



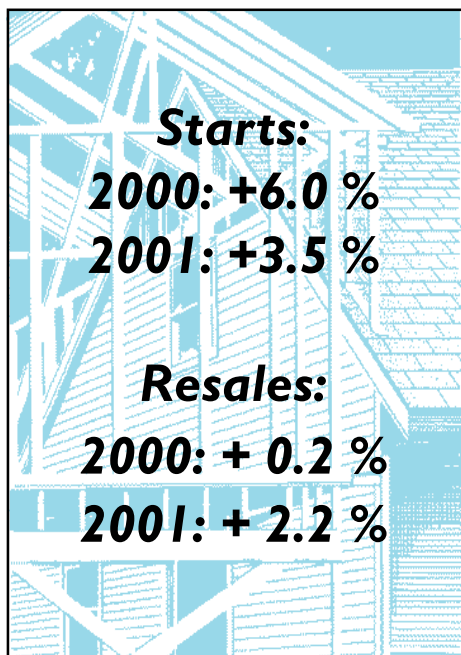
MHC HOUSING

OUTLOOK NATIONAL EDITION

Canada Mortgage and Housing Corporation

Strength this year and beyond

Overview



Starts: Look for starts to continue rising through 2002 (see Special Report). Gains will be tied to job and income growth, consumer confidence, rising migration, and stronger house prices. These positives will outweigh the negative effect of higher mortgage rates this year.

Resales: Sales of existing homes will top the 1999 record, up marginally this year and 2.2 percent in 2001, paced by Ontario, Alberta, and British Columbia.

Prices: Look for increases in resale prices to match the strong pace from last year. Expect price gains of close to 4 per cent in both 2000 and 2001.

[Details on page three.](#)

Second Quarter, 2000

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CMHC Housing Outlook: National Edition is your national sales, marketing, and business planning tool.

The Nation's HOT SPOTS

Ontario: Following the surge in building in 1999, look for strong but less spectacular gains in the next two years ([See Page 13](#)).

British Columbia: Construction in B.C. will turn the corner in 2000, but will not approach the levels of the mid-1990s ([See Page 9](#)).

New Brunswick: Spin-offs from megaprojects are a major reason for the 19 per cent jump in starts expected this year ([See Page 15](#)).

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HOME TO CANADIANS
Canada

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) is home to Canadians. In everything we do, we help Canadians live in safe, secure homes.

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Upcoming PDF Release Dates

Third Quarter 2000 — July 17
Fourth Quarter 2000 — October 17

National Housing Outlook

In Detail

All housing types up this year

Construction of all types of homes will rise this year. Semi-detached starts will soar before falling back in 2001. All other types will see comparatively steady growth this year and next.

Multiples strong in Nova Scotia, New Brunswick, Ontario, and B.C.

Multiple starts will rise 7.1 per cent this year. Look for Nova Scotia and New Brunswick to post increases of nearly 40 per cent. Ontario and B.C. will also turn in double-digit gains. Next year, B.C. will set the pace, while activity recovers in Saskatchewan and Alberta.

Singles up most in largest provinces

Starts of single-detached homes will climb 5.2 per cent this year and 3.6 per cent next year. The largest gains will be in Quebec, Ontario, Alberta, and B.C.

Rental construction rising, condos stable

Look for rental starts to jump by nearly a third this year and then level off next year. Ontario will account for virtually all of the increase. Condominium starts will hold steady this year before rising in 2001, thanks to increases in Ontario and B.C.

Record resale numbers

Although growth will slow, resales will still hit record levels. More moderate sales increases in part reflect higher mortgage rates as well as scarce listings in some markets. Record volumes will be posted in Ontario, Alberta, and Newfoundland.

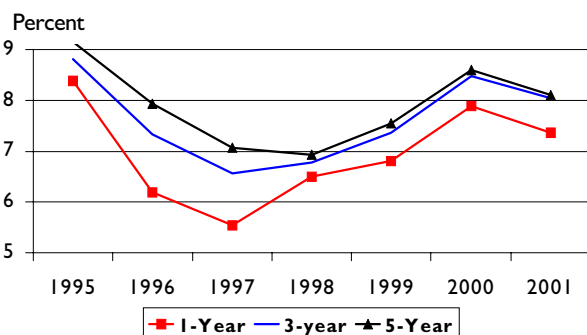
Prices up everywhere but B.C. in 2000

This year, prices will be up in all provinces except B.C. Look for price gains well above the rate of inflation in Ontario, Saskatchewan, and Alberta. In B.C., prices will bottom out this year and move up in 2001.

Spotlight on MORTGAGE RATES

Rates edge up this year, but relief in sight

Mortgage rates rising but still affordable



Source: Bank of Canada.
2000-2001 forecast by CMHC.

Mortgage rates increased over the past year. Rates will rise further in coming months but begin to ease towards the end of the year.

Mortgage rates rose against a backdrop of robust economic growth, increasing concern over inflation, and higher interest rates in the U.S. and Europe. In March, the U.S. Federal Reserve raised interest rates for the fifth time since last June. The Bank of Canada matched each of the last three increases. Additional tightening by the Fed to keep inflation in check is expected.

Despite increasing, mortgage rates are expected to remain low by 1990s standards. Once central bank rate hikes begin to slow the economy and inflationary expectations moderate, mortgage rates should begin to come down beginning late this year and continuing into 2001.

Trends Impacting Housing

Positive Impact

- ✓ **Economy in high gear**
- ✓ **Employment and income growth**
- ✓ **Consumers upbeat**

The Economy

The economy closed 1999 on a strong note, growing at a 4.6 per cent annual clip in the fourth quarter. Growth for the year was a robust 4.2 per cent. Steady consumer spending coupled with continued growth of the U.S. economy and an improving world economy point to a healthy outlook for the next two years. Look for growth of 3.7 per cent in 2000, dropping to 3.3 per cent next year as the expected cooling of the U.S. economy reduces demand for Canadian exports.

So far, there is little evidence of the much anticipated slowdown south of the border. Canada's merchandise trade balance hit a record in January. The booming U.S. economy continues to benefit manufacturers in central Canada. Elsewhere, higher oil prices will help Alberta. In B.C., gradual recovery will be assisted by rising commodity prices and stronger Asian economies.

Mortgage Rates

Mortgage rates will remain low by 1990s' standards but will rise in coming months, sparked by robust domestic growth and higher interest rates in the U.S. and Europe. Rates will drop later in the year. Over the next two years, look for one-year rates in the 6.75-8.25 per cent range, three-year rates between 7.50 and 8.75 per cent, and five-year rates from 7.50 to 8.75 per cent.

Consumers

Consumers remain upbeat. Confidence rose in the fourth quarter of 1999 to the highest level in over two years. Employment and equity markets soared and have continued to perform well in the new year. Retail sales paused in January in the wake of Y2K stockpiling, but consumer spending is expected to remain strong and compete with exports as the main engine of the Canadian economy. Rising mortgage rates have not dampened the mood of consumers.

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What to Watch For

- ✓ **Higher mortgage rates this year**
- ✓ **Migrants head for Ontario and Alberta**

Employment and Incomes

Recent and continued job gains will be a plus for home building in coming months. Revised data indicate that 1999 edged out 1998 as the best year of the decade for job creation, especially for full-time jobs. As well, the pace of employee hiring has pushed ahead of growth in self-employment, reversing the pattern of much of the 1990s. Compared to the exceptional performance of the past two years, look for slightly slower but still very healthy employment gains this year and next.

Canadians should have more money in their pockets. Thanks to a strong economy, employment growth, and continuing tax cuts, look for faster growth in disposable incomes over the next two years.























Migration

Despite major revisions, international migration estimates tell the same story. In 1998, immigration fell well short of government targets. Net migration to Canada bottomed out at around 115,000 from about 160,000 in the previous year. Immigration recovered gradually last year, increasing by nearly 10 per cent. Look for immigration to continue to bounce back in the next two years as Asian economies improve and new administrative measures are put in place to achieve immigration targets. Increased arrivals will mainly benefit construction in the four largest provinces.

Within Canada, Ontario overtook Alberta as the top destination for interprovincial migrants in the third and fourth quarters. Look for Ontario to lead in coming months. B.C. recorded a small gain in the third quarter, ending a period of large outflows. With Ontario and Alberta exerting a strong pull on job seekers, expect migration to B.C. in the next two years to remain subdued by comparison to the large gains of the first half of the 1990s.

Trends at a Glance

Key factors and their effects on home building

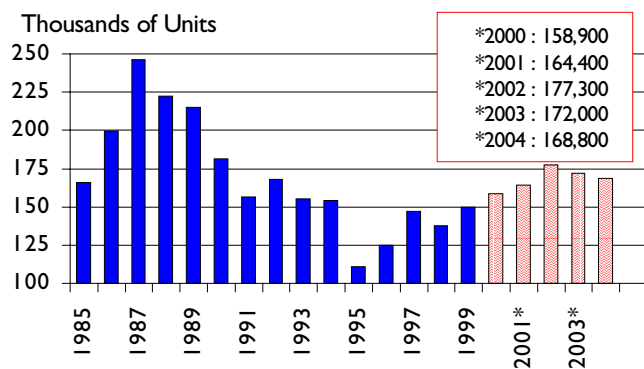
Factor	Comment	Impact	
		2000	2001
Mortgage rates	Edging up but easing late in the year.		
Employment	Solid gains expected, building on exceptional years in 1998 and 1999.		
Incomes	Will benefit from strong labour market and tax cuts.		
Net migration	Recovering from trough in 1998.		
Household formation	Should increase as a result of improving net migration and job and income gains. More individuals and families can afford to live independently.		
Consumer confidence	Expected to remain high.		
House prices	Rising prices stimulate construction. For consumers, housing should be a more attractive investment.		
Unoccupied units	Low inventories a positive signal to builders.		
Vacancy rates	Rental markets to remain tight.		
Construction costs	Material cost increases to moderate once U.S. economy and housing market slow.		
Profits	Rising house prices good for profits.		

Special Report: Medium-Term Outlook

From now through 2004, new home construction will benefit from favourable economic conditions. A gradual decline is expected after 2002 as a result of a slowdown in the North American economy.

After wavering in 1998, residential construction jumped by 9.1% in 1999 in Canada. This vigour will continue over the next five years. The high point of the cycle should be attained in 2002 (177,300 housing starts). The current cycle resembles that which prevailed in the 1980s, but its amplitude should be less pronounced on account of the less vigorous demographic context.

Total Housing Starts, Canada



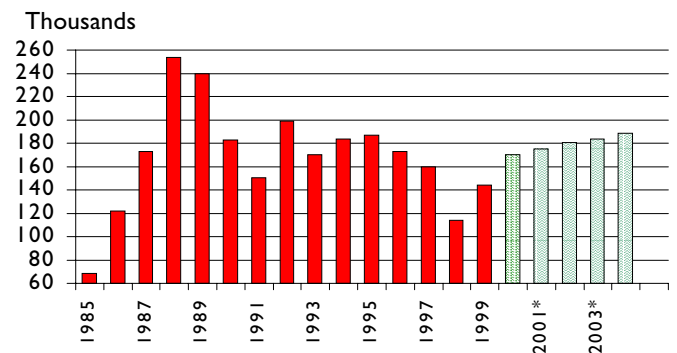
Source: CMHC.

* Forecast.

Our forecast scenario is based on continued economic growth in North America and a major increase in the net international migration level. Economic growth in Canada should remain above 3.0% through 2003. In fact, the Canadian economy has not yet reached its full potential as the labour force participation rate (65.6% in 1999) is still lower than the level recorded at the end of the 1980s (67.2% in 1989) and even below that registered in 1991 (66.5%). This situation, combined with a labour shortage in the United States, could lead some American companies to move some of their production to Canada, since the pool of available workers in the U.S. is near the 10-million mark, a level considered critical by American monetary authorities. Thus, there is still room for sustained growth in household formation and housing demand in Canada, to the extent that the labour market continues to expand thanks to improvement in international economic and business conditions and the strength of North American demand.

Improved economic conditions in Asia should also bring more immigrants to Canada over the next few years. Ontario and, to a lesser extent, British Columbia, Quebec, and Alberta, the main destinations of international migrants, will benefit from this stimulus to their housing markets. Net international migration levels should hover between 170,000 and 190,000 persons through 2004, trending upward over the forecast period.

Total Net Migration, Canada



Source: Statistics Canada, CMHC.

* Forecast.

Confidence, employment, and disposable income on the rise

Canadians have regained a taste for real estate, as evidenced by the record level of transactions and the price increases recorded last year on the resale market. Rises in employment, particularly in full-time jobs, and disposable income, as a result of tax relief measures, support household formation. The redressing of federal government's finances and the budget surpluses realized or anticipated in several provinces are also buoying household confidence. In this context, prices, driven by disposable income gains and the confidence of households, should continue to rise through 2002.

Given the industry's prudence in the last few years, new home inventories are low and the national rental housing vacancy rate stood at just 2.6% in 1999, the lowest level in 12 years. These factors also suggest potential for growth in home-building activity.

In brief, all the important influences in the residential construction sector are favourable in the medium term, with the possible exception of mortgage rates. Rates are sustaining upward pressure as strong economic growth, tighter labour market conditions, and higher energy prices are raising concerns that inflation will accelerate.

Regional details

The strength in residential construction will not be felt to the same degree in all provinces over the next five years. The growth expected through 2002 will be mainly attributable to Ontario, which should receive a large contingent of interprovincial and international migrants. British Columbia will then take the lead as the economic health of its traditional export markets recovers. In the Atlantic provinces, a gradual downturn in housing starts is expected until 2004, except in Prince Edward Island. Finally, little change is anticipated in the Prairies and Quebec.

Newfoundland

Despite rapid economic growth owing to the development of the oil industry, labour market conditions remain difficult, and a good number of Newfoundland residents will continue to leave the province over the next few years. As a result, the volume of housing starts will gradually decline throughout the period.

Prince Edward Island

This province is bound to stand out from its Atlantic neighbours over the next few years, as its residential construction sector will have to meet the needs of an aging population and an influx of retirees from other provinces. The current housing stock on the Island cannot meet the needs of these growing groups, and a strong demand for apartments and row homes is expected. Housing starts should grow steadily.

Nova Scotia

Residential construction will slow down in Nova Scotia over the next few years, as the migration boom associated with the development of major energy projects comes to an end.

New Brunswick

Moderate prospects for economic growth and a return to a slightly negative net migration level will limit potential growth in housing starts in New Brunswick through 2004.

Quebec

The Quebec economy will remain vigorous over the next few years, thanks to the vitality of the export sector and the strength of consumer demand. Housing starts will rise until 2002 and then start falling back on account of declining household formation.

Ontario

With its great appeal to immigrants and powerful economy, Ontario will post a major increase in housing starts until the end of 2002. The volume of starts will drop in 2003 and 2004, but remain high compared to the levels registered during the 1990s. In fact, the performance of housing starts in Canada until 2004 will essentially rest on the behaviour of the Ontario economy and the ultimate impact of Ontario's net migration on housing markets.

Total Housing Starts, Canada and the Provinces

	1998	1999	2000*	2001*	2002*	2003*	2004*
Newfoundland	1,450	1,371	1,450	1,500	1,450	1,400	1,350
Prince Edward Island	524	616	625	645	650	675	700
Nova Scotia	3,137	4,250	4,350	4,000	3,850	3,750	3,600
New Brunswick	2,447	2,776	3,300	2,850	2,775	2,700	2,600
Quebec	23,138	25,742	26,748	27,517	28,307	28,115	27,785
Ontario	53,830	67,235	74,000	77,000	85,000	79,000	74,000
Manitoba	2,895	3,133	2,845	2,845	2,895	2,910	2,925
Saskatchewan	2,965	3,089	2,950	3,000	3,100	3,200	3,100
Alberta	27,122	25,447	25,125	26,000	25,775	24,755	24,755
British Columbia	19,931	16,309	17,500	19,000	23,500	25,500	28,000
Canada	137,439	149,968*	158,900*	164,400*	177,300*	172,000*	168,800

* Forecast. Total does not add due to rounding.

Manitoba

Manitoba's diversified economy and slightly negative, but stable, net migration level will allow the province to record annual housing starts very close to the 3000-unit mark until 2004.

Saskatchewan

Although it posted slower growth than the Canadian average, the Saskatchewan economy will continue to create jobs over the next few years and, by the same token, reduce its migration deficit in relation to the other provinces. As a result, housing starts will remain around 3,000 units over the next five years.

Alberta

With economic growth averaging 3.5% through 2004 and the oil sector expanding, Alberta will continue to attract a large contingent of interprovincial and international migrants. Its very competitive taxation and dynamic labour market will also favour economic growth and household formation, supporting strong housing demand over the next few years.

British Columbia

The residential construction recovery will be slow in British Columbia and will materialize only after 2001 as conditions improve in the Asia-Pacific zone. In the meantime, the province will have to contend with neutral or slightly favourable interprovincial migration flows, well below the levels observed in the early 1990s, partly due to the province's economic performance relative to its two main competitors: Alberta and Ontario.

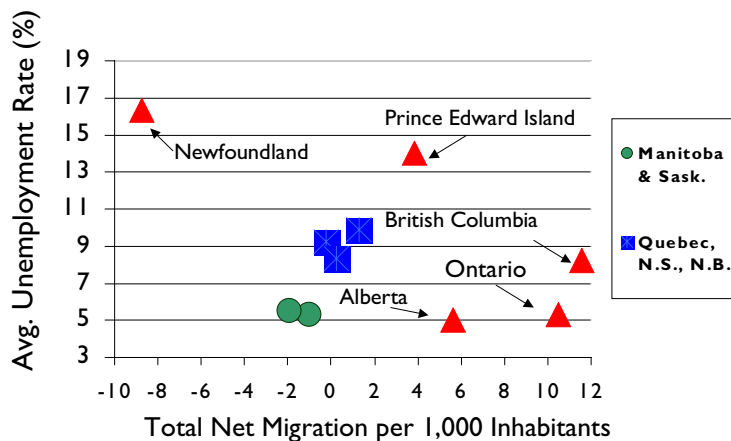
Forecast Risks

The probability of an economic slowdown in the U.S. and in Canada is rising. The American economic growth cycle has already shattered a longevity record, and nothing lasts forever. In fact, American monetary authorities are saying that the U.S. economy is growing too rapidly and that it will have to return to a more sustainable level. This idea that the North American economy is nearing the end of its cycle leads us to believe that residential construction in Canada through 2004 will rise and then fall. Risks are on the downside over the medium term, that is, tending towards a lower level of housing starts than our forecast. The risks that could dampen Canadian housing markets are as follows:

- **Lower than expected international migration.** Lower migration levels would directly drive down housing starts in British Columbia and Ontario. Our forecast calls for an average net international migration level of 179,000 persons between 2000 and 2004.
- **Marked increase in interest rates.** Higher employment and income levels have meant that rising interest rates have not slowed down the economy or housing demand in North America. U.S. interest rates will be raised gradually, as long as the U.S. economy does not show any serious signs of slowing down. An additional increase of 150 or 200 basis points in interest and mortgage rates, in both the U.S. and Canada, would undoubtedly have a negative impact on housing starts in Canada.
- **Oil crisis.** A sustained and persistent increase in oil prices would inevitably have repercussions on production costs, inflation, and the economy in general.

Housing Starts Growth Potential

Average Unemployment Rate and Average Net Migration
2000-2004



Source: CMHC.

- The potential for housing starts grows as net migration levels rise and labour market conditions tighten. For the next few years, Ontario has the greatest housing starts growth potential, as strong international immigration levels and a robust economy are forecast for this province.
- The potential is not as great in Alberta and B.C., respectively on account of a lesser capacity to attract international migrants and a slower labour market. Elsewhere, the potential is limited by weak or negative net migration levels.

British Columbia

Overview

B.C.'s home market needs a boost of consumer confidence.

Due to the slow recovery of interprovincial migration levels and weak demand from international buyers, the B.C. housing market must rely on local homebuyers to stimulate housing demand. However, many local buyers are staying on the sidelines as consumer confidence remains weak, and personal income cannot keep pace with the rising costs of land acquisition, materials, and labour that developers are reporting. Over the next two years, confidence in general and willingness to make major purchases, such as homes, will remain fragile.

On a bright note, we feel that the housing market bottomed-out in 1999. CMHC forecasts housing starts to recover in 2000, up 7 per cent to 17,500. Single-detached homes and townhomes will be the preferred housing types. High-rise apartment

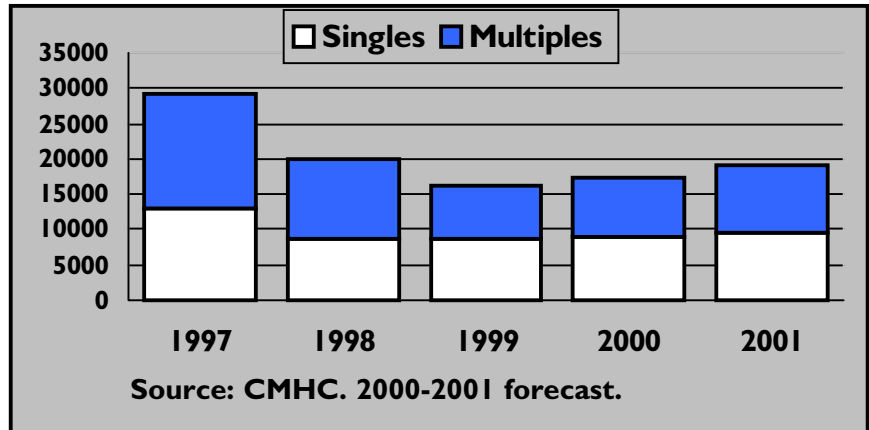
In Detail

Single Starts: Single-detached housing is the mainstay of the housing market. Due to rising costs, small-lot subdivisions will be popular with developers, local government, and consumers since they are compact, affordable, and sustainable. Design themes will continue to follow the craftsman style.

Multiple Starts: High-amenity condominium projects with water views will predominate next year. Competition among developers for class "A" locations will keep land prices high, so watch for developers using smaller spaces in more creative ways to maintain affordability.

Resales: The resale market will continue to maintain strong levels in most non-resource dependent markets. Increases in resales will be limited to preferred neighbourhoods in urban and resort-based markets, and even here, only if vendors do not attempt to increase prices. Look for more buyers from the U.S. and Alberta, especially in resort markets.

B.C. Starts



starts will remain weak.

Some of the economic news coming out of B.C. looks better than one year ago. Improvements in commodity prices will result in slightly better performance for some of B.C.'s resource towns. High technology industries will make even stronger advances in the Greater Vancouver area. Tourism will continue to burgeon as demand from Asian and American tourists grows. Specialty sectors, such as film and television, will continue to gain a solid foothold. The well-established transportation and communications sectors will further leverage their positive links to the Pacific Rim, and better performance in the Asian economy is expected to continue into the medium term.

Prices: Mortgage rates will be particularly important to watch in the B.C. housing market. As rates move up, buyers will be knocked out of the market since there have been only minor gains in real personal income over the last five years. The forecast is for MLS resale prices to fall 2.5 per cent in 2000.

Spotlight on HIGH TECH

Job growth to continue to support housing

The number of high-tech firms in B.C. doubled from 1994 - 1998, from 7,400 to 15,000. Job creation from high tech is expected to increase sharply from the 15,000 jobs created annually in the last two years. These jobs will be primarily in the Greater Vancouver area. Most high-tech firms are newly created startups with fewer than ten employees.

Computer and related services, followed by scientific and technical services, are the two predominant sectors, achieving solid employment growth. Growth prospects are positive given the new high-tech industrial parks proposed for Vancouver, Burnaby, Richmond, and other urban B.C. locations.

Alberta

Overview

Weaker new home market despite solid economic growth in 2000.

Rising investment in the energy sector will restore strong economic growth to the Alberta economy over the forecast period. Work is proceeding on Suncor's Millenium Project and Syncrude's Aurora Mine in **Fort McMurray**. Shell has announced plans to develop its Muskeg River project north of **Fort McMurray**, as well as expand its facilities in Strathcona County. In addition, recent expansions in the food and beverage processing and petrochemical industries will increase manufacturing shipments and exports. The resulting job growth and wage gains will provide a boost to consumer confidence and consumption.

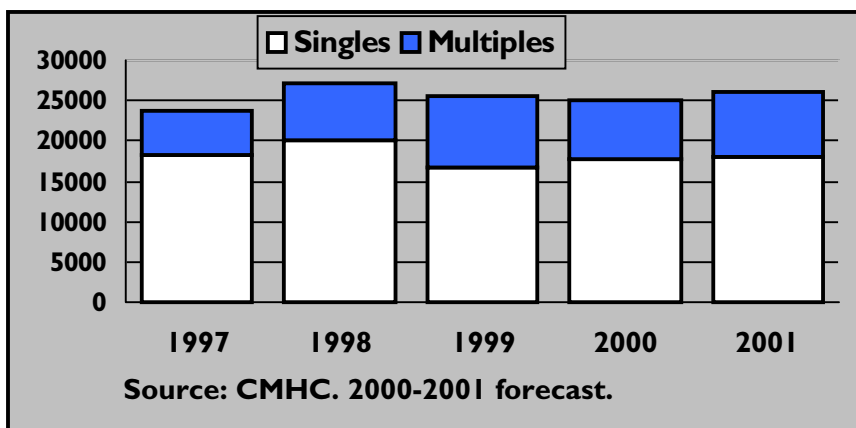
In Detail

Single Starts: Sustained employment growth will boost consumer confidence, lifting demand for new single-detached homes. Starts will reach 17,675 units in 2000, an increase of 5.9 per cent over 1999. As interest rates ease, some momentum will carry over to 2001, resulting in 2.5 per cent growth.

Multiple Starts: Following a climb to a 17-year high in 1999, multi-unit construction will record a 15 per cent reduction this year in response to concerns about excess supply. The largest decline will be in **Calgary**, though **Edmonton** will experience a slight drop as well. Expect to see the majority of the adjustment in apartments and, to a lesser extent, row units, with suburban areas experiencing much of the impact.

Resales: Resales will post a moderate gain in 2000, but with interest rates rising, will not break the record set in 1997. Expect a new record in 2001, as resale markets benefit from additional listings and a buoyant job market. Sales of existing homes will average 43,650 over the forecast period. In

Alberta Starts



Despite strong economic growth in Alberta, housing starts are expected to decline by 1.3 per cent in 2000. The pace of activity will be undermined by a downward adjustment to multiple construction, mostly in response to lingering concerns over the high supply of condominiums in **Calgary**. Other factors, including higher mortgage rates, weakening migration levels, and elevated costs for new construction will further serve to limit demand for new housing.

many Alberta centres, the resale market will be heading toward a better balance between buyers and sellers.

Prices: The average MLS price is expected to surpass \$145,000 this year, although price growth will moderate from the pace of previous years as affordability conditions weaken. Because price growth will fall short of that in the new home market, look for the price gap between existing and new homes to widen over the next two years.

Spotlight on ENERGY MARKETS

Positive outlook for oil and gas drive housing

A major increase in oil and gas activity is anticipated in 2000. The consensus among forecasters calls for approximately 10,700 oil wells to be drilled in Alberta this year, representing an increase of nearly 38 per cent over 1999 levels.

It should be noted that the forecast was based on an oil price of \$US18/bbl for 2000. Due to successful supply management by OPEC, oil prices have been sustained above \$US30/bbl. Even if OPEC increases production, oil prices should average more than \$US20/bbl for the year. As a result, cash flows for Alberta producers will increase, providing a further boost to drilling activity.

Saskatchewan

Overview

Housing demand firm despite weak economy.

Despite lackluster economic conditions, housing starts held their own last year, nudging past 3,000 units. This pace will be maintained in coming years. Single starts will rebound as employment grows. Although multiple construction may slow some in 2000, it will bounce back when unoccupied inventories are exhausted. Skilled construction tradespeople will be scarce.

There is no end in sight to the scarcity of good-quality, moderately priced resale homes. In-migration from rural Saskatchewan and demand from renters faced with rising rents will ensure steady increases in resale prices and sellers' market conditions in most cities.

World prices for the province's agricultural

In Detail

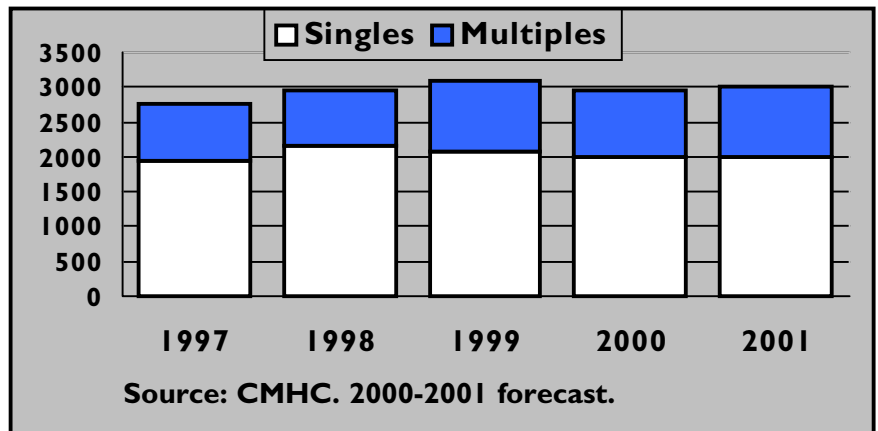
Single Starts: Single starts will maintain their pace in 2000 and beyond as demand from buyers unable to find a home in the resale market persists. Rural housing starts, especially on reserve, are also contributing to single housing construction in the face of weak employment growth.

Multiple Starts: Growing numbers of empty-nester and senior households are playing the biggest role in multiple construction. Condominium and assisted-living projects will continue to be popular with these groups. In many cases, seniors are demanding luxury features and amenities not found in the existing housing stock, requiring developers to produce new housing.

Resales: Look for a continuation of the supply-driven markets prevalent for the last 5 years. In this environment, sales are restricted more by a lack of good-quality resale housing than by demand. The period of time required to sell a home is dropping in most cities.

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Saskatchewan Starts



and mineral products will define the economic future. Saskatchewan's dependence on its natural resources showed clearly in 1999. Employment growth was slack. The diversification of the past 10 years saved the province from more severe economic fallout.

The economy will continue to expand and create jobs. Economic growth should be broad-based, founded on recovery in the farm sector; higher oil and natural gas production, and increased shipments in the manufacturing sector. However, as in the past, economic growth will be below the national average.

Prices: Though price increases are modest overall, they are well in excess of inflation. Good-quality starter homes will enjoy the highest gains. Despite rising prices, resale property remains affordable compared to other provinces.

Spotlight on SENIORS

Rising affluence of the pre-retired and retired population influences housing demand

CMHC household projections suggest Saskatchewan will have one of the largest shares of retirees in Canada.

Statistics Canada tells us that this group is relatively affluent compared to the pensioners of pre-1980. Further, we have not yet seen the full benefit of the maturing employer pensions and RRSPs that today's high-income earners will enjoy when they retire.

Income has been shown to be an important factor in the size of living accommodation desired and may be related to demand for other features that make retirement more comfortable. Thus, rising income among seniors is contributing to demand for upscale multiple housing.

Manitoba

Overview

Housing markets supported by steady employment growth due to well diversified economy.

The Manitoba economy grew by 2.2 per cent in 1999. Gains in consumer spending and the economic stimulus from the Pan Am games were some of the major factors behind the growth. The province would have recorded even better growth if the agriculture, manufacturing, and mining sectors had not shown a sub-par performance in 1999. Indeed, the growth in the Manitoba economy over the past year is a testament to its diversified nature.

Manitoba's output will expand as the agriculture, mining, and manufacturing sectors recover from last year's poor performance and the service sector continues to be a major contributor to growth. Cuts in income taxes coupled with tight labour markets will increase disposable income and

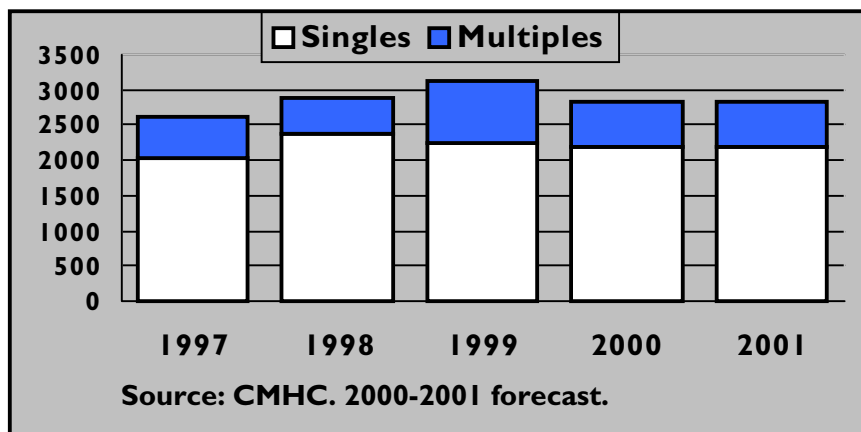
In Detail

Single Starts: Following a 6 per cent reduction last year due to weaker construction activity in the rural areas, look for single starts to stabilize this year and in 2001. Large metropolitan areas will continue to record robust activity as a result of strong consumer confidence and a lack of choice in the resale market.

Multiple Starts: Multiple construction has dropped significantly so far this year, since a large number of new units are expected to reach the market in the middle of 2000. Despite the pause in multiple construction, starts will remain at healthy levels in the next two years. Over the longer term, the demand for multiple-family units will continue to grow as Manitoba's population ages.

Resales: On the heels of a 3 per cent increase in 1999, the resale market is expected to exceed last year's sales performance in 2000. Urban centres will

Manitoba Starts



should counteract the negative effect of higher interest rates on consumer spending. As a result, real GDP is forecast to grow at an average annual rate of 2.5 per cent this year and next.

Starts are expected to decline by 9 per cent this year largely due to a reduction in multiple starts. This lull in multiple activity can be qualified as a cautionary pause that will help avoid a glut on the market. However, multiple-type dwellings will continue to gain in popularity especially for households headed by those 55 and older, which are projected to grow over the coming years. Overall, total housing starts will be close to the 3,000 mark.

continue to exhibit robust activity even though listings are diminishing. Dollar volume will keep breaking new records over the next few years.

Prices: Strong appreciation in both new and resale prices is anticipated in 2000 due to scarce listings and higher building costs. Price increases will moderate in 2001.

Spotlight on the LABOUR FORCE

Labour market conditions remain promising

The labour market will perform well in 2000, adding 3000 new jobs, with a major shift from part-time to full-time positions forcing the unemployment rate down to 5.5 per cent. Most of the jobs will be in transportation & storage, agriculture, health & social services sectors. In 2001, employment will continue to grow and support housing demand and stronger consumer confidence. Furthermore, improving net migration will fuel labour markets as employment prospects remain bright. Manitoba should gain from all provinces except Alberta.

Ontario

Overview

Jobs will bolster housing demand.

Ontario home starts skyrocketed in the first quarter of this year, accounting for half of Canada's starts. The magnitude of this increase should be interpreted with a bit of caution, however, as volatile multiple starts were responsible for most of the rise.

There is good reason for housing demand strength. The economy is humming along in the midst of a solid economic expansion. Jobs have improved household formation. The help-wanted index is up. Consumers are out in force, and Ontario residents are snapping up more large-ticket items such as homes and cars. Moreover, reasonably low labour force participation rates and employment ratios suggest that several years of strong job growth remain before the province's economy overheats.

Housing starts will jump from 67,235 in

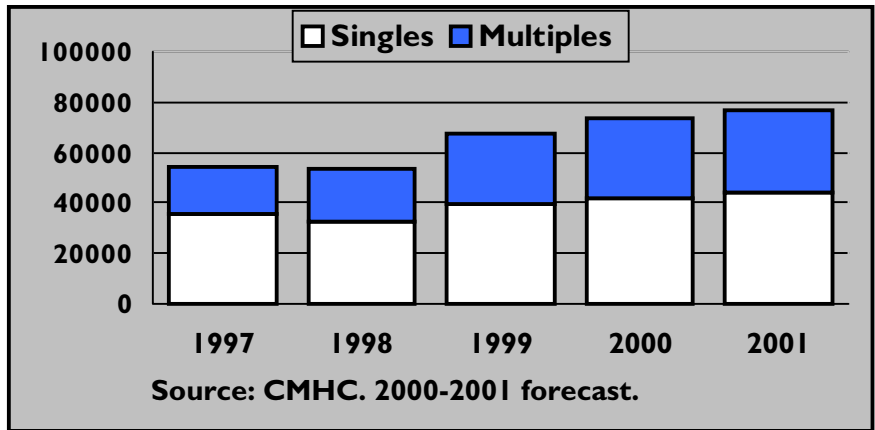
In Detail

Single Starts: Single starts will rise by 6.5 per cent this year. Jobs and consumer confidence will keep demand up for this most popular and most expensive form of housing. Strong resale markets will help new detached-home demand by providing buyers moving up to a new home with purchasers for their current homes.

Multiple Starts: Multiple starts will jump by 15 per cent. As home ownership carrying costs rise during the current spurt of economic growth, proportionately more home purchasers will turn to newly constructed multiple dwellings as an affordable substitute for single-detached homes. Most of the province's multiple construction will be in ownership town homes and condominium apartments. Rental construction will edge up from a very low level last year.

Resales: Resale home markets have tightened across most of Ontario with the exception of the North. Strong job creation

Ontario Starts



1999 to 74,000 this year — the highest annual level since 1989. While residential construction in the next few years will approach peak late-1980s boom levels, they will not reach them. The key reason for the softer construction peak is that despite a strong economy, the population is older this time around, so that more people already own homes.

On the migration side, the influx of both immigrants and job seekers from other parts of Canada is growing. Non-permanent resident numbers are also up. Migrants, who typically take some time to become established, rent initially and hence put pressure on the rental market. Their demand for ownership homes comes several years later.

will push sales through the Multiple Listings Service to a new record. The dampening effect of slightly higher mortgage rates will moderate the magnitude of the sales increases.

Prices: A dwindling supply of new listings implies prices are poised for slightly faster growth this year. The average increase will be in the six per cent range.

Spotlight on DEMOGRAPHICS

Potential Housing Demand (PHD) is estimated by starting with birth, death, and migration scenarios to project the size and age structure of Ontario's population and ultimately to assess implied household formation numbers.

Typical Ontario PHD runs for the next five-year period average under 60,000 households per year for a low migration scenario; 74,000 for sustained current migration levels; and just under 85,000 households if net immigration jumps.

A hot economy will push actual household formation above the demographic potential.

Quebec

Overview

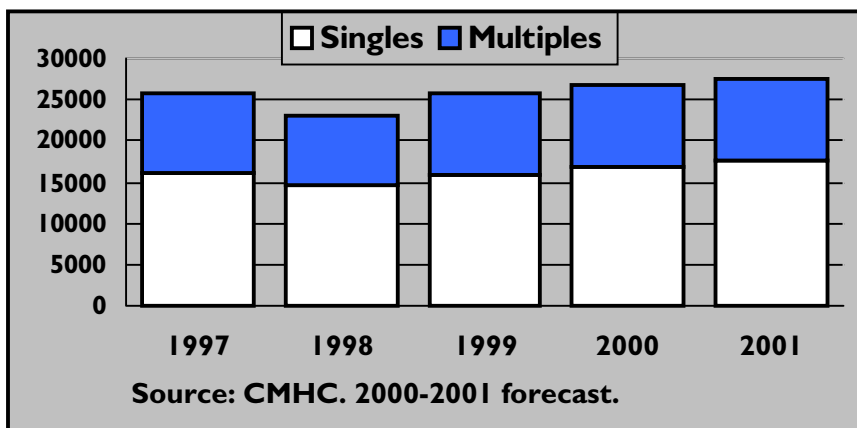
The good health of the Quebec economy continues to stimulate the housing market.

Housing starts are expected to pursue their upward trend in 2000 and 2001, reaching 27,500 units in 2001, the highest level since 1994. The resale market will also remain very active during the next two years, with sales volumes slightly below the record levels registered in the late 1990s.

The Quebec economy is starting off the new millennium quite vigorously, a situation that will be maintained over the next few years. This vigour will also be felt in the housing market in 2000 and 2001.

Employment growth will continue this year and next year, thanks in particular to the high-technology sector. This growth will

Quebec Starts



drive the unemployment rate below the 9 per cent mark in 2000 and 2001.

With the economy at full speed, Quebec consumers are not only finding jobs, often full-time positions, but they are also showing a higher level of confidence. Improving fortunes are translating into greater spending for big-ticket items such as homes. All these factors will support strong housing demand.

In Detail

Single Starts: Single starts will continue to grow. In 2001, they will hit 17,600 units, the highest level since 1994. With the price of new homes almost as appealing as that of existing properties, new houses will attract more second- and third-time buyers wanting a made-to-order home.

Multiple Starts: Multiple housing starts will be maintained over the next two years, thanks, in large part, to the condominium and rental apartment market. Rental demand is being buoyed by low vacancy rates and growth in the population of young adults. In the condominium sector, construction is being stimulated by the vigour of resale activity, especially in **Montréal**.

Resales: Sales will drop moderately over the next two years, following the record number of transactions posted in 1999. However, the level will stay above 45,000 sales per year. It should be noted that the resale sector is now moving towards a seller's market, a turnaround in market conditions.

Prices: The tightening of the housing market is continuing to drive up prices. Price increases will be around 1.5 per cent for both new and existing homes in 2000 and 2001.

Spotlight on AGING

The aging of the population: a reality, but not for tomorrow

The aging of the population will increasingly become a reality, especially as of 2011. The proportion of persons aged 65 years or older, which stood at 12 per cent in 1996, will attain 16 per cent in 2011.

As a result, the need for apartment units, for independent seniors, is certainly present, although relatively modest for the moment. But, this need will be felt to a greater degree after 2006. As well, the need for room-and-board units will be mainly felt in 20 years.

Excerpt from the *Long-Term Outlook, Population and Households, 1996-2011*, CMHC-Quebec.

New Brunswick

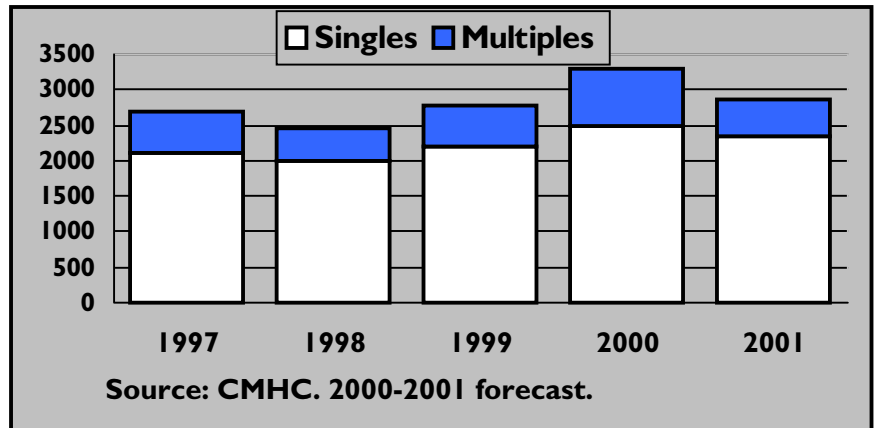
Overview

Demand to shift from existing homes to new construction.

A second consecutive year of economic growth above three per cent is expected to create almost 5,000 new jobs in New Brunswick in 2000, keeping consumers brimming with confidence. This will continue to support strong housing demand throughout the year.

Although economic growth and job creation will moderate from the lofty levels of 1999, the spin-offs from construction mega-projects such as the Irving Refinery expansion and the Moncton-Fredericton Highway Project will have maximum impact on the provincial economy this year and decline thereafter. Nonetheless, redoubled economic diversification efforts across the province should alleviate the inevitable deceleration in growth as these projects

New Brunswick Starts



wind down.

Sparse resale market inventories and declining rental vacancy rates in larger urban centres will spur strong growth in new home and rental unit construction this year, moderating in 2001 as demand subsides. Total housing starts are expected to increase 19 per cent this year, soaring well beyond the 3,000 mark but returning to more sustainable levels in 2001. Existing home sales are expected to decline from 1999's record level as an increasing number of home buyers opt for new construction to meet their housing needs in light of limited offerings on the resale market.

In Detail

Single Starts: On the heels of a very strong fourth quarter of 1999, single starts will rise 13.6 per cent this year, as a growing number of potential home buyers are drawn to new construction after being unable to find what they want on the resale market. While urban single starts will account for most of the growth in 2000, rural single starts will also grow modestly. Subsidizing demand is expected to dampen single starts in 2001.

Multiple Starts: After jumping more than 25 per cent from 1998 to 1999, multiple-unit construction is expected to grow even more strongly in 2000 as developers seize opportunities in the **Fredericton** and **Moncton** markets. However, starts will tail off sharply in 2001 as the recent surge in new rental supply catches up with demand.

Resales: Two successive years of 4000-plus sales of existing homes have substantially reduced resale market inventory, especially in larger markets. Consequently,

sales activity is expected to decline by approximately 2 per cent this year and again in 2001.

Prices: Tightening market conditions and sustained housing demand will continue to produce modest price growth over the next two years, albeit at an abated and decelerating pace compared to the 2.5 per cent posted in 1999.

Spotlight on EMPLOYMENT

Diversification efforts will pay dividends

The New Brunswick economy is expected to create almost 5,000 new jobs this year in addition to the more than 10,000 created in 1999. While much of this employment can be attributed to construction mega-projects and recovering resource industries, a growing share of new jobs are in the information technology and telecommunications industries.

Job creation in these sectors will undoubtedly pay dividends in the future by easing the negative economic impacts of the impending "mega-project wind downs" that have resulted in volatility and uncertainty in the provincial economy in the past.

Nova Scotia

Overview

Housing markets to slow from hectic pace set in 1999 as Sable gas is now ashore.

Slower economic growth combined with increased inflationary pressures and softening consumer confidence will result in fewer resales and single starts in Nova Scotia this year. Resales will retreat from the record high seen in 1999. With demand for new single-detached homes softening, the labour and materials shortages seen in 1999 will not be repeated this year.

In contrast, multiple-family developers will be more active in 2000. Pushing multiple-family activity to higher levels will be the re-emergence of the condominium market.

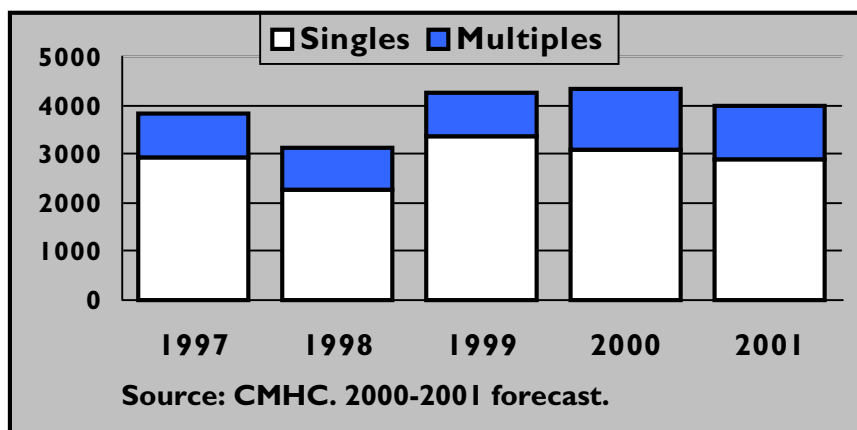
Industry players will remain active for the next 18 to 20 months as the distribution phase of Sable gas and further offshore exploration temper the effects of a slower economy. Favourable migration flows led by

In Detail

Single Starts: Single starts will retreat from the 5-year high set in 1999. A slower resale market along with reduced economic and job growth will leave fewer buyers in search of newly built homes. Notwithstanding the drop in activity, builders can expect to see the less price-sensitive move-up buyer continue to drive demand for larger homes throughout much of the year.

Multiple Starts: Low vacancy rates, rising rents, and a growing move-down market will push multiple-family starts to a 5-year high this year. Spacious rental units in prime locations, centered on **Halifax**, will be competing for the attention of a growing senior and empty-nester market. Adding to the strength in multi-family construction will be increased condominium development offering the move-down market an alternative to high-end rental accommodation.

Nova Scotia Starts



the growing oil and gas industry will also promote continued healthy housing markets as professionals and executives arrive in Nova Scotia. This influx combined with low rental vacancies and limited resale listings will contribute to steady demand for newly built homes.

Halifax will remain the growth leader for some time to come. Continued job growth and strong migration flows will support a healthy housing market for the next 1 to 2 years. Retirement properties in rural Nova Scotia will also see good growth over the outlook period. Conversely, activity in centres like **New Glasgow** and **Truro** will slow as a result of Sable, while **Cape Breton** will remain weak due to a chronically weak economy.

Resales: Reduced affordability and limited listings will keep resales from reaching the record high set in 1999. Still, with 8,300 sales forecast for this year, Nova Scotia real estate agents will remain active.

Prices: Prices, which broke through \$100,000 last year, will show modest growth. A limited number of listings and active move-up buyers will push prices up this year and next.

Spotlight on MIGRATION

Migrants help push housing demand up

With housing demand so strong in 1999, those in the industry wondered where all the people were coming from. A closer look at migration data gives us some of the answers.

International migrants drive Nova Scotia's net migration. Families coming from the U.S. and Europe often look at Nova Scotia for its very affordable land. Within Canada, migrants coming from Newfoundland and New Brunswick help offset outflows to Ontario and Alberta. With strong migration flows in 1999, it should come as no surprise to see active housing markets.

P.E.I.

Overview

Bridging tradition and technology

The Island's economy will continue to post annual growth above 2 per cent through 2001. Most of the traditional sectors are expected to do well, but the positive economic prospects for Prince Edward Island will be driven mainly by rapid expansion of its non-traditional industries.

All recent job-creation announcements in Prince Edward Island were directly related to high-tech industries. Several communication and technology companies located in the West Royalty industrial park in **Charlottetown** are planning to expand in the near future.

The aerospace sector in Slemon Park did particularly well over the last few months. Strong employment growth in that industry is having a positive impact on the

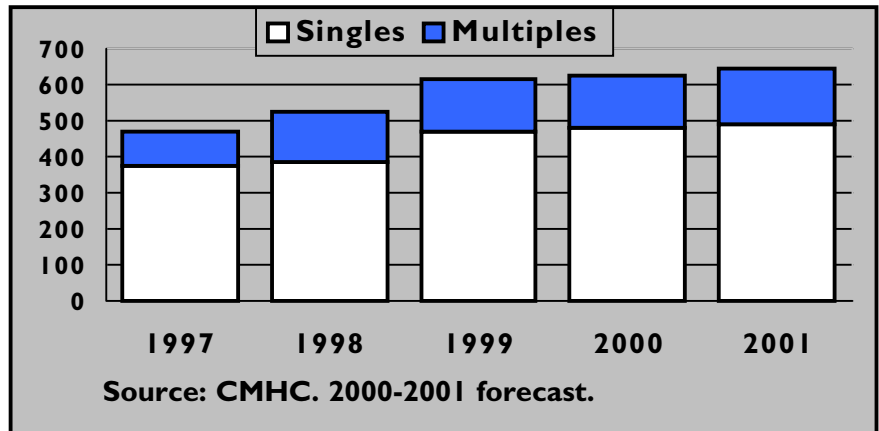
In Detail

Single Starts: Last year, single starts reached the highest level since 1991. An aging population combined with strong consumer confidence and attractive mortgage rates will continue to stimulate the demand for single-detached homes. Starts are expected to increase over the next two years.

Multiple Starts: The trend towards multiple-unit starts targeted to seniors and empty-nesters is expected to pick up over the forecast period. Multiple starts will increase this year and in 2001.

Resales: MLS sales will remain strong but will be unlikely to match the 1999 record level given fewer listings at affordable prices in the **Charlottetown** area. Sales are expected to drop this year and next year, but will remain at healthy levels.

P.E.I. Starts



Summerside housing market, where new home construction increased significantly in 1999. Single and multiple starts both rose. Despite an increase in new rental accommodation, the vacancy rate in **Summerside** dropped to 5.5 per cent from 8.8 per cent a year earlier.

A strong North American economy combined with the relatively low level of the Canadian dollar and improved accessibility to the Island thanks to the fixed link are helping to create a new climate for investment. These positive factors will raise housing starts in 2000 and 2001.

Prices: In the face of plentiful listings, average resale prices in the **Summerside** area have declined by more than \$10,000 over the last two years. However, this weakness will not be enough to outweigh rising prices in the larger **Charlottetown** market. For the province as a whole, modest price increases are expected this year and next year.

Spotlight on MIGRATION

In-migration expected in the long term

PEI's determination to build on its strengths and its traditional industries, while at the same time positioning itself to take advantage of the new economy, is expected to stimulate in-migration in the long term.

The Island's increasing popularity as a retirement destination will continue to attract older people, while the transition to the new economy combined with a broader range of programs for students should motivate more young people to stay on the Island.

Newfoundland

Overview

Economic expansion will keep consumers in a good mood and stimulate housing demand.

Highlighted by ongoing expansion within the offshore oil industry, the provincial economy will remain one of the strongest in the country over the next few years. Economic growth will also be enhanced by improved markets for some commodities and further gains in employment and personal incomes. These conditions will continue to fuel retail trade and other service-related industries. Over the longer term, the economy will be bolstered by the start-up of the Whiterose oil development and the massive Labrador Hydro Project.

Net migration will continue to benefit from strong labour markets as local job opportunities keep people from leaving and prompt others to return home. Wage growth, fur-

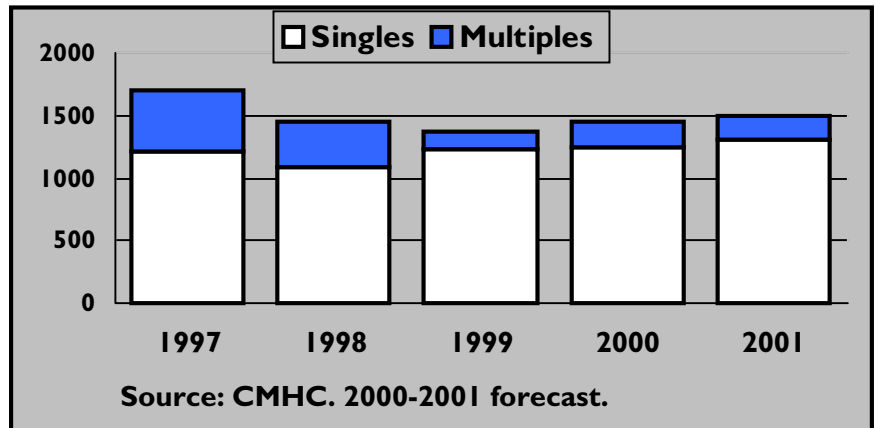
In Detail

Single Starts: Demand spillover from the existing homes market, where supplies of good-quality units are becoming more scarce, will be a major contributor to anticipated growth in single-detached starts this year and next. Income growth coupled with a steady stream of move-up buyers will also stimulate the singles market.

Multiple Starts: With oversupply in provincial rental markets expected to persist, investment in multiples will remain heavily concentrated in the ownership market. Conversion of vacant rental, commercial, and institutional space to condominiums will remain a drag on multiple-unit starts. Demand from seniors for an assortment of low-maintenance and affordable housing will generate some investment in both rental and condominium units.

Resales: A strong labour market and high consumer confidence will keep MLS sales on a record-setting pace this year. Further growth in the oil and high-tech industries will ensure an expanding pool of highly paid

Newfoundland Starts



ther enhanced by tax relief initiatives, will keep consumers in a good mood and continue to stimulate housing demand.

Not all regions of the province will reap the same benefits from the prolonged economic upturn. Adjustment pressures in rural economies as a result of restructuring in the fishery will continue to suppress housing demand in outlying communities.

The **St. John's** region, as the hub of oil development activity, will continue to dominate the provincial housing landscape over the next few years with all segments of its housing market poised to grow.

professionals and maintain demand for home ownership. The move-up market will also benefit from the increased wealth of aging boomers.

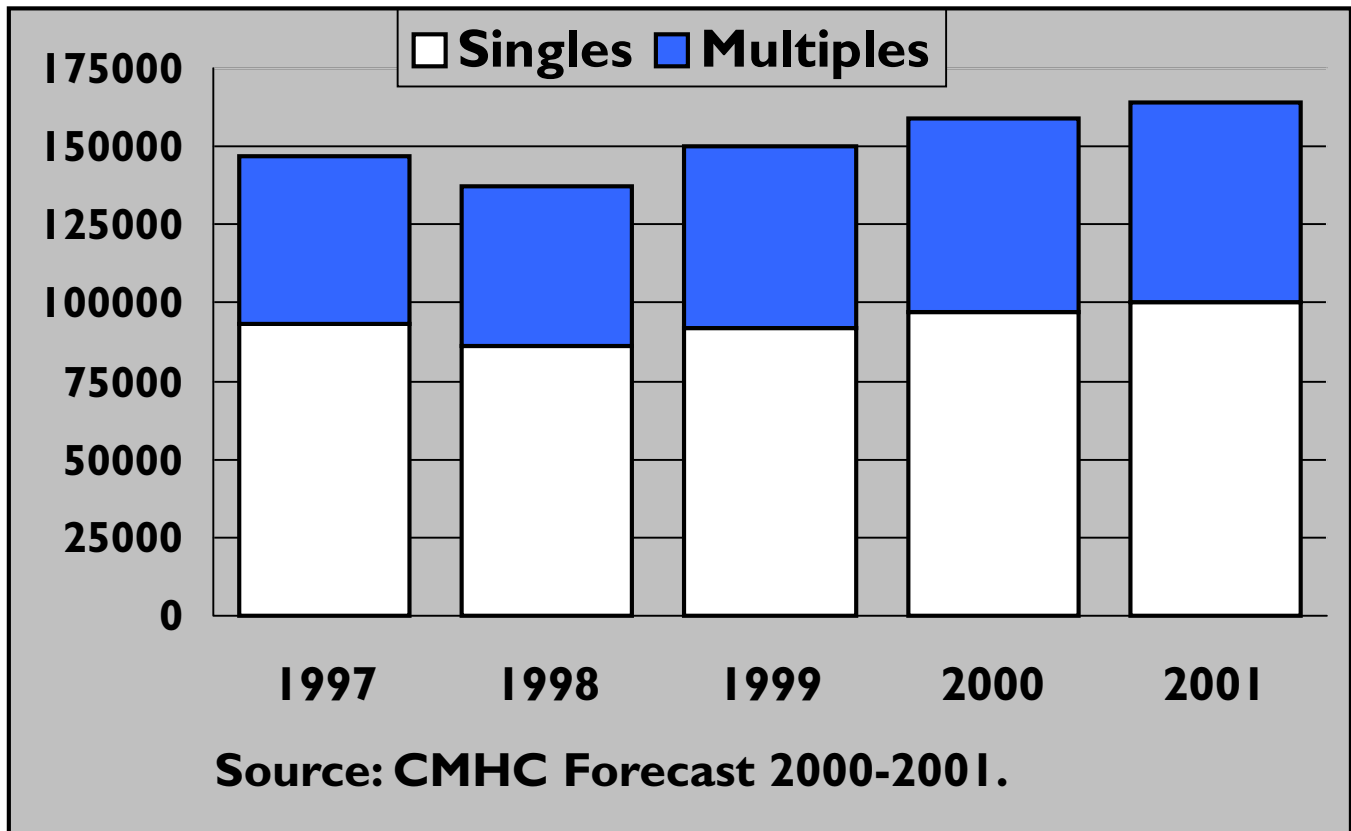
Prices: An active move-up market combined with dwindling supplies will propel the average MLS price to record levels.

Spotlight on the ST. JOHN'S RENTAL MARKET

After hovering in double digits for the past three years, the apartment vacancy rate in the St. John's region recorded a big improvement in 1999. Healthy employment growth in service-based industries, increased student enrollments, and in-migration associated with the expanding oil and high-tech industries all stimulated rental demand. Fewer starts of rental units and conversion of vacant rental space to condos also helped to lower vacancy rates.

October's vacancy rate of 9.2 per cent was down significantly from 15.4 per cent a year earlier. In fact, the St. John's rental market posted the largest improvement of any major centre in the country. As the economy continues to expand and migration flows improve, vacancy rates are expected to edge down further in coming years.

Canada Starts



Total Housing Starts (units and annual per cent change)							
	1995	1996	1997	1998	1999	2000 (F)	2001 (F)
NFLD	1712	2034	1696	1450	1371	1450	1500
%	(23.7)	18.8	(16.6)	(14.5)	(5.4)	5.8	3.4
PEI	422	554	470	524	616	625	645
%	(36.9)	31.3	(15.2)	11.5	17.6	1.5	3.2
NS	4168	4059	3813	3137	4250	4350	4000
%	(12.2)	(2.6)	(6.1)	(17.7)	35.5	2.4	(8.0)
NB	2300	2722	2702	2447	2776	3300	2850
%	(28.2)	18.3	(0.7)	(9.4)	13.4	18.9	(13.6)
QUE	21885	23220	25896	23138	25742	26748	27517
%	(35.9)	6.1	11.5	(10.7)	11.3	3.9	2.9
ONT	35818	43062	54072	53830	67235	74000	77000
%	(23.2)	20.2	25.6	(0.4)	24.9	10.1	4.1
MAN	1963	2318	2612	2895	3133	2845	2845
%	(38.6)	18.1	12.7	10.8	8.2	(9.2)	0.0
SASK	1702	2438	2757	2965	3089	2950	3000
%	(18.9)	43.2	13.1	7.5	4.2	(4.5)	1.7
ALTA	13906	16665	23671	27122	25447	25125	26000
%	(21.4)	19.8	42.0	14.6	(6.2)	(1.3)	3.5
BC	27057	27641	29351	19931	16309	17500	19000
%	(31.3)	2.2	6.2	(32.1)	(18.2)	7.3	8.6
CAN	110933	124713	147040	137439	149968	*158900	*164400
%	(28.0)	12.4	17.9	(6.5)	9.1	6.0	3.5

Source: CMHC Forecast 2000-2001.
 (F) Forecast.
 * Total does not add due to rounding.

Single-detached Starts (units and annual per cent change)							
	1995	1996	1997	1998	1999	2000 (F)	2001 (F)
NFLD	1165	1395	1220	1086	1233	1250	1300
%	(19.9)	19.7	(12.5)	(11.0)	13.5	1.4	4.0
PEI	364	430	374	387	472	480	490
%	(19.8)	18.1	(13.0)	3.5	22.0	1.7	2.1
NS	3040	3278	2939	2257	3345	3100	2900
%	(9.5)	7.8	(10.3)	(23.2)	48.2	(7.3)	(6.5)
NB	1722	2173	2125	1989	2201	2500	2350
%	(32.4)	26.2	(2.2)	(6.4)	10.7	13.6	(6.0)
QUE	13428	14818	16073	14685	15798	16773	17608
%	(27.1)	10.4	8.5	(8.6)	7.6	6.2	5.0
ONT	20124	27019	35401	32737	39421	42000	44000
%	(33.0)	34.3	31.0	(7.5)	20.4	6.5	4.8
MAN	1564	1875	2019	2368	2231	2180	2200
%	(35.9)	19.9	7.7	17.3	(5.8)	(2.3)	0.9
SASK	1341	1612	1954	2154	2070	2000	2000
%	(13.0)	20.2	21.2	10.2	(3.9)	(3.4)	0.0
ALTA	10096	12949	18170	20077	16688	17675	18125
%	(20.3)	28.3	40.3	10.5	(16.9)	5.9	2.5
BC	11581	12447	12911	8691	8731	9000	9500
%	(30.2)	7.5	3.7	(32.7)	0.5	3.1	5.6
CAN	64425	77996	93186	86431	92190	*97000	*100500
%	(28.0)	21.1	19.5	(7.2)	6.7	5.2	3.6

Source: CMHC Forecast 2000-2001.
(F) Forecast.
* Total does not add due to rounding.

Multiple Starts (units and annual per cent change)							
	1995	1996	1997	1998	1999	2000 (F)	2001 (F)
NFLD	547	639	476	364	138	200	200
%	(30.6)	16.8	(25.5)	(23.5)	(62.1)	44.9	0.0
PEI	58	124	96	137	144	145	155
%	(73.0)	113.8	(22.6)	42.7	5.1	0.7	6.9
NS	1128	781	874	880	905	1250	1100
%	(18.8)	(30.8)	11.9	0.7	2.8	38.1	(12.0)
NB	578	549	577	458	575	800	500
%	(11.9)	(5.0)	5.1	(20.6)	25.5	39.1	(37.5)
QUE	8457	8402	9823	8453	9944	9975	9909
%	(46.3)	(0.7)	16.9	(13.9)	17.6	0.3	(0.7)
ONT	15694	16043	18671	21093	27814	32000	33000
%	(5.5)	2.2	16.4	13.0	31.9	15.0	3.1
MAN	399	443	593	527	902	665	645
%	(47.2)	11.0	33.9	(11.1)	71.2	(26.3)	(3.0)
SASK	361	826	803	811	1019	950	1000
%	(35.1)	128.8	(2.8)	1.0	25.6	(6.8)	5.3
ALTA	3810	3716	5501	7045	8759	7450	7875
%	(24.1)	(2.5)	48.0	28.1	24.3	(14.9)	5.7
BC	15476	15194	16440	11240	7578	8500	9500
%	(32.2)	(1.8)	8.2	(31.6)	(32.6)	12.2	11.8
CAN	46508	46717	53854	51008	57778	*61900	*63900
%	(27.9)	0.4	15.3	(5.3)	13.3	7.1	3.2

Source: CMHC Forecast 2000-2001.
(F) Forecast.
* Total does not add due to rounding.

		Multiple Housing Starts by Type						
		1995	1996	1997	1998	1999	2000 (F)	2001 (F)
NF	Semi-detached	72	141	158	163	50	60	70
	Row	40	40	18	20	9	40	40
	Apartment	435	458	300	181	79	100	90
	Total	547	639	476	364	138	200	200
PEI	Semi-detached	20	10	12	28	32	30	35
	Row	18	68	43	10	31	30	25
	Apartment	20	46	41	99	81	85	95
	Total	58	124	96	137	144	145	155
NS	Semi-detached	417	447	303	290	218	175	200
	Row	72	59	58	89	29	30	25
	Apartment	639	275	513	501	658	1045	875
	Total	1128	781	874	880	905	1250	1100
NB	Semi-detached	127	138	106	106	134	150	120
	Row	51	92	132	89	94	110	80
	Apartment	400	319	339	263	347	540	300
	Total	578	549	577	458	575	800	500
QC	Semi-detached	2264	2384	2767	1930	1586	1572	1472
	Row	1046	1094	1433	1074	1184	1187	1190
	Apartment	5147	4924	5623	5449	7174	7216	7247
	Total	8457	8402	9823	8453	9944	9975	9909
ON	Semi-detached	2306	3348	4299	4575	6445	8700	7900
	Row	6175	8124	9964	10073	10425	10800	11750
	Apartment	7213	4571	4408	6445	10944	12500	13350
	Total	15694	16043	18671	21093	27814	32000	33000
MAN	Semi-detached	45	126	143	131	90	120	115
	Row	121	113	96	81	151	125	100
	Apartment	233	204	354	315	661	420	430
	Total	399	443	593	527	902	665	645
SK	Semi-detached	86	134	160	174	155	150	200
	Row	60	193	352	222	104	200	200
	Apartment	215	499	291	415	760	600	600
	Total	361	826	803	811	1019	950	1000
ALB	Semi-detached	592	1049	1458	1428	1570	1625	1675
	Row	1340	1203	1691	1512	1424	1225	1320
	Apartment	1878	1464	2352	4105	5765	4600	4880
	Total	3810	3716	5501	7045	8759	7450	7875
B.C.	Semi-detached	1607	1528	1979	1218	816	900	1000
	Row	2964	3364	3469	2117	1444	2100	2300
	Apartment	10905	10302	10992	7905	5318	5500	6200
	Total	15476	15194	16440	11240	7578	8500	9500
CAN	Semi-detached	7536	9305	11385	10043	11096	*13500	*12800
	Row	11887	14350	17256	15287	14895	*15800	*17000
	Apartment	27085	23062	25213	25678	31787	*32600	*34100
	Total	46508	46717	53854	51008	57778	*61900	*63900

Source: CMHC 2000-2001 Forecast.

* Total does not add due to rounding.

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Multiple Housing Starts by Area and Tenure									
		Centres 10,000 population and over						Other Areas	All Areas Total
		Rental/Co-op		Total Rental	Condo	Other*	Total 10,000+		
		Private	Assisted						
NFLD	1999	6	0	6	0	117	123	15	138
	2000	50	0	50	40	100	190	10	200
	2001	50	0	50	40	100	190	10	200
PEI	1999	94	0	94	0	30	124	20	144
	2000	85	0	85	0	35	120	25	145
	2001	95	0	95	0	35	130	25	155
NS	1999	571	0	571	0	164	735	170	905
	2000	655	0	655	250	200	1105	145	1250
	2001	615	0	615	150	225	990	110	1100
NB	1999	284	0	284	58	185	527	48	575
	2000	565	0	565	75	125	765	35	800
	2001	270	0	270	50	140	460	40	500
QUE	1999	3444	0	3444	3456	1838	8738	1206	9944
	2000	3599	0	3599	3612	1921	9132	843	9975
	2001	3576	0	3576	3588	1908	9072	837	9909
ONT	1999	1313	0	1313	13184	13190	27687	127	27814
	2000	3900	0	3900	13300	14550	31750	250	32000
	2001	4200	0	4200	14500	14000	32700	300	33000
MAN	1999	455	0	455	301	8	764	138	902
	2000	185	0	185	345	10	540	125	665
	2001	195	0	195	340	0	535	110	645
SASK	1999	80	0	80	633	121	834	185	1019
	2000	50	0	50	720	100	870	80	950
	2001	75	0	75	750	100	925	75	1000
ALTA	1999	1264	0	1264	5439	748	7451	1308	8759
	2000	800	0	800	4550	900	6250	1200	7450
	2001	800	0	800	4925	950	6675	1200	7875
BC	1999	1038	537	1575	5034	692	7301	277	7578
	2000	1200	800	2000	5400	700	8100	400	8500
	2001	1200	800	2000	6100	900	9000	500	9500
CAN	1999	8549	537	9086	28105	17093	54284	3494	57778
	2000	11089	800	11889	28292	18641	58822	3113	**61900
	2001	11076	800	11876	30443	18358	60677	3207	**63900

Source: CMHC 2000-2001 Forecast.
 * Includes homeowner and unclassified units.
 ** Total does not add due to rounding.

MLS Total Residential Sales (units and annual per cent change)

	1995	1996	1997	1998	1999	2000 (F)	2001 (F)
NFLD	1655	2005	2170	2288	2437	2550	2550
%	(11.6)	21.1	8.2	5.4	6.5	4.6	0.0
PEI	476	750	806	1125	1184	1150	1100
%	(20.5)	57.6	7.5	39.6	5.2	(2.9)	(4.3)
NS	7019	8372	7567	8052	8827	8300	8000
%	(1.7)	19.3	(9.6)	6.4	9.6	(6.0)	(3.6)
NB	3496	4023	3941	4080	4338	4250	4150
%	4.7	15.1	(2.0)	3.5	6.3	(2.0)	(2.4)
QUE	29776	39135	43463	45192	49792	46680	46590
%	(11.2)	31.4	11.1	4.0	10.2	(6.3)	(0.2)
ONT	104993	137921	140608	138463	148660	151000	156000
%	(8.8)	31.4	1.9	(1.5)	7.4	1.6	3.3
MAN	9749	10965	11180	10762	11111	11200	11250
%	(9.9)	12.5	2.0	(3.7)	3.2	0.8	0.4
SASK	7349	8689	8346	8068	8053	7600	7500
%	(1.5)	18.2	(3.9)	(3.3)	(0.2)	(5.6)	(1.3)
ALTA	29098	37485	43693	43383	42684	43200	44100
%	(10.5)	28.8	16.6	(0.7)	(1.6)	1.2	2.1
BC	58082	72182	68182	52910	58084	59800	62000
%	(22.8)	24.3	(5.5)	(22.4)	9.8	3.0	3.7
CAN	251693	321527	329956	314323	335170	*335700	*343200
%	(12.5)	27.7	2.6	(4.7)	6.6	0.2	2.2

Source: Canadian Real Estate Association and Real Estate Board of the Fredericton Area Inc.,
CMHC Forecast 2000-2001.

(F) Forecast.

* Total does not add due to rounding.

MLS Average Residential Price (dollars and annual per cent change)

	1995	1996	1997	1998	1999	2000 (F)	2001 (F)
NFLD	89525	93661	92226	91514	94359	97500	99000
%	(2.4)	4.6	(1.5)	(0.8)	3.1	3.3	1.5
PEI	73803	83922	86403	79577	82139	83000	84000
%	(6.3)	13.7	3.0	(7.9)	3.2	1.0	1.2
NS	89788	93444	96693	97015	102628	104000	106000
%	(1.4)	4.1	3.5	0.3	5.8	1.3	1.9
NB	83993	84198	87204	86648	88843	90250	90500
%	(0.2)	0.2	3.6	(0.6)	2.5	1.6	0.3
QUE	98685	98435	101715	103947	107501	109100	110500
%	(3.4)	(0.3)	3.3	2.2	3.4	1.5	1.3
ONT	154606	155662	164382	167115	174048	185000	193000
%	(3.5)	0.7	5.6	1.7	4.1	6.3	4.3
MAN	81897	85318	85404	86419	84525	86607	87111
%	(2.2)	4.2	0.1	1.2	(2.2)	2.5	0.6
SASK	73796	77478	83978	87577	91396	95500	99500
%	1.5	5.0	8.4	4.3	4.4	4.5	4.2
ALTA	114772	117673	124865	132905	139621	145500	150600
%	(2.2)	2.5	6.1	6.4	5.1	4.2	3.5
BC	221860	218687	220512	212045	215283	210000	215000
%	(3.3)	(1.4)	0.8	(3.8)	1.5	(2.5)	2.4
CAN	150360	150837	154644	152366	158082	*164300	*170500
%	(5.0)	0.3	2.5	(1.5)	3.8	3.9	3.8

Source: Canadian Real Estate Association and Real Estate Board of the Fredericton Area Inc.,
CMHC Forecast 2000-2001.

(F) Forecast.

* Total does not add due to rounding.

Employment (annual per cent change)							
	1995	1996	1997	1998	1999	2000 (F)	2001 (F)
NFLD	1.1	(3.7)	1.2	2.6	5.5	1.5	1.4
PEI	3.3	2.9	0.5	1.9	1.5	1.5	1.3
NS	1.0	0.2	1.6	3.8	2.4	1.2	1.5
NB	3.2	(1.2)	1.5	2.3	3.3	1.5	1.0
QUE	1.5	(0.1)	1.6	2.7	2.3	2.0	1.7
ONT	1.8	1.0	2.6	3.3	3.6	3.4	3.3
MAN	1.9	(0.1)	1.3	1.9	0.8	0.7	0.7
SASK	0.8	(0.4)	2.7	1.3	0.6	1.3	1.3
ALTA	2.8	2.9	3.5	3.9	2.5	3.1	2.7
BC	2.2	1.6	2.6	0.1	1.9	1.7	2.1
CAN	1.9	0.8	2.3	2.7	2.8	2.5	2.4

Source: Statistics Canada, CMHC Forecast 2000-2001.
(F) Forecast.

Unemployment Rate (per cent)							
	1995	1996	1997	1998	1999	2000 (F)	2001 (F)
NFLD	18.0	19.3	18.6	18.0	16.9	16.7	16.5
PEI	15.0	14.8	15.4	13.9	14.4	14.2	14.1
NS	12.1	12.3	12.1	10.5	9.6	9.5	9.6
NB	11.2	11.6	12.7	12.2	10.2	9.7	9.3
QUE	11.4	11.9	11.4	10.3	9.3	8.6	8.5
ONT	8.7	9.0	8.4	7.2	6.3	5.3	4.9
MAN	7.2	7.2	6.5	5.5	5.6	5.5	5.4
SASK	6.6	6.6	5.9	5.8	6.1	5.9	5.7
ALTA	7.8	6.9	5.8	5.6	5.7	5.2	5.2
BC	8.4	8.7	8.4	8.8	8.3	8.5	8.3
CAN	9.4	9.6	9.1	8.3	7.6	6.9	6.7

Source: Statistics Canada, CMHC Forecast 2000-2001.
(F) Forecast.

Real Gross Domestic Product (annual per cent change)							
	1995	1996	1997	1998	1999 (E)	2000 (F)	2001 (F)
NFLD	2.2	(3.3)	1.5	6.2	5.0	5.0	5.5
PEI	5.5	1.4	0.5	1.0	2.7	2.2	2.3
NS	1.8	0.1	2.8	2.9	3.5	2.5	2.4
NB	2.9	1.7	0.7	2.3	3.7	3.0	1.8
QUE	1.9	1.4	3.3	2.6	3.2	3.0	2.5
ONT	3.7	1.6	4.4	4.3	5.0	4.6	4.4
MAN	0.6	2.1	3.7	3.3	2.2	2.5	2.5
SASK	1.4	2.5	5.1	1.3	2.0	2.5	2.5
ALTA	3.0	2.2	7.3	1.8	2.5	4.3	3.6
BC	2.2	2.5	1.7	0.2	1.5	2.0	1.5
CAN	2.8	1.7	4.0	3.1	3.6	3.7	3.3

Source: Statistics Canada, CMHC Estimate 1999, CMHC Forecast 2000-2001.
(E) Estimate. (F) Forecast.

Total Net Migration* (persons)							
	1995	1996	1997	1998	1999	2000 (F)	2001 (F)
NFLD	-6886	-7934	-8410	-7753	-2148	-3500	-4100
PEI	558	595	-232	49	926	540	535
NS	1257	1599	532	307	3123	1600	1400
NB	-844	-620	-1220	-2163	1350	225	-500
QUE	18279	5422	-2247	-210	4324	2502	2134
ONT	93096	84158	93348	70502	96648	115500	121300
MAN	-1216	-1476	-4174	-1355	1846	-1150	-1150
SASK	-1595	-588	-1469	500	-4541	-2800	-1800
ALTA	15582	24722	40644	48849	22961	22500	16000
BC	69005	67505	44631	7355	20418	34900	41000
CAN**	187236	173383	161403	116081	144907	170317	174819

Source: Statistics Canada, CMHC Forecast 2000-2001.
(F) Forecast.

* Sum of interprovincial migration, international migration, and non-permanent residents.
** Excludes Yukon, Northwest Territories, and Nunavut.

Local Market Indicators								
Census Metropolitan Area		Total housing starts	Single-detached housing starts	New housing price index, annual chg. %	MLS sales	MLS single-detached average price		Rental vacancy rate structures of 3 units +
Victoria	1998	964	520	(5.6)	4603	246014		3.8
	1999	1340	531	(5.0)	4670	246000		3.6
	2000(F)	1065	570	(4.0)	5020	251000		3.4
Vancouver	1998	11878	3373	(5.0)	19041	357029		2.7
	1999	8677	3568	(4.0)	22400	352800		2.7
	2000(F)	9300	4100	(3.5)	23950	370000		2.5
Edmonton	1998	5947	4080	3.4	13726	128290	A	1.9
	1999	6489	4075	2.0	13594	133442	A	2.2
	2000(F)	6800	4450	2.5	14150	141000	A	2.0
Calgary	1998	12495	9219	7.6	20554	167422		0.6
	1999	10600	6613	4.7	20197	175500		2.8
	2000(F)	9700	7000	3.5	20200	182300		2.3
Saskatoon	1998	1137	692	2.2	2993	103156	A	0.8
	1999	1273	724	1.5	3100	108000	A	0.9
	2000(F)	1250	750	1.5	3200	112000	A	1.0
Regina	1998	537	468	4.2	2868	85029	A	1.7
	1999	573	403	3.5	2700	90000	A	1.4
	2000(F)	600	460	3.5	2800	91500	A	1.5
Winnipeg	1998	1575	1190	0.8	9748	86838	A	4.0
	1999	1772	1204	1.6	9600	88400	A	3.0
	2000(F)	1600	1200	1.8	9700	89900	A	3.0
Thunder Bay	1998	224	161	(2.3)	1311	110099	A	9.3
	1999	232	192	(1.0)	1301	112316	A	7.5
	2000(F)	332	220	(0.5)	1340	114000	A	6.5
Sudbury	1998	165	161	(2.3)	1693	109621	A	9.4
	1999	199	131	(1.0)	1744	105093	A	11.1
	2000(F)	160	150	(0.5)	1580	106400	A	12.0
Windsor	1998	1938	1355	0.3	5016	130497		4.3
	1999	2387	1761	0.6	5100	135000		2.7
	2000(F)	2509	1825	2.0	5200	138524		2.5
London	1998	2027	1309	0.4	6416	129706		4.5
	1999	1773	1344	0.9	6720	131899		3.5
	2000(F)	2085	1350	2.0	6450	134750		3.4
Kitchener	1998	2549	1759	2.1	4365	143104	A	1.5
	1999	2821	2002	1.9	4695	146495	A	1.0
	2000(F)	3320	2150	2.8	4550	154000	A	0.9
St. Catharines-Niagara	1998	1319	996	3.1	5815	122440		4.6
	1999	1485	1026	2.5	5947	125540		3.2
	2000(F)	1500	1075	4.0	6050	129900		2.9
Hamilton	1998	3627	1736	3.2	10017	153628	A	3.2
	1999	3923	1906	1.1	10543	158164	A	1.9
	2000(F)	3605	1850	2.7	10800	162750	A	1.7
Toronto	1998	25910	12696	3.2	55344	216814	A	0.8
	1999	34904	15535	1.8	58957	228372	A	0.9
	2000(F)	37000	16500	3.6	62000	245000	A	1.0

Local Market Indicators

Census Metropolitan Area		Total housing starts	Single-detached housing starts	New housing price index annual chg. %	MLS sales	MLS single-detached average price		Rental vacancy rate, Structures of 3 units +
Oshawa	1998	1759	1400	n.a.	4237	150994		2.0
	1999	2463	2150	n.a.	4400	156000		1.7
	2000(F)	2610	2250	n.a.	4650	163000		1.5
Ottawa	1998	3615	2248	0.7	9547	143953	C	2.1
	1999	4447	2837	2.6	11150	149300	C	0.7
	2000(F)	5150	3250	2.7	12800	157430	C	0.9
Hull	1998	1244	687	n.a.	2306	95514	S	6.7
	1999	1185	640	n.a.	2630	95875	S	4.4
	2000(F)	1210	670	n.a.	2855	97450	S	3.6
Montréal	1998	10293	5657	0.4	25254	122442	A	4.7
	1999	12366	6522	2.1	28200	125000	A	3.0
	2000(F)	13000	7000	3.0	28200	130000	A	3.0
Trois-Rivières	1998	599	233	n.a.	757	77400		8.5
	1999	380	205	n.a.	850	77200		7.9
	2000(F)	450	200	n.a.	805	78000		9.0
Sherbrooke	1998	590	329	n.a.	1044	91400	A	7.3
	1999	645	305	n.a.	960	90000	A	7.6
	2000(F)	700	350	n.a.	1100	92000	A	7.0
Québec	1998	1845	1108	0.6	5112	85836		5.2
	1999	1814	1165	1.7	5470	87550		3.3
	2000(F)	2400	1349	2.5	5700	89600		2.8
Chicoutimi-Jonquière	1998	502	331	n.a.	652	79363	T	4.8
	1999	305	243	n.a.	760	83500	S	4.9
	2000(F)	400	310	n.a.	810	86500	S	5.3
Saint John	1998	278	216	(2.3)	1353	87087	A	7.3
	1999	296	255	0.4	1530	88836	A	5.2
	2000(F)	385	325	1.5	1575	90200	A	5
Halifax	1998	1739	1125	0.8	5129	114024	A	5.5
	1999	2356	1669	3.2	5853	118522	A	3.6
	2000(F)	2575	1575	1.0	5600	119000	A	5
St. John's	1998	741	475	(1.3)	2131	92560	A	15.4
	1999	807	688	0.3	2298	95500	A	9.2
	2000(F)	900	725	2.0	2425	98000	A	7.5
Charlottetown	1998	247	154	n.a.	534	93968	A	6.1
	1999	321	228	n.a.	500	99000	A	5.0
	2000(F)	330	235	n.a.	470	98500	A	4.8
ALL METRO AREAS	1998	95744	53678	0.9	221566			3.4
	1999	105833	57922	0.9	235869			2.6
	2000(F)	110936	61889	1.9	243980			2.6

Notes:

- A: Average MLS price for all dwelling types
- S: Singles and semi-detached units
- T: Data from Teela
- C: Single-family units less condo units

Source: CMHC, Canadian Real Estate Association, Local real estate boards, Statistics Canada, CMHC Forecast 2000.

n.a.: data not available

Major Housing Indicators
Seasonally Adjusted Annual Rates
(levels and quarterly per cent change)

	98:Q2	98:Q3	98:Q4	99:Q1	99:Q2	99:Q3	99:Q4	00:Q1
New housing								
Building permits, units, thousands	147.2	147.1	148.3	157.4	153.2	158.3	168.6	..
%	(2.6)	(0.1)	0.8	6.2	(2.7)	3.4	6.5	..
Housing starts, total, thousands	136.5	130.8	137.7	145.9	147.3	147.2	157.0	162.7
%	(7.6)	(4.2)	5.3	6.0	1.0	(0.1)	6.7	3.6
Housing starts, singles, thousands	86.2	83.0	88.0	87.2	91.5	92.7	95.8	101.9
%	(6.1)	(3.7)	6.0	(0.9)	4.9	1.3	3.3	6.4
Housing starts, multiples, thousands	50.3	47.8	49.7	58.7	55.8	54.5	61.2	60.8
%	(10.2)	(5.0)	4.0	18.1	(4.9)	(2.3)	12.3	(0.7)
Housing completions, total, thousands	136.6	129.1	129.7	151.0	128.7	140.0	145.6	..
%	(5.3)	(5.5)	0.5	16.4	(14.8)	8.8	4.0	..
New house price index, 1992=100	100.0	100.2	100.2	100.3	100.6	101.1	101.8	..
%	0.2	0.2	0.0	0.1	0.3	0.5	0.7	..
Existing housing								
MLS resales, units, thousands	322.7	323.4	308.9	318.6	352.9	346.7	322.7	..
%	8.0	0.2	(4.5)	3.1	10.8	(1.8)	(6.9)	..
MLS average resale price, \$C thousands	151.6	150.8	154.1	154.6	157.2	158.7	161.7	..
%	(0.5)	(0.5)	2.2	0.3	1.7	1.0	1.9	..
Mortgage market								
Mortgages outstanding, \$C billions	386.2	391.6	397.4	402.2	408.1	414.7	420.4	..
%	1.2	1.4	1.5	1.2	1.5	1.6	1.4	..
Mortgage approvals, \$C billions	73.0	75.2	71.1	79.3	87.3	79.7	66.8	..
%	7.8	3.0	(5.5)	11.5	10.1	(8.7)	(16.2)	..
1-year mortgage rate, per cent*	6.55	6.68	6.37	6.42	6.45	6.97	7.35	7.63
5-year mortgage rate, per cent*	6.95	7.08	6.83	6.92	7.32	7.75	8.25	8.48
Residential investment**								
Total, \$1992 billions	42.0	40.9	41.0	42.6	44.2	44.6	45.5	..
%	(0.8)	(2.4)	0.1	4.1	3.7	1.0	1.9	..
New, \$1992 billions	21.0	19.8	20.4	21.3	21.9	22.4	23.1	..
%	(3.1)	(5.3)	2.7	4.5	3.0	2.1	3.0	..
Alterations, \$1992 billions	13.7	13.4	13.6	14.1	14.4	14.2	14.9	..
%	(1.9)	(1.7)	1.1	4.2	1.8	(1.3)	4.8	..
Transfer costs, \$1992 billions	7.4	7.7	7.0	7.2	7.9	8.0	7.6	..
%	8.8	4.3	(8.4)	2.4	9.7	1.9	(6.2)	..
Deflator, 1992=100	108.5	107.9	109.4	110.5	111.4	111.1	111.7	..
%	0.7	(0.5)	1.4	1.0	0.8	(0.3)	0.5	..

Sources: CMHC, Statistics Canada, Bank of Canada, Canadian Real Estate Association.

.. Data not available.

* All indicators are seasonally adjusted, except 1-year and 5-year mortgage rates.

** Residential Investment includes outlays for new permanent housing, conversion costs, cost of alterations and improvements, supplementary costs, and transfer costs.