	55	2	29	22	0	6	0	114
June 2004	71	14	23	8	1	0	0	117
<b>ABSORPTIONS</b>								
Q2 2005	422	8	90	123	153	0	34	830
Q2 2004	332	20	134	73	5	0	0	564
% Change	27.1	-60.0	-32.8	68.5	**	NA	NA	47.2
Year-to-date 2005	756	42	194	236	213	6	49	1,496
Year-to-date 2004	744	45	235	121	5	0	12	1,162
% Change	1.6	-6.7	-17.4	95.0	**	NA	**	28.7

\*Includes all market types

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

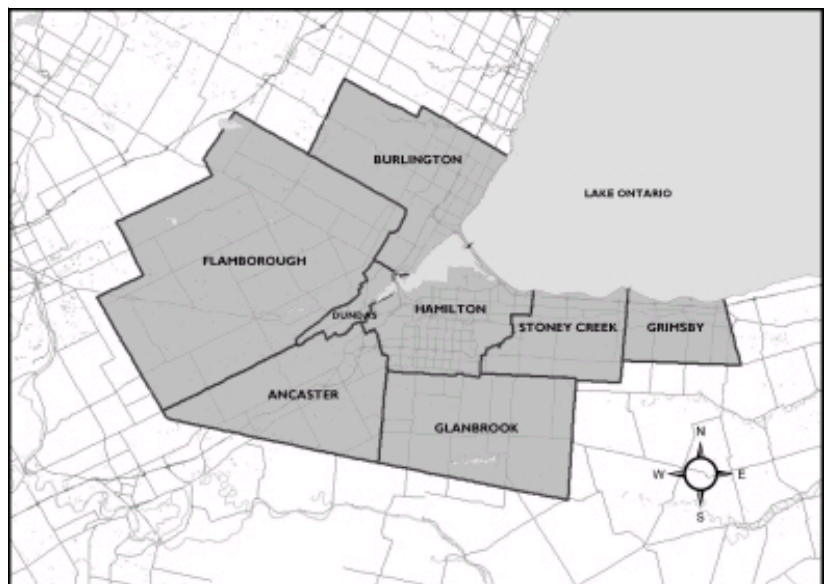


Table 2A: Starts by Area and by Intended Market - Current Quarter

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q2 2004	Q2 2005	% change	Q2 2004	Q2 2005	% change	Q2 2004	Q2 2005	% change
<b>Hamilton CMA</b>	548	448	-18.2	485	578	19.2	1,033	1,026	-0.7
<b>New City of Hamilton</b>	310	274	-11.6	141	275	95.0	451	549	21.7
Burlington City	184	141	-23.4	338	303	-10.4	522	444	-14.9
Grimsby Town	54	33	-38.9	6	0	-100.0	60	33	-45.0
Hamilton City	56	70	25.0	23	149	**	79	219	177.2
Stoney Creek City	82	48	-41.5	23	49	113.0	105	97	-7.6
Ancaster Town	63	62	-1.6	34	7	-79.4	97	69	-28.9
Dundas Town	12	14	16.7	0	0	NA	12	14	16.7
Flamborough	30	23	-23.3	10	46	**	40	69	72.5
Glanbrook	67	57	-14.9	51	24	-52.9	118	81	-31.4

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	YTD 2004	YTD 2005	% change
<b>Hamilton CMA</b>	839	762	-9.2	919	717	-22.0	1,758	1,479	-15.9
<b>New City of Hamilton</b>	481	417	-13.3	314	339	8.0	795	756	-4.9
Burlington City	269	293	8.9	566	378	-33.2	835	671	-19.6
Grimsby Town	89	52	-41.6	39	0	-100.0	128	52	-59.4
Hamilton City	86	101	17.4	105	157	49.5	191	258	35.1
Stoney Creek City	128	81	-36.7	52	77	48.1	180	158	-12.2
Ancaster Town	102	105	2.9	42	27	-35.7	144	132	-8.3
Dundas Town	28	18	-35.7	0	0	NA	28	18	-35.7
Flamborough	49	42	-14.3	16	46	187.5	65	88	35.4
Glanbrook	88	70	-20.5	99	32	-67.7	187	102	-45.5

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

Sub Market Area	Q2 2004	Q2 2005	% Change	YTD 2004	YTD 2005	% Change
<b>Hamilton CMA</b>	316,244	346,367	9.5	314,126	364,287	16.0
<b>New City of Hamilton</b>	306,758	322,395	5.1	303,660	332,058	9.4
Burlington City	346,810	413,644	19.3	340,283	446,764	31.3
Grimsby Town	273,110	316,110	15.7	272,886	318,704	16.8
Hamilton City	248,867	289,588	16.4	248,953	277,939	11.6
Stoney Creek City	262,452	295,566	12.6	261,550	287,780	10.0
Ancaster Town	372,630	376,789	1.1	360,458	453,400	25.8
Dundas Town	326,339	327,602	0.4	327,664	327,931	0.1
Flamborough	385,361	458,625	19.0	430,959	431,787	0.2
Glanbrook	281,518	275,976	-2.0	282,466	270,570	-4.2

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

Table 4: Completed and Absorbed Single-Detached Units by Price Range

AREA	PRICE RANGES										
	<\$174,999		\$175-\$249,999		\$250-\$299,999		\$300-\$349,999		\$350,000+		TOTAL
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
<b>Hamilton CMA</b>											
Q2 2005	0	0.0	50	11.8	120	28.4	110	26.1	142	33.6	422
Q2 2004	4	1.2	68	20.5	96	28.9	70	21.1	94	28.3	332
YTD 2005	3	0.4	118	15.6	212	28.0	177	23.4	246	32.5	756
YTD 2004	9	1.2	169	22.7	216	29.0	150	20.2	200	26.9	744
<b>New City of Hamilton</b>											
Q2 2005	0	0.0	44	15.8	92	33.1	73	26.3	69	24.8	278
Q2 2004	4	2.0	61	30.5	62	31.0	22	11.0	51	25.5	200
YTD 2005	3	0.6	109	22.2	136	27.8	106	21.6	136	27.8	490
YTD 2004	9	2.1	147	34.0	127	29.4	51	11.8	98	22.7	432
<b>Burlington City</b>											
Q2 2005	0	0.0	1	0.9	11	9.7	31	27.4	70	61.9	113
Q2 2004	0	0.0	1	1.0	13	12.6	47	45.6	42	40.8	103
YTD 2005	0	0.0	2	0.9	48	22.0	64	29.4	104	47.7	218
YTD 2004	0	0.0	12	4.7	49	19.0	97	37.6	100	38.8	258
<b>Grimsby Town</b>											
Q2 2005	0	0.0	5	16.1	17	54.8	6	19.4	3	9.7	31
Q2 2004	0	0.0	6	20.7	21	72.4	1	3.4	1	3.4	29
YTD 2005	0	0.0	7	14.6	28	58.3	7	14.6	6	12.5	48
YTD 2004	0	0.0	10	18.5	40	74.1	2	3.7	2	3.7	54
<b>Hamilton City</b>											
Q2 2005	0	0.0	12	17.9	28	41.8	20	29.9	7	10.4	67
Q2 2004	3	12.5	10	41.7	9	37.5	0	0.0	2	8.3	24
YTD 2005	3	2.5	36	29.5	45	36.9	28	23.0	10	8.2	122
YTD 2004	7	6.2	55	48.7	41	36.3	6	5.3	4	3.5	113
<b>Stoney Creek City</b>											
Q2 2005	0	0.0	8	12.9	28	45.2	16	25.8	10	16.1	62
Q2 2004	0	0.0	34	58.6	14	24.1	4	6.9	6	10.3	58
YTD 2005	0	0.0	25	23.8	43	41.0	23	21.9	14	13.3	105
YTD 2004	0	0.0	54	53.5	32	31.7	7	6.9	8	7.9	101
<b>Ancaster Town</b>											
Q2 2005	0	0.0	0	0.0	0	0.0	20	42.6	27	57.4	47
Q2 2004	0	0.0	2	4.5	11	25.0	9	20.5	22	50.0	44
YTD 2005	0	0.0	0	0.0	0	0.0	30	30.9	67	69.1	97
YTD 2004	0	0.0	5	5.8	20	23.3	22	25.6	39	45.3	86
<b>Dundas Town</b>											
Q2 2005	0	0.0	0	0.0	9	36.0	7	28.0	9	36.0	25
Q2 2004	0	0.0	0	0.0	11	57.9	5	26.3	3	15.8	19
YTD 2005	0	0.0	0	0.0	12	35.3	9	26.5	13	38.2	34
YTD 2004	0	0.0	0	0.0	12	44.4	9	33.3	6	22.2	27
<b>Flamborough</b>											
Q2 2005	0	0.0	8	30.8	2	7.7	2	7.7	14	53.8	26
Q2 2004	1	5.0	3	15.0	3	15.0	1	5.0	12	60.0	20
YTD 2005	0	0.0	9	18.8	5	10.4	7	14.6	27	56.3	48
YTD 2004	2	4.2	7	14.6	5	10.4	3	6.3	31	64.6	48
<b>Glanbrook</b>											
Q2 2005	0	0.0	16	31.4	25	49.0	8	15.7	2	3.9	51
Q2 2004	0	0.0	12	34.3	14	40.0	3	8.6	6	17.1	35
YTD 2005	0	0.0	39	46.4	31	36.9	9	10.7	5	6.0	84
YTD 2004	0	0.0	26	45.6	17	29.8	4	7.0	10	17.5	57

Source: CMHC

Note: N/A may appear where CMHC data suppression rules apply

Table 5: Resale Housing Activity for Hamilton Real Estate Board

		Number of		Sales	Number of	New Listings	Sales-to-New	Average		Average
		Sales	Yr/Yr %	SAAR	New Listings	SAAR	Listings SA	Price (\$)	Yr/Yr %	Price (\$) SA
2004	January	758	0.9	13,000	1,281	16,700	77.7	205,495	10.0	210,228
	February	956	-10.4	12,100	1,333	15,900	75.9	207,768	8.3	204,948
	March	1,393	29.5	13,900	1,766	17,100	81.4	217,984	14.2	219,552
	April	1,454	20.5	13,800	1,759	17,600	78.4	217,098	9.3	213,216
	May	1,341	4.7	13,600	1,734	17,500	77.6	216,121	8.9	211,922
	June	1,374	4.6	13,500	1,815	18,000	75.2	221,967	7.9	217,440
	July	1,210	-10.6	13,200	1,545	17,400	75.7	215,512	9.7	214,187
	August	1,119	8.1	13,500	1,402	17,700	76.2	208,998	4.8	212,605
	September	1,017	-9.0	12,800	1,541	17,900	71.4	218,742	9.4	216,280
	October	980	-5.8	13,100	1,314	17,800	73.3	218,204	7.8	221,191
	November	930	3.1	12,800	1,108	17,100	74.9	224,336	11.1	227,652
	December	644	-3.0	12,900	625	15,900	81.0	212,592	8.9	221,469
2005	January	715	-5.7	12,900	1,238	16,800	76.8	219,098	6.6	221,148
	February	995	4.1	12,700	1,348	16,600	76.5	219,874	5.8	220,858
	March	1,236	-11.3	12,500	1,636	16,500	76.1	227,663	4.4	227,398
	April	1,292	-11.1	12,700	1,783	17,900	70.7	226,284	4.2	224,224
	May	1,420	5.9	13,700	1,910	18,300	75.0	232,107	7.4	229,938
	June	1,445	5.2	14,300	1,797	17,800	80.2	238,333	7.4	227,446
	July									
	August									
	September									
	October									
	November									
	December									
Q2 2004	4,169	9.7	13,600	5,308	17,700	77.1	218,388	8.7	214,184	
Q2 2005	4,157	-0.3	13,600	5,490	18,000	75.3	232,461	6.4	227,284	
YTD 2004	7,276	8.7		9,688			215,572	9.8		
YTD 2005	7,103	-2.4		9,712			228,518	6.0		

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price (\$)	Yr/Yr %	
1995	7,737	-7.3		21,983	-7.8		141,109	-3.3	
1996	10,224	32.1		19,133	-13.0		142,267	0.8	
1997	9,972	-2.5		17,755	-7.2		151,538	6.5	
1998	10,017	0.5		17,549	-1.2		153,628	1.4	
1999	10,543	5.3		16,208	-7.6		158,162	3.0	
2000	10,347	-1.9		19,496	20.3		164,168	3.8	
2001	11,334	9.5		18,585	-4.7		172,567	5.1	
2002	12,482	10.1		15,850	-14.7		183,442	6.3	
2003	12,807	2.6		16,555	4.4		197,744	7.8	
2004	13,176	2.9		17,223	4.0		197,745	9.2	

Source: Canadian Real Estate Association

Table 6: Economic Indicators

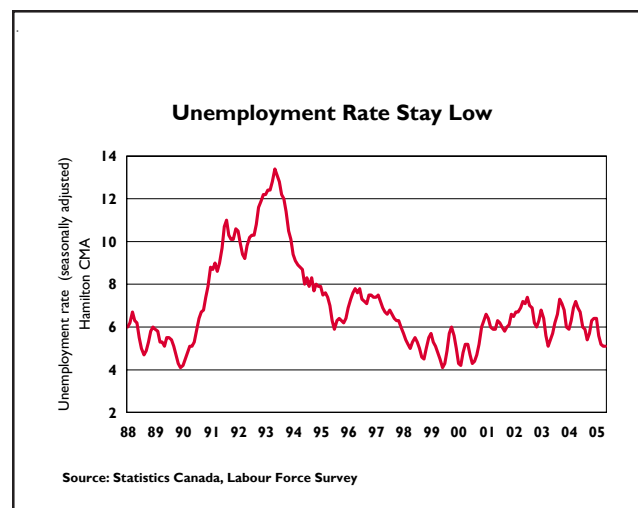
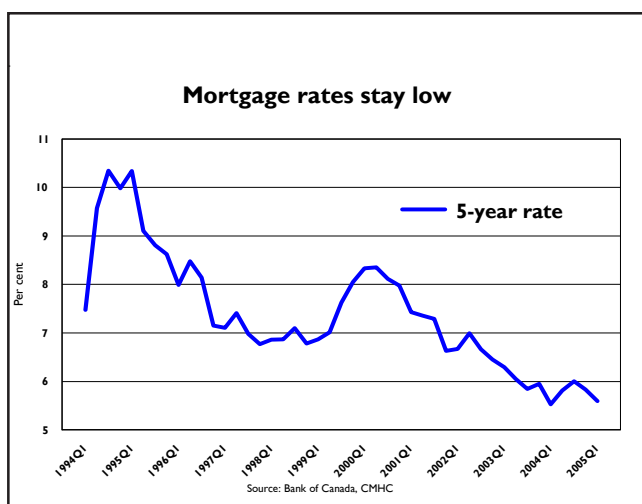
		Interest and Exchange Rates				Inflation Rate (%)	NHPI*** % chg	Hamilton CMA Labour Market		
		P & I* Per \$100,000	Mortgage Rate (%)		Exch. Rate (\$US/\$Cdn)	Ontario	Hamilton CMA	Employment	Employment	Unemployment
			1 Yr. Term	5 Yr. Term		1996=100	1997=100	SA** (.000)	SA m/m (%)	Rate (%) SA
2004	January	642.78	4.3	6.1	0.755	1.5	4.3	368.9	0.1	5.9
	February	627.97	4.3	5.8	0.749	0.8	5.2	363.4	-1.5	6.3
	March	622.08	4.3	5.7	0.763	1.1	3.9	360.9	-0.7	6.9
	April	648.75	4.5	6.2	0.729	2.3	4.3	361.2	0.1	7.2
	May	669.82	4.6	6.5	0.733	2.8	5.3	367.9	1.9	6.9
	June	681.99	4.7	6.7	0.750	2.4	6.2	372.3	1.2	6.7
	July	672.86	4.6	6.6	0.752	2.4	5.4	377.9	1.5	6.0
	August	657.75	4.4	6.3	0.762	1.5	4.5	379.0	0.3	5.9
	September	657.75	4.8	6.3	0.793	1.5	5.6	382.9	1.0	5.4
	October	663.77	4.9	6.4	0.821	2.1	5.8	379.6	-0.9	5.7
	November	657.75	5.0	6.3	0.843	2.2	6.7	374.5	-1.3	6.3
	December	642.78	4.8	6.1	0.832	1.9	6.7	371.1	-0.9	6.4
2005	January	642.78	4.8	6.1	0.806	1.6	6.7	365.2	-1.6	6.4
	February	642.78	4.8	6.1	0.811	2.2	6.3	366.1	0.2	5.6
	March	654.74	5.1	6.3	0.827	2.3	7.1	357.9	-2.2	5.2
	April	642.78	4.9	6.1	0.795	2.3	7.1	360.7	0.8	5.1
	May	636.84	4.9	6.0	0.797	1.5	6.5	361.9	0.3	5.1
	June	622.08	4.8	5.7	0.816			366.4	1.2	5.2
	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



## 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](http://www.cmhc.ca). From the left-hand menu, you can select "Buying or Renting a Home" and click on "Renting a Home".

## Ontario's 2004 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**.

Housing Now is published four times yearly for the Hamilton Metropolitan market. Forecast Summary Supplement is included with the 1st and 3rd quarter reports. An annual subscription to the Hamilton Housing Now is \$55.00 plus GST. To order, please contact Ontario customer service at 1-800-493-0059.

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