HOUSING MARKET INFORMATION

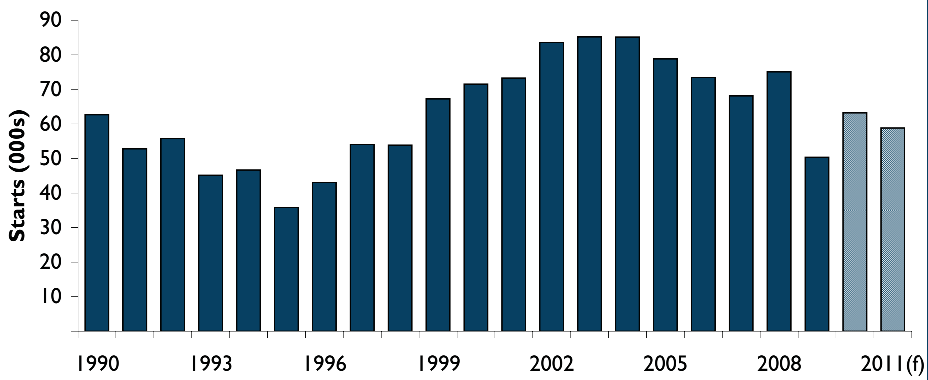
HOUSING MARKET OUTLOOK
Ontario Region Highlights

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Second Quarter 2010

Figure 1

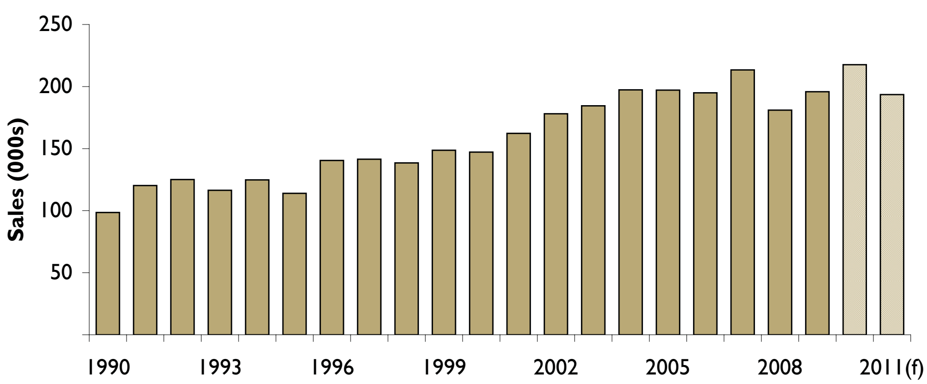
Ontario Total Home Starts



Source: CMHC (forecasts)

Figure 2

Ontario Existing Home Sales



Source: CREA, CMHC (forecasts)

Housing Starts

- Ontario home starts will strengthen from 2009 levels reaching 63,200 units in 2010 and 58,800 units in 2011.
- Owing to economic uncertainty, starts will range between 48,900 to 69,500 units this year and next.
- Stronger economic growth, improved credit market conditions, buoyant resale markets and low new home inventories motivate stronger construction activity in the short run.
- Rising mortgage carrying costs will boost demand for row housing, apartment ownership and rental accommodation later this year and into 2011.

Resale

- Quarterly Ontario resale volumes will moderate from record levels.
- Owing to economic uncertainty resales will range between 181,500 and 224,000 unit sales this year and next.
- The drag on sales from declining first time buyer demand and rising mortgage carrying costs will only partially be offset by stronger job markets and further income growth.

Resale Prices

- Higher Ontario prices will prompt more listings – flattening the trend in prices.

[1] The outlook is subject to uncertainty. Although point forecasts are presented in this publication, CMHC also presents forecast ranges and risks where appropriate. The forecasts included in this document are based on information available as of April 23, 2010.

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- Higher mortgage carrying costs prompt a shift to inexpensive home types- dampening housing inflation further.

Economic Forecasts

- Ontario economy will grow by 3.3 per cent this year and 3.0 per cent in 2011 – will be among provincial leaders driving recovery in Canada.
- Improving global economy, reduction of finished goods inventories help stabilize activity in Ontario`s key automotive and forest product sectors.
- High Canadian dollar & cautious US consumer spending will temper Ontario`s export sector recovery.
- Net migration outflows to western Canada will continue, albeit at a slower rate, as Ontario`s economy gains ground versus other provincial economies.

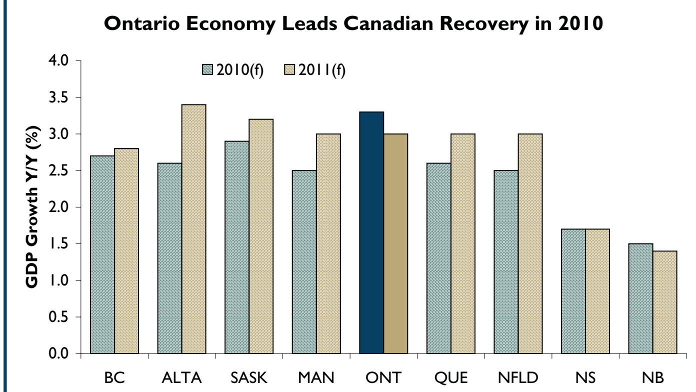
Housing Forecasts

- The Windsor, Oshawa and St. Catharines-Niagara housing markets will benefit from stabilization of industrial activity, less out-migration and low housing prices.
- More expensive single detached construction markets vulnerable to rising mortgage carrying costs and generally lower housing demand.
- Increasing demand for modestly priced ownership and rental housing will support high density construction activity in expensive markets such as Toronto, Ottawa and Hamilton.

Mortgage Rate Outlook

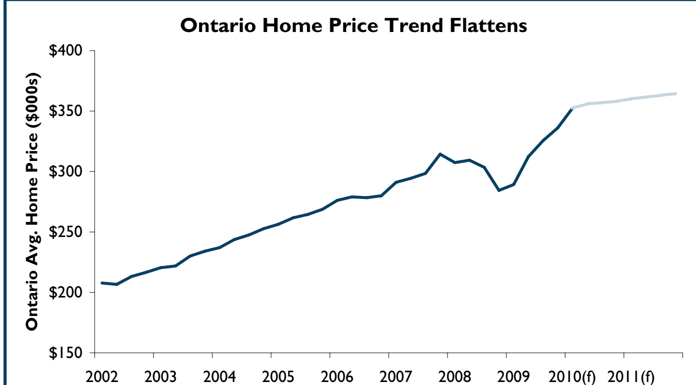
- The Bank of Canada cut the Target for the Overnight Rate in the early months of 2009. The rate was 1.50 per cent at the start of 2009 and has since fallen to 0.25 per cent. Looking ahead, we expect that short-term interest rates will begin to rise in the second half of 2010.
- With the overnight rate expected to increase in the coming months, mortgage rates have begun to rise. According to CMHC's base case scenario, posted mortgage rates will gradually increase throughout the course of 2010, but will do so at a slow pace. For 2010, the one-year posted mortgage rate is assumed to be in the 3.6-4.8 per cent range, while three and five-year posted mortgage rates are forecast to be in the 4.2-6.7 per cent range. For 2011, the one-year posted mortgage rate is assumed be in the 5.0-6.0 per cent range, while three and five-year posted mortgage rates are forecast to be in the 5.6-7.2 per cent range.
- Rates could, however, increase at a faster pace if the economy recovers more quickly than presently anticipated. Conversely, rate increases could be more muted if the economic recovery is more modest in nature.

Figure 3



Source: Statistics Canada, CMHC forecast (f)

Figure 4



Source: CREA, CMHC forecast (f)

Mortgage rates		
1 Year	Q1 2010	3.60
	% pt. chg from Q1 2009	-1.23
	2010 (F)	4.23
	2011 (F)	5.56
5 Year	Q1 2010	5.58
	% pt. chg from Q1 2009	-0.13
	2010 (F)	6.20
	2011 (F)	7.06

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]	Q1 2010	8.5	11.0	806.29	Q1 2010	72	58	14	950	274,063
	Q1 2009	-9.7	11.2	839.94	Q1 2009	38	38	0	647	252,768
	Change[1]	18.2	-0.2	-4.0%	% Change	89.5	52.6	na	46.8	8.4
Brantford[2]	Q1 2010	1.4	10.6	790.51	Q1 2010	123	47	76	521	225,397
	Q1 2009	-2.0	9.6	779.05	Q1 2009	71	69	2	368	210,515
	Change[1]	3.4	1.0	1.5%	% Change	73.2	-31.9	3700.0	41.6	7.1
Greater Sudbury	Q1 2010	-6.7	10.6	829.48	Q1 2010	30	30	0	419	211,567
	Q1 2009	1.4	7.5	820.20	Q1 2009	16	8	8	296	194,275
	Change[1]	-8.0	3.1	1.1%	% Change	87.5	275.0	-100.0	41.6	8.9
Guelph[2]	Q1 2010	2.5	8.7	856.64	Q1 2010	254	111	143	761	295,925
	Q1 2009	-4.9	8.0	818.73	Q1 2009	73	30	43	550	257,612
	Change[1]	7.4	0.6	4.6%	% Change	247.9	270.0	232.6	38.4	14.9
Hamilton	Q1 2010	-0.7	7.9	871.03	Q1 2010	1,012	337	675	3,146	308,139
	Q1 2009	-0.7	8.5	808.88	Q1 2009	389	108	281	2,166	264,187
	Change[1]	0.1	-0.6	7.7%	% Change	160.2	212.0	140.2	45.2	16.6
Kingston	Q1 2010	-2.7	6.0	792.03	Q1 2010	86	86	0	697	233,411
	Q1 2009	1.3	6.0	765.31	Q1 2009	33	29	4	561	223,386
	Change[1]	-3.9	0.0	3.5%	% Change	160.6	196.6	-100.0	24.2	4.5
Kitchener	Q1 2010	-1.2	9.6	797.72	Q1 2010	574	273	301	1,757	284,475
	Q1 2009	-0.6	9.6	798.72	Q1 2009	341	184	157	1,149	251,030
	Change[1]	-0.6	0.0	-0.1%	% Change	68.3	48.4	91.7	52.9	13.3
London	Q1 2010	0.8	9.3	813.36	Q1 2010	393	360	33	1,995	225,025
	Q1 2009	-2.2	9.3	813.00	Q1 2009	305	94	211	1,491	208,632
	Change[1]	3.0	0.0	0.0%	% Change	28.9	283.0	-84.4	33.8	7.9
Oshawa	Q1 2010	2.9	10.3	875.87	Q1 2010	334	328	6	2,462	296,004
	Q1 2009	-3.3	8.5	853.20	Q1 2009	68	68	0	1,550	262,374
	Change[1]	6.1	1.8	2.7%	% Change	391.2	382.4	0.0	58.8	12.8

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 Survey 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	Q1 2010	0.9	6.1	969.31	Q1 2010	1,042	453	589	3,373	325,339
	Q1 2009	-0.3	5.1	965.08	Q1 2009	909	303	606	2,503	284,118
	Change[1]	1.2	1.0	0.4%	% Change	14.6	49.5	-2.8	34.8	14.5
Peterborough[2]	Q1 2010	-4.8	10.8	730.50	Q1 2010	44	38	6	532	231,536
	Q1 2009	-5.3	8.1	803.25	Q1 2009	24	14	10	377	211,468
	Change[1]	0.5	2.7	-9.1%	% Change	83.3	171.4	-40.0	41.1	9.5
St. Catharines-Niagara	Q1 2010	-0.1	10.4	739.52	Q1 2010	271	135	136	1,389	211,517
	Q1 2009	-5.3	9.7	729.33	Q1 2009	123	52	71	987	189,893
	Change[1]	5.2	0.7	1.4%	% Change	120.3	159.6	91.5	40.7	11.4
Thunder Bay	Q1 2010	0.2	7.0	796.68	Q1 2010	13	11	2	307	152,308
	Q1 2009	-7.0	7.9	780.36	Q1 2009	11	5	6	250	133,523
	Change[1]	7.2	-0.9	2.1%	% Change	18.2	120.0	-0.7	22.8	14.1
Toronto	Q1 2010	0.7	9.4	860.01	Q1 2010	5,669	2,380	3,289	22,711	428,043
	Q1 2009	-0.6	9.1	849.91	Q1 2009	5,904	1,118	4,786	12,957	358,036
	Change[1]	1.3	0.3	1.2%	% Change	-4.0	112.9	-31.3	75.3	19.6
Windsor	Q1 2010	0.0	12.2	811.27	Q1 2010	71	67	4	1,133	150,725
	Q1 2009	-7.1	14.2	784.81	Q1 2009	35	20	15	787	142,391
	Change[1]	7.1	-2.0	3.4%	% Change	102.9	235.0	-73.3	44.0	5.9
Ontario	March 10	0.6	8.8	843.11	Q1 2010	11,255	5,470	5,785	47,230	344,087
	March 09	-2.3	8.9	827.98	Q1 2009	9,475	2,655	6,820	30,468	286,253
	Change[1]	2.9	-0.1	1.8%	% Change	18.8	106.0	-15.2	55.0	20.2
Canada	March 10	0.9	8.2	813.96	Q1 2010	35,014	16,889	18,125	111,110	336,409
	March 09	-1.7	8.1	799.27	Q1 2009	23,772	8,814	14,958	76,396	284,681
	Change[1]	2.6	0.1	1.8%	% Change	47.3	91.6	21.2	45.4	18.2

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Source: Statistics Canada (CANSIM), CMHC (Starts and Completions Survey), CREA
"SA" means Seasonally Adjusted

Ontario Housing Market Outlook (units and percentage change)											
	2005	**2006**	**2007**	**2008**	**2009**	**2010(F)**	**2011(F)**	**2010Q1 (F)**	**2010Q2 (F)**	**2010Q3 (F)**	**2010Q4 (F)**
Housing Starts:											
Single	41,682	38,309	37,910	31,108	22,634	31,200	21,900	37,300	35,500	28,200	23,800
%	-14.8	-8.1	-1.0	-17.9	-27.2	37.8	-29.8	25.6	-4.8	-20.6	-15.6
Multiple	37,113	35,108	30,213	43,968	27,736	32,000	36,900	26,800	31,000	34,000	36,000
%	2.6	-5.4	-13.9	45.5	-36.9	15.4	15.3	-12.1	15.7	9.7	5.9
Total	78,795	73,417	68,123	75,076	50,370	63,200	58,800	64,100	66,500	62,200	59,800
%	-7.4	-6.8	-7.2	10.2	-32.9	25.5	-7.0	6.5	3.7	-6.5	-3.9
Existing Home Markets:											
MLS® Sales	197,140	194,930	213,379	181,001	195,840	217,600	193,500	232,288	233,000	210,000	195,000
%	-0.1	-1.1	9.5	-15.2	8.2	11.1	-11.1	2.2	0.3	-9.9	-7.1
MLS® Average Price	262,949	278,364	299,544	302,354	318,366	355,700	362,400	352,344	356,000	357,000	358,000
%	7.2	5.9	7.6	0.9	5.3	11.7	1.9	4.8	1.0	0.3	0.3

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Source: CMHC (Starts and Completions Survey), CREA

Ontario Region - Housing Forecast Ranges						
	2010			**2011**		
	Point Forecast	**High Forecast**	**Low Forecast**	**Point Forecast**	**High Forecast**	**Low Forecast**
Ontario						
Housing Starts	63,200	69,500	58,100	58,800	68,200	48,900
Multiple	32,000	34,500	29,100	36,900	42,400	31,400
Single	31,200	35,000	29,000	21,900	25,800	17,500
MLS® Sales	217,600	224,000	212,200	193,500	206,400	181,500
MLS® Average Price ($)	355,700	359,900	350,300	362,400	375,100	345,400
Canada						
Housing Starts	182,000	199,600	166,900	179,600	208,800	148,600
Multiple	85,900	92,600	78,000	91,400	105,100	77,900
Single	96,100	107,000	88,900	88,200	103,700	70,700
MLS® Sales	497,300	513,300	484,000	473,500	504,900	443,500
MLS® Average Price ($)	343,700	347,900	338,500	350,800	363,200	334,300

Sources : CMHC

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Ontario Region Housing Forecast - New Construction

	Housing Starts	2009	2010(F)	% chg (2009/2010)	2011(F)	% chg (2010/2011)	YTD 2010	YTD 2009	% chg (2009/2010)
Barrie	Single-Detached	292	380	30.1	380	0.0	58	38	52.6
	Multiple	135	190	40.7	150	-21.1	14	0	-
	Total	427	570	33.5	530	-7.0	72	38	89.5
Brantford	Single-Detached	258	245	-5.0	220	-10.2	47	69	-31.9
	Multiple	59	190	222.0	145	-23.7	76	2	3700.0
	Total	317	435	37.2	365	-16.1	123	71	73.2
Greater Sudbury	Single-Detached	224	210	-6.3	260	23.8	30	8	275.0
	Multiple	226	160	-29.2	150	-6.3	0	8	-100.0
	Total	450	370	-17.8	410	10.8	30	16	87.5
Guelph	Single-Detached	299	400	33.8	350	-12.5	111	30	270.0
	Multiple	268	450	67.9	450	0.0	143	43	232.6
	Total	567	850	49.9	800	-5.9	254	73	247.9
Hamilton	Single-Detached	899	1,500	66.9	1,350	-10.0	337	108	212.0
	Multiple	961	1,425	48.3	1,275	-10.5	675	281	140.2
	Total	1,860	2,925	57.3	2,625	-10.3	1,012	389	160.2
Kingston	Single-Detached	432	520	20.4	500	-3.8	86	29	196.6
	Multiple	285	230	-19.3	220	-4.3	0	4	-100.0
	Total	717	750	4.6	720	-4.0	86	33	160.6
Kitchener	Single-Detached	1,161	1,300	12.0	1,250	-3.8	273	184	48.4
	Multiple	1,137	1,450	27.5	1,450	0.0	301	157	91.7
	Total	2,298	2,750	19.7	2,700	-1.8	574	341	68.3
London	Single-Detached	1,056	1,600	51.5	1,400	-12.5	360	94	283.0
	Multiple	1,112	770	-30.8	840	9.1	33	211	-84.4
	Total	2,168	2,370	9.3	2,240	-5.5	393	305	28.9
Oshawa	Single-Detached	836	1,400	67.5	1,150	-17.9	328	68	382.4
	Multiple	144	340	136.1	390	14.7	6	0	-
	Total	980	1,740	77.6	1,540	-11.5	334	68	391.2

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

Ontario Region Housing Forecast - New Construction									
	Housing Starts	2009	2010(F)	% chg (2009/2010)	2011(F)	% chg (2010/2011)	YTD 2010	YTD 2009	% chg (2009/2010)
Ottawa	Single-Detached	2,471	2,500	1.2	2,200	-12.0	453	303	49.5
	Multiple	3,343	3,775	12.9	3,750	-0.7	589	606	-2.8
	Total	5,814	6,275	7.9	5,950	-5.2	1,042	909	14.6
Peterborough	Single-Detached	286	315	10.1	290	-7.9	38	14	171.4
	Multiple	85	110	29.4	105	-4.5	6	10	-40.0
	Total	371	425	14.6	395	-7.1	44	24	83.3
St. Catharines-Niagara	Single-Detached	574	600	4.5	540	-10.0	135	52	159.6
	Multiple	285	430	50.9	460	7.0	136	71	91.5
	Total	859	1,030	19.9	1,000	-2.9	271	123	120.3
Thunder Bay	Single-Detached	166	175	5.4	165	-5.7	11	5	120.0
	Multiple	14	55	292.9	40	-27.3	2	6	-66.7
	Total	180	230	27.8	205	-10.9	13	11	18.2
Toronto	Single-Detached	8,130	13,000	59.9	8,000	-38.5	2,380	1,118	112.9
	Multiple	17,819	21,400	20.1	24,600	15.0	3,289	4,786	-31.3
	Total	25,949	34,400	32.6	32,600	-5.2	5,669	5,904	-4.0
Windsor	Single-Detached	303	450	48.5	525	16.7	67	20	235.0
	Multiple	88	135	53.4	155	14.8	4	15	-73.3
	Total	391	585	49.6	680	16.2	71	35	102.9

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

Ontario Region Housing Forecast - Resale Market

		2009	2010(F)	% chg (2009/2010)	2011(F)	% chg (2010/2011)	YTD 2010	YTD 2009	% chg (2009/2010)
Barrie	MLS® Sales(#)	4,326	4,600	6.3	4,000	-13.0	950	647.0	46.8
	MLS® Avg. Price ($)	263,959	278,600	5.5	282,800	1.5	274,063	252,768	8.4
Brantford	MLS® Sales(#)	1,884	1,950	3.5	1,850	-5.1	521	368	41.6
	MLS® Avg. Price ($)	220,369	229,000	3.9	234,000	2.2	225,397	210,515	7.1
Greater Sudbury	MLS® Sales(#)	1,977	1,990	0.7	2,100	5.5	419	296	41.6
	MLS® Avg. Price ($)	200,947	212,000	5.5	222,000	4.7	211,567	194,275	8.9
Guelph	MLS® Sales(#)	2,878	3,000	4.2	2,800	-6.7	761	550	38.4
	MLS® Avg. Price ($)	265,799	290,000	9.1	295,000	1.7	295,925	257,612	14.9
Hamilton	MLS® Sales(#)	12,680	13,600	7.3	12,600	-7.4	3,146	2,166	45.2
	MLS® Avg. Price ($)	290,946	315,000	8.3	324,000	2.9	308,139	264,187	16.6
Kingston	MLS® Sales(#)	3,377	3,500	3.6	3,200	-8.6	697	561	24.2
	MLS® Avg. Price ($)	242,729	248,800	2.5	253,700	2.0	233,411	223,386	4.5
Kitchener	MLS® Sales(#)	6,580	7,150	8.7	6,600	-7.7	1,757	1,149	52.9
	MLS® Avg. Price ($)	269,552	284,900	5.7	290,000	1.8	284,475	251,030	13.3
London	MLS® Sales(#)	8,314	8,700	4.6	8,100	-6.9	1,995	1,491	33.8
	MLS® Avg. Price ($)	214,510	219,500	2.3	222,000	1.1	225,025	208,632	7.9
Oshawa	MLS® Sales(#)	9,330	10,000	7.2	9,000	-10.0	2,462	1,550	58.8
	MLS® Avg. Price ($)	278,505	296,000	6.3	300,000	1.4	278,984	269,971	3.3

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Source: CREA
(F) = CMHC Forecast

Ontario Region Housing Forecast - Resale Market									
		2009	2010(F)	% chg (2009/2010)	2011(F)	% chg (2010/2011)	YTD 2010	YTD 2009	% chg (2009/2010)
Ottawa	MLS® Sales(#)	14,923	15,850	6.2	14,950	-5.7	3,373	2,503	34.8
	MLS® Avg. Price ($)	304,801	327,000	7.3	336,000	2.8	325,339	284,118	14.5
Peterborough	MLS® Sales(#)	2,458	2,530	2.9	2,300	-9.1	532	377	41.1
	MLS® Avg. Price ($)	236,637	247,000	4.4	251,000	1.6	231,536	211,468	9.5
St. Catharines-Niagara	MLS® Sales(#)	5,808	6,200	6.7	5,900	-4.8	1,389	987	40.7
	MLS® Avg. Price ($)	209,563	218,000	4.0	220,000	0.9	211,517	189,893	11.4
Thunder Bay	MLS® Sales(#)	1,423	1,550	8.9	1,465	-5.5	307	250	22.8
	MLS® Avg. Price ($)	145,100	154,000	6.1	160,000	3.9	152,308	133,523	14.1
Toronto	MLS® Sales(#)	89,255	101,000	13.2	85,500	-15.3	22,711	12,957	75.3
	MLS® Avg. Price ($)	396,154	444,400	12.2	452,000	1.7	428,043	358,036	19.6
Windsor	MLS® Sales(#)	4,661	4,800	3.0	4,580	-4.6	1,133	787	44.0
	MLS® Avg. Price ($)	153,691	157,500	2.5	160,000	1.6	150,725	142,391	5.9

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Source: CREA
(F) = CMHC Forecast

Ontario Region Housing Forecast - Rental Market				
	Vacancy Rate		**Average Rent 2-Bedroom Units**	
	Oct 2009	Oct 2010(F)	Oct 2009	Oct 2010(F)
Barrie	3.8	3.9	961	975
Brantford	3.3	3.0	754	763
Greater Sudbury	2.9	3.6	830	850
Guelph	4.1	3.9	874	887
Hamilton	4.1	3.6	831	835
Kingston	1.3	1.6	909	935
Kitchener	3.3	3.1	856	870
London	5.0	5.6	910	920
Oshawa	4.2	4.2	900	917
Ottawa	1.5	1.7	1,028	1,065
Peterborough	6.0	6.7	875	880
St. Catharines-Niagara	4.4	4.4	804	820
Thunder Bay	2.3	2.6	742	760
Toronto	3.1	3.4	1,096	1,104
Windsor	13.0	11.8	747	750
Canada[1]	3.0	2.9	n/a	n/a

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

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