

# Canada Mortgage and Housing Corporation Hamilton Housing Outlook Seminar

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November 17, 2011



*Housing market intelligence you can count on*

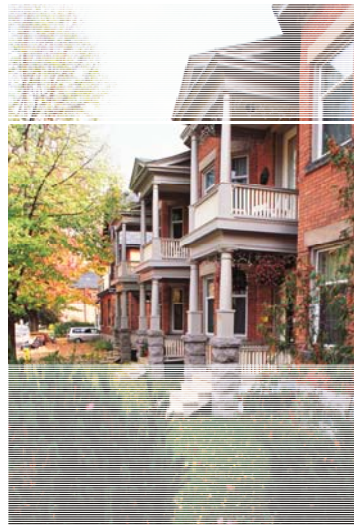
Canada



*Housing market intelligence you can count on*

## Key Messages

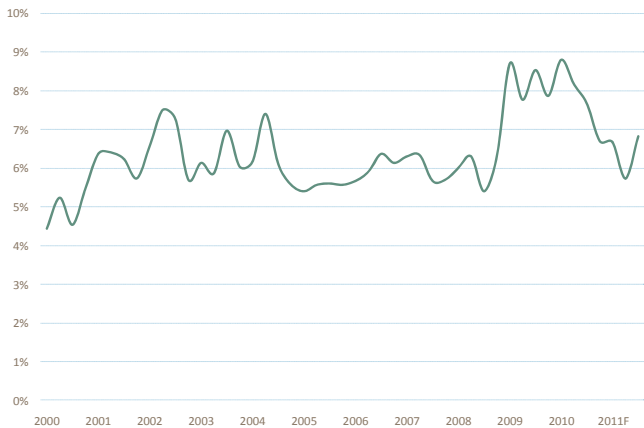
- New home starts to rise in 2012 close to 2,250 units
- Some demand will shift to the resale market
- Unemployment rate to fall to 7.1%



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Source: CMHC Forecast (Q4)

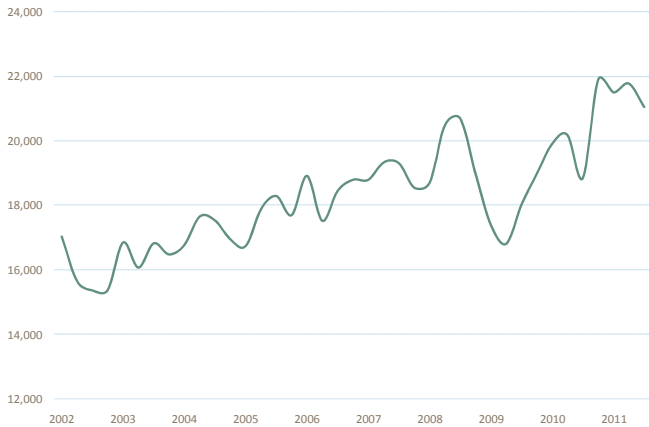
## Unemployment Rate



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Source: Statistics Canada, CMHC Calculation and Forecast (Q4)

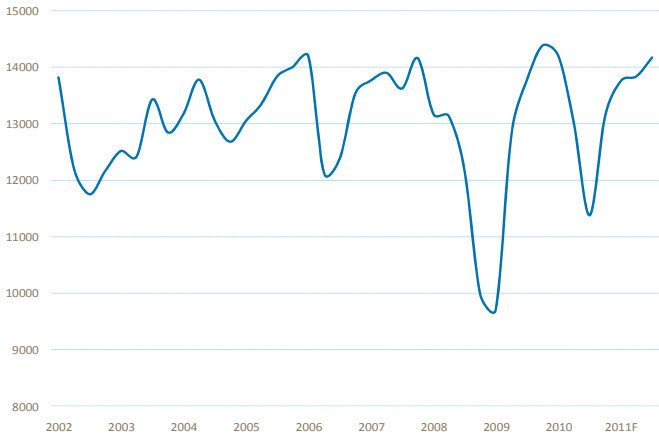
## New Listings, SAAR



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Source: CREA, CMHC Forecast (Q4)

## MLS® Sales, SAAR



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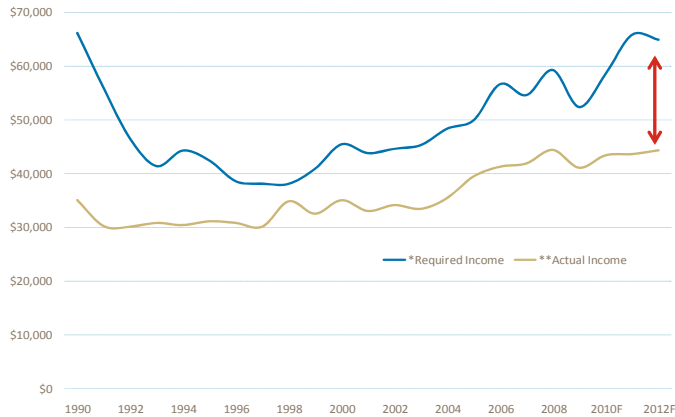
Source: CREA, CMHC Forecast (Q4)

## Will we be able to make the jump to home ownership?



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## Renter Income vs. Income Required to Purchase

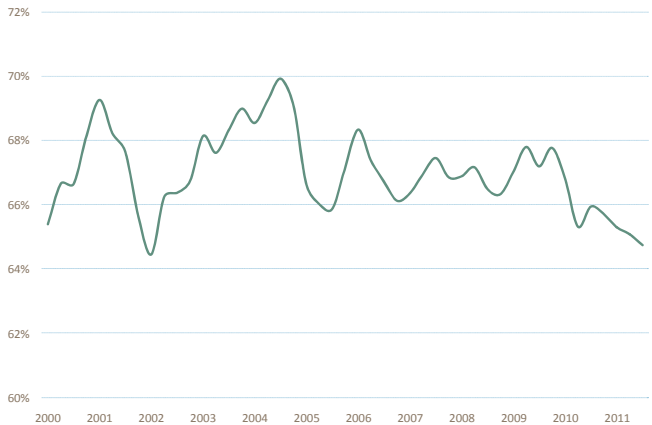


\*Calculation assumes longest amortization term available, average MLS(R) prices, 5 year fixed rate and 5% down payment.  
\*\* Actual and forecasted renter household incomes

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Source: Statistics Canada, CMHC Calculation

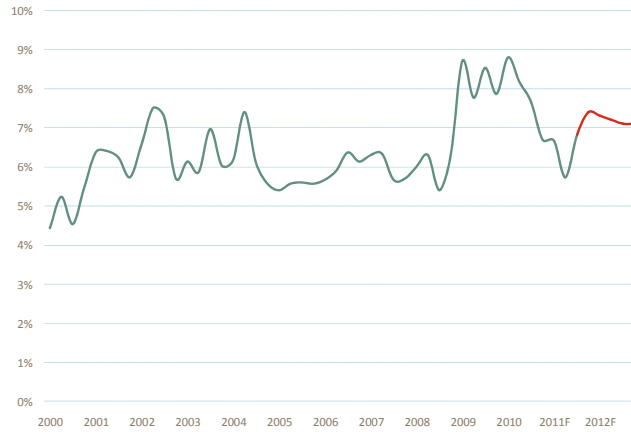
## Participation Rate



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Source: Statistics Canada, CMHC Calculation

## Unemployment Rate



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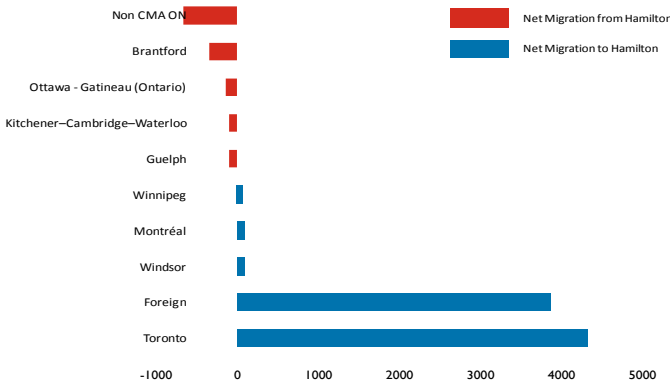
Source: Statistics Canada, CMHC Forecast (Q4)

*How will we be able to make the jump to home ownership?*

- Delay transition into home ownership
- Shift preferences towards starter homes, such as semis, condo apartments and townhouses.



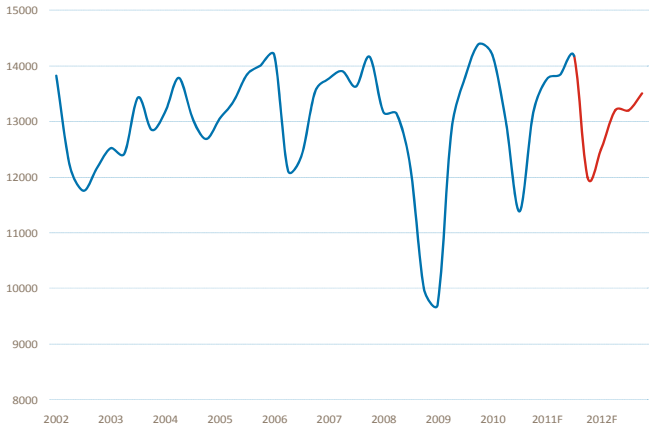
### Migration To and From Hamilton



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Source: Statistics Canada

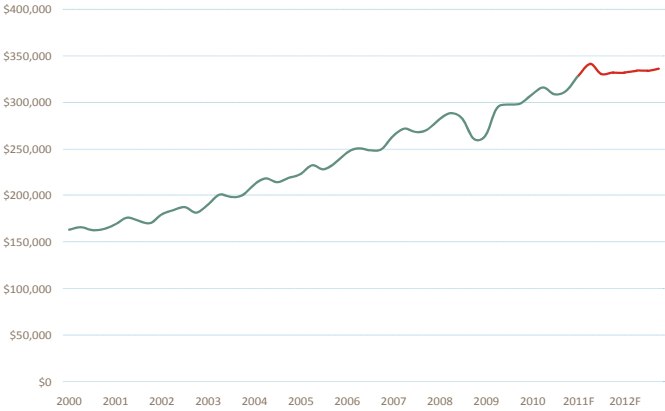
### MLS® Sales, SAAR



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Source: Statistics Canada, CMHC Calculation and Forecast (Q4)

## Average MLS® Price



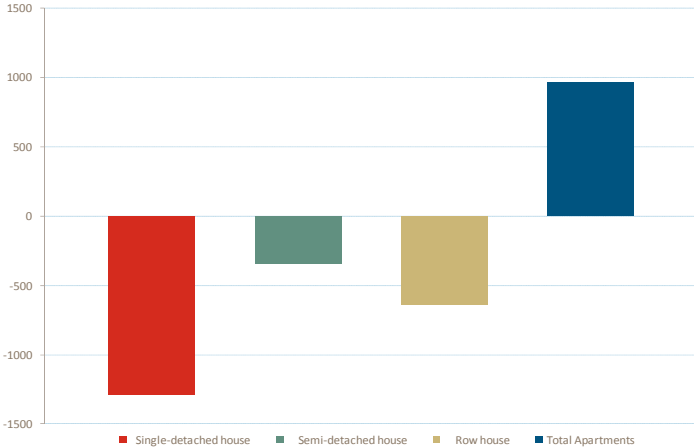
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Source: CREA, CMHC Calculation and Forecast (Q4)

## Will we have difficulty selling our home?

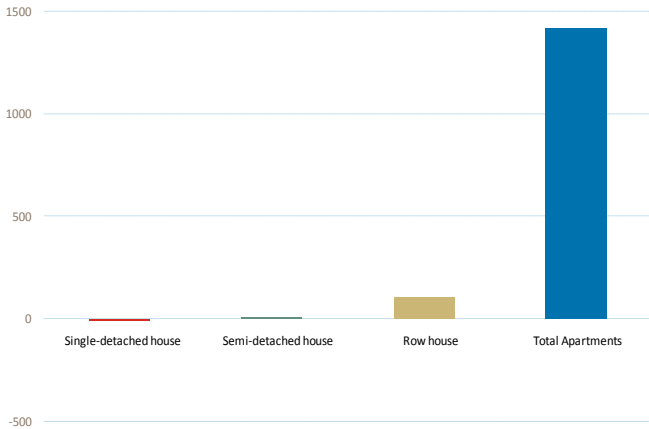


### Change in Ownership at Age 75+ by Type of Home



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### Change in Rental at Age 75+ by Type of Home

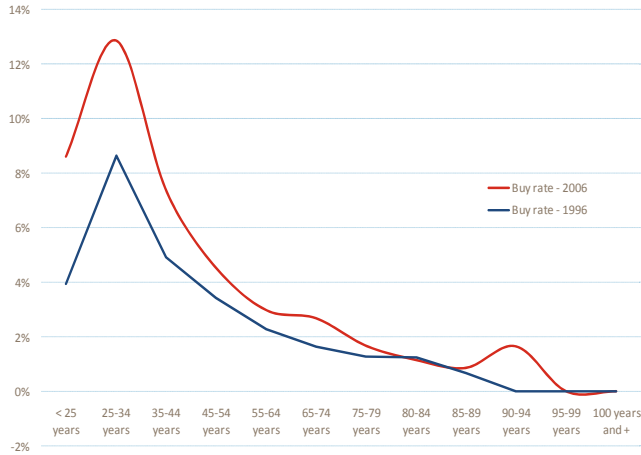


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Source: Statistics Canada, CMHC Calculation



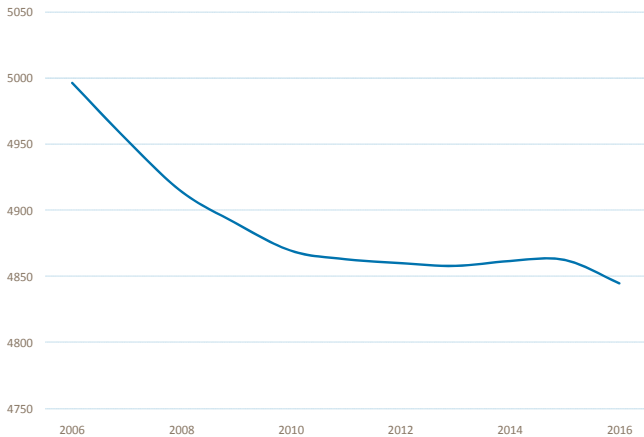
### Buy Rates By Age



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Source: Statistics Canada, CMHC Calculation

### Total Buyers Less Total Sellers



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Source: Statistics Canada, CMHC Calculation

Will we be able to sell our home?

Yes.

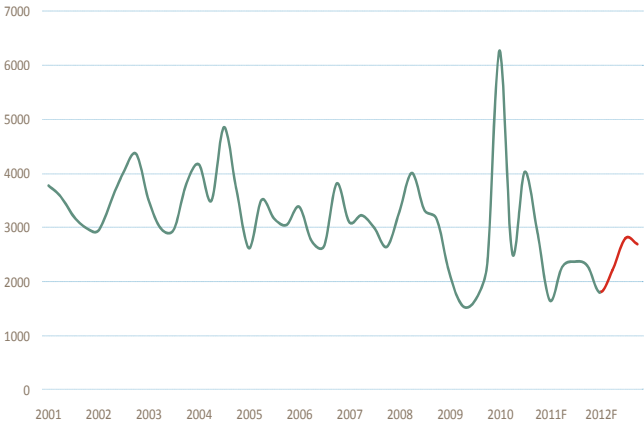
- Research shows the number of buyers will exceed sellers
- Migration will also support home buying in Hamilton



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Source: Statistics Canada, CMHC Calculation

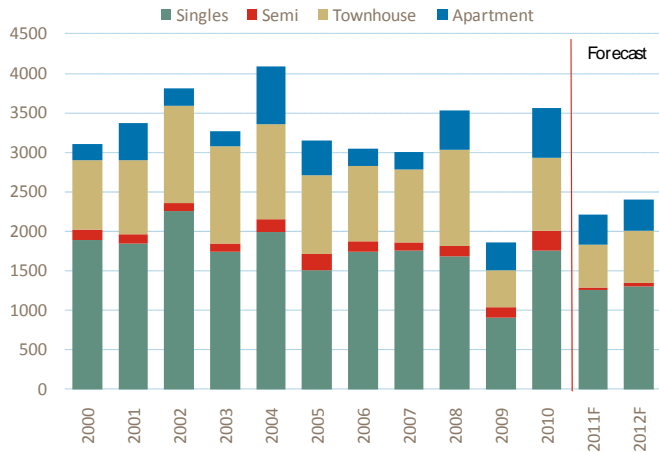
### Total Starts



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Source: CMHC Calculation and Forecast (Q4)

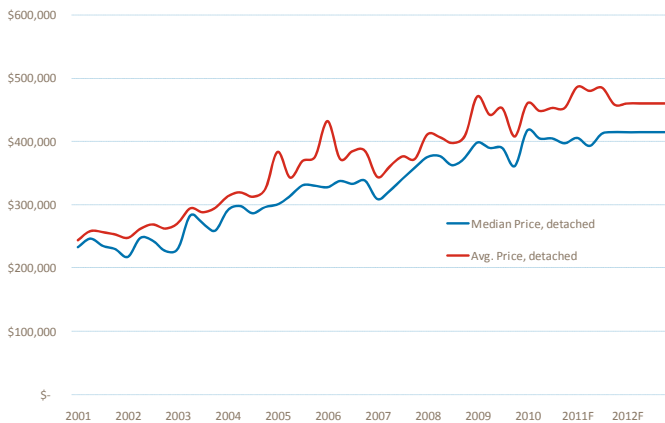
### Total Starts By Type



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Source: Statistics Canada, CMHC Calculation and Forecast (Q4)

### Average vs. Median Price, New Single-Detached Homes



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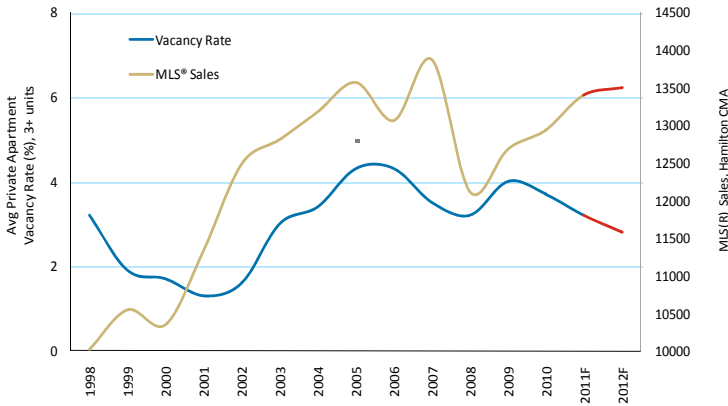
Source: CMHC Calculation and Forecast (Q4)

## Where is the demand for rental headed?



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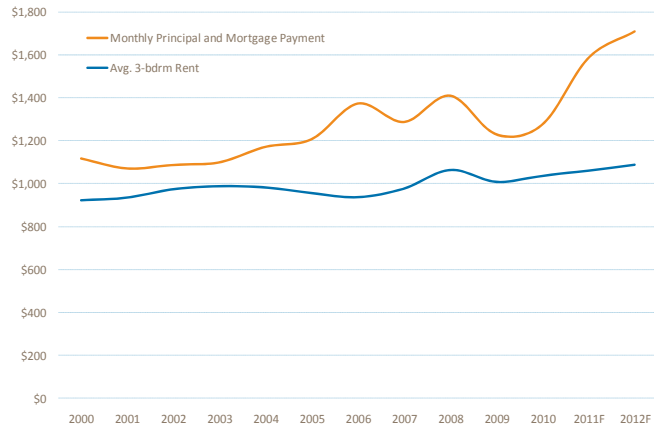
## Vacancy Rate and MLS® Sales



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Source: CREA, CMHC Calculation and Forecast (Q4)

## Monthly Carrying Costs



\* Calculation assumes longest amortization term available, average MLS(R) prices, 5 year fixed rate and 5% down payment.

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Source: CMHC Calculation and Forecast (Q4)

## Summary

- MLS® sales will continue to be driven by repeat buyers
- New home starts will be boosted by shift towards more townhouses and apartments
- Migration to Hamilton will sustain housing market
- Job market drives housing activity and will improve in 2012
- Gap between renter incomes and required income to purchase will keep young people in rental

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