



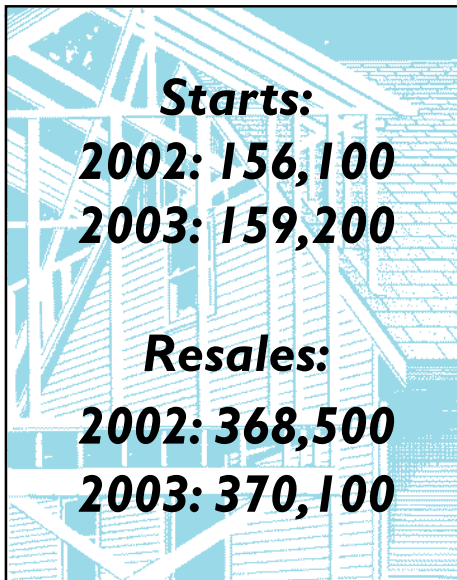
# MHC HOUSING

## OUTLOOK NATIONAL EDITION

**Canada Mortgage and Housing Corporation**

### Housing activity will slow in 2002 but pick up in 2003

#### Overview



**Starts:** Look for a small decline in housing starts this year but a gain next year. The decline will be tied to weak job growth in 2001 and 2002. Construction will remain robust, however, due to high migration, low mortgage rates, and stronger house prices. 2003 will see higher starts due to a stronger economy.

**Resales:** Weak job growth will also move sales lower in 2002 but an improved economy will nudge sales higher in 2003.

**Prices:** Look for resale price growth in the two to three per cent range over the next two years as sales moderate relative to the number of listings on the market.

[Details on page three.](#)

#### The Nation's HOT SPOTS

**Alberta:** Thanks to one of the fastest growing provincial economies, construction will remain at high levels ([See Page 10](#)).

**Ontario:** Look for migration to help prop up housing starts over the 70,000 mark in each of the next two years ([See Page 13](#)).

**British Columbia:** The housing market will continue its rebound from the trough in 2000, helped in part by the low mortgage rates ([See Page 9](#)).

#### First Quarter, 2002

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HOME TO CANADIANS  
Canada

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Second Quarter 2002 — April  
Third Quarter — July  
Fourth Quarter — October

# National Housing Outlook

## Highlights

### Multiples will remain robust

Starts of multiples units will remain robust in 2002 and 2003 relative to the average of the last five years, while starts of single-detached units will decline slightly. Single starts will edge lower as rising house prices make multiple starts a more affordable substitute.

### Low vacancies will help trigger starts

Low rental vacancy rates will help trigger strong multiple construction, however, only a portion will take the form of rental starts. Most of the construction will be condominiums. Some of these condo units will end up being occupied by tenants, helping meet the demand for rental housing.

### Hottest segment will be apartments

Apartment construction will remain the hottest segment across most of the country. Apartment starts will average about 40,000 per year over the next two years, some 30% higher than the average seen from 1997 to 2001.

### Still opportunities in single segment

Although there will be fewer single-detached starts in 2002 and 2003 than over the last five years, the size of the single segment remains important at about 90,000 units per year. Single starts will rebound in both British Columbia and Saskatchewan this year and next. Singles will also advance in all provinces next year, with the exception of Quebec, Manitoba, and New Brunswick.

### Resale transactions pull back from peak

The number of resale transactions reached a record in 2001. Resales will pull back from this peak in 2002 because of a weaker job market. Total transactions will still be near the 370,000 mark given low mortgage rates.

### More modest price gains for 2002-2003

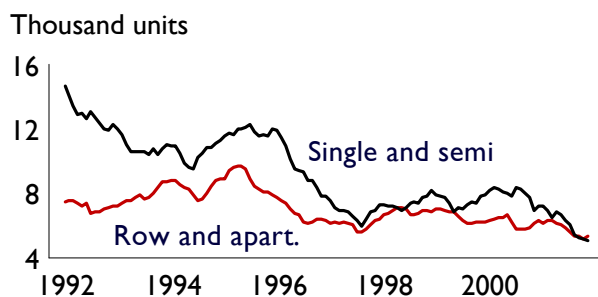
Resale home prices will advance at a more modest two to three per cent pace in 2002 and 2003 than the four to five per cent pace over the last two years. Several urban centres will see a more balanced market between buyers and sellers.

## Spotlight on INVENTORIES

**Inventories of newly completed and unoccupied units help explain the resilience in housing starts activity.**

**Inventories for all types of newly completed and unoccupied units are now at their lowest levels ever recorded on CMHC databases.**

### New unoccupied inventories very low



Source: CMHC

**This means that demand for new units will have to be met increasingly by housing starts, rather than by a drawdown in the inventories.**

**This trend correlates strongly with developments in the rental market. The rental market is now very tight with an average national apartment vacancy rate for structures of three units and more close to 1%. This will mean that demand for rental will also have to be met in part by housing starts, rather than unoccupied rental units.**

**Accordingly, considering that demand for housing will decline yet remain robust, the low inventories of new and unoccupied units and of rental units bode well for home building over the next few years.**

# Trends Impacting Housing

## Positive Impact

- ✓ **Low mortgage rates**
- ✓ **High migration**

## What to Watch For

- ✓ **Weaker employment prospects**
- ✓ **Consumer confidence**

## The Economy

Following weak economic growth over the last few quarters of 2001, CMHC expects uneven growth in the first half of this year, moderate growth in the third quarter, and accelerating growth in the fourth quarter.

The recovery is predicated on an anticipated economic rebound in the U.S., a low Canadian dollar, the drop in interest rates, the turnaround in equity markets, and fiscal stimulus. The pace of the recovery, however, will be initially quite moderate for two key reasons. Low corporate earnings, high inventory levels, and low productive capacity utilization rates, will keep a lid on investment spending. Meanwhile, rising unemployment will slow consumer spending. Overall, Canadian GDP growth will be near 1.3% in 2002. Economic growth should accelerate in the 3% to 4% range in 2003 as consumer and investment spending strengthen.

## Mortgage Rates

The Bank of Canada has again dropped its key rates to bolster the economy early in 2002. As a result, both short and long term mortgage rates have fallen significantly from the peaks in 2000, about 175 basis points for 5-year terms and 325 basis points for 1 year-terms. Mortgage rates are expected to bottom out in the first quarter of 2002 and remain low for most of the year. Mortgage rates will rise slowly only as the economy regains momentum later in 2002. Rates will move much higher with more robust economic activity into 2003.

## Migration

There has been a strong rebound in total net migration since the Asian crisis in 1998. In fact there were more immigrants allowed into Canada last year than what was targeted by the federal government.

It remains to be seen, however, what effect September 11 will have on immigration. At this point, it is reasonable to think that immigration will be down closer to the middle

of the federal government's target range of 210,000 to 235,000 this year. Preliminary immigration data indicate that the number of persons acquiring immigration status has dropped significantly since September 11. Since emigration is also expected to drop from recent levels, total net migration flows will still be high. This will be a significant factor in maintaining demand for housing, particularly in Toronto, Vancouver, and Montréal.

The impact on housing demand from immigration is twofold. The recent surge will mean strong demand for rental units. The surge in the early 1990s will mean strong demand for owned units as these earlier immigrants shift tenure from rental to home ownership, especially in the context of low mortgage rates.

## Employment



















Job creation is the key factor pushing our forecast for housing markets lower in 2002. Job creation rose substantially from 1997 to 2000, totaling close to one million jobs over the period. Last year saw more moderate job creation as the average level of employment in 2001 was about 167,000 persons higher than the average in 2000. Job creation is expected to moderate even further to about 70,000 in 2002. The weaker job creation since last year, and the fact that much of it has been part time, will soften demand for new housing.

## Consumer confidence

Consumer confidence remains high. The key home-buying age groups remain confident and more than half of consumers indicate it is a good time to buy big-ticket items. Confidence is expected to move lower over the first few quarters of 2002 but not down to recessionary levels. Confidence is largely driven by job prospects and only massive job losses would drive down confidence as low as in the early 1980s and early 1990s.

# Trends at a Glance

## Key factors and their effects on home building

| Factor               | Comment  | Impact  |   |
|----------------------|--|---|---|
|                      |  | 2002  | 2003  |
| Mortgage rates       | Staying low in 2002 and rising by 2003.  |    |    |
| Employment           | Weaker job creation in 2001 and 2002 dampens housing demand this year and next.  |    |    |
| Incomes              | Growth will moderate but remain positive due to tax cuts and wage gains.   |    |    |
| Net migration        | Immigration flows will taper off from the 2001 peak but remain large and sustain housing demand.   |   |   |
| Household formation  | Higher as a result of net immigration and strong job creation since 1997.  |  |  |
| Consumer confidence  | Confidence remained high in the second half of 2001 but is expected to move lower in line with reduced job prospects. May have more of an impact on 2002 housing demand. Confidence should return by 2003. |  |  |
| Resale market        | Demand spillover from record tight resale markets boost construction of new homes, although less so in 2002.   |  |  |
| Unoccupied new units | Low inventories a positive signal to builders.   |  |  |
| Vacancy rates        | Low rates trigger multiple construction.   |  |  |

# Rental market: A review and outlook

The rental market has changed substantially in the last few years. Low vacancy rates and rising rents, along with the introduction of a new government partnership for the construction of affordable rental housing, will affect the rental housing market in 2002 and 2003.

## Rental apartment vacancy rate low

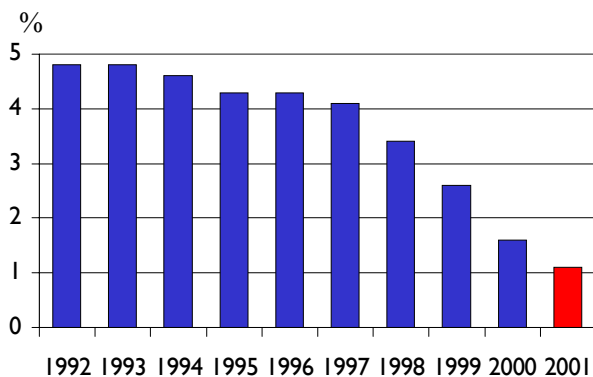
According to CMHC's Rental Market Survey, the overall vacancy rate for privately-initiated apartments in structures with three units and over in metropolitan areas went from 1.6 per cent in October 2000 down to 1.1 per cent in October 2001. This is the lowest rate since the survey first included structures of three units and over in 1987.

Vacancy rates fell in 17 of the 26 metropolitan areas. The greatest rate decreases were recorded in **Sherbrooke** (from 4.7 per cent to 2.3 per cent), **Trois-Rivières** (from 6.8 per cent to 4.7 per cent) and **Sudbury** (from 7.7 per cent to 5.7 per cent).

Sixteen metropolitan areas posted rates under 2 per cent, while eight areas had vacancy levels below 1 per cent. The lowest rates were surveyed in **Victoria** (0.5 per cent), **Montréal** (0.6 per cent) and **Gatineau** (0.8 per cent).

Vacancy rates fell in most metropolitan areas due to strong job creation since 1997, strong international immigration, and an increase in the number of young adults arriving on the housing market. Greater rental supply and strong movement towards home ownership caused vacancy rates to rise elsewhere.

Vacancy Rates – Metropolitan Areas  
Private apartment buildings of 3 units and over



Source: CMHC.

## New agreement for the construction of affordable housing

On November 30, 2001, the federal, provincial and territorial ministers agreed on a framework to increase the supply of affordable housing across Canada. Based on provincial and territorial needs and priorities, this may include construction, major renovation, conversion and affordable homeownership. Details of eligible programs in each province and territory will be mutually agreed upon by the parties through bilateral agreements. Agreements have been signed already with Quebec, British Columbia, Nunavut, and the Northwest Territories.

The framework for the agreements include the following parameters:

- The federal government has made a commitment to provide a total contribution of \$680 million over 5 years.
- Provinces and territories will be required to match federal contributions overall.
- Federal funding may be used for the capital contributions and administration costs of the initiative in the provinces and territories.
- The maximum federal contribution is set at an average of \$25,000 per housing unit for the duration of the program.
- Funded housing units must remain affordable for a minimum period of 10 years.
- Contributions from the provinces and territories may take the form of capital or other types of subsidies; they may also be cash or in-kind contributions provided by the province, the territory or a third party.

## Rising rents and decreasing mortgage rates carry implications

The average rental increase for two-bedroom apartments was 3.4 per cent between October 2000 and October 2001. Between October 1999 and October 2000, the average increase was similar at 3.3 per cent. (This is a non-weighted average rent of privately-initiated apartments in structures with three units and over.)

Over the last few years, the increase in rents, combined with the decrease in mortgage rates to levels unequalled in four decades for certain terms, is enhancing the appeal of homeownership.

A comparison between average apartment rents in some metropolitan areas and the monthly mortgage payments derived from the average price of new recently absorbed condominium apartments reveals that homeownership constitutes an attractive alternative in terms of cost. This is particularly true in the case of Ottawa, but less so in certain other metropolitan areas. The difference between the average rent and monthly mortgage payments remains particularly significant in Toronto and Vancouver.

### Comparison between average rents and monthly mortgage payments in select metropolitan areas

| <b>Metropolitan areas</b> | <b>Apartment vacancy rate*</b> | <b>Average rent (\$) for a two-bedroom apartment *</b> | <b>Monthly mortgage payment (\$) **</b> | <b>Difference (\$)</b> |
|---------------------------|--------------------------------|--|---|------------------------|
| <b>Calgary</b>            | <b>1.2</b>                     | <b>783</b>   | <b>1,018</b>                            | <b>235</b>             |
| <b>Edmonton</b>           | <b>0.9</b>                     | <b>654</b>   | <b>922</b>                              | <b>268</b>             |
| <b>Halifax</b>            | <b>2.8</b>                     | <b>783</b>   | <b>918</b>                              | <b>135</b>             |
| <b>Hamilton</b>           | <b>1.3</b>                     | <b>439</b>   | <b>1,123</b>                            | <b>684</b>             |
| <b>Kitchener</b>          | <b>0.9</b>                     | <b>722</b>   | <b>856</b>                              | <b>134</b>             |
| <b>Montréal</b>           | <b>0.6</b>                     | <b>530</b>   | <b>781</b>                              | <b>251</b>             |
| <b>Ottawa</b>             | <b>0.9</b>                     | <b>914</b>   | <b>914</b>                              | <b>0</b>               |
| <b>Regina</b>             | <b>2.1</b>                     | <b>568</b>   | <b>901</b>                              | <b>333</b>             |
| <b>Saskatoon</b>          | <b>2.9</b>                     | <b>558</b>   | <b>815</b>                              | <b>257</b>             |
| <b>Toronto</b>            | <b>0.9</b>                     | <b>1,027</b>   | <b>1,884</b>                            | <b>857</b>             |
| <b>Vancouver</b>          | <b>1.0</b>                     | <b>919</b>   | <b>1,777</b>                            | <b>858</b>             |
| <b>Victoria</b>           | <b>0.5</b>                     | <b>751</b>   | <b>1,468</b>                            | <b>717</b>             |
| <b>Windsor</b>            | <b>2.9</b>                     | <b>738</b>   | <b>845</b>                              | <b>107</b>             |
| <b>Winnipeg</b>           | <b>1.4</b>                     | <b>605</b>   | <b>790</b>                              | <b>185</b>             |

Source: CMHC

\* Privately initiated two-bedroom apartments in structures of three units and over.

\*\* Based on the average price of new condominium apartments absorbed from January to November 2001. Down payment of 5 per cent, five-year mortgage rate of 5.85 per cent and amortization of 25 years.

## Increase in rental housing construction

The significant decrease in the vacancy rate for the past five years and the increase in rents are stimulating more rental housing construction. Total rental housing starts in urban areas reached 14,681\* units in 2001, up almost 45% from the 10,155\* units in 2000. The level of rental housing starts, however, remains low relative to the total level of starts in urban areas at 10.3 per cent.

Over the next two years, rents are expected to rise at a faster pace than inflation in certain cities. However, the pace of the increase will remain moderate overall given the trend toward homeownership.

The expected increase in rents may not yet be sufficient to entice significant private rental investment, but may well spur more condominium developments.

| Rental housing starts*           |        |                   |
|----------------------------------|--------|-------------------|
| Urban centres with pop. 10,000 + |        |                   |
| Provinces                        | 2001   | % of total starts |
| Nfld.                            | 14     | 1.2               |
| P.E.I.                           | 48     | 12.8              |
| N.B.                             | 669    | 30.4              |
| N.S.                             | 746    | 27.0              |
| Que.                             | 4,018  | 18.3              |
| Ont.                             | 2,717  | 3.9               |
| Man.                             | 120    | 7.2               |
| Sask.                            | 34     | 2.1               |
| Alta.                            | 2,485  | 10.1              |
| B.C.                             | 3,826  | 24.4              |
| Canada                           | 14,681 | 10.3              |

Source: CMHC

\* These figures do not take into account dwelling starts that are not primarily intended as rental housing but still accommodate tenants, as is notably the case for many condominium apartments.

## Vacancy rate to remain low

The average vacancy rate for rental apartments in privately-initiated structures of three units and over in metropolitan areas will remain stable at 1.1 per cent at the time of the October 2002 survey. Higher immigration and the delayed effect of the growth in youth employment during the last three years will keep the rental vacancy rate low in many metropolitan areas.

The average vacancy rate is expected to rise slightly to 1.3 per cent in 2003. The coming on stream of new rental and condominium housing projects will help lift the vacancy rate.■

### Vacancy rates - 2002

| Down           | Up             |               |
|----------------|----------------|---------------|
| Winnipeg       | Victoria       | Toronto       |
| Thunder Bay    | Vancouver      | Oshawa        |
| Sudbury        | Abbotsford     | Ottawa        |
| Windsor        | Edmonton       | Gatineau      |
| London         | Calgary        | Chicoutimi    |
| Kingston       | Saskatoon      | Saint John    |
| Trois-Rivières | Regina         | Halifax       |
| Sherbrooke     | Kitchener      | Charlottetown |
| Québec         | St. Catharines |               |
| St. John's     | Hamilton       |               |
| No change      |                |               |
| Montréal       |                |               |

Source: CMHC

For more detailed information on metropolitan rental markets, contact your nearest CMHC market analyst.



# British Columbia

## Overview

### Economy is bruised but the housing market recovery continues in 2002

The economic outlook for the first half of 2002 does not look positive for B.C. The global economic contraction coupled with the fallout of U.S.-imposed softwood lumber duties has amounted to considerable losses in the province's labour market. As such, consumer confidence is decidedly weaker, especially in the resource-dependent communities of the province.

Nevertheless, the B.C. economy is forecast to rebound in the second half of 2002, benefiting from a U.S. recovery. An expected improvement in commodity prices should lift growth in the province's resource sector and help to recoup many of the jobs lost in 2001. Recent tax cuts and higher investment spending will promote more substantial economic gains by 2003.

Despite weaker economic conditions going

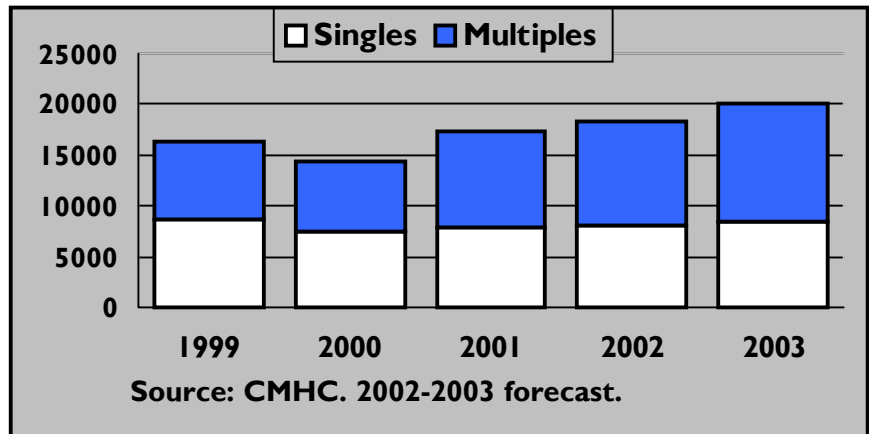
## In Detail

**Single Starts:** Single starts are expected to increase by three per cent in 2002. Most of the growth will be concentrated in **Surrey, Langley, Maple Ridge** and to a lesser extent, in **Victoria** as more serviced land becomes available through the year.

**Multiple Starts:** Multiple construction will remain the largest component of B.C. housing growth in 2002. A significant portion of this segment last year was new niche-oriented rental units constructed primarily by the private sector. As these niche markets approach saturation, private rental construction will moderate somewhat this year. However, increased apartment condo construction in **Vancouver** should lift multiple starts in B.C. by about ten per cent in 2002.

**Resales:** B.C.'s per capita sales levels were the highest in Canada over 2001. The stimulative impact of historically low

## B.C. Starts



into 2002, B.C.'s housing market recovery will endure. The stimulative impact of low mortgage and interest rates is expected to more than offset the negative effects of employment losses, particularly in the **Lower Mainland, Victoria** and the **Okanagan**. While first-time buyers dominated these markets last year, move-up buyers will take centre stage in 2002, mostly driving sales of single detached homes.

With the existing inventory of unsold new housing remaining low, new residential construction levels will have room to grow in 2002. As in the past few years, most of the growth will occur in **Vancouver's** multiple sector with relatively little growth occurring elsewhere in the province until the overall B.C. economy improves by 2003.

mortgage rates is expected to keep sales levels healthy in 2002 with demand being strongest for single detached homes. Expect sales to increase by about five per cent to 72,800 units.

**Prices:** The province's average resale price is expected to rise by only 0.7 per cent. The more apparent move-up segment in the **Lower Mainland, Victoria and the Okanagan** will lift the average resale price, but continuing weakness in the resource communities will limit the magnitude of the increase.

## Spotlight on RENTAL CONSTRUCTION

A unique feature of B.C.'s housing market recovery has been the substantial increase in private market rental construction as a result of the low vacancy rates. Last year, rental starts - consisting of mainly apartment units - increased by over 250 per cent compared to the previous year. The majority of these new units were centred in the downtown core of **Vancouver** and targeted specific niches including seniors and the affluent.

# Alberta

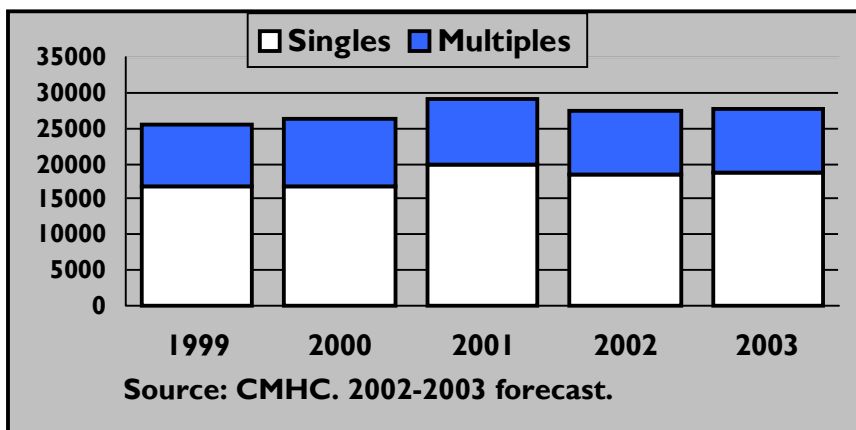
## Overview

### Province will remain the economic bright spot

In 2001, Alberta total economic output increased by about four per cent, while the number of jobs increased by nearly three per cent. This solid performance enabled the province to maintain its position as the top destination choice for Canadians from other provinces seeking job opportunities. The combination of a healthy job market, continued population gains from other provinces, and low mortgage rates supported healthy levels of resale and new home activity across the province.

The economy will slow over the next year. Provincial government spending will be restrained due to reduced energy royalties. The slowdown in the U.S. economy and central Canada will have a negative impact on the tourism as well as manufacturing and related sectors. In addition, overall invest-

## Alberta Starts



ment in the upstream natural gas and conventional oil sector is expected to decline by about 20 percent from 2001 to 2002. However, given their longer planning horizon, investment in non-conventional oil projects will continue at a robust pace. As a result, investment activity in the energy sector over the forecast period will be well above the average of the past five years.

While economic growth will slow relative to previous years, the economy will grow significantly above the national average in 2002. In 2003, the gap in economic growth between Alberta and the rest of Canada will narrow as the other provinces benefit from a resurgence in the U.S. economy.

## In Detail

**Single Starts:** In 2001, single starts recorded the best performance since 1998. Though low mortgage rates and a healthy energy sector will support demand in 2002, activity will be held back by slower job creation, higher prices, and weaker consumer confidence. Despite the decline, activity will still be the second best year on record since 1998.

**Multiple Starts:** Multiple-family construction in 2001 posted its best performance in 18 years. Over the next year, in response to heightened inventories in certain centres, multi-family builders will scale back on the number of new projects started. As a result, multi-family starts are forecast to decline by 8.8 per cent in 2002. However, this will represent the third best year for multi-family starts since 1982.

**Resales:** In 2001, total sales on the MLS reached record levels. In 2002, CMHC expects sales to slip by four per cent to 46,950 units. Low mortgage rates may have

caused some households to move forward their buying decision. As a result, some of the anticipated sales for 2002 may have actually occurred in late 2001. Over the next few months, an anticipated boost in sales prompted by low mortgage rates may be offset by rising concerns over job security.

**Prices:** Overall price growth in 2002 will be held back by adequate selection and appropriate pricing strategies, as sellers attempt to ensure a quick sale. In 2002, prices are forecast to rise at a moderate pace of about 3.4 per cent.

## Spotlight on FORT McMURRAY

The Fort McMurray economy continues to benefit from massive investment in the Athabasca oil sands projects. A total of \$11 billion has been invested in projects since 1996, with another \$40 billion planned for the next decade.

Both single and multi-family starts in Fort McMurray will set new records as builders respond to what is arguably the tightest housing market in Canada. Strong demand for rental accommodations has kept the vacancy rate close to zero and resulted in an average rent increase of 20 per cent in 2001.

# Saskatchewan

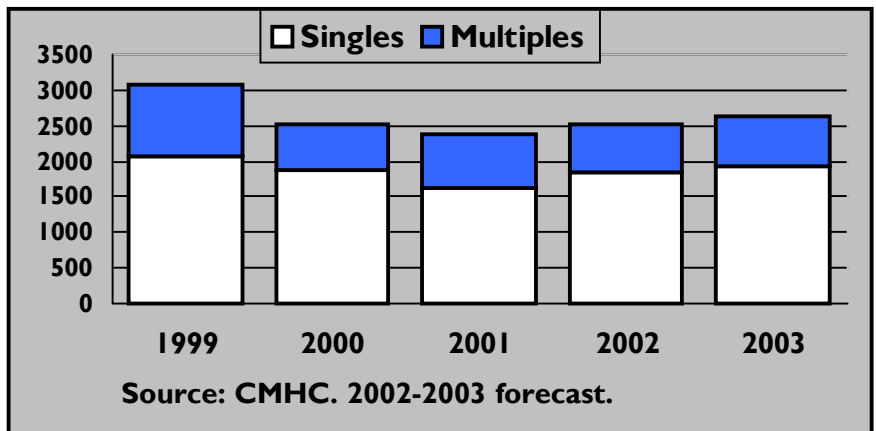
## Overview

### Economic prospects point to growth in housing demand.

Economic growth in the province moderated to less than one per cent in 2001, due to a large extent to reduced output in the agriculture sector.

Economic growth prospects are better for 2002 and particularly for 2003. Manufacturing of export products will rise with improved conditions south of the border. Prospects for the forestry, oil and gas, and mining sectors will also brighten. Meanwhile, crop production should return to more normal levels weather permitting. As a result, overall GDP growth is expected to accelerate from 0.8 per cent in 2001 to one per cent in 2002 and two per cent in 2003.

## Saskatchewan Starts



The stronger and more balanced economic growth will translate into a return to positive job growth in 2002 and 2003. Job losses in 2001 will be almost fully recouped by 2003. Despite the improved job market, the unemployment rate will remain just below the 6 per cent mark.

The increased employment, combined with intra-provincial migration from rural to urban areas, will stimulate demand for housing in urban centres.

## In Detail

**Single Starts:** Because of the difficult job market, many buyers postponed their decision to buy a new single-detached home in 2001, resulting in a 13.9 per cent decline in single-detached starts. However, the combination of improved job conditions, low mortgage rates and limited choice in moderately-priced resale markets will help single starts stage a recovery in 2002.

**Multiple Starts:** Multiple housing starts have already staged a comeback in 2001 and the pace will continue in 2002. Marketing of a major life-lease project has recently begun in **Regina**, while additional condominium starts are planned for **Saskatoon**.

Multiple projects underway are targeted toward buyers of moderately-priced townhouses and luxury apartments. Rising resale prices will encourage more seniors to opt for the condominium lifestyle.

**Resales:** The resale market has absorbed much of the demand for homeownership in 2001, leading to an increase in the number of sales over 2000. Listings have increased in

the two largest centres, but many of these listings are higher-priced properties rather than modest, first-time buyer homes. The resulting scarcity of good quality, moderately-priced homes will persist in urban Saskatchewan resale markets and limit total transactions near the 7,700 mark in 2002.

**Prices:** A shift toward higher-priced properties will lift resale prices about five per cent in 2002. Rising prices in resale markets will allow seniors and empty-nesters to realize the equity on their existing home and purchase a condominium or a life-lease unit.

## Spotlight on RENTAL MARKETS

According to CMHC's October 2001 rental market survey, the average vacancy rate rose in almost all communities. The rise showed the impact of out-migration of highly-mobile, young people from the province's cities as a result of job losses. The rise also reflected rental households moving into home ownership.

Despite the recent rise, the average vacancy rate is expected to remain low as job opportunities improve and households migrate from rural to urban communities.

# Manitoba

## Overview

### Housing markets to remain stable

Due to reduced demand from the United States for Manitoba's products, economic growth in the province has slowed dramatically. Weaker economic growth resulted in reduced job growth. Total employment in 2001 increased by a marginal 0.4 per cent.

Economic growth is not expected to pick up steam until late 2002 with the rebound in the North American economy. Therefore, job gains over the forecast period will be more modest than the average of the past five years. By the end of 2003, the total number of jobs will increase by about 11,000 and the unemployment rate will remain below the five per cent mark. Moreover, over 80 per cent of the workers between the ages of 25 and 44 (the prime home buying years) will continue to have a full time job.

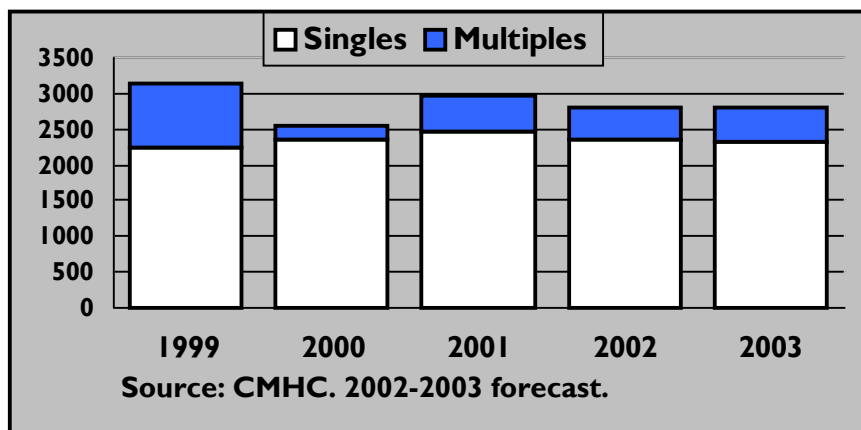
## In Detail

**Single Starts:** In response to a lack of supply in the resale market and low mortgage rates, many move-up buyers will be considering the new home market for their future housing needs. Look for single starts to remain stable at nearly 2,400 units in 2002 and 2003.

**Multiple Starts:** The majority of Manitoba's multiple-family housing units are destined for the condominium and life-lease markets. Historically, multiple-family construction has been prone to large bouts of volatility. However, CMHC expects multiple-family starts to remain stable over the next two years. In 2002 and 2003, 440 and 480 new multiple-family starts respectively are anticipated in response to the demand of Manitoba's ageing population.

**Resales:** In spite of historically low levels of listings, the resale market will continue to record high levels of sales. MLS sales in Manitoba are expected to plateau at 11,600

## Manitoba Starts



Unlike Ontario and Alberta, Manitoba does not experience a significant amount of increase in population through interprovincial or international migration. As a result, much of the demand for housing in the province is generated from the existing population base.

Given the demographic make-up of the province, most of the positive impact of a low unemployment rate and low mortgage rates will be felt in the single-detached market. Sustained demand from first-time and move-up buyers will allow the resale markets to maintain their strong performance. On the new home front, annual starts will remain stable around the 2,800 level over the next two years.

sales in 2002 and 2003. Furthermore, shortages of good-quality homes will result in some demand spillover to the new home market.

**Prices:** Tight rental market conditions will encourage renters to look at home ownership. Therefore, average price gains may be moderated by an increase in first-time home buyers. However, strong demand and limited supply will put continued upward pressure on house prices over the next two years. CMHC expects price growth of about four per cent per annum over the next two years.

## Spotlight on RENOVATION

**The strong performance of Winnipeg's resale market will spur renovation spending in Manitoba to reach \$596 million in 2002. In addition, tight resale market conditions combined with increasing prices of new and existing homes will encourage households to undertake renovation work as opposed to buying another home.**

**Furthermore, the ageing of Manitoba's housing stock will continue to support high demand for renovation work which accounts for 63 per cent of all residential construction expenditures.**

# Ontario

## Overview

### Expect home construction to dip

Home starts in 2001 hit a 12 year record. Low mortgage rates and high immigration levels boosted home starts from 71,521 in 2000 to 73,282 in 2001. House prices continue to rise and existing home sales are at an all-time high. Economic sluggishness will nudge home sales and construction moderately lower in 2002 before modest gains follow in 2003.

People are the key to housing demand and the largest component of population growth is immigration. Immigration to Ontario has been exceptionally strong in 2001 with most immigrants coming to Toronto's established ethnic and social networks. It remains to be seen, however, what effect September 11 will have on immigration. At this point, it is reasonable to think that immigration will be down from last year.

## In Detail

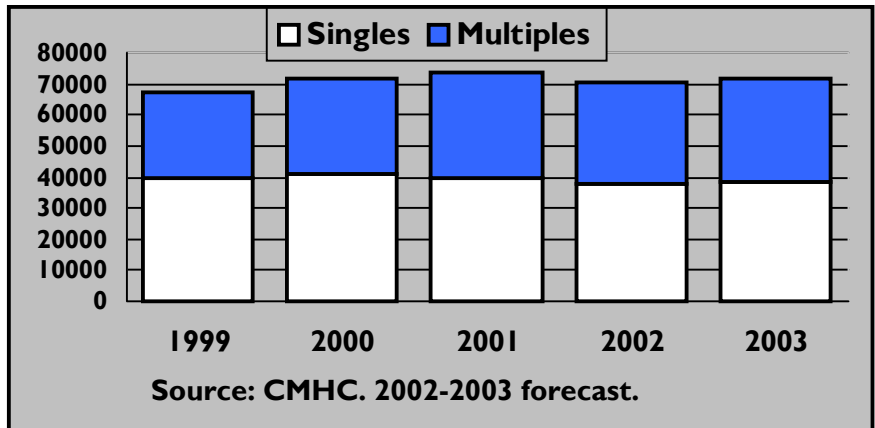
**Single Starts:** Single detached homes are the most popular and expensive home type. Starts of single family homes will edge lower as rising home prices make multiple family homes a more and more affordable substitute.

**Multiple Starts:** Row home construction in both the condominium and homeowner categories will dip slightly in 2002 in the face of a stalled economy. Rental starts will be low by historical standards. They will receive a boost from government assistance to affordable rental projects and from demand from a growing renter aged population in a low vacancy environment.

**Resales:** Low mortgage rates and mild fall weather pushed home sales to a new record. Consumer caution will move 2002 home sales lower. Economic growth will nudge sales in 2003 higher.

**Prices:** Leading home price indicators, such as the sales-to-new listings ratios, imply that most of the province's resale markets are

## Ontario Starts



Employment, another important housing demand variable, has been at a standstill throughout 2001. Losses in the 25 to 44 year age group nibbled away at the pool of future home-buyers. Lower goods demand from a shrinking United States economy and a poor showing in Ontario's leading indicators suggest employment weakness at the start of 2002. Economic stimulus from low interest rates and a low Canadian dollar will eventually lift the provincial economy -- and with it the demand for homes.

balanced to tight. Home prices will continue to grow, but will grow at a slower pace as the economy cools.

## Spotlight on RENTAL MARKETS

### Ontario's vacancy rate is slightly higher

**A slight increase in Ontario's average vacancy rate this year ended a streak of four consecutive years of declines. Ontario's vacancy rate in apartment structures with three units or more inched up to 1.7 per cent in October 2001 from 1.6 per cent a year ago.**

**Ontario's average rent has outpaced inflation. The average rent for a two bedroom apartment rose by 4.1 per cent, more than double October's 1.9 per cent Consumer Price Index inflation rate.**

**Kitchener, Ottawa and Toronto are Ontario's hottest rental markets, with two bedroom unit vacancy rates of 0.6, 0.8 and 0.8 respectively. Thunder Bay and Sudbury are the province's and Canada's coolest rental markets. The most rapid rent increases were in Kingston, Ottawa and Toronto -- markets with low vacancies.**

# Quebec

## Overview

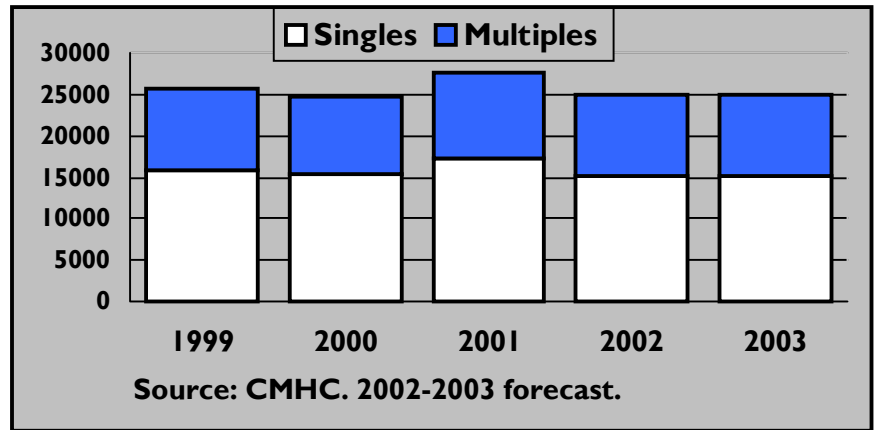
### Starts to decrease in 2002 and stabilize in 2003

The North American economic slowdown will bring about a decline in housing starts in 2002. This year and next year, 25,000 new housing units will be started in Quebec, compared to 27,682 in 2001.

Firmly integrated in the North American economy through its external trade, Quebec will suffer from the sluggishness of its major export markets. As a result, we expect the GDP to grow by just 0.6 per cent in 2002 and 2.8 per cent in 2003. The unemployment rate will climb to 9.1 per cent in 2002, before going back down to 8.8 per cent in 2003.

The Quebec economy is in a much better position than in the early 1990s because of

## Quebec Starts



increased exports of products that are less sensitive to economic cycles. In addition, healthier public finances enabled Quebec to adopt a more stimulative budget this past November, without forgoing a balanced budget. In short, a lighter tax burden and easing interest rates will buoy consumption among Quebec households. Major public work projects will also support economic activity until exports start picking up again, later in 2002 and 2003.

## In Detail

**Single Starts:** The single-detached home building segment will be the hardest hit by the economic slowdown, absorbing the bulk of the downturn in starts. We forecast that single starts will fall to 15,200 units this year and next, compared to 17,193 in 2001.

**Multiple Starts:** The number of multiple starts in 2002 and 2003 will remain essentially unchanged from 2001, thereby withstanding the deterioration of labour market conditions. Given their greater homeownership affordability, semi-detached and row homes and condominium apartments will remain popular among buyers who must contend with a resale market where moderately priced, quality properties are selling fast.

In addition, the low vacancy rate (1.3 per cent) observed in Quebec is making homeownership more attractive given the very low mortgage rates. This being said, rental housing construction will also be supported by the introduction of the government's affordable housing program.

**Resales:** The year 2001 was a record year for resale transactions. About 62,000 transactions were recorded, for an increase of 14.6 per cent over 2000. As time goes by, a strong

demand on the existing home market leads to a reduction in the number of properties for sale, which limits the potential level of transactions. In 2002 and 2003, transactions will reach 58,500 and 59,000 units, respectively. The resale market remains very robust given the low rental vacancy rate and low mortgage rates.

**Prices:** The resale market will be increasingly favourable to sellers, especially in the **Montréal** and **Gatineau** areas, creating upward pressure on the average price of existing homes. Following an increase of 4.1 per cent in 2001, the average resale price will rise by about 2.5 per cent both this year and next.

## Spotlight on EMPLOYMENT

Despite the difficult economic conditions in North America and the drop in the global prices of raw materials, Quebec had 58,000 more jobs in November 2001 than in November 2000, for an increase of 1.7 per cent. So far, this performance contrasts with the economic slowdown phases registered in the early 1980s and 1990s, which had been marked by significant job losses.

The transformation of Quebec's manufacturing sector toward higher value-added sectors and the modernization of its traditional sectors to meet the demands of globalization are now making it possible to lessen the negative impacts on employment. As a result, in November 2001, the employment level in Quebec's manufacturing sector had gone up by 33,100 jobs over one year, representing a gain of 5.4 per cent.

# New Brunswick

## Overview

### Residential construction remains strong

The completion of a number of capital projects coupled with softer U.S. export demand will significantly affect New Brunswick's economic growth in 2002. The province's petroleum and forest products as well as base metals exports are dependent upon the strength of the U.S. as more than 80 per cent of New Brunswick shipments are sent across the American border. As a result, expect GDP to moderate to a 0.7 per cent growth rate in 2002 before rising to 2.4 per cent the following year.

Inter-provincial migration will also suffer as workers continue to leave southern New Brunswick. However, a rise in immigration will outweigh inter-provincial out-migration. Net migration will therefore remain positive in 2002, but will not match the 2001 levels.

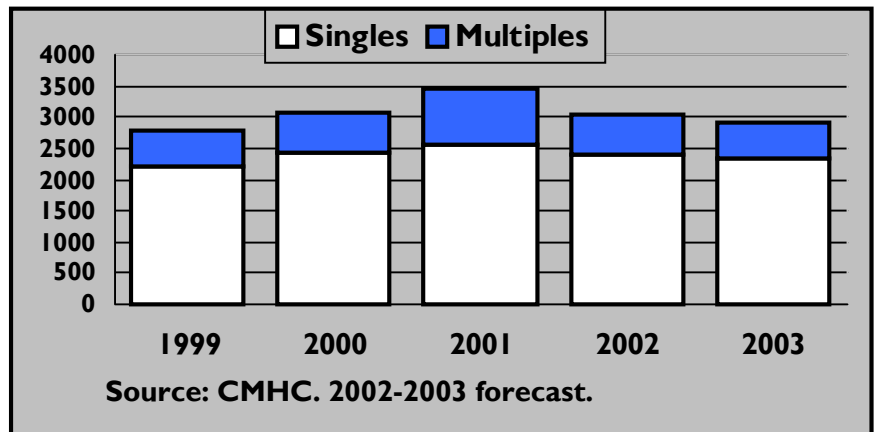
## In Detail

**Single Starts:** Residential activity in 2002 is expected to remain close to 2001 levels as potential buyers will take advantage of the current 40-year low mortgage rates. Construction of single-family homes will be particularly strong in **Greater Moncton** and in rural areas. Single starts will then slowdown in 2003. Our current forecast indicates 2,400 and 2,325 single starts in 2002 and 2003 respectively.

**Multiple Starts:** Near record low vacancy levels in **Fredericton** and **Moncton** have stimulated the construction of multiple dwellings. As a result, multiple starts in 2001 rose to the highest level since 1993. Construction activity will decline relative to this peak over the forecast period but remain strong in historical terms.

**Resales:** A slow start in new home construction in early 2001 combined with low mortgage rates has helped MLS sales to reach another record year. However, the strong sales in 2001 have absorbed a fair share of

## New Brunswick Starts



Employment growth will be nil in 2002. Employment will only start to expand again in 2003 with a 1.5 per cent growth. The labour force will expand at a faster pace than employment this year, causing the unemployment rate to rise to 12 per cent before dropping to under 12 per cent in 2003.

Despite a slowdown in economic and employment growth, the demand for housing remains strong. A shortage of rental units in **Fredericton** and **Moncton** will continue to support strong multiple starts in 2002. Total starts will reach 3,050 and 2,900 units in 2002 and 2003 respectively.

the listings inventory, in **Greater Moncton** in particular. As a result, expect MLS sales to decline slightly to 4,650 units in 2002 before rising slightly to 4,700 units in 2003.

**Prices:** An increased number of higher priced homes sales will push the average sale price to \$98,000 and \$97,500 in 2002 and 2003 respectively.

## Spotlight on RURAL AREAS

Construction activity in rural areas of the province has remained strong over the last few years. A large number of people have moved closer to relatives and services in larger N.B. urban centres. However, many have chosen locations just outside Census Area limits. Furthermore, high levels of migrants are moving away from larger centres, such as Toronto, to build their retirement home along the coast. The influx of people in growing communities near the larger centres has stimulated housing demand. In 2001, multiple starts in rural areas have reached one of the highest levels in 10 years.

An increasing number of people will decide to commute to work due to improved accessibility to larger centres with the new highways. Expect rural starts to remain strong over the next several years.

# Nova Scotia

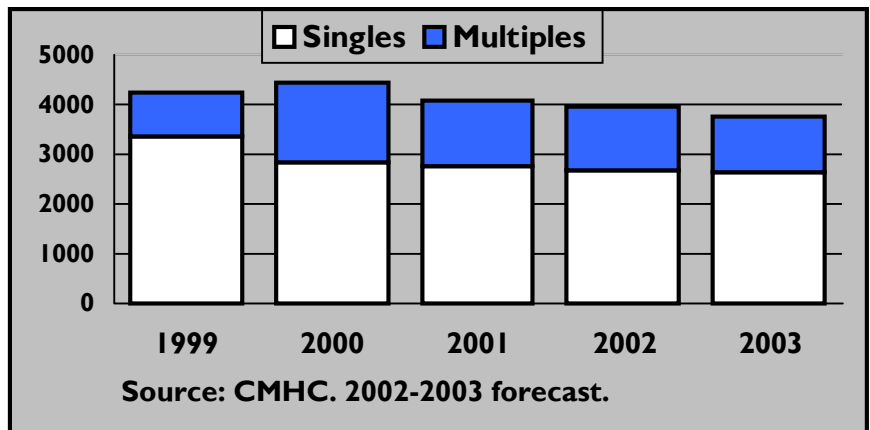
## Overview

### Low mortgage rates stimulate housing demand despite economic doldrums

Despite what is forecast to be the second consecutive year of sluggish economic growth and weak labour markets in Nova Scotia, historically low mortgage rates are expected to continue to sustain housing demand well into this year. As a result, the provincial housing market is forecast to post a broad, but shallow contraction in 2002.

Weakness in the North American economy and shaky consumer confidence are expected to continue through the first half of this year, limiting prospects for a strong economic recovery in Nova Scotia in 2002. However, offshore oil and

## Nova Scotia Starts



gas exploration is set to expand as the year progresses, and the \$1 billion Pan Canadian Deep Panuke project is scheduled to begin construction around midyear. This activity will kickoff what is expected to be a prolonged period of economic and employment growth in the province which is forecast to accelerate sharply in 2003.

Consequently, single and multiple starts as well as MLS sales are forecast to decline in 2002 in conjunction with anticipated slower price growth but stabilize somewhat in 2003.

## In Detail

**Single Starts:** Single-detached housing starts are forecast to decline 9 per cent in 2002, marking the third consecutive year of falling single family home building activity. Tight construction labour market conditions and changes in the provincial New Home Harmonized Sales Tax Rebate Program will contribute to further increases in builders' costs this year, which is expected to discourage the growing but price sensitive first-time buyer demand segment.

**Multiple Starts:** After returning to a more typical and sustainable level of activity in 2001, multiple starts are expected to stabilize this year. While a decline in rental vacancy rates in urban centres across the province in 2001 is expected to result in a sustained level of new rental development, continuing low mortgage rates will encourage many developers to introduce new condominium and townhouse projects, especially in **Metro Halifax**.

**Resales:** After a record setting year of more than 9,000 MLS sales in 2001, existing

home sales are forecast to slip 4 per cent in 2002 as overall housing demand declines in tandem with sagging economic growth and weak employment gains this year.

**Prices:** Average price growth is forecast to moderate to about two per cent in 2002 as first-time home buyers are expected to comprise a growing share of overall housing demand. Although the provincial average price will increase at a more moderate pace, a shortage of existing homes for sale will still allow sellers market conditions to prevail in some key markets.

## Spotlight on OFFSHORE ENERGY

The offshore oil and gas industry in Nova Scotia is in the nascent stages, but it has the potential to be a major long-term economic stimulus and job creator if further large energy deposits are found in addition to those currently being developed by the \$3 billion Sable Gas Project and the \$1 billion Deep Panuke Project.

The total outstanding work expenditure bids for all current exploration licenses exceeds \$1 billion - a strong indication that the energy industry is confident that there are substantial resources yet to be located. Conservative estimates of natural gas reserves alone range from 20 to 40 trillion cubic feet. If realized, this would stimulate a substantial increase in investment and jobs.



# P.E.I.

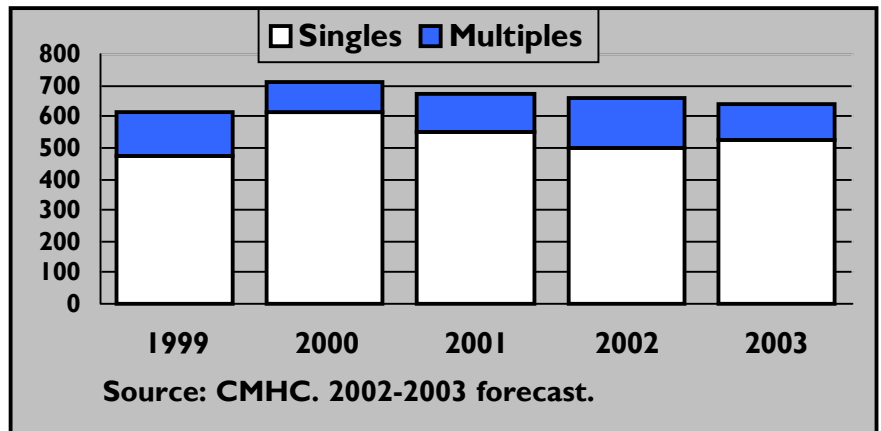
## Overview

### Non-residential construction spending helps sustain housing activity.

The rate of economic growth in P.E.I. is expected to slow in 2002, before rebounding slightly in 2003. The P.E.I. economy had a number of setbacks in 2001 which will continue to be felt in 2002. These include the near-drought-like conditions for the potato farmers, which cut their yields by 40%, the 10% decrease in fish quotas, the events of September 2001, and a decrease in international exports due to the slowdown in the North American economy. However, the high levels of non-residential construction that will continue into 2002 are offsetting these factors.

Employment growth on the Island is expected to remain positive over the next two years but to be more moderate than in the last two years. The majority of this job growth will come from the construction

## P.E.I. Starts



and service sectors of the economy. The large gains in the construction industry from 2001 will remain throughout 2002 as most of the large construction projects will run into this year. As well, most of the newly created full-time positions will be in the service sector in 2002 and in 2003 - a sign of the Island's diversifying economy.

The slower job growth will translate into fewer housing starts over the forecast period. In 2002, a decrease in single starts will be only partly offset by an increased level of multiple starts, especially in the **Charlottetown** area.

## In Detail

**Single Starts:** The construction of single-family homes is expected to drop to 500 units in 2002, despite the attractive interest rates currently being offered. However, with improving consumer confidence and a stronger economy, single starts are expected to increase slightly in 2003.

**Multiple Starts:** The low vacancy rate on the Island during the past few years, especially in urban centres, has not yet been enough to convince developers to build new projects. As a result, multiple starts are expected to increase only slightly to 160 units in 2002 before falling back to 115 units in 2003.

**Resales:** With attractive interest rates and a strong demand for existing homes, the resale market is expected to continue to do well over the forecast period. The only limiting factor may be the limited number of moderately priced homes available for sale. As a result, MLS sales are expected to

decrease slightly in 2002, before increasing again in 2003.

**Prices:** The continued strong demand for existing homes in the urban areas of the province will cause the average sales price to rise by about one per cent per year to \$89,500 by the end of 2003.

## Spotlight on CHARLOTTETOWN CONDO MARKET

As the Charlottetown real estate market matures, the number of housing options that it offers will increase. It now appears that some developers believe that this market is ready for condominium development. Currently the Charlottetown area has a very limited number of condo units in its real estate portfolio and most of these are in the low to middle of the price range.

The most recent developments in the Charlottetown area, indicate that developers believe that the time is right for a high-end condo project. Any new large scale condo project would be a first in this area, and if successful, may start a trend for future development. These projects will most likely be targeted to young professional and seniors, who tend to enjoy the advantages of condominium ownership.

# Newfoundland and Labrador

## Overview

### Economic growth to lead the nation in 2002 - Housing markets to remain active

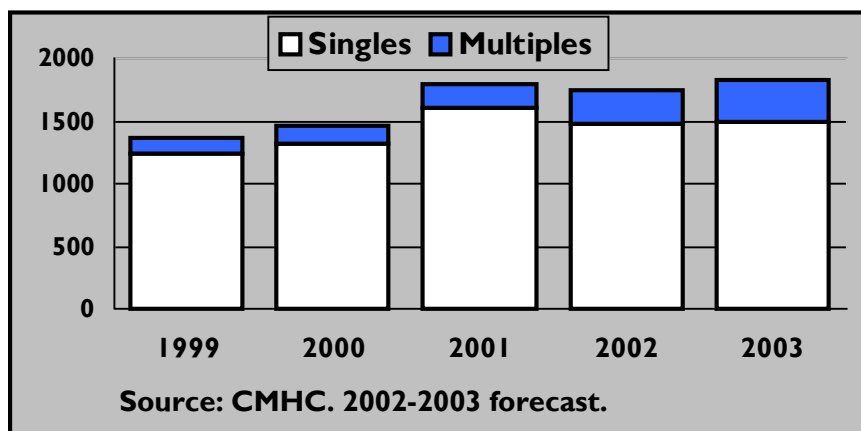
The outlook for ongoing expansion in oil production remains the major factor underpinning the positive economic picture in coming years. Following some setbacks last year, Hibernia is expected to return to full production. When combined with the start of production at Terra Nova, the energy sector will be the catalyst to the sustained economic upturn. The energy sector will also be bolstered by commencement of the White Rose oil project. While White Rose will provide some stimulus this year, most spin-offs will occur between 2003-2005 as its construction phase gains momentum. Growth in service based industries, and in particular retail trade, will continue, albeit at reduced levels from those achieved in

## In Detail

**Single Starts:** Following substantial growth last year, single-detached starts are expected to decline slightly in 2002. Despite the decline, single starts will still post their second best performance since 1994. Consumer uncertainty, modest employment growth and a gradual shift towards the purchase of more affordable townhouse style housing will moderate singles activity in the near term. Underlying weakness in resource industries will also limit further gains in rural areas in coming years. Expect modest growth in 2003 in line with stronger employment and income growth.

**Multiple Starts:** With a number of rental markets under supplied and the population continuing to age, expect multiple starts to be the major source of growth over the medium term. While tight rental markets will stimulate new investment in apartment projects, ongoing demand for the purchase of townhouses and apartment style condominiums will also boost multiple unit construction. Expectations that public sector investment in affordable housing will in-

## Newfoundland Starts



recent years. On the downside, sluggish demand and high inventory levels will hold back activity in mining and forestry. This will limit opportunities for a sustained recovery in many rural economies.

Job gains are expected to moderate from their recent strong pace, advancing between one and two per cent this year and next. When combined with income growth and low interest rates, demand for housing will remain at high levels. While out migration will result in further population declines, the rate of loss will slow as weaknesses in other parts of Canada keep more people at home and force others to return to the province.

crease should also bolster multiple starts.

**Resales:** Low interest rates and strong economic conditions will keep activity at high levels in 2002-2003.

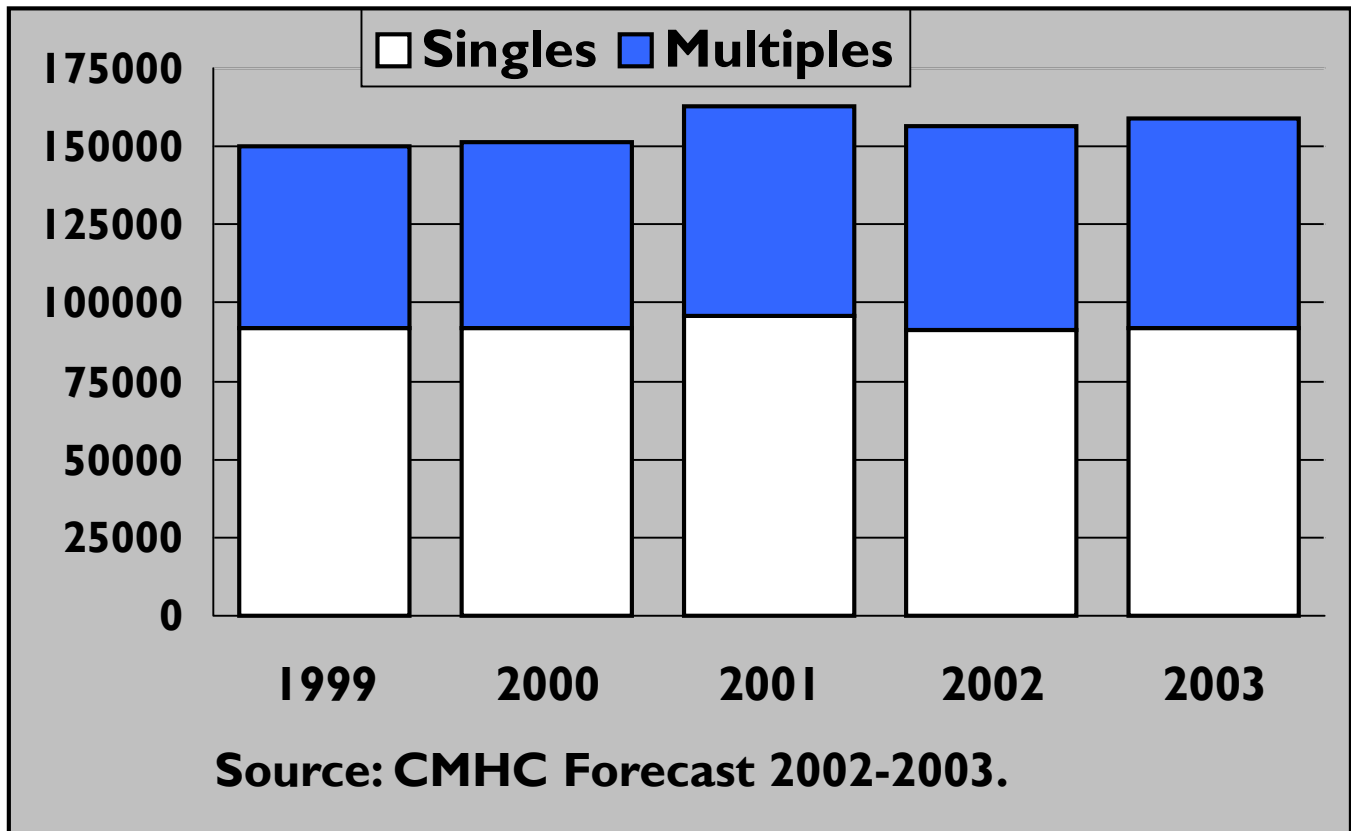
**Prices:** With sales activity brisk and listings remaining tight, the average MLS price will maintain its upward trend in 2002 and 2003.

## Spotlight on the RENTAL MARKETS

Rental demand within provincial urban centres increased significantly in 2001, with vacancy rates falling from the year before. Unlike recent years, the improved performance was widespread as all markets experienced a decline in vacancy rates over the past 12 months. The healthy improvement in rental market performance largely reflects healthy employment growth in urban centres as well as the virtual collapse in new construction in recent years.

Within the St. John's region, the vacancy rate fell to 2.5 per cent. This marked the fourth consecutive year of decline with the vacancy rate falling to its lowest level since 1990. Falling vacancy rates, rising rents and strong household demand are among several factors pointing to a recovery in the rental construction sector over the next 12 to 24 months.

# Canada Starts



| Total Housing Starts<br>(units and annual per cent change) |               |               |               |               |               |                |                |
|--|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|  | 1997          | 1998          | 1999          | 2000          | 2001          | 2002 (F)       | 2003 (F)       |
| <b>NFLD</b>  | <b>1696</b>   | <b>1450</b>   | <b>1371</b>   | <b>1459</b>   | <b>1788</b>   | <b>1750</b>    | <b>1825</b>    |
| %  | -16.6         | -14.5         | -5.4          | 6.4           | 22.5          | -2.1           | 4.3            |
| <b>PEI</b>   | <b>470</b>    | <b>524</b>    | <b>616</b>    | <b>710</b>    | <b>675</b>    | <b>660</b>     | <b>640</b>     |
| %  | -15.2         | 11.5          | 17.6          | 15.3          | -4.9          | -2.2           | -3.0           |
| <b>NS</b>  | <b>3813</b>   | <b>3137</b>   | <b>4250</b>   | <b>4432</b>   | <b>4092</b>   | <b>3950</b>    | <b>3750</b>    |
| %  | -6.1          | -17.7         | 35.5          | 4.3           | -7.7          | -3.5           | -5.1           |
| <b>NB</b>  | <b>2702</b>   | <b>2447</b>   | <b>2776</b>   | <b>3079</b>   | <b>3462</b>   | <b>3050</b>    | <b>2900</b>    |
| %  | -0.7          | -9.4          | 13.4          | 10.9          | 12.4          | -11.9          | -4.9           |
| <b>QUE</b>   | <b>25896</b>  | <b>23138</b>  | <b>25742</b>  | <b>24695</b>  | <b>27682</b>  | <b>25000</b>   | <b>25000</b>   |
| %  | 11.5          | -10.7         | 11.3          | -4.1          | 12.1          | -9.7           | 0.0            |
| <b>ONT</b>   | <b>54072</b>  | <b>53830</b>  | <b>67235</b>  | <b>71521</b>  | <b>73282</b>  | <b>70500</b>   | <b>72000</b>   |
| %  | 25.6          | -0.4          | 24.9          | 6.4           | 2.5           | -3.8           | 2.1            |
| <b>MAN</b>   | <b>2612</b>   | <b>2895</b>   | <b>3133</b>   | <b>2560</b>   | <b>2963</b>   | <b>2800</b>    | <b>2800</b>    |
| %  | 12.7          | 10.8          | 8.2           | -18.3         | 15.7          | -5.5           | 0.0            |
| <b>SASK</b>  | <b>2757</b>   | <b>2965</b>   | <b>3089</b>   | <b>2513</b>   | <b>2381</b>   | <b>2525</b>    | <b>2620</b>    |
| %  | 13.1          | 7.5           | 4.2           | -18.6         | -5.3          | 6.0            | 3.8            |
| <b>ALTA</b>  | <b>23671</b>  | <b>27122</b>  | <b>25447</b>  | <b>26266</b>  | <b>29174</b>  | <b>27500</b>   | <b>27700</b>   |
| %  | 42.0          | 14.6          | -6.2          | 3.2           | 11.1          | -5.7           | 0.7            |
| <b>BC</b>  | <b>29351</b>  | <b>19931</b>  | <b>16309</b>  | <b>14418</b>  | <b>17234</b>  | <b>18400</b>   | <b>20000</b>   |
| %  | 6.2           | -32.1         | -18.2         | -11.6         | 19.5          | 6.8            | 8.7            |
| <b>CAN</b>   | <b>147040</b> | <b>137439</b> | <b>149968</b> | <b>151653</b> | <b>162733</b> | <b>*156100</b> | <b>*159200</b> |
| %  | 17.9          | -6.5          | 9.1           | 1.1           | 7.3           | -4.1           | 2.0            |

Source: CMHC Forecast 2002-2003.  
 (F) Forecast.  
 \* Total does not add due to rounding.

| <b>Single-detached Starts</b><br>(units and annual per cent change) |              |              |              |              |              |               |               |
|---|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|   | 1997         | 1998         | 1999         | 2000         | 2001         | 2002 (F)      | 2003 (F)      |
| <b>NFLD</b>   | <b>1220</b>  | <b>1086</b>  | <b>1233</b>  | <b>1315</b>  | <b>1598</b>  | <b>1475</b>   | <b>1500</b>   |
| %   | -12.5        | -11.0        | 13.5         | 6.7          | 21.5         | -7.7          | 1.7           |
| <b>PEI</b>  | <b>374</b>   | <b>387</b>   | <b>472</b>   | <b>614</b>   | <b>551</b>   | <b>500</b>    | <b>525</b>    |
| %   | -13.0        | 3.5          | 22.0         | 30.1         | -10.3        | -9.3          | 5.0           |
| <b>NS</b>   | <b>2939</b>  | <b>2257</b>  | <b>3345</b>  | <b>2856</b>  | <b>2761</b>  | <b>2675</b>   | <b>2625</b>   |
| %   | -10.3        | -23.2        | 48.2         | -14.6        | -3.3         | -3.1          | -1.9          |
| <b>NB</b>   | <b>2125</b>  | <b>1989</b>  | <b>2201</b>  | <b>2442</b>  | <b>2573</b>  | <b>2400</b>   | <b>2325</b>   |
| %   | -2.2         | -6.4         | 10.7         | 10.9         | 5.4          | -6.7          | -3.1          |
| <b>QUE</b>  | <b>16073</b> | <b>14685</b> | <b>15798</b> | <b>15349</b> | <b>17193</b> | <b>15200</b>  | <b>15200</b>  |
| %   | 8.5          | -8.6         | 7.6          | -2.8         | 12.0         | -11.6         | 0.0           |
| <b>ONT</b>  | <b>35401</b> | <b>32737</b> | <b>39421</b> | <b>41087</b> | <b>39632</b> | <b>38000</b>  | <b>38100</b>  |
| %   | 31.0         | -7.5         | 20.4         | 4.2          | -3.5         | -4.1          | 0.3           |
| <b>MAN</b>  | <b>2019</b>  | <b>2368</b>  | <b>2231</b>  | <b>2348</b>  | <b>2460</b>  | <b>2360</b>   | <b>2320</b>   |
| %   | 7.7          | 17.3         | -5.8         | 5.2          | 4.8          | -4.1          | -1.7          |
| <b>SASK</b>   | <b>1954</b>  | <b>2154</b>  | <b>2070</b>  | <b>1890</b>  | <b>1627</b>  | <b>1850</b>   | <b>1920</b>   |
| %   | 21.2         | 10.2         | -3.9         | -8.7         | -13.9        | 13.7          | 3.8           |
| <b>ALTA</b>   | <b>18170</b> | <b>20077</b> | <b>16688</b> | <b>16835</b> | <b>19769</b> | <b>18500</b>  | <b>18700</b>  |
| %   | 40.3         | 10.5         | -16.9        | 0.9          | 17.4         | -6.4          | 1.1           |
| <b>BC</b>   | <b>12911</b> | <b>8691</b>  | <b>8731</b>  | <b>7448</b>  | <b>7862</b>  | <b>8100</b>   | <b>8500</b>   |
| %   | 3.7          | -32.7        | 0.5          | -14.7        | 5.6          | 3.0           | 4.9           |
| <b>CAN</b>  | <b>93186</b> | <b>86431</b> | <b>92190</b> | <b>92184</b> | <b>96026</b> | <b>*91100</b> | <b>*91700</b> |
| %   | 19.5         | -7.2         | 6.7          | -0.0         | 4.2          | -5.1          | 0.7           |

Source: CMHC Forecast 2002-2003.  
(F) Forecast.  
\* Total does not add due to rounding.

| <b>Multiple Starts</b><br>(units and annual per cent change) |              |              |              |              |              |               |               |
|--|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|  | 1997         | 1998         | 1999         | 2000         | 2001         | 2002 (F)      | 2003 (F)      |
| <b>NFLD</b>  | <b>476</b>   | <b>364</b>   | <b>138</b>   | <b>144</b>   | <b>190</b>   | <b>275</b>    | <b>325</b>    |
| %  | -25.5        | -23.5        | -62.1        | 4.3          | 31.9         | 44.7          | 18.2          |
| <b>PEI</b>   | <b>96</b>    | <b>137</b>   | <b>144</b>   | <b>96</b>    | <b>124</b>   | <b>160</b>    | <b>115</b>    |
| %  | -22.6        | 42.7         | 5.1          | -33.3        | 29.2         | 29.0          | -28.1         |
| <b>NS</b>  | <b>874</b>   | <b>880</b>   | <b>905</b>   | <b>1576</b>  | <b>1331</b>  | <b>1275</b>   | <b>1125</b>   |
| %  | 11.9         | 0.7          | 2.8          | 74.1         | -15.5        | -4.2          | -11.8         |
| <b>NB</b>  | <b>577</b>   | <b>458</b>   | <b>575</b>   | <b>637</b>   | <b>889</b>   | <b>650</b>    | <b>575</b>    |
| %  | 5.1          | -20.6        | 25.5         | 10.8         | 39.6         | -26.9         | -11.5         |
| <b>QUE</b>   | <b>9823</b>  | <b>8453</b>  | <b>9944</b>  | <b>9346</b>  | <b>10489</b> | <b>9800</b>   | <b>9800</b>   |
| %  | 16.9         | -13.9        | 17.6         | -6.0         | 12.2         | -6.6          | 0.0           |
| <b>ONT</b>   | <b>18671</b> | <b>21093</b> | <b>27814</b> | <b>30434</b> | <b>33650</b> | <b>32500</b>  | <b>33900</b>  |
| %  | 16.4         | 13.0         | 31.9         | 9.4          | 10.6         | -3.4          | 4.3           |
| <b>MAN</b>   | <b>593</b>   | <b>527</b>   | <b>902</b>   | <b>212</b>   | <b>503</b>   | <b>440</b>    | <b>480</b>    |
| %  | 33.9         | -11.1        | 71.2         | -76.5        | 137.3        | -12.5         | 9.1           |
| <b>SASK</b>  | <b>803</b>   | <b>811</b>   | <b>1019</b>  | <b>623</b>   | <b>754</b>   | <b>675</b>    | <b>700</b>    |
| %  | -2.8         | 1.0          | 25.6         | -38.9        | 21.0         | -10.5         | 3.7           |
| <b>ALTA</b>  | <b>5501</b>  | <b>7045</b>  | <b>8759</b>  | <b>9431</b>  | <b>9405</b>  | <b>9000</b>   | <b>9000</b>   |
| %  | 48.0         | 28.1         | 24.3         | 7.7          | -0.3         | -4.3          | 0.0           |
| <b>BC</b>  | <b>16440</b> | <b>11240</b> | <b>7578</b>  | <b>6970</b>  | <b>9372</b>  | <b>10300</b>  | <b>11500</b>  |
| %  | 8.2          | -31.6        | -32.6        | -8.0         | 34.5         | 9.9           | 11.7          |
| <b>CAN</b>   | <b>53854</b> | <b>51008</b> | <b>57778</b> | <b>59469</b> | <b>66707</b> | <b>*65100</b> | <b>*67500</b> |
| %  | 15.3         | -5.3         | 13.3         | 2.9          | 12.2         | -2.4          | 3.7           |

Source: CMHC Forecast 2002-2003.  
(F) Forecast.  
\* Total does not add due to rounding.

|      |               | Multiple Housing Starts by Type |       |       |       |       |          |          |
|------|---------------|---------------------------------|-------|-------|-------|-------|----------|----------|
|      |               | 1997                            | 1998  | 1999  | 2000  | 2001  | 2002 (F) | 2003 (F) |
| NF   | Semi-detached | 158                             | 163   | 50    | 44    | 30    | 50       | 50       |
|      | Row           | 18                              | 20    | 9     | 23    | 36    | 50       | 50       |
|      | Apartment     | 300                             | 181   | 79    | 77    | 124   | 175      | 225      |
|      | Total         | 476                             | 364   | 138   | 144   | 190   | 275      | 325      |
| PEI  | Semi-detached | 12                              | 28    | 32    | 46    | 56    | 45       | 40       |
|      | Row           | 43                              | 10    | 31    | 21    | 10    | 25       | 30       |
|      | Apartment     | 41                              | 99    | 81    | 29    | 58    | 90       | 45       |
|      | Total         | 96                              | 137   | 144   | 96    | 124   | 160      | 115      |
| NS   | Semi-detached | 303                             | 290   | 218   | 266   | 228   | 240      | 250      |
|      | Row           | 58                              | 89    | 29    | 17    | 40    | 60       | 100      |
|      | Apartment     | 513                             | 501   | 658   | 1293  | 1063  | 975      | 775      |
|      | Total         | 874                             | 880   | 905   | 1576  | 1331  | 1275     | 1125     |
| NB   | Semi-detached | 106                             | 106   | 134   | 113   | 114   | 140      | 100      |
|      | Row           | 132                             | 89    | 94    | 26    | 153   | 80       | 75       |
|      | Apartment     | 339                             | 263   | 347   | 498   | 622   | 430      | 400      |
|      | Total         | 577                             | 458   | 575   | 637   | 889   | 650      | 575      |
| QC   | Semi-detached | 2767                            | 1930  | 1586  | 1291  | 1309  | 1250     | 1250     |
|      | Row           | 1433                            | 1074  | 1184  | 858   | 869   | 650      | 650      |
|      | Apartment     | 5623                            | 5449  | 7174  | 7197  | 8311  | 7900     | 7900     |
|      | Total         | 9823                            | 8453  | 9944  | 9346  | 10489 | 9800     | 9800     |
| ON   | Semi-detached | 4299                            | 4575  | 6445  | 7167  | 7106  | 7900     | 8100     |
|      | Row           | 9964                            | 10073 | 10425 | 10846 | 10269 | 8400     | 9000     |
|      | Apartment     | 4408                            | 6445  | 10944 | 12421 | 16275 | 16200    | 16800    |
|      | Total         | 18671                           | 21093 | 27814 | 30434 | 33650 | 32500    | 33900    |
| MAN  | Semi-detached | 143                             | 131   | 90    | 52    | 51    | 85       | 90       |
|      | Row           | 96                              | 81    | 151   | 63    | 84    | 65       | 85       |
|      | Apartment     | 354                             | 315   | 661   | 97    | 368   | 290      | 305      |
|      | Total         | 593                             | 527   | 902   | 212   | 503   | 440      | 480      |
| SK   | Semi-detached | 160                             | 174   | 155   | 148   | 116   | 163      | 142      |
|      | Row           | 352                             | 222   | 104   | 173   | 240   | 162      | 168      |
|      | Apartment     | 291                             | 415   | 760   | 302   | 398   | 350      | 390      |
|      | Total         | 803                             | 811   | 1019  | 623   | 754   | 675      | 700      |
| ALB  | Semi-detached | 1458                            | 1428  | 1570  | 1518  | 1957  | 1800     | 1800     |
|      | Row           | 1691                            | 1512  | 1424  | 1545  | 1779  | 1650     | 1650     |
|      | Apartment     | 2352                            | 4105  | 5765  | 6368  | 5669  | 5550     | 5550     |
|      | Total         | 5501                            | 7045  | 8759  | 9431  | 9405  | 9000     | 9000     |
| B.C. | Semi-detached | 1979                            | 1218  | 816   | 885   | 916   | 950      | 1000     |
|      | Row           | 3469                            | 2117  | 1444  | 1675  | 1686  | 1750     | 2000     |
|      | Apartment     | 10992                           | 7905  | 5318  | 4410  | 6770  | 7600     | 8500     |
|      | Total         | 16440                           | 11240 | 7578  | 6970  | 9372  | 10300    | 11500    |
| CAN  | Semi-detached | 11385                           | 10043 | 11096 | 11530 | 11883 | *12600   | *12800   |
|      | Row           | 17256                           | 15287 | 14895 | 15247 | 15166 | *12900   | *13800   |
|      | Apartment     | 25213                           | 25678 | 31787 | 32692 | 39658 | *39600   | *40900   |
|      | Total         | 53854                           | 51008 | 57778 | 59469 | 66707 | *65100   | *67500   |

Source: CMHC Forecast 2002-2003.

\* 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                                       | 2001 | 14                                 | 0        | 14           | 40    | 118    | 172           | 8           | 190             |
|  | 2002 | 100                                | 50       | 150          | 50    | 55     | 255           | 20          | 275             |
|  | 2003 | 75                                 | 100      | 175          | 80    | 50     | 305           | 20          | 325             |
| PEI  | 2001 | 48                                 | 0        | 48           | 0     | 30     | 78            | 18          | 124             |
|  | 2002 | 90                                 | 0        | 90           | 40    | 0      | 130           | 30          | 160             |
|  | 2003 | 80                                 | 0        | 80           | 0     | 0      | 80            | 35          | 115             |
| NS   | 2001 | 600                                | 0        | 600          | 320   | 166    | 1086          | 164         | 1331            |
|  | 2002 | 600                                | 0        | 600          | 375   | 150    | 1125          | 150         | 1275            |
|  | 2003 | 450                                | 0        | 450          | 400   | 125    | 975           | 150         | 1125            |
| NB   | 2001 | 461                                | 0        | 461          | 116   | 130    | 707           | 163         | 889             |
|  | 2002 | 310                                | 0        | 310          | 100   | 140    | 550           | 100         | 650             |
|  | 2003 | 325                                | 0        | 325          | 75    | 100    | 500           | 75          | 575             |
| QUE  | 2001 | 4026                               | 0        | 4026         | 4163  | 1630   | 9819          | 354         | 10489           |
|  | 2002 | 3850                               | 0        | 3850         | 3750  | 1550   | 9150          | 650         | 9800            |
|  | 2003 | 3850                               | 0        | 3850         | 3750  | 1550   | 9150          | 650         | 9800            |
| ONT  | 2001 | 2627                               | 89       | 2716         | 16649 | 14161  | 33526         | 100         | 33650           |
|  | 2002 | 3900                               | 0        | 3900         | 15000 | 13500  | 32400         | 100         | 32500           |
|  | 2003 | 4300                               | 0        | 4300         | 15400 | 14100  | 33800         | 100         | 33900           |
| MAN  | 2001 | 192                                | 0        | 192          | 79    | 8      | 279           | 219         | 503             |
|  | 2002 | 155                                | 0        | 155          | 230   | 15     | 400           | 40          | 440             |
|  | 2003 | 155                                | 0        | 155          | 230   | 15     | 400           | 80          | 480             |
| SASK                                       | 2001 | 38                                 | 0        | 38           | 605   | 31     | 674           | 77          | 754             |
|  | 2002 | 60                                 | 0        | 60           | 490   | 50     | 600           | 75          | 675             |
|  | 2003 | 70                                 | 0        | 70           | 505   | 50     | 625           | 75          | 700             |
| ALTA                                       | 2001 | 2470                               | 0        | 2470         | 5325  | 770    | 8565          | 521         | 9405            |
|  | 2002 | 1750                               | 0        | 1750         | 5350  | 700    | 7800          | 1200        | 9000            |
|  | 2003 | 1800                               | 0        | 1800         | 5450  | 600    | 7850          | 1150        | 9000            |
| BC   | 2001 | 2307                               | 1605     | 3912         | 4285  | 889    | 9086          | 250         | 9372            |
|  | 2002 | 1800                               | 100      | 1900         | 7200  | 700    | 9800          | 500         | 10300           |
|  | 2003 | 1700                               | 0        | 1700         | 8400  | 700    | 10800         | 700         | 11500           |
| CAN  | 2001 | 12783                              | 1694     | 14477        | 31582 | 17933  | 63992         | 1874        | 65866           |
|  | 2002 | 12615                              | 150      | 12765        | 32585 | 16860  | 62210         | 2865        | **65100         |
|  | 2003 | 12805                              | 100      | 12905        | 34290 | 17290  | 64485         | 3035        | **67500         |

Source: CMHC Forecast 2002-2003.  
 \* Includes homeowner and unclassified units.  
 \*\* Total does not add due to rounding.

| <b>MLS Total Residential Sales</b><br>(units and annual per cent change) |        |        |        |        |        |          |          |
|--|--------|--------|--------|--------|--------|----------|----------|
|  | 1997   | 1998   | 1999   | 2000   | 2001   | 2002 (F) | 2003 (F) |
| <b>NFLD</b>  | 2170   | 2288   | 2437   | 2593   | 2808   | 2750     | 2775     |
| %  | 8.2    | 5.4    | 6.5    | 6.4    | 8.3    | -2.1     | 0.9      |
| <b>PEI</b>   | 806    | 1125   | 1184   | 1206   | 1234   | 1100     | 1200     |
| %  | 7.5    | 39.6   | 5.2    | 1.9    | 2.3    | -10.9    | 9.1      |
| <b>NS</b>  | 7567   | 8052   | 8827   | 8429   | 9268   | 8900     | 8500     |
| %  | -9.6   | 6.4    | 9.6    | -4.5   | 10.0   | -4.0     | -4.5     |
| <b>NB</b>  | 3941   | 3908   | 4080   | 4524   | 4779   | 4650     | 4700     |
| %  | -2.0   | -0.8   | 4.4    | 10.9   | 5.6    | -2.7     | 1.1      |
| <b>QUE</b>   | 43463  | 45192  | 49792  | 53755  | 61620  | 58500    | 59000    |
| %  | 11.1   | 4.0    | 10.2   | 8.0    | 14.6   | -5.1     | 0.9      |
| <b>ONT</b>   | 140608 | 138463 | 148659 | 147158 | 162320 | 153500   | 154000   |
| %  | 1.9    | -1.5   | 7.4    | -1.0   | 10.3   | -5.4     | 0.3      |
| <b>MAN</b>   | 11180  | 10762  | 11111  | 10612  | 11440  | 11600    | 11600    |
| %  | 2.0    | -3.7   | 3.2    | -4.5   | 7.8    | 1.4      | 0.0      |
| <b>SASK</b>  | 8346   | 8068   | 8053   | 7552   | 7971   | 7700     | 7800     |
| %  | -3.9   | -3.3   | -0.2   | -6.2   | 5.5    | -3.4     | 1.3      |
| <b>ALTA</b>  | 43693  | 43383  | 42684  | 43311  | 48989  | 46950    | 47500    |
| %  | 16.6   | -0.7   | -1.6   | 1.5    | 13.1   | -4.2     | 1.2      |
| <b>BC</b>  | 68182  | 52910  | 58084  | 54179  | 69430  | 72800    | 73000    |
| %  | -5.5   | -22.4  | 9.8    | -6.7   | 28.1   | 4.9      | 0.3      |
| <b>CAN</b>   | 329956 | 314151 | 334911 | 333319 | 379859 | *368500  | *370100  |
| %  | 2.6    | -4.8   | 6.6    | -0.5   | 14.0   | -3.0     | 0.4      |

Source: Canadian Real Estate Association and Real Estate Board of the Fredericton Area Inc.,  
CMHC Forecast 2002-2003.  
(F) Forecast.  
\* Total does not add due to rounding.

| <b>MLS Average Residential Price</b><br>(dollars and annual per cent change) |        |        |        |        |        |          |          |
|--|--------|--------|--------|--------|--------|----------|----------|
|  | 1997   | 1998   | 1999   | 2000   | 2001   | 2002 (F) | 2003 (F) |
| <b>NFLD</b>  | 92226  | 91514  | 94359  | 99525  | 104376 | 105500   | 107500   |
| %  | -1.5   | -0.8   | 3.1    | 5.5    | 4.9    | 1.1      | 1.9      |
| <b>PEI</b>   | 86403  | 79577  | 82139  | 82884  | 87696  | 88750    | 89500    |
| %  | 3.0    | -7.9   | 3.2    | 0.9    | 5.8    | 1.2      | 0.8      |
| <b>NS</b>  | 96693  | 97015  | 102628 | 110269 | 116052 | 118500   | 119750   |
| %  | 3.5    | 0.3    | 5.8    | 7.4    | 5.2    | 2.1      | 1.1      |
| <b>NB</b>  | 87204  | 86648  | 88072  | 91624  | 95947  | 98000    | 97500    |
| %  | 3.6    | -0.6   | 1.6    | 4.0    | 4.7    | 2.1      | -0.5     |
| <b>QUE</b>   | 101715 | 103947 | 107501 | 111260 | 115865 | 118900   | 121900   |
| %  | 3.3    | 2.2    | 3.4    | 3.5    | 4.1    | 2.6      | 2.5      |
| <b>ONT</b>   | 164382 | 167115 | 174049 | 183841 | 193356 | 198200   | 203000   |
| %  | 5.6    | 1.7    | 4.1    | 5.6    | 5.2    | 2.5      | 2.4      |
| <b>MAN</b>   | 85404  | 86419  | 84525  | 87884  | 93192  | 96500    | 100000   |
| %  | 0.1    | 1.2    | -2.2   | 4.0    | 6.0    | 3.5      | 3.6      |
| <b>SASK</b>  | 83978  | 87577  | 91396  | 94047  | 98310  | 103500   | 106500   |
| %  | 8.4    | 4.3    | 4.4    | 2.9    | 4.5    | 5.3      | 2.9      |
| <b>ALTA</b>  | 124865 | 132905 | 139621 | 146258 | 153737 | 159000   | 165500   |
| %  | 6.1    | 6.4    | 5.1    | 4.8    | 5.1    | 3.4      | 4.1      |
| <b>BC</b>  | 220512 | 212046 | 215283 | 221371 | 222984 | 224600   | 227000   |
| %  | 0.8    | -3.8   | 1.5    | 2.8    | 0.7    | 0.7      | 1.1      |
| <b>CAN</b>   | 154644 | 152402 | 158126 | 164129 | 171968 | *176400  | *180400  |
| %  | 2.5    | -1.4   | 3.8    | 3.8    | 4.8    | 2.6      | 2.3      |

Source: Canadian Real Estate Association and Real Estate Board of the Fredericton Area Inc.,  
CMHC Forecast 2002-2003.  
(F) Forecast.  
\* Total does not add due to rounding.

| <b>Employment<br/>(annual per cent change)</b> |      |      |      |      |      |          |          |
|--|------|------|------|------|------|----------|----------|
|  | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 (F) | 2003 (F) |
| NFLD   | 1.2  | 2.6  | 5.5  | -0.2 | 3.3  | 1.0      | 1.5      |
| PEI  | 0.5  | 1.9  | 1.5  | 5.3  | 2.0  | 0.5      | 1.3      |
| NS   | 1.6  | 3.8  | 2.4  | 2.7  | 0.9  | 0.7      | 2.7      |
| NB   | 1.5  | 2.3  | 3.3  | 1.8  | 0.0  | -0.0     | 1.5      |
| QUE  | 1.6  | 2.7  | 2.3  | 2.4  | 1.1  | -0.1     | 1.3      |
| ONT  | 2.6  | 3.3  | 3.6  | 3.2  | 1.5  | 0.3      | 1.7      |
| MAN  | 1.3  | 1.9  | 1.3  | 2.2  | 0.6  | 1.0      | 1.0      |
| SASK   | 2.7  | 1.3  | 0.8  | 1.0  | -2.6 | 1.0      | 1.0      |
| ALTA   | 3.5  | 3.9  | 2.5  | 2.3  | 2.8  | 1.8      | 2.0      |
| BC   | 2.6  | 0.1  | 1.9  | 2.2  | -0.3 | 0.4      | 2.2      |
| CAN  | 2.3  | 2.7  | 2.8  | 2.6  | 1.1  | 0.4      | 1.7      |

Source: Statistics Canada, CMHC Forecast 2002-2003.  
(F) Forecast.

| <b>Unemployment Rate<br/>(per cent)</b> |      |      |      |      |      |          |          |
|---|------|------|------|------|------|----------|----------|
|   | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 (F) | 2003 (F) |
| NFLD                                    | 18.6 | 18.0 | 16.9 | 16.7 | 15.5 | 15.5     | 16.1     |
| PEI                                     | 15.4 | 13.9 | 14.4 | 12.0 | 11.9 | 12.3     | 12.3     |
| NS                                      | 12.1 | 10.5 | 9.6  | 9.1  | 9.7  | 10.1     | 9.7      |
| NB                                      | 12.7 | 12.2 | 10.2 | 10.0 | 11.2 | 12.0     | 11.8     |
| QUE                                     | 11.4 | 10.3 | 9.3  | 8.4  | 8.7  | 9.0      | 8.7      |
| ONT                                     | 8.4  | 7.2  | 6.3  | 5.7  | 6.4  | 7.3      | 7.4      |
| MAN                                     | 6.5  | 5.5  | 5.6  | 4.9  | 5.0  | 4.9      | 4.8      |
| SASK                                    | 5.9  | 5.8  | 6.1  | 5.2  | 5.8  | 5.8      | 5.8      |
| ALTA                                    | 5.8  | 5.6  | 5.7  | 5.0  | 4.6  | 4.6      | 4.6      |
| BC                                      | 8.4  | 8.8  | 8.3  | 7.2  | 7.6  | 8.4      | 7.6      |
| CAN                                     | 9.1  | 8.3  | 7.6  | 6.8  | 7.2  | 7.8      | 7.6      |

Source: Statistics Canada, CMHC Forecast 2002-2003.  
(F) Forecast.



| <b>Real Gross Domestic Product<br/>(annual per cent change)</b> |      |      |      |      |          |          |          |
|---|------|------|------|------|----------|----------|----------|
|   | 1997 | 1998 | 1999 | 2000 | 2001 (E) | 2002 (F) | 2003 (F) |
| NFLD  | 1.1  | 7.8  | 6.7  | 5.6  | 1.8      | 4.5      | 3.5      |
| PEI   | -0.3 | 5.6  | 3.8  | 3.0  | 1.9      | 1.7      | 2.3      |
| NS  | 3.3  | 3.4  | 5.7  | 2.3  | 1.2      | 1.2      | 3.8      |
| NB  | 0.9  | 3.5  | 4.6  | 1.8  | 1.2      | 0.7      | 2.4      |
| QUE   | 3.5  | 3.4  | 5.2  | 4.3  | 0.7      | 0.6      | 2.8      |
| ONT   | 4.9  | 4.8  | 7.4  | 5.3  | 1.7      | 1.0      | 3.4      |
| MAN   | 4.2  | 4.3  | 2.7  | 2.8  | 1.6      | 1.5      | 2.5      |
| SASK  | 5.5  | 2.9  | 1.2  | 3.2  | 0.8      | 1.0      | 2.0      |
| ALTA  | 7.5  | 4.5  | 1.9  | 5.6  | 3.9      | 2.5      | 3.3      |
| BC  | 3.4  | 1.7  | 2.8  | 3.9  | 0.8      | 0.9      | 3.0      |
| CAN   | 4.3  | 3.9  | 5.1  | 4.4  | 1.4      | 1.3      | 3.2      |

Source: Statistics Canada, CMHC Estimate 2001, CMHC Forecast 2002-2003.  
(E) Estimate. (F) Forecast.

| <b>Total Net Migration*<br/>(persons)</b> |        |        |        |        |          |          |          |
|---|--------|--------|--------|--------|----------|----------|----------|
|   | 1997   | 1998   | 1999   | 2000   | 2001 (E) | 2002 (F) | 2003 (F) |
| NFLD                                      | -8414  | -7751  | -2316  | -3341  | -3000    | -2750    | -2500    |
| PEI                                       | -232   | 117    | 882    | 403    | 350      | 250      | 400      |
| NS  | 527    | 222    | 3012   | 990    | 100      | 500      | 2000     |
| NB  | -1223  | -2257  | 1068   | 866    | 600      | 400      | 850      |
| QUE                                       | -1981  | 1637   | 5788   | 3486   | 2200     | 1200     | 1000     |
| ONT                                       | 93877  | 71339  | 96598  | 123772 | 145000   | 130000   | 120000   |
| MAN                                       | -4179  | -1629  | 1272   | 752    | 100      | 100      | 100      |
| SASK                                      | -1473  | -952   | -4913  | -7350  | -11000   | -9000    | -7000    |
| ALTA                                      | 40645  | 45626  | 20402  | 30121  | 36500    | 32400    | 29400    |
| BC  | 44614  | 11166  | 24512  | 17892  | 29000    | 33000    | 38000    |
| CAN**                                     | 162161 | 117518 | 146305 | 167591 | 199850   | 186100   | 182250   |

Source: Statistics Canada, CMHC Estimate 2001, CMHC Forecast 2002-2003.  
(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                 | 2001    | 1,264                | 631                            | 0.5                                    | 5,520     | 259,500                           | A | 0.5   |
|                          | 2002(F) | 1,160                | 655                            | 2.7                                    | 5,720     | 264,000                           | A | 1.0   |
|                          | 2003(F) | 1,300                | 700                            | 3.4                                    | 5,400     | 270,000                           | A | 0.7   |
| Vancouver                | 2001    | 10,862               | 3,512                          | 1.8                                    | 28,000    | 370,000                           | A | 1.0   |
|                          | 2002(F) | 12,200               | 3,800                          | 2.0                                    | 29,000    | 374,000                           | A | 1.2   |
|                          | 2003(F) | 13,000               | 4,000                          | 2.2                                    | 29,500    | 375,000                           | A | 1.2   |
| Abbotsford               | 2001    | 418                  | 412                            | na                                     | 1,720     | 204,000                           | A | 2.4   |
|                          | 2002(F) | 480                  | 425                            | na                                     | 1,750     | 204,000                           | A | 2.5   |
|                          | 2003(F) | 530                  | 440                            | na                                     | 1,825     | 206,000                           | A | 2.5   |
| Edmonton                 | 2001    | 7,855                | 4,959                          | 1.5                                    | 16,079    | 133,441                           | A | 0.9   |
|                          | 2002(F) | 7,300                | 4,600                          | 2.0                                    | 15,250    | 139,500                           | A | 1.2   |
|                          | 2003(F) | 7,400                | 4,700                          | 2.0                                    | 16,000    | 145,500                           | A | 1.5   |
| Calgary                  | 2001    | 11,349               | 7,559                          | 2.1                                    | 22,512    | 182,090                           | A | 1.2   |
|                          | 2002(F) | 10,600               | 7,100                          | 2.5                                    | 21,500    | 189,250                           | A | 1.5   |
|                          | 2003(F) | 10,650               | 7,200                          | 2.5                                    | 21,700    | 196,000                           | A | 1.5   |
| Saskatoon                | 2001    | 900                  | 542                            | 2.7                                    | 2,987     | 116,472                           | A | 2.9   |
|                          | 2002(F) | 1,000                | 650                            | 3.0                                    | 2,900     | 121,500                           | A | 3.0   |
|                          | 2003(F) | 1,000                | 625                            | 3.0                                    | 3,000     | 125,000                           | A | 2.5   |
| Regina                   | 2001    | 626                  | 401                            | 2.4                                    | 2,700     | 97,000                            | A | 2.1   |
|                          | 2002(F) | 625                  | 475                            | 3.0                                    | 2,700     | 100,000                           | A | 2.5   |
|                          | 2003(F) | 615                  | 450                            | 3.0                                    | 2,700     | 103,000                           | A | 2.5   |
| Winnipeg                 | 2001    | 1,473                | 1,238                          | 1.9                                    | 10,000    | 94,000                            | A | 1.4   |
|                          | 2002(F) | 1,500                | 1,225                          | 2.5                                    | 10,000    | 98,500                            | A | 1.2   |
|                          | 2003(F) | 1,500                | 1,200                          | 2.5                                    | 10,000    | 102,000                           | A | 1.2   |
| Thunder Bay              | 2001    | 211                  | 163                            | -1.0                                   | 1,343     | 110,689                           | A | 5.8   |
|                          | 2002(F) | 280                  | 170                            | 0.3                                    | 1,383     | 111,796                           | A | 5.0   |
|                          | 2003(F) | 250                  | 180                            | 0.3                                    | 1,425     | 114,032                           | A | 4.5   |
| Sudbury                  | 2001    | 191                  | 191                            | -1.0                                   | 1,935     | 107,623                           | A | 5.7   |
|                          | 2002(F) | 200                  | 190                            | 0.3                                    | 1,993     | 107,085                           | A | 5.0   |
|                          | 2003(F) | 240                  | 200                            | 0.3                                    | 2,052     | 107,620                           | A | 4.5   |
| Windsor                  | 2001    | 2,157                | 1,605                          | -0.1                                   | 4,600     | 141,580                           | A | 2.9   |
|                          | 2002(F) | 2,085                | 1,575                          | 2.0                                    | 4,650     | 144,410                           | A | 2.5   |
|                          | 2003(F) | 2,050                | 1,600                          | 3.0                                    | 4,725     | 148,020                           | A | 2.1   |
| London                   | 2001    | 1,607                | 1,317                          | 2.4                                    | 7,300     | 136,400                           | A | 1.6   |
|                          | 2002(F) | 2,005                | 1,225                          | 1.5                                    | 6,750     | 135,500                           | A | 1.4   |
|                          | 2003(F) | 1,790                | 1,200                          | 2.0                                    | 6,900     | 137,000                           | A | 1.2   |
| Kitchener                | 2001    | 3,537                | 2,197                          | 3.1                                    | 4,725     | 165,000                           | A | 0.9   |
|                          | 2002(F) | 3,250                | 2,250                          | 2.9                                    | 4,650     | 170,000                           | A | 1.2   |
|                          | 2003(F) | 3,325                | 2,300                          | 3.0                                    | 4,650     | 175,500                           | A | 1.5   |
| St. Catharines-Niagara   | 2001    | 1,134                | 916                            | 2.5                                    | 5,345     | 134,925                           | A | 1.9   |
|                          | 2002(F) | 1,125                | 875                            | 3.0                                    | 5,225     | 134,020                           | A | 2.5   |
|                          | 2003(F) | 1,225                | 900                            | 2.3                                    | 5,375     | 138,750                           | A | 2.3   |
| Hamilton                 | 2001    | 3,365                | 1,842                          | 2.1                                    | 11,150    | 174,025                           | A | 1.3   |
|                          | 2002(F) | 3,395                | 1,735                          | 2.5                                    | 10,600    | 175,330                           | A | 1.6   |
|                          | 2003(F) | 3,625                | 1,800                          | 3.0                                    | 11,050    | 181,475                           | A | 1.5   |
| Toronto                  | 2001    | 41,017               | 16,844                         | 2.4                                    | 67,000    | 251,000                           | A | 0.9   |
|                          | 2002(F) | 39,000               | 16,000                         | 1.6                                    | 63,000    | 257,000                           | A | 1.0   |
|                          | 2003(F) | 40,500               | 16,500                         | 2.0                                    | 62,000    | 265,000                           | A | 1.1   |

| 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                   | 2001    | 2,561                | 2,038                          | na                                  | 4,675     | 171,000                           | A | 1.3   |
|                          | 2002(F) | 2,315                | 1,900                          | na                                  | 4,500     | 176,000                           | A | 1.8   |
|                          | 2003(F) | 2,465                | 2,000                          | na                                  | 4,450     | 180,000                           | A | 1.5   |
| Kingston                 | 2001    | 705                  | 527                            | na                                  | 3,205     | 130,125                           | A | 1.5   |
|                          | 2002(F) | 760                  | 570                            | na                                  | 3,395     | 130,775                           | A | 1.2   |
|                          | 2003(F) | 835                  | 600                            | na                                  | 3,685     | 131,600                           | A | 0.8   |
| Ottawa                   | 2001    | 6,251                | 3,502                          | 11.3                                | 12,055    | 205,000                           | A | 0.8   |
|                          | 2002(F) | 5,300                | 2,550                          | 1.6                                 | 11,700    | 217,500                           | A | 1.3   |
|                          | 2003(F) | 4,955                | 2,100                          | 2.2                                 | 11,925    | 230,100                           | A | 0.9   |
| Hull                     | 2001    | 1,659                | 1,093                          | n.a.                                | 4,200     | 100,000                           | A | 0.6   |
|                          | 2002(F) | 1,450                | 955                            | n.a.                                | 3,600     | 90,000                            | A | 0.8   |
|                          | 2003(F) | 1,450                | 955                            | n.a.                                | 3,600     | 90,000                            | A | 1.0   |
| Montréal                 | 2001    | 13,303               | 7,152                          | 5.0                                 | 21,800    | 137,000                           | A | 0.6   |
|                          | 2002(F) | 10,100               | 7,000                          | 5.0                                 | 19,500    | 141,000                           | A | 0.6   |
|                          | 2003(F) | 10,000               | 7,000                          | 5.0                                 | 20,000    | 144,000                           | A | 1.0   |
| Trois-Rivières           | 2001    | 324                  | 224                            | n.a.                                | 750       | 79,500                            | A | 4.7   |
|                          | 2002(F) | 400                  | 276                            | n.a.                                | 750       | 80,500                            | A | 4.0   |
|                          | 2003(F) | 410                  | 290                            | n.a.                                | 750       | 81,000                            | A | 4.0   |
| Sherbrooke               | 2001    | 589                  | 283                            | n.a.                                | 1,245     | 94,300                            | A | 2.3   |
|                          | 2002(F) | 590                  | 300                            | n.a.                                | 1,150     | 96,600                            | A | 2.0   |
|                          | 2003(F) | 610                  | 320                            | n.a.                                | 1,200     | 98,000                            | A | 1.9   |
| Québec                   | 2001    | 2,555                | 1,581                          | 2.1                                 | 6,800     | 92,000                            | A | 0.8   |
|                          | 2002(F) | 2,800                | 1,732                          | 2.1                                 | 7,000     | 94,300                            | A | 0.6   |
|                          | 2003(F) | 2,800                | 1,732                          | 2.1                                 | 7,000     | 96,000                            | A | 1.2   |
| Chicoutimi-Jonquière     | 2001    | 336                  | 228                            | n.a.                                | 795       | 86,000                            | A | 4.4   |
|                          | 2002(F) | 320                  | 230                            | n.a.                                | 800       | 87,500                            | A | 4.6   |
|                          | 2003(F) | 350                  | 235                            | n.a.                                | 800       | 87,700                            | A | 4.7   |
| Saint John               | 2001    | 374                  | 325                            | 0.5                                 | 1,375     | 97,000                            | A | 5.6   |
|                          | 2002(F) | 365                  | 305                            | 0.7                                 | 1,400     | 97,500                            | A | 6.5   |
|                          | 2003(F) | 335                  | 280                            | 1.0                                 | 1,350     | 98,500                            | A | 4.0   |
| Halifax                  | 2001    | 2,340                | 1,296                          | 2.5                                 | 6,212     | 134,106                           | A | 2.8   |
|                          | 2002(F) | 2,150                | 1,200                          | 2.2                                 | 6,050     | 137,500                           | A | 3.4   |
|                          | 2003(F) | 2,050                | 1,175                          | 3.3                                 | 5,900     | 139,000                           | A | 3.0   |
| St. John's               | 2001    | 1,029                | 875                            | 2.0                                 | 2,675     | 105,237                           | A | 2.5   |
|                          | 2002(F) | 1,075                | 850                            | 2.5                                 | 2,625     | 106,500                           | A | 2.0   |
|                          | 2003(F) | 1,125                | 875                            | 2.5                                 | 2,650     | 108,000                           | A | 2.5   |
| Charlottetown            | 2001    | 300                  | 250                            | 1.5                                 | 470       | 106,355                           | A | 1.8   |
|                          | 2002(F) | 350                  | 230                            | 1.0                                 | 450       | 108,000                           | A | 2.5   |
|                          | 2003(F) | 300                  | 240                            | 1.8                                 | 460       | 109,000                           | A | 2.0   |
| ALL METRO AREAS          | 2001    | 120,292              | 63,703                         | 2.6                                 | 259,173   |                                   |   | 1.1   |
|                          | 2002(F) | 114,180              | 61,048                         | 3.0                                 | 249,991   |                                   |   | 1.1   |
|                          | 2003(F) | 116,685              | 61,797                         | 2.5                                 | 252,072   |                                   |   | 1.3   |

**Notes:**

A: Average MLS price for all dwelling types

S: Singles and semi-detached units

C: Single-family units less condo units

Source: CMHC, Canadian Real Estate Association, Local real estate boards, Statistics Canada, CMHC Forecast 2002-2003.  
n.a.: data not available

## Major Housing Indicators

### Seasonally Adjusted Annual Rates

(levels and quarterly per cent change)

|   | 00:Q1 | 00:Q2 | 00:Q3 | 00:Q4 | 01:Q1 | 01:Q2 | 01:Q3 | 01:Q4 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>New housing</b>                      |       |       |       |       |       |       |       |       |
| Building permits, units, thousands      | 153.6 | 144.9 | 159.7 | 150.0 | 167.1 | 162.4 | 160.4 | ..    |
| %                                       | -9.3  | -5.6  | 10.2  | -6.1  | 11.4  | -2.8  | -1.3  | ..    |
| Housing starts, total, thousands        | 155.8 | 142.5 | 159.9 | 153.7 | 160.9 | 164.5 | 156.3 | 171.6 |
| %                                       | -0.4  | -8.5  | 12.2  | -3.9  | 4.7   | 2.2   | -5.0  | 9.8   |
| Housing starts, singles, thousands      | 96.8  | 91.3  | 92.7  | 90.4  | 96.5  | 92.6  | 94.1  | 102.6 |
| %                                       | 1.0   | -5.7  | 1.5   | -2.5  | 6.7   | -4.0  | 1.6   | 9.0   |
| Housing starts, multiples, thousands    | 59.0  | 51.2  | 67.2  | 63.3  | 64.4  | 71.9  | 62.2  | 69.0  |
| %                                       | -2.6  | -13.2 | 31.3  | -5.8  | 1.7   | 11.6  | -13.5 | 10.9  |
| Housing completions, total, thousands   | 149.2 | 145.8 | 148.8 | 140.5 | 148.0 | 150.8 | 153.9 | 154.0 |
| %                                       | 1.1   | -2.3  | 2.1   | -5.6  | 5.3   | 1.9   | 2.0   | 0.1   |
| New house price index, 1992=100         | 102.3 | 102.9 | 103.5 | 104.2 | 104.9 | 105.8 | 106.5 | ..    |
| %                                       | 0.6   | 0.6   | 0.5   | 0.7   | 0.7   | 0.8   | 0.7   | ..    |
| <b>Existing housing</b>                 |       |       |       |       |       |       |       |       |
| MLS resales, units, thousands           | 338.4 | 328.1 | 333.6 | 333.2 | 349.7 | 370.6 | 378.8 | ..    |
| %                                       | 3.6   | -3.1  | 1.7   | -0.1  | 5.0   | 6.0   | 2.2   | ..    |
| MLS average resale price, \$C thousands | 162.4 | 162.7 | 164.3 | 167.1 | 166.1 | 170.0 | 173.4 | ..    |
| %                                       | 1.1   | 0.2   | 1.0   | 1.7   | -0.6  | 2.4   | 2.0   | ..    |
| <b>Mortgage market</b>                  |       |       |       |       |       |       |       |       |
| Mortgages outstanding, \$C billions     | 421.3 | 426.3 | 430.0 | 433.8 | 438.6 | 443.6 | 453.6 | ..    |
| %                                       | 1.4   | 1.2   | 0.9   | 0.9   | 1.1   | 1.2   | 2.2   | ..    |
| Mortgage approvals, \$C billions        | 69.5  | 72.0  | 76.5  | 78.7  | 84.3  | 89.5  | ..    | ..    |
| %                                       | 1.1   | 3.6   | 6.4   | 2.8   | 7.1   | 6.2   | ..    | ..    |
| 1-year mortgage rate, per cent*         | 7.63  | 8.03  | 7.90  | 7.83  | 7.10  | 6.73  | 6.03  | 4.70  |
| 5-year mortgage rate, per cent*         | 8.48  | 8.52  | 8.25  | 8.15  | 7.58  | 7.67  | 7.50  | 6.87  |
| <b>Residential investment**</b>         |       |       |       |       |       |       |       |       |
| Total, \$1992 billions                  | 45.9  | 44.7  | 45.8  | 46.2  | 46.8  | 46.9  | 47.5  | ..    |
| %                                       | 0.4   | -2.6  | 2.4   | 1.0   | 1.3   | 0.3   | 1.1   | ..    |
| New, \$1992 billions                    | 23.4  | 22.4  | 22.8  | 22.9  | 23.6  | 23.5  | 23.6  | ..    |
| %                                       | -0.6  | -4.1  | 1.5   | 0.5   | 3.4   | -0.5  | 0.3   | ..    |
| Alterations, \$1992 billions            | 15.5  | 15.5  | 15.9  | 16.4  | 16.0  | 15.7  | 16.0  | ..    |
| %                                       | 1.3   | 0.0   | 3.1   | 2.6   | -2.0  | -1.8  | 1.5   | ..    |
| Transfer costs, \$1992 billions         | 7.0   | 6.8   | 7.1   | 7.0   | 7.1   | 7.6   | 7.8   | ..    |
| %                                       | 1.9   | -3.2  | 3.6   | -0.8  | 1.7   | 7.1   | 2.6   | ..    |
| Deflator, 1992=100                      | 106.1 | 106.3 | 105.5 | 106.4 | 107.9 | 108.6 | 109.1 | ..    |
| %                                       | 1.9   | 0.2   | -0.8  | 0.9   | 1.4   | 0.7   | 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.