St. Catharines/Niagara

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Canada Mortgage and Housing Corporation

VOLUME 5, NUMBER 2
SECOND QUARTER 2002

New Single Construction drives up housing starts in second quarter.

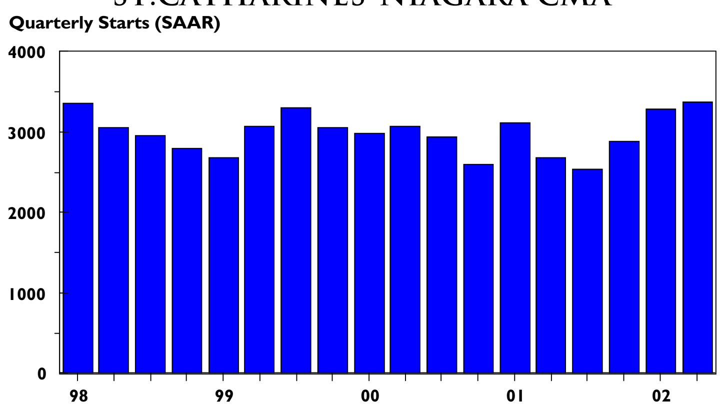
Total housing starts in the St.Catharines-Niagara CMA (Census Metropolitan Area) shot up by 19 per cent to 382 units in the second quarter of 2002(compared to 320 units for the same period last year). New single-detached construction was the driving force behind the numbers accounting for 315 out of the 382 starts. In effect new single - detached construction rose from 251 units to 315 units - a 25 per cent increase (refer to Table 1). Low mortgage rates and a tight resale market have certainly stimulated move-up buying activity, which resulted in a strong demand for new single-detached construction.

While new single construction shot up, overall multiple-units construction in the second quarter of 2002 fell from 69 units to 67 units – 3 per cent decrease. This decrease nonetheless does not reflect the distribution of multiple-unit construction activity across the municipalities. In Lincoln for example, multiple unit construction actually rose from 11 units to 29 units this quarter (Table 1). There was no construction in the rental sector in the second quarter of 2002.

The supply of completed and unabsorbed units dropped from 98 to 77 units in June 2002. The general trend towards declining inventories was seen across most municipalities and is consistent with an increase in purchases of new homes.

In this issue

SINGLE STARTS SAAR
ST.CATHARINES-NIAGARA CMA



Source CMHC

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However the average price of single homes for the CMA rose 0.1 per cent to $226,888 as of June 2002 compared to June 2001. Out of the 10 municipalities, only 3 registered increases in the average price of single homes. In St.Catharines, Niagara-on-the-Lake, and Pelham the share of absorptions in higher price ranges has increased so far this year. Overall high-end sales in these three municipalities have neutralized the decline in average prices observed in the other seven municipalities.

Furthermore the share of total absorptions in the St.Catharines-Niagara CMA under $200,000 range has increased marginally to 54 per cent indicating increased first-time buying activity. The tight resale market is certainly encouraging first time buyers to enter the single-detached market. In general consumers are capitalizing on the low mortgage rates and low purchase price in the region. The demand for single-detached units is likely to stay strong for the near future.

RESALE MARKET POWERS AHEAD

Sales in the St.Catharines-Niagara CMA have risen from 1615 units in the second quarter of 2001 to 1818 in 2002 – a 13 per cent increase. Sales in both the Niagara-Fort Erie and Welland districts fell by 12 per cent in the second quarter of 2002. Nevertheless the 38 per cent increase in sales in the St.Catharines district more than compensated for the drop in sales in both the Welland district and Niagara Falls-Fort Erie district. A low mortgage-rate environment has been the main contributor towards the strong performance of the resale market in the second quarter of 2002.

New listings fell by 11.6 per cent this quarter compared to the second quarter in 2001. On the other hand sales have increased by 12%. This has led to high sales-to- new listings ratios in all three real estate boards. High ratios in turn are consistent with rising home prices. For the St. Catharines-Niagara CMA the sales-to- new listings ratio was 75 per cent in the second quarter of 2002. St.Catharines is clearly the hottest of the three districts with a sales-to-new listings ratio of 83 per cent this second quarter. The average resale price in the St.Catharines-Niagara CMA rose 7.4 per cent from $134,681 in the second quarter of 2001 to $144,603 this second quarter. A tighter resale market has encouraged some buyers to examine the new home market.

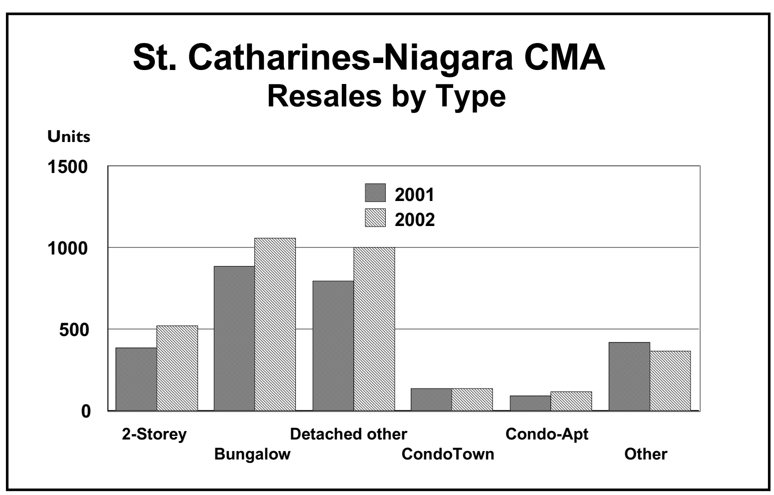
In the St.Catharines-Niagara CMA the bungalow unit is still the most popular type of single units. Year-to-date (2002) sales of bungalows have risen by 19 per cent to 1058 units (from 888 units year-to-date 2001). Year-to-date sales of 2-storey units have increased by 35 per cent to 525 units(from 388 units year-to-date 2001).

MLS Sales Activity	Sales	Price	SNLR
St.Catharines-Niagara CMA			%
2001Q2	1615	$134,681	0.59
2002Q2	1818	$144,603	0.75
%change	**12.6**	**7.4**	
St.Catharines District			
2001Q2	774	$144,049	0.61
2002Q2	1072	$153,958	0.83
%change	**38.5**	**6.9**	
Niagara-Fort Erie			
2001Q2	480	$125,297	0.56
2002Q2	430	$132,822	0.65
%change	**-10.4**	**6.0**	
Welland			
2001Q2	361	$127,073	0.59
2002Q2	316	$128,865	0.68
%change	**-12.5**	**1.4**	

Source:CREA

Key Statistics- St.Catharines-Niagara CMA	Jun-02	Jun-01	%Change
CPI (1992=100)	1.199	1.18	1.2
Unemployment rate	7.5	6.4	1.1
Consumer Confidence (Ontario)	129.85	108.62	19
3-yr mortgage rate	6.6	7.3	-11

Source: Statistics Canada, CMHC



Source:CREA

TABLE 1: STARTS BY ZONE AND BY INTENDED MARKET

	OWNERSHIP					RENTAL		TOTAL
	FREEHOLD			CONDOMINIUM				
	SINGLE	SEMI	ROW	ROW	APT	ROW	APT	
Zone 1								
St.Catharines City								
2002 Q2	56	6	0	8	0	0	0	70
2001 Q2	43	6	0	0	0	0	0	49
Year-to-date 2002	104	12	0	17	0	0	4	137
Year-to-date 2001	78	10	0	4	0	0	0	92
Zone 2								
Niagara Falls								
2002 Q2	77	0	3	10	0	0	0	90
2001 Q2	52	0	19	6	0	0	0	77
Year-to-date 2002	103	0	3	10	0	0	0	116
Year-to-date 2001	80	2	35	11	0	0	0	128
Zone 3								
Welland								
2002 Q2	42	2	0	0	0	0	0	44
2001 Q2	30	10	0	0	0	0	0	40
Year-to-date 2002	62	4	4	0	0	0	0	70
Year-to-date 2001	47	10	0	0	0	0	0	57
Zone 4								
Lincoln								
2002 Q2	39	14	11	4	0	0	0	68
2001 Q2	19	8	3	0	0	0	0	30
Year-to-date 2002	57	14	15	4	0	0	0	90
Year-to-date 2001	30	8	7	0	0	0	0	45
Zone 5								
Fort Erie								
2002 Q2	36	0	0	0	0	0	0	36
2001 Q2	36	0	0	0	0	0	0	36
Year-to-date 2002	54	0	0	0	0	0	0	54
Year-to-date 2001	55	0	0	0	0	0	0	55
Zone 6								
Niagara-on-the-Lake								
2002 Q2	23	0	0	4	0	0	0	27
2001 Q2	19	0	0	11	0	0	0	30
Year-to-date 2002	35	8	0	4	0	0	0	47
Year-to-date 2001	31	0	4	11	0	0	0	46
Zone 7								
Pelham								
2002 Q2	19	0	0	0	0	0	0	19
2001 Q2	35	0	0	0	0	0	0	35
Year-to-date 2002	29	0	0	0	0	0	0	29
Year-to-date 2001	44	2	0	0	0	0	0	46
Zone 8								
Port Colborne								
2002 Q2	6	0	5	0	0	0	0	11
2001 Q2	7	0	0	0	0	0	0	7
Year-to-date 2002	7	0	9	0	0	0	0	16
Year-to-date 2001	9	0	8	0	0	0	0	17

TABLE 1: STARTS BY ZONE AND BY INTENDED MARKET

	OWNERSHIP					RENTAL		TOTAL
	FREEHOLD			CONDOMINIUM				
	SINGLE	SEMI	ROW	ROW	APT	ROW	APT	
Zone 9								
Thorold								
2002 Q2	9	0	0	0	0	0	0	9
2001 Q2	3	0	6	0	0	0	0	9
Year-to-date 2002	14	0	0	0	0	0	0	14
Year-to-date 2001	7	0	6	0	0	0	0	13
Zone 10								
Wainfleet								
2002 Q2	8	0	0	0	0	0	0	8
2001 Q2	7	0	0	0	0	0	0	7
Year-to-date 2002	8	0	0	0	0	0	0	8
Year-to-date 2001	17	0	0	0	0	0	0	17
Total								
St.Catharines-Niagara CMA								
2002 Q2	315	22	19	26	0	0	0	382
2001 Q2	251	24	28	17	0	0	0	320
Year-to-date 2002	473	38	31	35	0	0	4	581
Year-to-date 2001	398	32	60	26	0	0	0	516
Grimsby								
2002 Q2	29	0	12	5	0	0	0	46
2001 Q2	0	14	0	0	0	0	0	14
Year-to-date 2002	36	0	12	5	0	0	0	53
Year-to-date 2001	51	0	20	0	0	0	0	71

TABLE 2: SINGLE-DETACHED ABSORPTION PROFILE AT JUNE 2002

Municipality	Average Price	2001 Price	% chg	Total Supply Jun-02	Total Supply Jun-01	% chg	ABS	COM	% Abs at Comp.
St. Catharines	$246,658	$231,147	6.71	95	79	20.3	13	19	52.6
Niagara Falls	$212,155	$214,780	-1.22	106	106	0.0	14	12	66.7
Welland	$177,517	$196,891	-9.84	60	49	22.4	9	9	87.5
Lincoln	$219,062	$232,913	-5.95	69	53	30.2	8	8	75.0
Fort Erie	$171,246	$192,533	-11.06	45	54	-16.7	9	8	87.5
NOTL	$345,028	$298,423	15.62	69	62	11.3	10	5	80.0
Pelham	$294,208	$287,221	2.43	37	40	-7.5	3	3	66.7
Port Colborne	$181,378	$183,654	-1.24	7	8	-12.5	1	0	n/a
Thorold	$177,009	$190,909	-7.28	22	14	57.1	4	4	100.0
Wainfleet	$180,536	$197,665	-8.67	11	17	-35.3	0	0	0.0
St. Catharines-Niagara CMA	$226,888	$226,779	0.05	521	482	8.1	71	68	71.2
Grimsby	$287,307	$234,900	22.3	30	67	-55.2	3	5	100.0

TABLE 3: ACTIVITY SUMMARY BY INTENDED MARKET

	OWNERSHIP					RENTAL		TOTAL
	FREEHOLD			CONDOMINIUM				
	SINGLE	SEMI	ROW	ROW	APT	ROW	APT	
Pending Starts								
June 2002	159	8	20	0	0	0	0	187
June 2001	78	8	10	0	0	0	26	122
% change	103.8	0.0	100.0	na	na	na	-100.0	53.3
Starts								
2002Q2	315	22	19	26	0	0	0	382
2001Q2	251	24	28	17	0	0	0	320
% change	25.5	-8.3	-32.1	52.9	na	na	na	19.4
Year-to-date 2002	473	38	31	35	0	0	4	581
Year-to-date 2001	398	32	60	26	0	0	0	516
% YTD change	18.8	18.8	-48.3	34.6	na	na	na	12.6
Under Construction								
June 2002	414	40	106	72	0	0	4	636
June 2001	362	28	124	90	30	0	0	634
% change	14.4	42.9	-14.5	-20.0	-100.0	na	na	0.3
Completions								
2002Q2	196	24	35	10	0	0	0	265
2001Q2	176	24	7	21	0	0	0	228
% change	11.4	0.0	400.0	-52.4	na	na	na	16.2
Year-to-date 2002	402	40	42	18	0	0	22	524
Year-to-date 2001	363	46	31	25	0	0	0	465
% YTD change	10.7	-13.0	35.5	-28.0	na	na	na	12.7
Completed and not absorbed								
June 2002	77	12	6	13	2	0	1	111
June 2001	98	18	12	11	0	0	0	139
% change	-21.4	-33.3	-50.0	18.2	na	na	na	-20.1
Total Supply								
June 2002	650	60	132	85	2	0	5	934
June 2001	538	54	146	101	30	0	26	895
% change	20.8	11.1	-9.6	-15.8	-93.3	na	-80.8	4.4
Absorptions								
2002Q2	211	22	32	10	1	0	5	281
2001Q2	188	25	10	20	0	0	0	243
% change	12.2	-12.0	220.0	-50.0	na	na	na	15.6
Year-to-date 2002	407	44	40	18	2	0	25	536
Year-to-date 2001	379	49	28	24	0	0	0	480
% YTD change	7.4	-10.2	42.9	-25.0	na	na	na	11.7

Definitions

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

Start refers to a dwelling unit where the construction stage incoporates full footings. In the case of multiple units, the definition applies to the entire structure.

Under Construction refers to the inventory of units currently being constructed.This number includes current month starts but not current month completions.

Completion: *for single-detached and semi-detached units*: implies that 90% or more of the structure is complete.A structure may be considered 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 havenot been sold or rented.

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

Absorptions refer to newly completed units which have been sold or rented.The number of absortions 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.

TABLE 4: HOUSING ACTIVITY SUMMARY BY MUNICIPALITIES

Starts		OWNERSHIP FREEHOLD SINGLE	SEMI	ROW	CONDO ROW	Completions: OWNERSHIP FREEHOLD SINGLE	SEMI	ROW	CONDO ROW
St.Catharines	2002Q2	56	6	0	8	47	4	0	4
	2001Q2	43	6	0	0	33	8	0	3
Niagara Falls	2002Q2	77	0	3	10	39	0	4	0
	2001Q2	52	0	19	6	49	0	0	11
Welland	2002Q2	42	2	0	0	26	8	0	0
	2001Q2	30	10	0	0	20	6	0	0
Lincoln	2002Q2	39	14	11	4	17	4	3	0
	2001Q2	19	8	3	0	14	0	4	0
Fort Erie	2002Q2	36	0	0	0	18	0	0	0
	2001Q2	36	0	0	0	18	0	0	0
NOTL	2002Q2	23	0	0	4	26	6	15	6
	2001Q2	19	0	0	11	14	2	3	7
Pelham	2002Q2	19	0	0	0	10	0	0	0
	2001Q2	35	0	0	0	15	4	0	0
Port Colbourne	2002Q2	6	0	5	0	4	0	8	0
	2001Q2	7	0	0	0	2	0	0	0
Thorold	2002Q2	9	0	0	0	6	2	5	0
	2001Q2	3	0	6	0	6	4	0	0
Wainfleet	2002Q2	8	0	0	0	3	0	0	0
	2001Q2	7	0	0	0	5	0	0	0
Grimsby	2002Q2	29	0	12	5	9	0	15	0
	2001Q2	32	0	14	0	25	0	16	30

Under Construction		OWNERSHIP FREEHOLD SINGLE	SEMI	ROW	CONDO ROW	Completed and not absorbed: OWNERSHIP FREEHOLD SINGLE	SEMI	ROW	CONDO ROW
St.Catharines	2002Q2	73	10	0	27	18	5	0	4
	2001Q2	55	6	4	25	18	6	1	0
Niagara Falls	2002Q2	85	2	43	10	13	0	4	5
	2001Q2	59	4	44	24	26	0	0	9
Welland	2002Q2	54	4	17	0	3	0	0	0
	2001Q2	50	10	8	0	7	1	5	0
Lincoln	2002Q2	54	14	21	4	7	2	0	0
	2001Q2	33	8	11	0	15	4	1	0

TABLE 4: HOUSING ACTIVITY SUMMARY BY MUNICIPALITIES

		Ownership Freehold Single	Ownership Freehold Semi	Ownership Freehold Row	Condo Row	Ownership Freehold Single	Ownership Freehold Semi	Ownership Freehold Row	Condo Row
Under Construction						**Completed and not absorbed**			
Fort Erie	2002Q2	49	0	0	6	9	0	0	0
	2001Q2	50	0	0	6	6	0	0	0
NOTL	2002Q2	34	8	8	9	21	3	0	4
	2001Q2	39	0	27	19	20	4	1	2
Pelham	2002Q2	30	0	0	16	5	0	0	0
	2001Q2	46	0	0	16	4	2	0	0
Port Colbourne	2002Q2	9	0	9	0	0	0	2	0
	2001Q2	10	0	8	0	1	0	4	0
Thorold	2002Q2	13	2	8	0	1	2	0	0
	2001Q2	8	0	22	0	1	1	0	0
Wainfleet	2002Q2	13	0	0	0	0	0	0	0
	2001Q2	12	0	0	0	0	0	0	0
Grimsby	2002Q2	33	0	12	12	6	0	3	1
	2001Q2	40	0	32	0	12	1	7	3

Notes:

In Pelham in 2001Q2 30 condominium apartments were under construction.

In Pelham in 2002Q2 2 condominium apartments were completed and not absorbed

In St.Catharines 4 rental apartment units were under construction in 2002Q2 whilst 1 rental apartment unit was completed and not absorbed

TABLE 4: HOUSING ACTIVITY SUMMARY BY MUNICIPALITIES

Absorptions

		Ownership Freehold Single	Ownership Freehold Semi	Ownership Freehold Row	Condo Row		Ownership Freehold Single	Ownership Freehold Semi	Ownership Freehold Row	Condo Row
St.Catharines	2002Q2	48	0	0	4	NOTL	27	5	16	4
	2001Q2	33	5	0	4		15	3	4	5
Niagara Falls	2002Q2	19	0	0	0	Pelham	11	0	0	0
	2001Q2	54	0	3	11		16	3	0	0
Welland	2002Q2	28	10	0	0	Port Colbo	5	0	6	0
	2001Q2	18	6	0	0		2	0	0	0
Lincoln	2002Q2	18	3	4	0	Thorold	7	2	6	0
	2001Q2	15	3	3	0		8	5	0	0
Fort Erie	2002Q2	19	0	0	0	Wainfleet	3	0	0	0
	2001Q2	22	0	0	0		5	0	0	0
						Grimsby	14	0	17	0
							33	0	17	31

Notes

In St.Catharines in 2002Q2, 5 rental apartment units were absorbed

In Niagara Falls in 20022Q2, one condominium apartment was absorbed.

TABLE 5 : SINGLE ABSORBED UNITS BY PRICE RANGE

	<$150	$150-199	$200-249	$250-349	$350-450	$450+	Total
St. Catharines City							
Year-to-date 2002	4	26	23	26	11	0	90
Year-to-date 2001	3	20	13	22	4	2	64
Niagara Falls City							
Year-to-date 2002	1	65	20	4	0	4	94
Year-to-date 2001	2	61	15	11	7	2	98
Welland City							
Year-to-date 2002	9	26	10	2	0	0	47
Year-to-date 2001	6	17	7	3	1	0	34
Lincoln Town							
Year-to-date 2002	0	20	9	8	0	0	37
Year-to-date 2001	0	17	13	6	0	4	40
Fort Erie Town							
Year-to-date 2002	15	28	4	4	0	0	51
Year-to-date 2001	17	20	1	4	2	1	45
Niagara-on-the-Lake Town							
Year-to-date 2002	0	3	7	17	8	5	40
Year-to-date 2001	0	3	11	13	4	1	32
Pelham Town							
Year-to-date 2002	0	3	9	9	3	2	26
Year-to-date 2001	0	8	7	7	6	1	29
Port Colborne City							
Year-to-date 2002	1	6	0	1	0	0	8
Year-to-date 2001	1	7	0	1	0	0	9
Thorold City							
Year-to-date 2002	3	5	3	0	0	0	11
Year-to-date 2001	2	9	5	1	0	0	17
Wainfleet Twp.							
Year-to-date 2002	0	9	2	0	0	0	11
Year-to-date 2001	0	7	2	2	0	0	11
St. Catharines CMA							
Year-to-date 2002	33	191	87	71	22	11	415
Year-to-date 2001	31	169	74	70	24	11	379
Grimsby Town							
Year-to-date 2002	0	5	11	8	1	2	27
Year-to-date 2001	0	23	18	14	1	0	56

Note: Data for all the tables are from CMHC unless otherwise indicated.

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