

# H

# OUSING NOW

St. Catharines/Niagara

## YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

www.cmhc.ca

### NEW HOME MARKET

#### Starts trend lower

Weaker employment and income growth, higher energy costs, high home prices, and more choice in the existing home market have pushed demand for homes lower, offsetting the positive effects of low mortgage rates, net in-migration, and strong consumer confidence. Year-to-date housing starts are down 25 per cent for the first nine months of 2005 when compared to the same period in 2004.

A weak third quarter has pushed year-to-date housing starts well below the very strong levels seen last year. Total starts this quarter were down 34 per cent from the

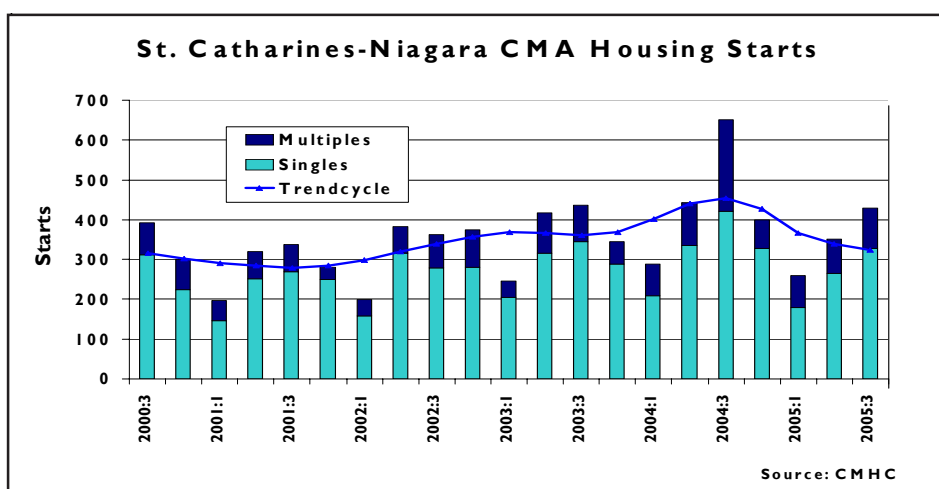
same period last year. Construction began on 428 homes in the third quarter of 2005. Both single-detached and multiple home segments contributed to this weak showing. Of the 10 municipalities in the St. Catharines-Niagara Census Metropolitan Area (CMA), only Niagara-on-the-Lake and Port Colborne have recorded an increase in housing starts this quarter.

Demand for single-detached homes in the St. Catharines-Niagara CMA has slipped from the strong levels seen last year. A total of 327 single-detached homes were started in the third quarter, down 22 per cent

### THIRD QUARTER 2005

#### In this issue

- 1 **New Home Market**  
Starts trend lower
- 2 **Resale Market**  
Home resales remain strong
- 3 Housing Activity Summary
- 4 Starts by Area and Intended Market
- 5 Single Absorption Profile
- 6 Resale Housing Activity
- 7 Economic Indicators
- 8 Definitions



from the same period last year. Despite the drop, detached homes remain the first choice among homebuyers.

The average price of new single-detached homes for the first nine months of 2005 remained virtually unchanged rising by only 0.8 per cent to \$284,614 from the same period in 2004. As demand weakened, builders have been responding with lower priced homes in some municipalities.

On the supply side, higher inventories of newly completed and

**Erica McLerie, CMHC - Market Analysis**  
**Direct Line: (416) 218-3318 \* Fax: (416) 218-3314**  
**emclerie@cmhc-schl.gc.ca \* www.cmhc.ca**

unabsorbed homes have meant less need for builders to bring product on line. In addition, the supply of good lots available for single-detached construction has been declining in some municipalities.

Multiple family home starts, which include semi-detached, townhouses, and apartments, were also weaker in the third quarter. A total of 101 multiple family homes started in the third quarter of 2005, down 56 per cent from the third quarter of 2004. The large decrease in multiple family starts can be partially explained by a spike in third quarter 2004 starts from a 100-unit apartment building.

## RESALE HOME MARKET

### Home resales remain strong

Home resales through the Multiple Listings Service (MLS®) remained at very strong levels this quarter. After adjusting for seasonal variation, MLS® sales in the St. Catharines-Niagara CMA in the third quarter rose by seven per cent from the second quarter. With a seasonally adjusted annual rate (SAAR) of over 7,000 in the third quarter, sales are on a pace that could match or surpass last year's impressive total of 6,723 MLS® sales.

Low mortgage rates, strong consumer confidence, and positive net migration continue to support demand for resale homes. Unadjusted MLS® sales in the third quarter of 2005 were up 7.4 per cent from the same quarter last year. This was the best third quarter for home resales since 1989. Year-to-date figures, for the first nine months of 2005 show home resales are up by 1.2 per cent when compared to the same period of 2004. All three districts recorded an increase in sales in the third quarter this year.

The number of new listings continued to outpace levels recorded last year. Despite the increase, new listings remain at historically low levels. New listings will trend higher as rising home prices encourage many homeowners to list their homes.

The resale home market remains tight in sellers' territory. The sales-to-new listings ratio, a measure of market state, remained unchanged this quarter at just over 62 per cent. All three districts remain in sellers' territory.

With the resale market in sellers' territory, price increases will continue to outpace the general rate of inflation. The average MLS® price of a resale home in the third quarter of 2005 has risen by 5 per cent to \$185,049 from the same time last year. This was the smallest quarterly year-over-year price increase since 2001. The average MLS® price for the first three quarters of 2005 has jumped by 7.4 per cent to \$182,456 compared to the same period last year. St. Catharines and Niagara Falls-Fort Erie districts recorded gains in their average MLS® price in the third quarter.

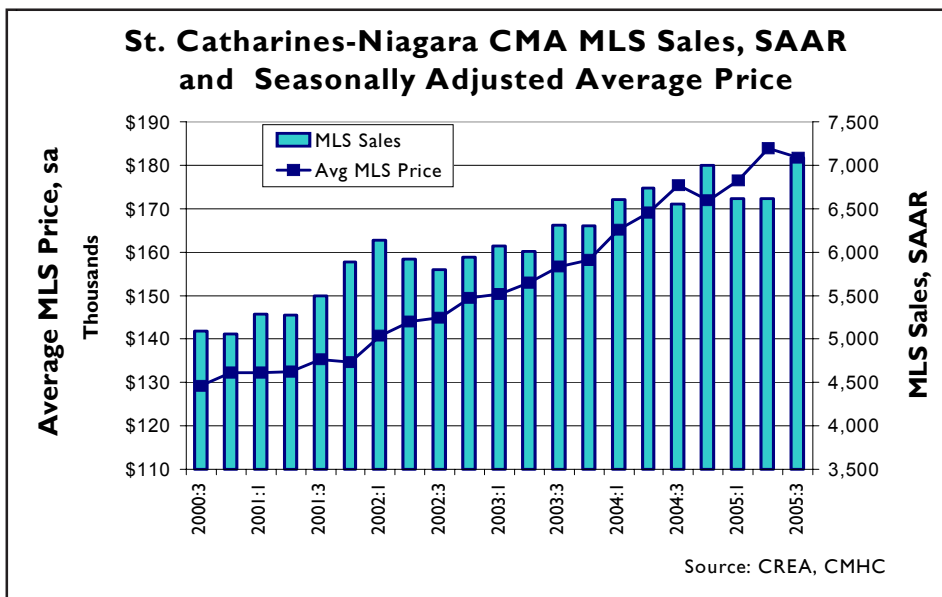
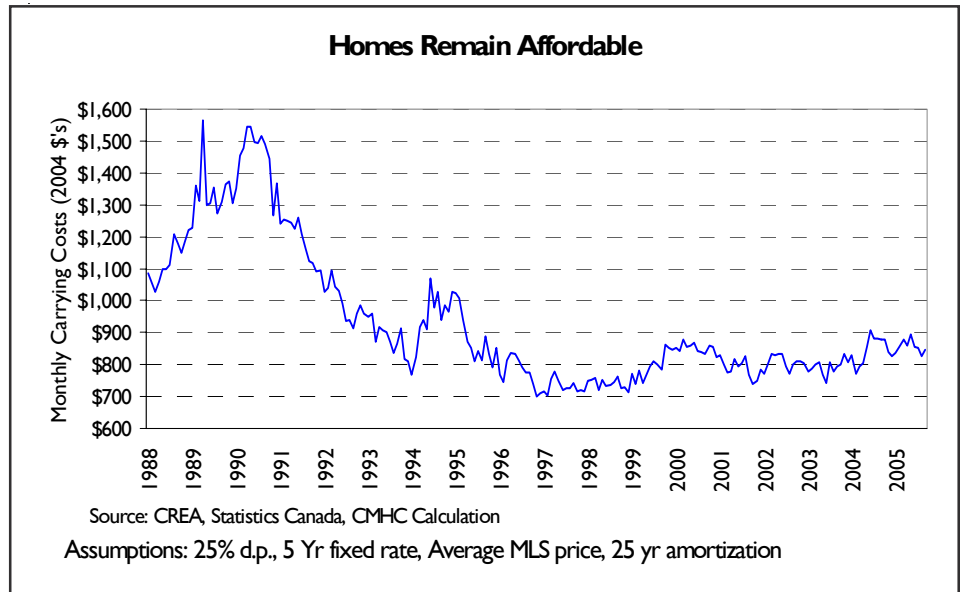


Table I: Housing Activity Summary for St. Catharines-Niagara CMA

	OWNERSHIP					RENTAL		GRAND **TOTAL
	FREEHOLD			CONDOMINIUM		ROW	APT	
	*SINGLE	*SEMI	ROW	ROW	APT			
<b>STARTS</b>								
Q3 2005	327	18	67	10	0	6	0	428
Q3 2004	421	28	74	24	0	4	100	651
% Change	-22.3	-35.7	-9.5	-58.3	NA	50.0	-100.0	-34.3
Year-to-date 2005	773	64	149	39	0	11	3	1,039
Year-to-date 2004	965	60	155	66	0	19	116	1,381
% Change	-19.9	6.7	-3.9	-40.9	NA	-42.1	-97.4	-24.8
<b>UNDER CONSTRUCTION</b>								
September 2005	491	42	160	98	0	11	103	905
September 2004	619	40	156	132	0	13	111	1,071
<b>COMPLETIONS</b>								
Q3 2005	307	24	53	32	0	0	0	416
Q3 2004	294	28	49	37	0	0	5	413
% Change	4.4	-14.3	8.2	-13.5	NA	NA	-100.0	0.7
Year-to-date 2005	843	68	125	93	0	4	11	1,144
Year-to-date 2004	815	50	113	68	0	7	5	1,058
% Change	3.4	36.0	10.6	36.8	NA	-42.9	120.0	8.1
<b>COMPLETE &amp; NOT ABSORBED</b>								
September 2005	96	12	15	9	0	0	3	135
September 2004	46	6	9	6	0	0	0	67
<b>ABSORPTIONS</b>								
Q3 2005	297	22	48	25	0	0	1	393
Q3 2004	314	23	50	34	0	0	5	426
% Change	-5.4	-4.3	-4.0	-26.5	NA	NA	-80.0	-7.7
Year-to-date 2005	807	64	116	86	0	4	8	1,085
Year-to-date 2004	834	50	110	68	0	7	5	1,074
% Change	-3.2	28.0	5.5	26.5	NA	-42.9	60.0	1.0

\*Includes all market types

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

Source: CMHC

To succeed in today's market you need  
**THE INFORMATION EDGE**  
 CMHC is the source for expert analysis  
 and comprehensive data  
 on housing in your community  
**Local Reports**  
 Rental Market Reports, Housing Now,  
 Housing Market Outlook  
 Annual Housing Outlook Conferences,  
 Custom Data Runs and Special Tables  
**Call 1-800-493-0059 today**  
**to find out how our information**  
**can help you stay one step ahead.**



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

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	Q3 2004	Q3 2005	% change	Q3 2004	Q3 2005	% change	Q3 2004	Q3 2005	% change
<b>St. Catharines-Niagara CMA</b>	421	327	-22.3	230	101	-56.1	651	428	-34.3
St. Catharines City	75	26	-65.3	141	39	-72.3	216	65	-69.9
Niagara Falls	108	98	-9.3	7	28	**	115	126	9.6
Welland	56	53	-5.4	15	4	-73.3	71	57	-19.7
Lincoln Town	25	21	-16.0	38	14	-63.2	63	35	-44.4
Fort Erie	45	34	-24.4	0	0	NA	45	34	-24.4
Niagara-on-the-Lake	42	36	-14.3	19	10	-47.4	61	46	-24.6
Pelham	29	31	6.9	3	0	NA	32	31	-3.1
Port Colborne City	7	9	28.6	0	0	NA	7	9	28.6
Thorold City	24	12	-50.0	7	6	-14.3	31	18	-41.9
Wainfleet TWP.	10	7	-30.0	0	0	NA	10	7	-30.0

### Table 2B: Starts by Area and by Intended Market - Year-to-Date

Sub Market Area	SINGLES			MULTIPLES			TOTAL		
	YTD 2004	YTD 2005	% change	YTD 2004	YTD 2005	% change	YTD 2004	YTD 2005	% change
<b>St. Catharines-Niagara CMA</b>	965	773	-19.9	416	266	-36.1	1,381	1,039	-24.8
St. Catharines City	186	83	-55.4	197	91	-53.8	383	174	-54.6
Niagara Falls	218	189	-13.3	23	31	34.8	241	220	-8.7
Welland	122	117	-4.1	49	10	-79.6	171	127	-25.7
Lincoln Town	58	53	-8.6	61	23	-62.3	119	76	-36.1
Fort Erie	107	99	-7.5	5	5	0.0	112	104	-7.1
Niagara-on-the-Lake	108	99	-8.3	50	71	42.0	158	170	7.6
Pelham	65	59	-9.2	5	4	-20.0	70	63	-10.0
Port Colborne City	23	25	8.7	6	14	133.3	29	39	34.5
Thorold City	61	36	-41.0	20	17	-15.0	81	53	-34.6
Wainfleet TWP.	17	13	-23.5	0	0	NA	17	13	-23.5

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

Sub Market Area	Q3 2004	Q3 2005	% Change	YTD 2004	YTD 2005	% Change
<b>St. Catharines-Niagara CMA</b>	289,534	300,788	3.9	282,231	284,614	0.8
St. Catharines City	283,225	293,751	3.7	266,355	284,526	6.8
Niagara Falls	269,932	272,149	0.8	278,640	265,395	-4.8
Welland	200,804	230,983	15.0	203,285	220,598	8.5
Lincoln Town	305,400	336,600	10.2	303,839	310,045	2.0
Fort Erie	253,813	413,985	63.1	256,403	299,933	17.0
Niagara-on-the-Lake	368,560	323,337	-12.3	373,007	345,072	-7.5
Pelham	367,174	336,541	-8.3	344,025	369,847	7.5
Port Colborne City	370,000	234,514	-36.6	287,445	222,926	-22.4
Thorold City	220,636	272,003	23.3	210,779	256,997	21.9
Wainfleet TWP.	313,750	366,250	16.7	324,652	304,634	-6.2

Source: CMHC

Note: NA may appear where CMHC data suppression rules apply

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

AREA	PRICE RANGES												TOTAL
	<\$150,000		\$150,000-\$199,999		\$200,000-\$249,999		\$250,000-\$299,999		\$300,000-\$449,999		\$450,000+		
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	
<b>St. Catharines-Niagara CMA</b>													
Q3 2005	9	3.0	29	9.8	76	25.6	84	28.3	80	26.9	19	6.4	297
Q3 2004	7	2.2	37	11.8	87	27.7	68	21.7	98	31.2	17	5.4	314
YTD 2005	24	3.0	109	13.5	202	25.0	198	24.5	236	29.2	38	4.7	807
YTD 2004	22	2.6	147	17.6	223	26.7	163	19.5	234	28.1	45	5.4	834
<b>St. Catharines City</b>													
Q3 2005	2	3.9	2	3.9	9	17.6	17	33.3	19	37.3	2	3.9	51
Q3 2004	1	1.5	3	4.6	22	33.8	17	26.2	19	29.2	3	4.6	65
YTD 2005	2	1.4	10	7.1	29	20.6	49	34.8	48	34.0	3	2.1	141
YTD 2004	2	1.2	20	12.0	58	34.7	47	28.1	36	21.6	4	2.4	167
<b>Niagara Falls</b>													
Q3 2005	0	0.0	6	8.6	25	35.7	20	28.6	15	21.4	4	5.7	70
Q3 2004	0	0.0	7	8.9	31	39.2	21	26.6	18	22.8	2	2.5	79
YTD 2005	0	0.0	19	10.7	72	40.4	41	23.0	38	21.3	8	4.5	178
YTD 2004	1	0.5	25	12.4	76	37.8	48	23.9	39	19.4	12	6.0	201
<b>Welland</b>													
Q3 2005	3	8.8	8	23.5	11	32.4	7	20.6	5	14.7	0	0.0	34
Q3 2004	0	0.0	13	56.5	6	26.1	3	13.0	1	4.3	0	0.0	23
YTD 2005	7	6.3	44	39.3	25	22.3	24	21.4	12	10.7	0	0.0	112
YTD 2004	3	3.4	52	59.1	14	15.9	11	12.5	8	9.1	0	0.0	88
<b>Lincoln Town</b>													
Q3 2005	0	0.0	0	0.0	6	30.0	7	35.0	4	20.0	3	15.0	20
Q3 2004	0	0.0	1	5.6	7	38.9	3	16.7	5	27.8	2	11.1	18
YTD 2005	0	0.0	1	1.8	22	40.0	11	20.0	17	30.9	4	7.3	55
YTD 2004	1	2.0	4	8.0	18	36.0	7	14.0	16	32.0	4	8.0	50
<b>Fort Erie</b>													
Q3 2005	4	12.5	7	21.9	9	28.1	5	15.6	5	15.6	2	6.3	32
Q3 2004	4	11.4	9	25.7	11	31.4	3	8.6	5	14.3	3	8.6	35
YTD 2005	11	12.9	17	20.0	24	28.2	18	21.2	13	15.3	2	2.4	85
YTD 2004	10	11.6	27	31.4	24	27.9	8	9.3	11	12.8	6	7.0	86
<b>Niagara-on-the-Lake</b>													
Q3 2005	0	0.0	0	0.0	2	6.7	15	50.0	10	33.3	3	10.0	30
Q3 2004	0	0.0	0	0.0	2	4.0	12	24.0	32	64.0	4	8.0	50
YTD 2005	0	0.0	0	0.0	5	5.7	25	28.4	50	56.8	8	9.1	88
YTD 2004	0	0.0	0	0.0	9	7.9	20	17.5	74	64.9	11	9.6	114
<b>Pelham</b>													
Q3 2005	0	0.0	0	0.0	6	26.1	3	13.0	10	43.5	4	17.4	23
Q3 2004	0	0.0	0	0.0	3	13.6	3	13.6	14	63.6	2	9.1	22
YTD 2005	0	0.0	1	1.8	7	12.3	8	14.0	29	50.9	12	21.1	57
YTD 2004	0	0.0	0	0.0	6	10.3	9	15.5	39	67.2	4	6.9	58
<b>Port Colborne City</b>													
Q3 2005	0	0.0	3	27.3	5	45.5	2	18.2	0	0.0	1	9.1	11
Q3 2004	0	0.0	0	0.0	1	33.3	1	33.3	0	0.0	1	33.3	3
YTD 2005	0	0.0	7	33.3	8	38.1	5	23.8	0	0.0	1	4.8	21
YTD 2004	1	9.1	4	36.4	1	9.1	2	18.2	1	9.1	2	18.2	11
<b>Thorold City</b>													
Q3 2005	0	0.0	3	13.6	3	13.6	8	36.4	8	36.4	0	0.0	22
Q3 2004	2	13.3	4	26.7	4	26.7	4	26.7	1	6.7	0	0.0	15
YTD 2005	4	8.0	10	20.0	9	18.0	10	20.0	17	34.0	0	0.0	50
YTD 2004	4	9.1	15	34.1	16	36.4	7	15.9	2	4.5	0	0.0	44
<b>Wainfleet TWP.</b>													
Q3 2005	0	0.0	0	0.0	0	0.0	0	0.0	4	100.0	0	0.0	4
Q3 2004	0	0.0	0	0.0	0	0.0	1	25.0	3	75.0	0	0.0	4
YTD 2005	0	0.0	0	0.0	1	5.0	7	35.0	12	60.0	0	0.0	20
YTD 2004	0	0.0	0	0.0	1	6.7	4	26.7	8	53.3	2	13.3	15

Table 5: Resale Housing Activity for St.Catharines-Niagara CMA

	Number of Sales	Yr/Yr %	Number of New Listings	Sales-to-New Listings	Average Price (\$)	Yr/Yr %
<b>All districts</b>						
Q3 2004	1,747	2.9	2,688	65.0	176,302	11.6
Q3 2005	1,876	7.4	2,997	62.6	185,049	5.0
YTD 2004	5,295	8.1	7,988		169,816	10.7
YTD 2005	5,357	1.2	8,778		182,456	7.4
<b>St. Catharines district</b>						
Q3 2004	810	0.7	1,290	62.8	190,871	13.0
Q3 2005	853	5.3	1,347	63.3	203,603	6.7
YTD 2004	2,491	2.0	3,773		182,715	10.6
YTD 2005	2,436	-2.2	3,943		200,732	9.9
<b>Niagara Falls-Fort Erie</b>						
Q3 2004	528	2.7	794	66.5	163,958	10.6
Q3 2005	587	11.2	926	63.4	177,832	8.5
YTD 2004	1,588	12.9	2,383		160,774	12.5
YTD 2005	1,676	5.5	2,713		175,362	9.1
<b>Welland district</b>						
Q3 2004	409	7.9	604	67.7	163,385	10.2
Q3 2005	436	6.6	724	60.2	158,466	-3.0
YTD 2004	1,216	15.7	1,832		155,198	11.1
YTD 2005	1,245	2.4	2,122		156,248	0.7
<b>Historical Data (1995-2004)</b>						
	Annual Sales	Yr/Yr %	Annual New Listings	Yr/Yr %	Annual Average Price (\$)	Yr/Yr %
1995	4,609	-8.5	11,983	-9.6	114,252	-2.7
1996	5,457	18.4	11,873	-0.9	114,072	-0.2
1997	5,509	1.0	11,154	-6.1	117,778	3.2
1998	5,794	5.2	11,354	1.8	121,981	3.6
1999	5,863	1.2	9,982	-12.1	126,155	3.4
2000	5,207	-11.2	9,310	-6.7	129,390	2.6
2001	5,488	5.4	9,221	-1.0	133,715	3.3
2002	5,951	8.4	8,828	-4.3	144,720	8.2
2003	6,174	3.7	9,270	5.0	154,559	6.8
2004	6,723	8.9	10,064	8.6	170,425	10.3

Source: Canadian Real Estate Association

Table 6: Economic Indicators

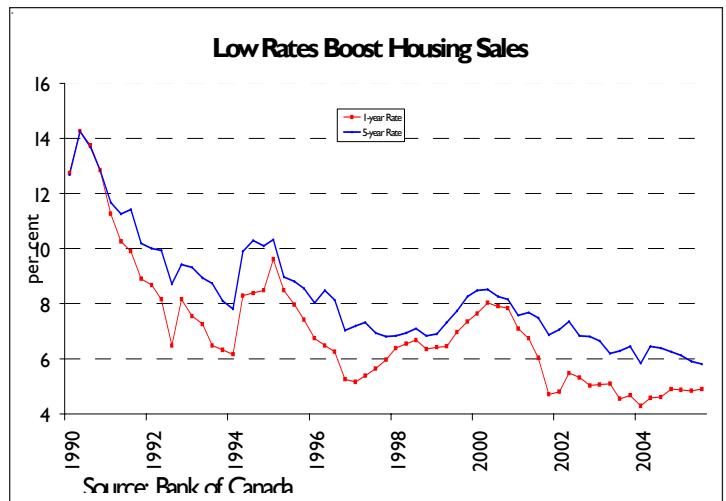
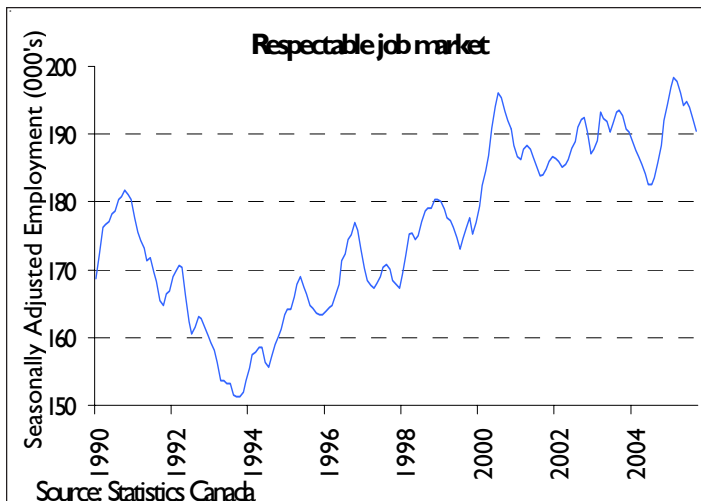
		Interest and Exchange Rates				Inflation Rate (%)	NHPI*** % chg.	St. Catharines-Niagara CMA Labour Market				
		P & I*	Mortgage Rate (%)		Exch. Rate			Ontario	St. Catharines-Niagara CMA	Employment	Employment	Unemployment
			Per \$100,000	1 Yr. Term								
2004	January	642.78	4.3	6.1	0.755	1.5	5.5	189.0	-0.7	6.9		
	February	627.97	4.3	5.8	0.749	0.8	6.1	187.7	-0.7	7.1		
	March	622.08	4.3	5.7	0.763	1.1	6.0	186.7	-0.5	7.7		
	April	648.75	4.5	6.2	0.729	2.3	6.7	185.5	-0.6	7.8		
	May	669.82	4.6	6.5	0.733	2.8	4.8	184.1	-0.8	8.0		
	June	681.99	4.7	6.7	0.750	2.4	6.9	182.6	-0.8	8.1		
	July	672.86	4.6	6.6	0.752	2.4	7.6	182.6	0.0	8.1		
	August	657.75	4.4	6.3	0.762	1.5	7.1	183.6	0.5	7.8		
	September	657.75	4.8	6.3	0.793	1.5	8.1	185.8	1.2	7.1		
	October	663.77	4.9	6.4	0.821	2.1	7.9	188.4	1.4	6.5		
	November	657.75	5.0	6.3	0.843	2.2	6.8	192.0	1.9	6.4		
	December	642.78	4.8	6.1	0.832	1.9	8.9	194.4	1.3	6.6		
2005	January	642.78	4.8	6.1	0.806	1.6	9.3	196.9	1.3	6.5		
	February	642.78	4.8	6.1	0.811	2.2	8.5	198.3	0.7	6.0		
	March	654.74	5.1	6.3	0.827	2.3	9.2	197.8	-0.3	6.1		
	April	642.78	4.9	6.1	0.795	2.3	8.1	196.1	-0.9	6.9		
	May	636.84	4.9	6.0	0.797	1.5	9.6	194.2	-1.0	6.8		
	June	622.08	4.8	5.7	0.816	1.9	6.7	194.8	0.3	6.5		
	July	627.97	4.9	5.8	0.817	1.9	5.7	194.0	-0.4	6.7		
	August	627.97	5.0	5.8	0.842	2.7	5.6	192.2	-0.9	8.1		
	September	627.97	5.0	5.8	0.860	3.3		190.4	-0.9	8.5		
	October	639.81	5.3	6.0								
	November											
	December											

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

\*\* Seasonally Adjusted

\*\*\* New Housing Price Index

Source: CMHC, Statistics Canada Labour Force Survey



## Definitions

- 1. Starts:** refers to units where construction has advanced to a stage where full (100%) footings are in place. For multiple dwellings (semi-detached, row housing and apartments) the definition of a start applies to the structure or block of row units rather than to the project as a whole.
- 2. Under Construction:** those units which have been started but which are not complete.
- 3. Completions - Single-detached/semi-detached units:** this generally is the stage at which all proposed construction work is complete. A unit may be completed at the 90% stage where the remaining work is largely cosmetic. **Row housing/ Apartment:** completions means that 90% or more of the dwelling units within a block of row units or an apartment structure are completed and ready for occupancy
- 4. Completed and Not Absorbed:** all completed units of new construction (excluding model homes not available for sale) which have never been sold or leased.
- 5. Absorptions:** the number of completed units (excluding model homes) that have been sold or leased.
- 6. Seasonally Adjusted (SA):** Actual monthly (or quarterly) figures adjusted to remove normal seasonal variation.
- 7. Seasonally Adjust Annual Rates (SAAR):** Seasonally adjusted monthly figures multiplied by 12 (or quarterly figures multiplied by 4) to reflect annualized levels of activity.
- 8. Definitions for CMA, NHPI, CPI, and Inflation Rate** can be found in the Statistics Canada website - <http://www.statcan.ca>

## Your Guide to Renting a Home – CMHC’s new, online guide for tenants, landlords, and property managers

CMHC is breaking new ground with the introduction of “Your Guide to Renting a Home”. A comprehensive rental guide, developed by the Research and Information Transfer team, this free, online tool launched this spring. It will help the estimated four million Canadian households in rental accommodation, as well as landlords and property managers, to find plain language information on tenant and landlord rights and rental practices across the country.

“Your Guide to Renting a Home” is located on the CMHC Web site at [www.cmhc.ca](http://www.cmhc.ca). From the left-hand menu, you can select “Buying or Renting a Home” and click on “Renting a Home”.

## Ontario’s 2005 Retirement Homes Report

Do you want to learn more about the dynamic private retirement home market in Ontario? The 2005 Retirement Homes Report has detailed Ontario-wide survey findings by market area covering vacancy rates and per diems by bed type, capture rates, new supply and vacancy rates by rent range for private beds as well as rent distributions. Order your copy today by calling **1-800-493-0059**.

Housing Now is published four times a year. An annual subscription to the St. Catharines-Niagara Housing Now is \$55 plus GST. For more information and to order; please call Ontario Market Analysis customer service at 1-800-493-0059.

© 2005 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada

Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this

publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.

