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Canada Mortgage and Housing Corporation

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IN THIS ISSUE

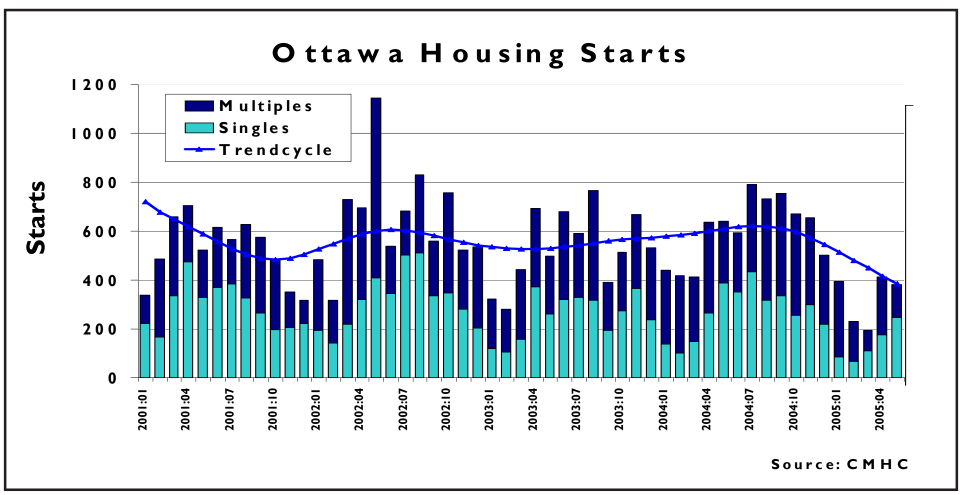
OTTAWA HOUSING STARTS DECLINE AGAIN IN MAY

Housing starts in the Ottawa area declined to 381 units in May, off 41 per cent from 641 starts in May 2004. May's drop represents the fifth consecutive year-over-year decline in total monthly starts.

Slowing new home sales and a rising inventory of complete and unoccupied units underpin the starts pullback. Sales of new singles have fallen on a year-over-year basis in seven of the latest eight months to April. Meanwhile, the number of complete and unoccupied single- and semi-detached homes hit a five year high for the month of April this year and, on average, was more than fifty per percent above 2004 levels in January to April this year.

Single-family starts dropped to 246 units in May, a drop of 36 per cent from the equivalent year-earlier month. May represented the eighth consecutive year-on-year fall in monthly singles starts and leaves year-to-May starts of such units a third behind last year's pace. The latest month's singles reading is also weak by historic standards as singles starts averaged 278 units during the previous ten Mays. Moreover, the 687 singles started during this year's first five months trail 2004 volumes by 34 per cent.

Multi-family construction also cooled to 135 units in May, 47 per cent behind May 2004's 253 starts. May's greater decline in multiple than in single starts is consistent with year-to-date patterns, as the 928 multiple starts year-to-date in 2005 are 39 per cent behind 2004's level, a larger relative drop than singles. A 46 per cent decline in year-to-date row (townhouse) starts leads this year's multiple starts erosion, while apartment starts are 28 per cent lower.



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Canada

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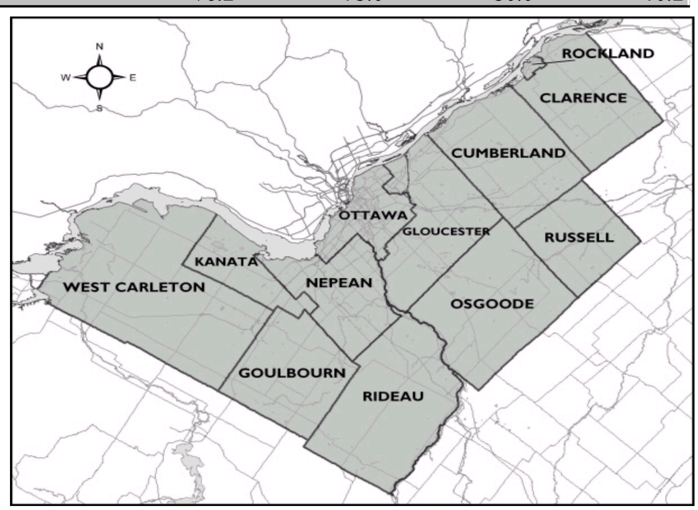
Table 1: Housing Activity Summary for Ottawa

	OWNERSHIP					RENTAL		
	FREEHOLD			CONDOMINIUM				GRAND
	*SINGLE	*SEMI	ROW	ROW	APT	ROW	APT	**TOTAL
STARTS								
May 2005	246	34	89	12	0	0	0	381
May 2004	387	44	120	13	16	0	60	640
% Change	-36.4	-22.7	-25.8	-7.7	-100.0	NA	-100.0	-40.5
Year-to-date 2005	687	82	320	143	356	0	27	1,615
Year-to-date 2004	1,040	120	670	99	458	87	77	2,551
% Change	-33.9	-31.7	-52.2	44.4	-22.3	-100.0	-64.9	-36.7
Q1 2005	266	38	175	131	211	0	0	821
Q1 2004	389	46	386	75	277	83	17	1,273
% Change	-31.6	-17.4	-54.7	74.7	-23.8	-100.0	-100.0	-35.5
UNDER CONSTRUCTION								
May 2005	1,156	152	734	335	1,286	50	314	4,027
May 2004	1,388	176	1,083	188	1,336	123	548	4,842
COMPLETIONS								
May 2005	188	24	140	47	0	11	0	410
May 2004	234	34	148	20	0	0	3	439
% Change	-19.7	-29.4	-5.4	135.0	NA	NA	-100.0	-6.6
Year-to-date 2005	1,043	110	531	181	370	35	21	2,291
Year-to-date 2004	1,094	98	779	20	186	7	123	2,307
% Change	-4.7	12.2	-31.8	**	98.9	**	-82.9	-0.7
Q1 2005	648	58	261	91	280	24	19	1,381
Q1 2004	594	40	433	0	186	7	120	1,380
% Change	9.1	45.0	-39.7	NA	50.5	**	-84.2	0.1
COMPLETE & NOT ABSORBED								
May 2005	88	32	70	28	66	12	175	471
May 2004	54	42	80	5	55	13	145	394
ABSORPTIONS								
May 2005	192	16	136	40	19	14	0	417
May 2004	226	26	157	21	0	3	7	440
% Change	-15.0	-38.5	-13.4	90.5	NA	**	-100.0	-5.2
Year-to-date 2005	1,047	103	534	180	381	37	39	2,321
Year-to-date 2004	1,075	84	777	23	133	17	75	2,184
% Change	-2.6	22.6	-31.3	**	186.5	117.6	-48.0	6.3
Q1 2005	657	58	275	104	261	21	33	1,409
Q1 2004	596	37	433	2	133	12	66	1,279
% Change	10.2	56.8	-36.5	**	96.2	75.0	-50.0	10.2

*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 04	May 05	% change	May 04	May 05	% change	May 04	May 05	% change
Ottawa	387	246	-36.4	253	135	-46.6	640	381	-40.5
Ottawa City	348	218	-37.4	249	135	-45.8	597	353	-40.9
Ottawa, Vanier, Rockcliffe	29	10	-65.5	79	16	-79.7	108	26	-75.9
Nepean inside greenbelt	2	2	0.0	2	12	**	4	14	**
Nepean outside greenbelt	62	51	-17.7	54	44	-18.5	116	95	-18.1
Gloucester inside greenbelt	7	3	-57.1	14	4	-71.4	21	7	-66.7
Gloucester outside greenbelt	23	34	47.8	19	36	89.5	42	70	66.7
Kanata	70	11	-84.3	32	11	-65.6	102	22	-78.4
Cumberland	73	48	-34.2	40	12	-70.0	113	60	-46.9
Goulbourn	43	25	-41.9	9	0	-100.0	52	25	-51.9
West Carleton	18	13	-27.8	0	0	NA	18	13	-27.8
Rideau	5	5	0.0	0	0	NA	5	5	0.0
Osgoode	16	16	0.0	0	0	NA	16	16	0.0
Clarence-Rockland City	23	12	-47.8	2	0	-100.0	25	12	-52.0
Russell Twp.	16	16	0.0	2	0	-100.0	18	16	-11.1

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
Ottawa	1,040	687	-33.9	1,511	928	-38.6	2,551	1,615	-36.7
Ottawa City	957	613	-35.9	1,497	891	-40.5	2,454	1,504	-38.7
Ottawa, Vanier, Rockcliffe	78	27	-65.4	491	396	-19.3	569	423	-25.7
Nepean inside greenbelt	3	4	33.3	207	24	-88.4	210	28	-86.7
Nepean outside greenbelt	247	151	-38.9	133	158	18.8	380	309	-18.7
Gloucester inside greenbelt	9	7	-22.2	65	4	-93.8	74	11	-85.1
Gloucester outside greenbelt	64	83	29.7	190	76	-60.0	254	159	-37.4
Kanata	143	56	-60.8	256	91	-64.5	399	147	-63.2
Cumberland	209	96	-54.1	127	142	11.8	336	238	-29.2
Goulbourn	116	105	-9.5	28	0	-100.0	144	105	-27.1
West Carleton	33	34	3.0	0	0	NA	33	34	3.0
Rideau	11	10	-9.1	0	0	NA	11	10	-9.1
Osgoode	44	40	-9.1	0	0	NA	44	40	-9.1
Clarence-Rockland City	47	37	-21.3	12	33	175.0	59	70	18.6
Russell Twp.	36	37	2.8	2	4	100.0	38	41	7.9

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

Sub Market Area	May 04	May 05	% change	YTD 2004	YTD 2005	% change
Ottawa	319,643	355,331	11.2	323,266	347,388	7.5
Ottawa City	384,278	392,660	2.2	367,802	403,650	9.7
Cumberland	306,391	296,479	-3.2	309,563	313,130	1.2
Gloucester	327,638	345,628	5.5	325,280	343,365	5.6
Nepean	315,786	350,934	11.1	325,185	349,957	7.6
Kanata	343,484	426,639	24.2	360,720	387,825	7.5
Rest of CMA	315,675	355,453	12.6	309,332	345,201	11.6

** 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		
	2004	2005	% Chg	2004	2005	% Chg	2004	2005	% Chg
January	146	132	-9.6	174	133	-23.6	320	265	-17.2
February	175	179	2.3	245	179	-26.9	420	358	-14.8
March	298	199	-33.2	305	248	-18.7	603	447	-25.9
April	242	150	-38.0	282	201	-28.7	524	351	-33.0
May	211	174	-17.5	255	206	-19.2	466	380	-18.5
June	215			221			436		
July	120			157			277		
August	152			224			376		
September	139			181			320		
October	131			141			272		
November	140			170			310		
December	88			97			185		
Year-to-date	**619**	**834**	**34.7**	**724**	**967**	**33.6**	**1,343**	**1,801**	**34.1**
YEARLY TOTAL	**2,057**			**2,452**			**4,509**		

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 2005	7	3.7	35	18.4	117	61.6	25	13.2	6	3.2	190
May 2004	20	11.0	55	30.4	85	47.0	12	6.6	9	5.0	181
YTD 2005	36	5.5	149	22.7	371	56.5	77	11.7	24	3.7	657
YTD 2004	72	12.1	179	30.0	271	45.5	49	8.2	25	4.2	596
Ottawa City											
May 2005	0	0.0	0	0.0	3	60.0	0	0.0	2	40.0	5
May 2004	0	0.0	2	25.0	3	37.5	1	12.5	2	25.0	8
YTD 2005	1	7.7	1	7.7	6	46.2	3	23.1	2	15.4	13
YTD 2004	1	3.1	6	18.8	21	65.6	2	6.3	2	6.3	32
Cumberland											
May 2005	3	10.3	6	20.7	17	58.6	3	10.3	0	0.0	29
May 2004	1	3.3	7	23.3	22	73.3	0	0.0	0	0.0	30
YTD 2005	11	10.4	35	33.0	55	51.9	3	2.8	2	1.9	106
YTD 2004	5	6.2	24	29.6	49	60.5	2	2.5	1	1.2	81
Gloucester											
May 2005	0	0.0	8	14.5	46	83.6	1	1.8	0	0.0	55
May 2004	0	0.0	4	17.4	17	73.9	1	4.3	1	4.3	23
YTD 2005	1	1.0	12	11.9	81	80.2	5	5.0	2	2.0	101
YTD 2004	3	4.2	18	25.4	46	64.8	3	4.2	1	1.4	71
Nepean											
May 2005	0	0.0	7	20.0	17	48.6	9	25.7	2	5.7	35
May 2004	3	6.5	19	41.3	17	37.0	5	10.9	2	4.3	46
YTD 2005	0	0.0	38	25.2	86	57.0	23	15.2	4	2.6	151
YTD 2004	4	3.1	49	38.6	55	43.3	12	9.4	7	5.5	127
Kanata											
May 2005	0	0.0	4	19.0	13	61.9	4	19.0	0	0.0	21
May 2004	0	0.0	6	28.6	10	47.6	3	14.3	2	9.5	21
YTD 2005	0	0.0	12	15.8	42	55.3	17	22.4	5	6.6	76
YTD 2004	0	0.0	18	24.0	35	46.7	18	24.0	4	5.3	75
Rest of CMA											
May 2005	4	8.9	10	22.2	21	46.7	8	17.8	2	4.4	45
May 2004	16	30.2	17	32.1	16	30.2	2	3.8	2	3.8	53
YTD 2005	23	11.0	51	24.3	101	48.1	26	12.4	9	4.3	210
YTD 2004	59	28.1	64	30.5	65	31.0	12	5.7	10	4.8	210

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
2004	January	652	-0.3	13,200	1,571	20,900	63.1	229,921	11.2	228,978
	February	967	2.2	12,600	1,742	21,100	59.6	229,313	7.6	230,090
	March	1,407	22.0	14,100	2,260	21,600	65.4	237,326	10.5	236,865
	April	1,511	20.2	14,000	2,286	21,300	65.7	240,848	8.4	237,052
	May	1,640	10.2	14,100	2,483	22,100	63.8	243,350	9.2	238,416
	June	1,464	9.7	14,100	2,255	22,500	62.7	243,522	8.1	236,785
	July	1,218	-11.7	13,700	1,976	22,500	61.0	238,637	9.1	231,800
	August	1,068	1.1	12,400	1,904	22,800	54.4	233,470	7.7	240,045
	September	988	-4.4	13,200	1,962	23,500	56.0	238,776	5.9	241,120
	October	979	-5.2	13,700	1,710	23,300	58.7	237,327	7.7	243,308
	November	907	4.3	13,200	1,455	23,700	55.5	239,139	7.6	245,242
	December	656	-2.4	13,200	744	22,800	58.0	235,601	6.5	248,155
2005	January	646	-0.9	13,200	1,689	22,900	57.6	242,934	5.7	247,214
	February	933	-3.5	12,700	1,855	22,900	55.3	240,533	4.9	242,970
	March	1,120	-20.4	11,700	2,367	23,500	49.8	248,865	4.9	249,493
	April	1,440	-4.7	13,600	2,758	26,200	51.8	247,681	2.8	240,577
	May	1,564	-4.6	12,800	2,691	23,700	53.9	248,436	2.1	244,026
	June									
	July									
	August									
	September									
	October									
	November									
	December									
	Q1 2004	3,026	9.9	13,292	5,573	21,192	62.7	232,126	9.5	233,170
	Q1 2005	2,699	-10.8	12,568	5,911	23,028	54.6	244,565	5.4	245,845
	YTD 2004	6,177	12.3		10,342			237,751	11.0	
	YTD 2005	5,703	-7.7		11,360			246,413	3.6	

	Annual Sales	Yr/Yr %		Annual New Listings	Yr/Yr %		Annual Average Price ($)	Yr/Yr %	
1995	6,484	-15.0		20,016	-14.4		143,127	-2.7	
1996	8,648	33.4		20,602	2.9		140,513	-1.8	
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	

Source: Canadian Real Estate Association

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

Area	May 04	May 05	% Change	YTD 2004	YTD 2005	% Change
Orléans	$236,309	$243,555	3.1	$231,162	$237,929	2.9
East End	$226,302	$219,617	-3.0	$211,906	$214,085	1.0
SouthEast	$262,186	$264,541	0.9	$247,241	$256,604	3.8
Downtown	$359,838	$361,232	0.4	$338,462	$341,458	0.9
West End	$251,990	$262,005	4.0	$248,580	$257,649	3.6
Nepean	$229,269	$236,048	3.0	$238,458	$244,862	2.7
Barrhaven	$240,236	$245,941	2.4	$229,257	$241,617	5.4
Kanata-Stittsville	$258,678	$261,316	1.0	$250,449	$256,050	2.2

** 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* Per $100,000	Mortgage Rate (%) 1 Yr. Term	Mortgage Rate (%) 5 Yr. Term	Exch. Rate ($US/$Cdn)	Ontario 1996=100	Ottawa-Gatineau CMA 1997=100	Employment SA** (,000)	Employment SA m/m (%)	Unemployment Rate (%) SA
2004	January	642.78	4.3	6.1	0.755	1.5	3.7	599.0	-0.6	7.1
	February	627.97	4.3	5.8	0.749	0.7	4.2	598.1	-0.2	6.9
	March	622.08	4.3	5.7	0.763	1.0	5.2	599.0	0.2	6.7
	April	648.75	4.5	6.2	0.729	2.4	6.6	599.7	0.1	6.7
	May	669.82	4.6	6.5	0.733	3.0	7.0	601.3	0.3	7.1
	June	681.99	4.7	6.7	0.750	2.5	7.8	605.2	0.6	6.9
	July	672.86	4.6	6.6	0.752	2.3	7.8	610.7	0.9	6.7
	August	657.75	4.4	6.3	0.762	1.6	8.6	609.9	-0.1	6.5
	September	657.75	4.8	6.3	0.793	1.6	7.4	611.6	0.3	6.4
	October	663.77	4.9	6.4	0.821	2.2	7.3	611.0	-0.1	6.5
	November	657.75	5.0	6.3	0.843	2.1	6.7	618.1	1.2	6.3
	December	642.78	4.8	6.1	0.832	1.8	6.9	622.4	0.7	6.5
2005	January	642.78	4.8	6.1	0.806	1.7	7.1	623.1	0.1	6.5
	February	642.78	4.8	6.1	0.811	2.2	6.4	619.9	-0.5	6.5
	March	654.74	5.1	6.3	0.827	2.5	5.8	616.9	-0.5	6.8
	April	642.78	4.9	6.1	0.795	2.4	4.4	617.2	0.0	7.0
	May	636.84	4.9	6.0	0.797			616.5	-0.1	7.2
	June									
	July									
	August									
	September									
	October									
	November									
	December									

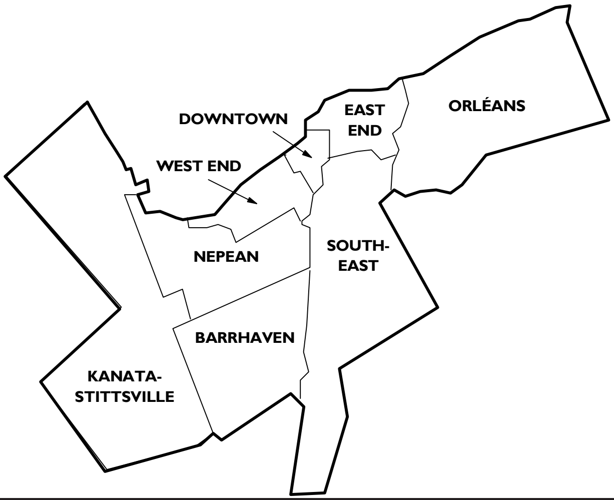
* Principal and Interest Payment assumes a five year mortgage rate and 25 year amortization period.

** 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