HOUSING MARKET INFORMATION

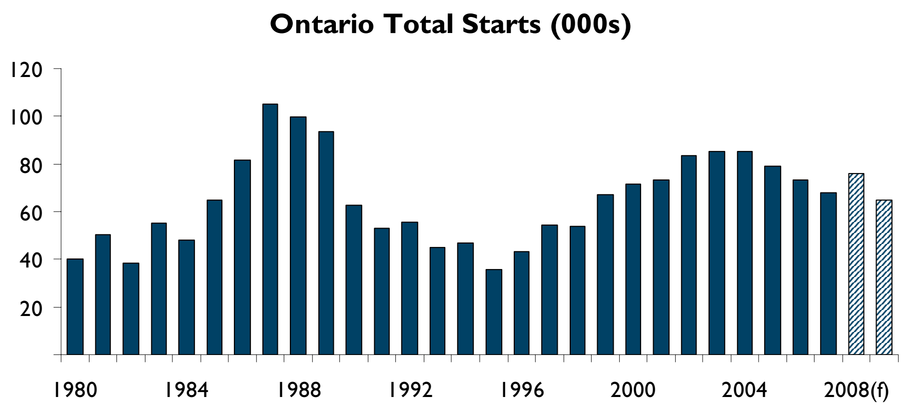
HOUSING MARKET OUTLOOK

Ontario Region Highlights

Canada Mortgage and Housing Corporation

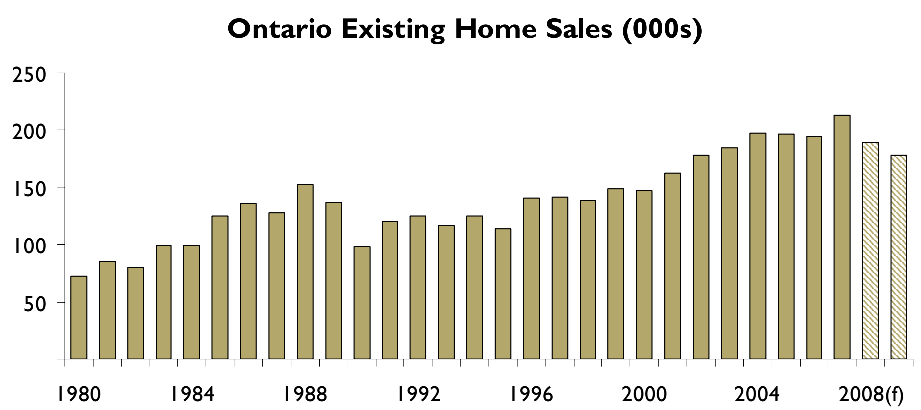
Date Released: Third Quarter 2008

Figure 1



Source: CHMC forecasts

Figure 2



Source: CHMC forecasts

Housing Starts

- Ontario home starts rise to 76,000 units this year before dropping to 65,000 units in 2009.
- Strong apartment demand drives Ontario home starts higher this year before moderating in 2009.
- Single-detached home starts to continue trending lower.
- Land constraints, rising mortgage carrying costs and a balanced resale market will dampen Ontario starts activity next year.

Resales

- Ontario existing home sales moderate reaching 189,150 units this year and 178,000 units in 2009.
- A slowing Ontario job market, rising mortgage carrying costs, slower growth in home listings and declining pent-up demand will weigh on sales.

Resale Prices

- More slack in Ontario's job market, slower sales will weigh on wage and home price growth.
- Ontario home prices will grow closer to inflation; 2.8 per cent and 2.3 per cent this year and next respectively.
- Growth in condominium apartment prices will exceed the Ontario average.

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Economic Forecasts

- Ontario economic growth will remain the lowest in Canada, moderating to 0.3 per cent this year before a gradual recovery of 1.9 per cent growth in 2009.
- High energy prices, a high Canadian dollar and weaker US consumer spending on durable goods will weigh on province's export sectors.
- Job growth will slow in line with a slowing economy.
- Domestic demand will support economy although growth in consumer spending will slow.
- Higher housing costs, slower western Canada employment growth will dampen Ontario migration outflows.

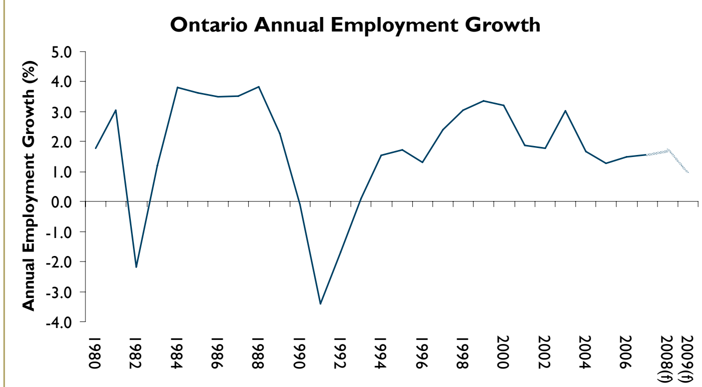
Housing Forecasts

- Hamilton, Kitchener, Ottawa, Greater Sudbury represent the tightest resale housing markets across Ontario – prices to exceed Ontario average growth.
- Rising mortgage carrying costs will pull Greater Sudbury market into balance and dampen sales and rate of price growth by 2009.
- Demand shift to more modestly priced housing will drive apartment sales and high density construction activity in Toronto, Ottawa and Barrie.
- Ownership and rental market conditions to remain cooler in urban centers dependent on trade with the U.S. Notable centres include Windsor, Thunder Bay and St.Catharines-Niagara.

Mortgage Rates Forecast

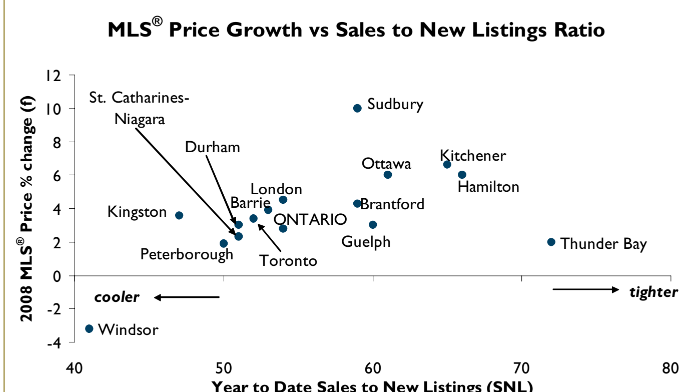
- Both short- and long-term interest rates are expected to remain within 25-50 basis points of their current levels in Canada and the U.S. for the rest of this year, then edge higher in 2009. Canadian mortgage rates are expected to remain within 25-75 basis points of their current level this year and next. One- and five-year mortgage rates are forecast to be in the 6.50-7.25 and 6.75-7.50 per cent range respectively in 2008-09.

Figure 3



Source: Statistics Canada, CMHC forecasts

Figure 4



Source: CREA, CMHC forecast (f)

Figure 5

Mortgage rates		
1 Year	Q2 2008	6.68
	% pt. chg from Q2 2007	-0.15
	2008 (F)	6.82
	2009 (F)	6.84
5 Year	Q2 2008	6.93
	% pt. chg from Q2 2007	-0.08
	2008 (F)	7.12
	2009 (F)	7.42

Source: Bank of Canada, CMHC Forecast

Ontario Region Economic and Housing Indicators

		Labour Market				Housing Market				
		Emp. Growth SA (%)	Unemp. Rate SA (%)	Average Weekly Earnings ($)		Total Starts	Single-Detached Starts	Multiple Starts	MLS® Sales	MLS® Average Price ($)
Barrie[2]	Q2 2008	-2.9	5.3	771.77	Q2 2008	478	291	187	1,454	269,625
	Q2 2007	0.5	4.3	810.59	Q2 2007	242	174	68	1,715	258,617
	Change[1]	-3.4	1.0	-4.8%	% Change	97.5	67.2	175.0	-15.2	4.3
Brantford[2]	Q2 2008	0.4	6.9	764.11	Q2 2008	172	124	48	697	222,138
	Q2 2007	1.2	6.9	699.53	Q2 2007	121	111	10	712	213,698
	Change[1]	-0.8	0.0	9.2%	% Change	42.1	11.7	380.0	-2.1	3.9
Greater Sudbury	Q2 2008	-1.8	5.6	844.70	Q2 2008	183	173	10	793	214,733
	Q2 2007	4.1	5.8	778.83	Q2 2007	180	168	12	889	184,613
	Change[1]	-6.0	-0.2	8.5%	% Change	1.7	3.0	-16.7	-10.8	16.3
Guelph[2]	Q2 2008	7.4	4.6	812.90	Q2 2008	336	156	180	953	270,733
	Q2 2007	-3.5	6.4	772.37	Q2 2007	297	187	110	980	261,707
	Change[1]	10.9	-1.7	5.2%	% Change	13.1	-16.6	63.6	-2.8	3.4
Hamilton	Q2 2008	1.1	6.0	795.25	Q2 2008	1,262	607	655	4,141	288,428
	Q2 2007	-0.1	6.0	790.27	Q2 2007	1,022	620	402	4,352	271,831
	Change[1]	1.3	0.0	0.6%	% Change	23.5	-2.1	62.9	-4.8	6.1
Kingston	Q2 2008	0.5	6.0	782.35	Q2 2008	174	162	12	1,331	243,474
	Q2 2007	0.3	5.8	719.96	Q2 2007	187	168	19	1,364	226,065
	Change[1]	0.3	0.2	8.7%	% Change	-7.0	-3.6	-36.8	-2.4	7.7
Kitchener	Q2 2008	2.9	5.6	786.06	Q2 2008	869	348	521	2,081	280,317
	Q2 2007	-1.3	5.8	768.04	Q2 2007	655	270	385	2,307	252,507
	Change[1]	4.2	-0.2	2.3%	% Change	32.7	28.9	35.3	-9.8	11.0
London	Q2 2008	0.0	7.4	817.87	Q2 2008	907	487	420	2,822	213,935
	Q2 2007	-2.3	6.0	756.89	Q2 2007	1,092	612	480	3,149	205,293
	Change[1]	2.3	1.4	8.1%	% Change	-16.9	-20.4	-12.5	-10.4	4.2
Oshawa	Q2 2008	1.8	7.4	834.27	Q2 2008	719	534	185	3,006	280,535
	Q2 2007	2.0	6.1	809.90	Q2 2007	579	558	21	3,385	260,406
	Change[1]	-0.2	1.3	3.0%	% Change	24.2	-4.3	781.0	-11.2	7.7

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

[1]Changes to the Unemployment Rate and Employment Growth represent the ***absolute*** difference between current rates and the rates for the same period in the previous year.

[2]Seasonally adjusted Labour Force data is not available for Barrie, Brantford, Guelph and Peterborough, therefore, raw data was used.

Source: Statistics Canada (CANSIM), CMHC (Starts and Completions Survey), CREA

"SA" means Seasonally Adjusted

Ontario Region Economic and Housing Indicators

		Labour Market				Housing Market				
		Emp. Growth SA (%)	Unemp. Rate SA (%)	Average Weekly Earnings ($)		Total Starts	Single-Detached Starts	Multiple Starts	MLS® Sales	MLS® Average Price ($)
Ottawa	Q2 2008	2.3	5.4	942.34	Q2 2008	2,060	834	1,226	5,203	296,953
	Q2 2007	-1.8	5.6	885.68	Q2 2007	1,709	770	939	5,102	277,647
	Change[1]	4.1	-0.2	6.4%	% Change	20.5	8.3	30.6	2.0	7.0
Peterborough[2]	Q2 2008	3.8	6.7	722.61	Q2 2008	153	121	32	825	241,482
	Q2 2007	0.5	6.0	718.23	Q2 2007	111	95	16	954	227,954
	Change[1]	3.2	0.7	0.6%	% Change	37.8	27.4	100.0	-13.5	5.9
St. Catharines-Niagara	Q2 2008	2.4	7.3	707.25	Q2 2008	318	192	126	1,901	205,074
	Q2 2007	1.2	6.4	693.32	Q2 2007	286	209	77	2,047	203,135
	Change[1]	1.2	0.9	2.0%	% Change	11.2	-8.1	63.6	-7.1	1.0
Thunder Bay	Q2 2008	-0.3	6.5	734.24	Q2 2008	50	50	0	319	127,509
	Q2 2007	1.4	6.5	715.21	Q2 2007	62	62	0	292	131,761
	Change[1]	-1.8	0.0	2.7%	% Change	-19.4	-19.4		9.2	-3.2
Toronto	Q2 2008	2.9	6.7	839.38	Q2 2008	11,684	3,485	8,199	26,769	397,608
	Q2 2007	1.8	6.8	800.50	Q2 2007	9,386	4,009	5,377	31,009	381,327
	Change[1]	1.1	-0.1	4.9%	% Change	24.5	-13.1	52.5	-13.7	4.3
Windsor	Q2 2008	-0.3	8.3	808.01	Q2 2008	156	111	45	1,421	161,312
	Q2 2007	-3.4	9.4	820.89	Q2 2007	182	137	45	1,553	165,257
	Change[1]	3.0	-1.1	-1.6%	% Change	-14.3	-19.0	0.0	-8.5	-2.4
Ontario	June 08	1.7	6.7	814.00	Q2 2008	22,358	9,761	12,597	62,717	315,077
	June 07	0.9	6.6	779.66	Q2 2007	19,150	10,643	8,507	69,738	302,866
	Change[1]	0.8	0.1	4.4%	% Change	16.8	-8.3	48.1	-10.1	4.0
Canada	June 08	1.7	6.2	777.73	Q2 2008	62,087	29,267	32,820	146,219	315,760
	June 07	2.1	6.1	744.90	Q2 2007	64,615	35,673	28,942	168,790	310,161
	Change[1]	-0.3	0.1	4.4%	% Change	-3.9	-18.0	13.4	-13.4	1.8

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[2]Seasonally adjusted Labour Force data is not available for Barrie, Brantford, Guelph and Peterborough, therefore, raw data was used.

Source: Statistics Canada (CANSIM), CMHC (Starts and Completions Survey), CREA

"SA" means Seasonally Adjusted

Ontario Region Housing Forecast - New Construction									
	Housing Starts	2007	2008(F)	% chg (2007/2008)	2009(F)	% chg (2008/2009)	YTD 2008	YTD 2007	% chg (2007/2008)
Barrie	Single-Detached	746	890	19.3	820	-7.9	499	289	72.7
	Multiple	234	360	53.8	330	-8.3	199	107	86.0
	Total	980	1,250	27.6	1,150	-8.0	698	396	76.3
Brantford	Single-Detached	466	475	1.9	425	-10.5	161	142	13.4
	Multiple	123	165	34.1	135	-18.2	82	45	82.2
	Total	589	640	8.7	560	-12.5	243	187	29.9
Greater Sudbury	Single-Detached	514	525	2.1	500	-4.8	199	190	4.7
	Multiple	73	190	160.3	140	-26.3	16	14	14.3
	Total	587	715	21.8	640	-10.5	215	204	5.4
Guelph	Single-Detached	575	510	-11.3	500	-2.0	245	284	-13.7
	Multiple	366	430	17.5	400	-7.0	306	206	48.5
	Total	941	940	-0.1	900	-4.3	551	490	12.4
Hamilton	Single-Detached	1,761	1,800	2.2	1,775	-1.4	956	905	5.6
	Multiple	1,243	1,480	19.1	1,395	-5.7	871	641	35.9
	Total	3,004	3,280	9.2	3,170	-3.4	1,827	1,546	18.2
Kingston	Single-Detached	600	510	-15.0	485	-4.9	198	221	-10.4
	Multiple	280	175	-37.5	190	8.6	25	79	-68.4
	Total	880	685	-22.2	675	-1.5	223	300	-25.7
Kitchener	Single-Detached	1,159	1,400	20.8	1,500	7.1	627	445	40.9
	Multiple	1,581	1,250	-20.9	1,250	0.0	682	866	-21.2
	Total	2,740	2,650	-3.3	2,750	3.8	1,309	1,311	-0.2
London	Single-Detached	1,983	1,650	-16.8	1,500	-9.1	764	967	-21.0
	Multiple	1,153	1,280	11.0	1,130	-11.7	660	817	-19.2
	Total	3,136	2,930	-6.6	2,630	-10.2	1,424	1,784	-20.2
Oshawa	Single-Detached	1,747	1,745	-0.1	1,480	-15.2	798	787	1.4
	Multiple	642	655	2.0	570	-13.0	263	66	298.5
	Total	2,389	2,400	0.5	2,050	-14.6	1,061	853	24.4

Source: CMHC (Starts and Completions Survey)
(F) = CMHC Forecast

Ontario Region Housing Forecast - New Construction

	Housing Starts	2007	2008(F)	% chg (2007/2008)	2009(F)	% chg (2008/2009)	YTD 2008	YTD 2007	% chg (2007/2008)
Ottawa	Single-Detached	2,973	3,000	0.9	2,500	-16.7	1,253	1,127	11.2
	Multiple	3,533	4,150	17.5	3,900	-6.0	1,977	1,451	36.3
	Total	6,506	7,150	9.9	6,400	-10.5	3,230	2,578	25.3
Peterborough	Single-Detached	324	290	-10.5	280	-3.4	142	106	34.0
	Multiple	216	150	-30.6	140	-6.7	43	38	13.2
	Total	540	440	-18.5	420	-4.5	185	144	28.5
St. Catharines-Niagara	Single-Detached	798	695	-12.9	610	-12.2	308	337	-8.6
	Multiple	351	445	26.8	390	-12.4	269	130	106.9
	Total	1,149	1,140	-0.8	1,000	-12.3	577	467	23.6
Thunder Bay	Single-Detached	185	170	-8.1	165	-2.9	53	77	-31.2
	Multiple	64	50	-21.9	50	0.0	0	6	-100.0
	Total	249	220	-11.6	215	-2.3	53	83	-36.1
Toronto	Single-Detached	14,769	12,500	-15.4	9,500	-24.0	5,992	6,492	-7.7
	Multiple	18,524	28,500	53.9	24,000	-15.8	14,637	8,479	72.6
	Total	33,293	41,000	23.1	33,500	-18.3	20,629	14,971	37.8
Windsor	Single-Detached	417	280	-32.9	240	-14.3	140	183	-23.5
	Multiple	197	120	-39.1	90	-25.0	55	105	-47.6
	Total	614	400	-34.9	330	-17.5	195	288	-32.3
Ontario	Single-Detached	37,910	34,075	-10.1	29,000	-14.9	15,102	16,079	-6.1
	Multiple	30,213	41,950	38.8	36,000	-14.2	21,170	13,910	52.2
	Total	68,123	76,025	11.6	65,000	-14.5	36,272	29,989	21.0
Canada	Single-Detached	118,917	97,925	-17.7	93,225	-4.8	44,596	54,894	-18.8
	Multiple	109,426	117,550	7.4	100,875	-14.2	61,101	50,437	21.1
	Total	228,343	215,475	-5.6	194,100	-9.9	105,697	105,331	0.3

Source: CMHC (Starts and Completions Survey)
(F) = CMHC Forecast

Ontario Region Housing Forecast - Resale Market

		2007	2008(F)	% chg (2007/2008)	2009(F)	% chg (2008/2009)	YTD 2008	YTD 2007	% chg (2007/2008)
Barrie	MLS® Sales	5,017	4,300	-14.3	4,000	-7.0	2,349	2746.0	-14.5
	MLS® Avg. Price	261,684	272,000	3.9	275,000	1.1	264,581	257,018	2.9
Brantford	MLS® Sales	2,305	2,175	-5.6	2,020	-7.1	1,198	1,273	-5.9
	MLS® Avg. Price	209,151	218,200	4.3	226,000	3.6	220,600	209,164	5.5
Greater Sudbury	MLS® Sales	2,751	2,615	-4.9	2,485	-5.0	1,312	1,474	-11.0
	MLS® Avg. Price	182,502	200,700	10.0	212,700	6.0	212,657	179,639	18.4
Guelph	MLS® Sales	3,088	2,800	-9.3	2,600	-7.1	1,632	1,758	-7.2
	MLS® Avg. Price	262,186	270,000	3.0	278,000	3.0	267,748	257,595	3.9
Hamilton	MLS® Sales	13,866	13,100	-5.5	12,100	-7.6	6,979	7,442	-6.2
	MLS® Avg. Price	268,857	285,000	6.0	296,000	3.9	285,666	268,440	6.4
Kingston	MLS® Sales	3,725	3,500	-6.0	3,350	-4.3	1,985	2,143	-7.4
	MLS® Avg. Price	222,300	230,240	3.6	237,000	2.9	236,940	220,864	7.3
Kitchener	MLS® Sales	7,031	6,500	-7.6	6,100	-6.2	3,619	3,869	-6.5
	MLS® Avg. Price	252,429	269,000	6.6	278,000	3.3	273,572	249,571	9.6
London	MLS® Sales	9,686	8,750	-9.7	8,200	-6.3	4,771	5,292	-9.8
	MLS® Avg. Price	202,908	212,100	4.5	220,500	4.0	213,603	203,249	5.1
Oshawa	MLS® Sales	10,223	9,200	-10.0	8,650	-6.0	5,154	5,726	-10.0
	MLS® Avg. Price	269,971	278,200	3.0	282,000	1.4	274,427	262,068	4.7

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Source: CREA
(F) = CMHC Forecast

Ontario Region Housing Forecast - Resale Market									
		2007	2008(F)	% chg (2007/2008)	2009(F)	% chg (2008/2009)	YTD 2008	YTD 2007	% chg (2007/2008)
Ottawa	MLS® Sales	14,739	14,000	-5.0	13,500	-3.6	7,967	8,239	-3.3
	MLS® Avg. Price	273,058	289,500	6.0	305,000	5.4	293,076	273,971	7.0
Peterborough	MLS® Sales	2,880	2,700	-6.3	2,650	-1.9	1,363	1,529	-10.9
	MLS® Avg. Price	235,631	240,000	1.9	242,000	0.8	232,963	223,589	4.2
St. Catharines-Niagara	MLS® Sales	6,668	6,200	-7.0	5,800	-6.5	3,243	3,532	-8.2
	MLS® Avg. Price	202,313	207,000	2.3	211,000	1.9	205,036	199,662	2.7
Thunder Bay	MLS® Sales	1,593	1,660	4.2	1,625	-2.1	319	292	9.2
	MLS® Avg. Price	129,734	132,330	2.0	134,300	1.5	127,507	131,761	-3.2
Toronto	MLS® Sales	95,164	82,000	-13.8	75,000	-8.5	44,490	51,472	-13.6
	MLS® Avg. Price	377,029	390,000	3.4	400,000	2.6	390,289	374,235	4.3
Windsor	MLS® Sales	5,000	4,500	-10.0	4,350	-3.3	2,462	2,646	-7.0
	MLS® Avg. Price	163,215	158,000	-3.2	157,000	-0.6	160,404	161,747	-0.8
Ontario	MLS® Sales	213,379	189,150	-11.4	178,000	-5.9	103,109	115,288	-10.6
	MLS® Avg. Price	299,544	307,900	2.8	315,100	2.3	310,450	297,588	4.3
Canada	MLS® Sales	520,192	458,300	-11.9	446,600	-2.6	251,550	289,525	-13.1
	MLS® Avg. Price	307,306	317,450	3.3	327,000	3.0	313,610	302,813	3.6

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Source: CREA
(F) = CMHC Forecast

Ontario Region Housing Forecast - Rental Market				
	Vacancy Rate		Average Rent 2-Bedroom Units	
	Oct 2007	Oct 2008(F)	Oct 2007	Oct 2008(F)
Barrie	3.2	3.0	934	950
Brantford	2.3	2.7	712	735
Greater Sudbury	0.6	0.3	749	779
Guelph	1.9	1.8	848	860
Hamilton	3.5	3.9	824	840
Kingston	3.2	3.0	856	873
Kitchener	2.7	2.5	829	840
London	3.8	3.8	816	835
Oshawa	3.7	3.5	877	890
Ottawa	2.3	1.8	961	980
Peterborough	2.8	2.6	822	825
St. Catharines-Niagara	4.0	4.0	765	780
Thunder Bay	3.8	3.3	709	720
Toronto	3.2	3.5	1,061	1,075
Windsor	12.8	12.5	774	770
Canada[1]	0.6	4.8	n/a	n/a

Source: CMHC Fall Rental Market Survey
(F) = CMHC Forecast
[1] All centres 100,000+

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 60 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable homes – homes that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at www.cmhc.ca

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.
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