

Durham Housing Market Update

CANADA MORTGAGE AND HOUSING CORPORATION

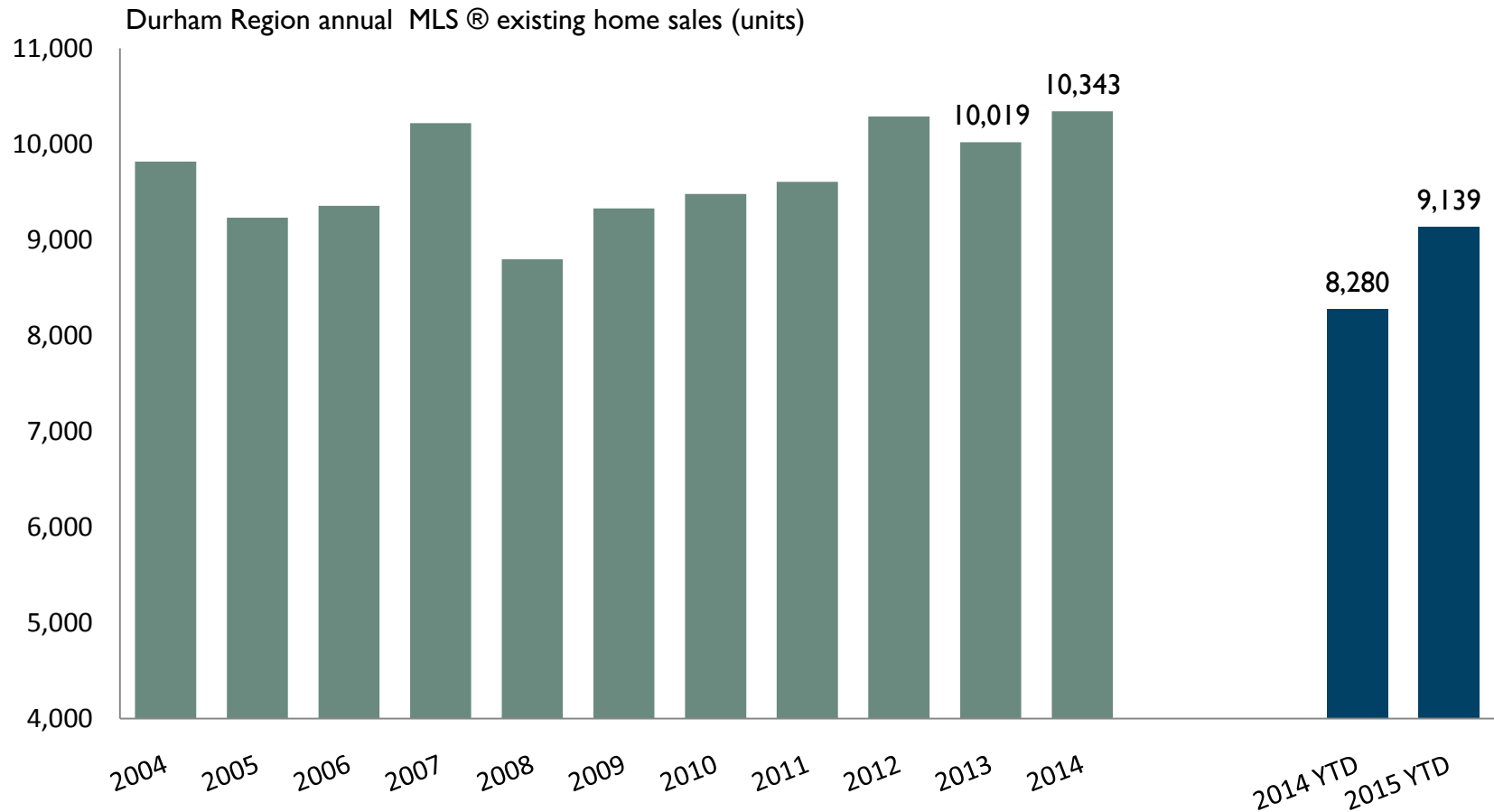
November 18, 2015

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Housing market intelligence you can count on

Durham Existing Home Sales Up

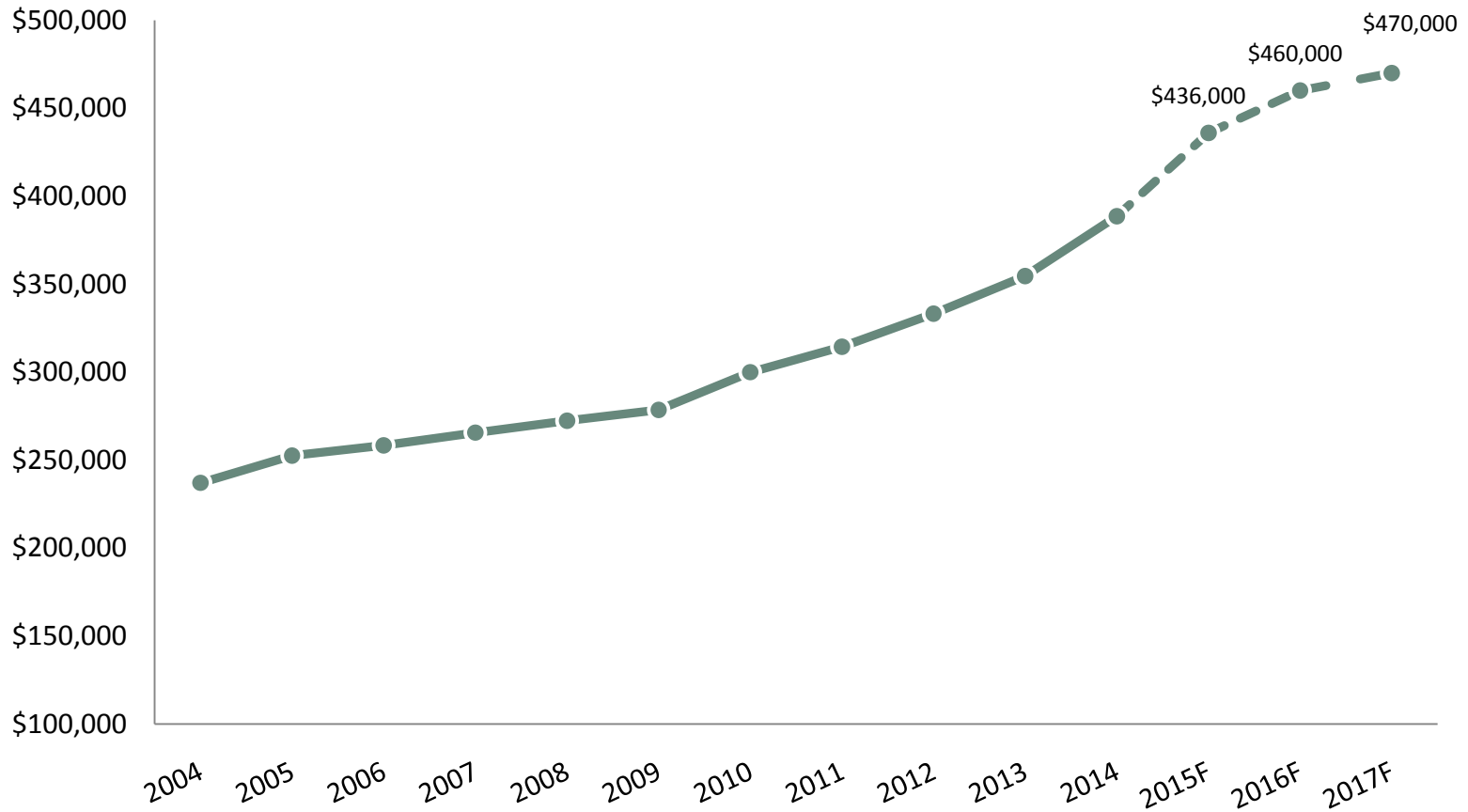


Source: CREA

YTD= January to September

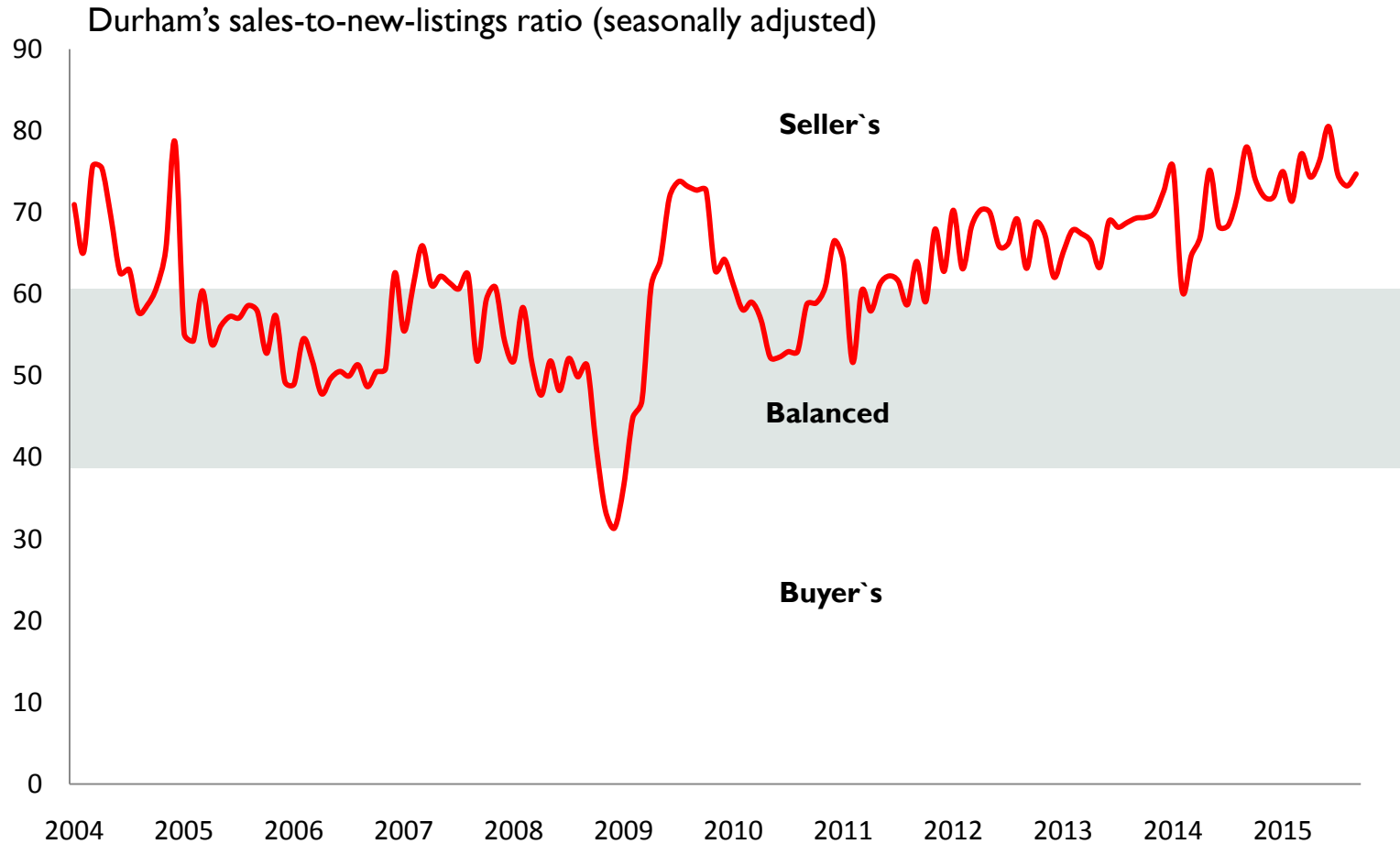
Durham MLS® Average Home Price

Durham Region MLS® average annual existing home price




Source: CREA, F=CMHC Forecast

Durham's Hot Housing Market



Source: CREA

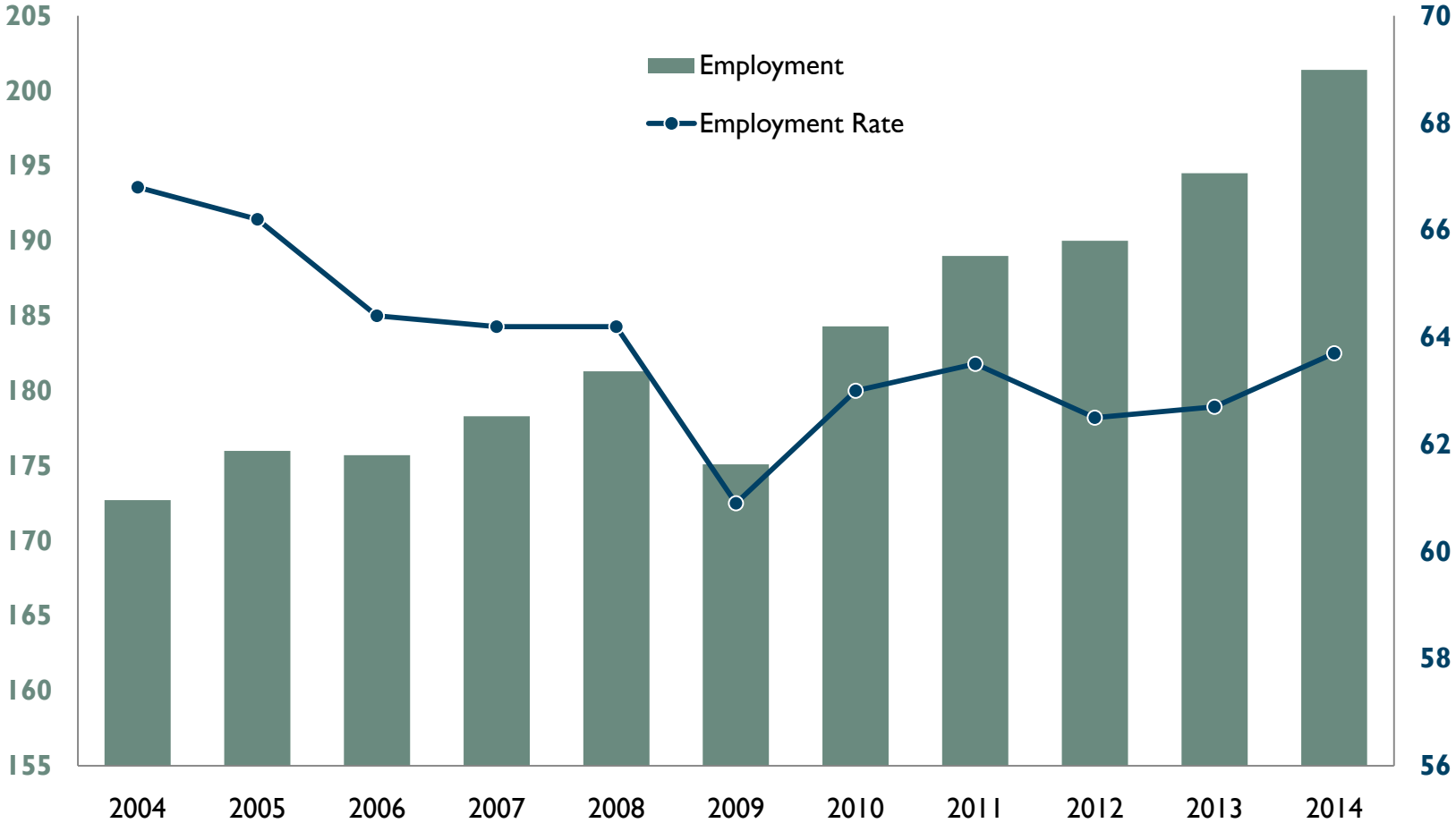
Durham market indicators point to seller's

Criteria	Buyer's	Balanced	Seller's
Average Price Change			
Sales-to-Active Listings			
Sales-to-New Listings			
Days on Market			
Sale-to-List Price Ratio			

Employment in Oshawa CMA

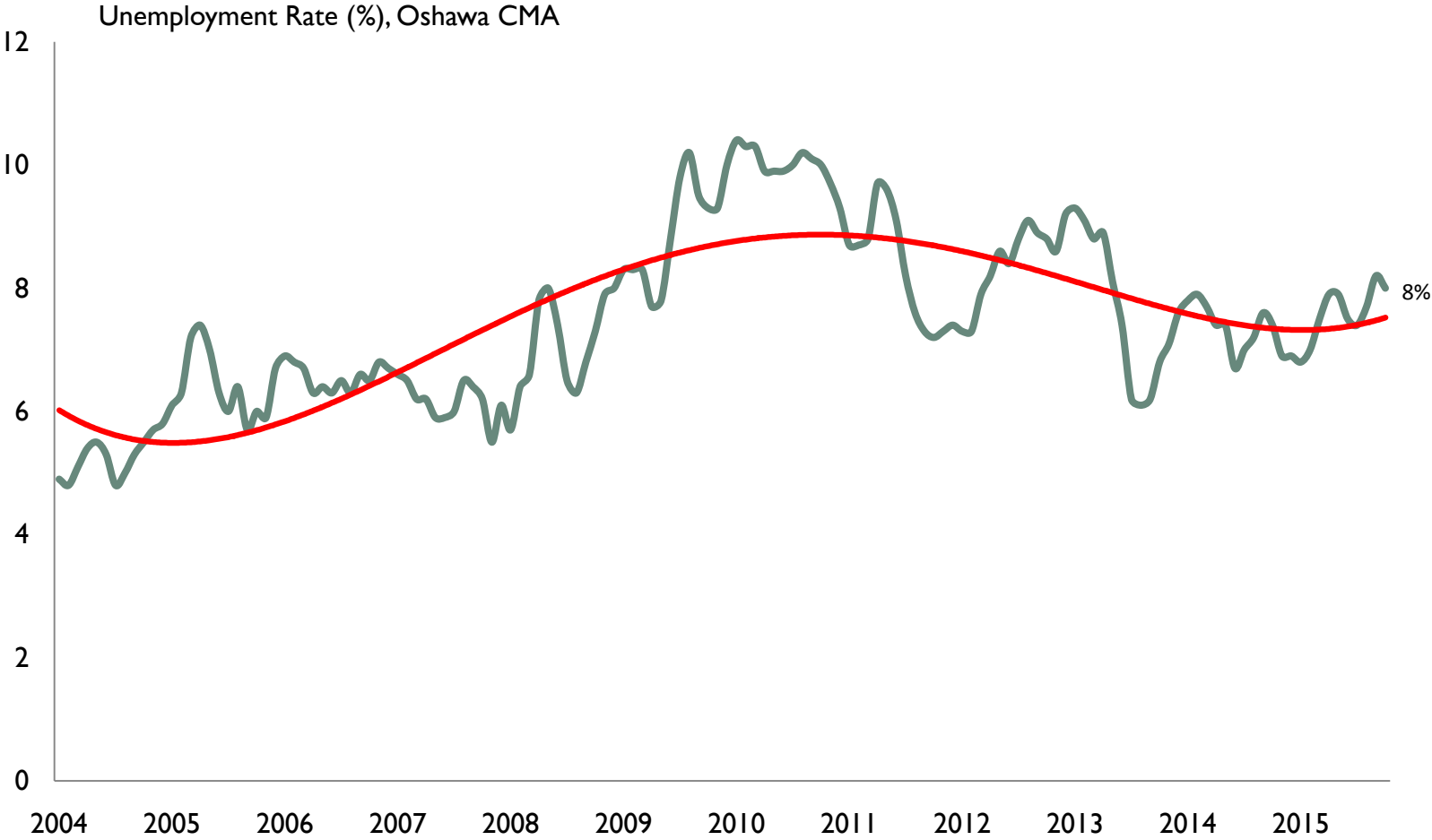
Number of
Employed (000s)

Employment Rate
(%)



Source: Statistics Canada

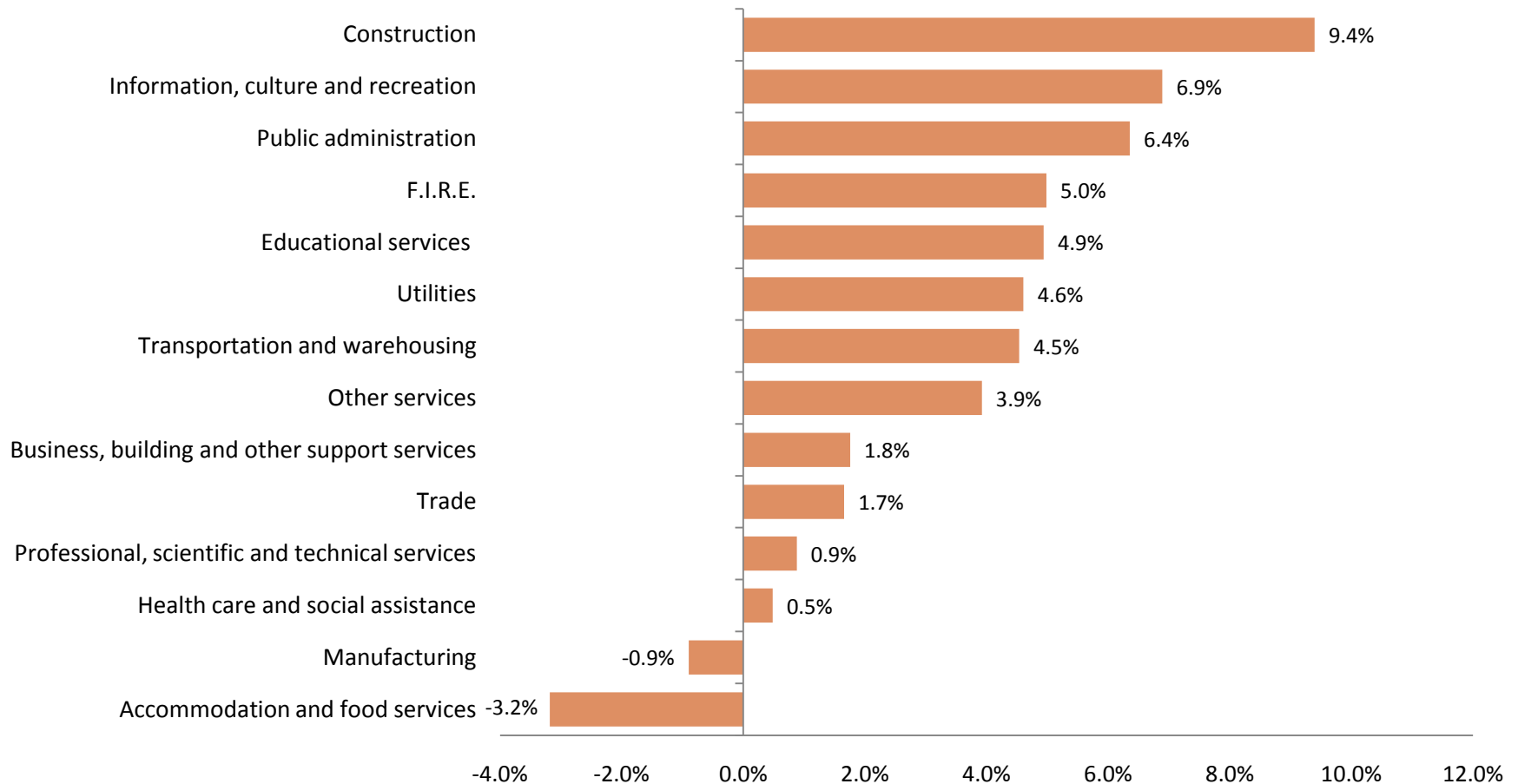
Oshawa CMA Unemployment Rate



Source: Statistics Canada, seasonally adjusted

Oshawa Employment Seeing Broad Based Growth

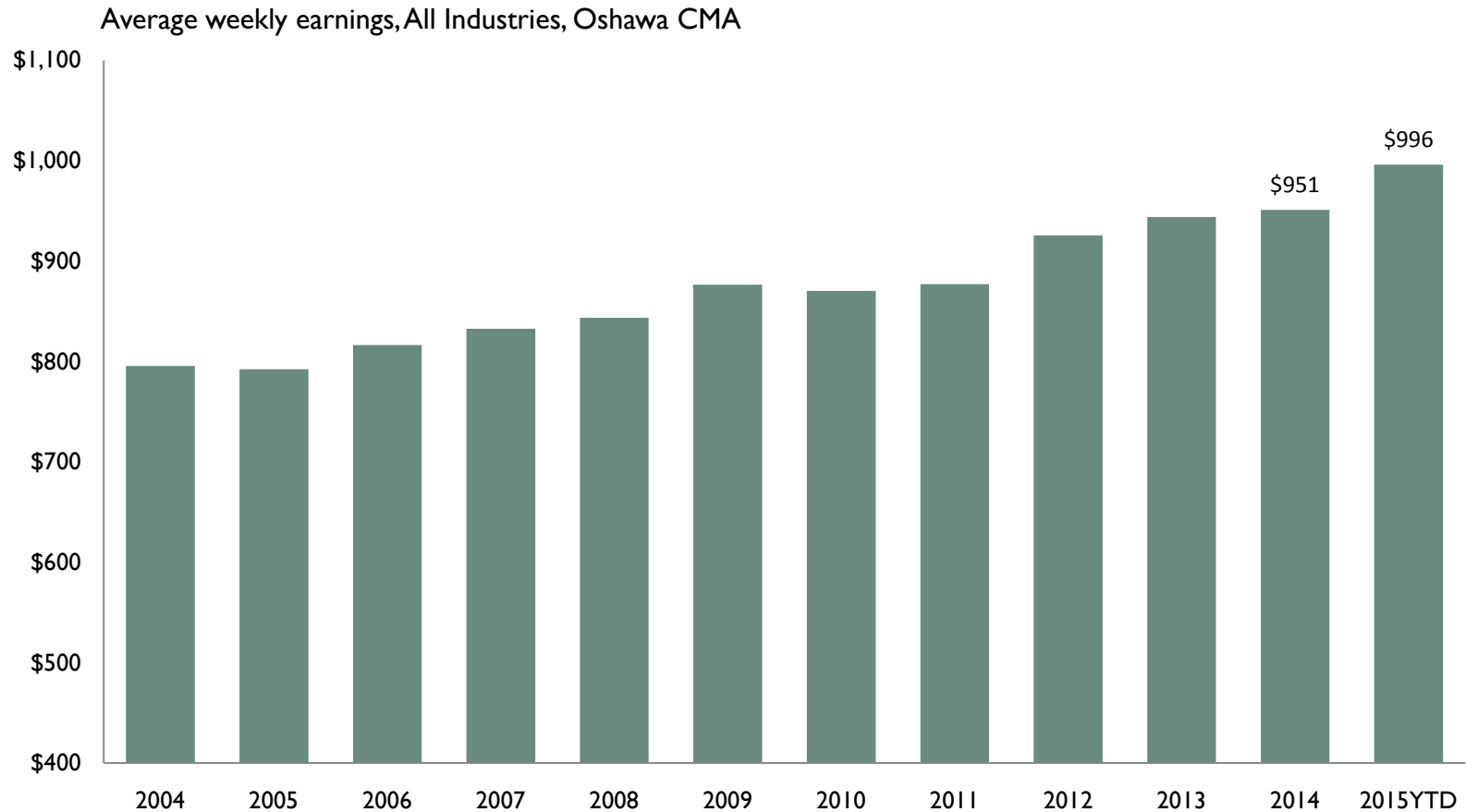
Avg. Annual Growth* of Employment by Sector, Oshawa CMA, 2009 vs. 2014



Source: Statistics Canada's Labour Force Survey

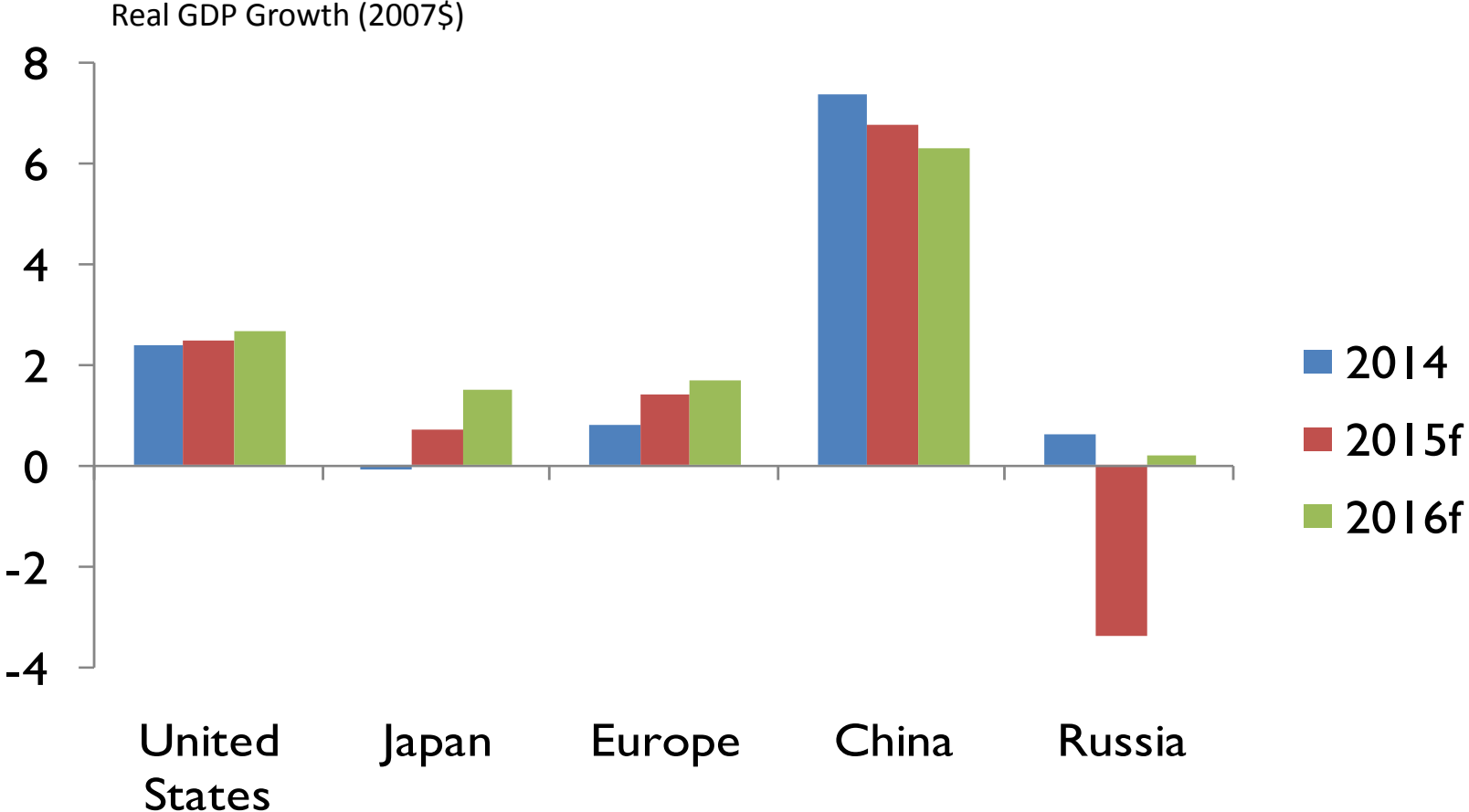
*Compounded annual growth rate

Average Weekly Earnings Rising



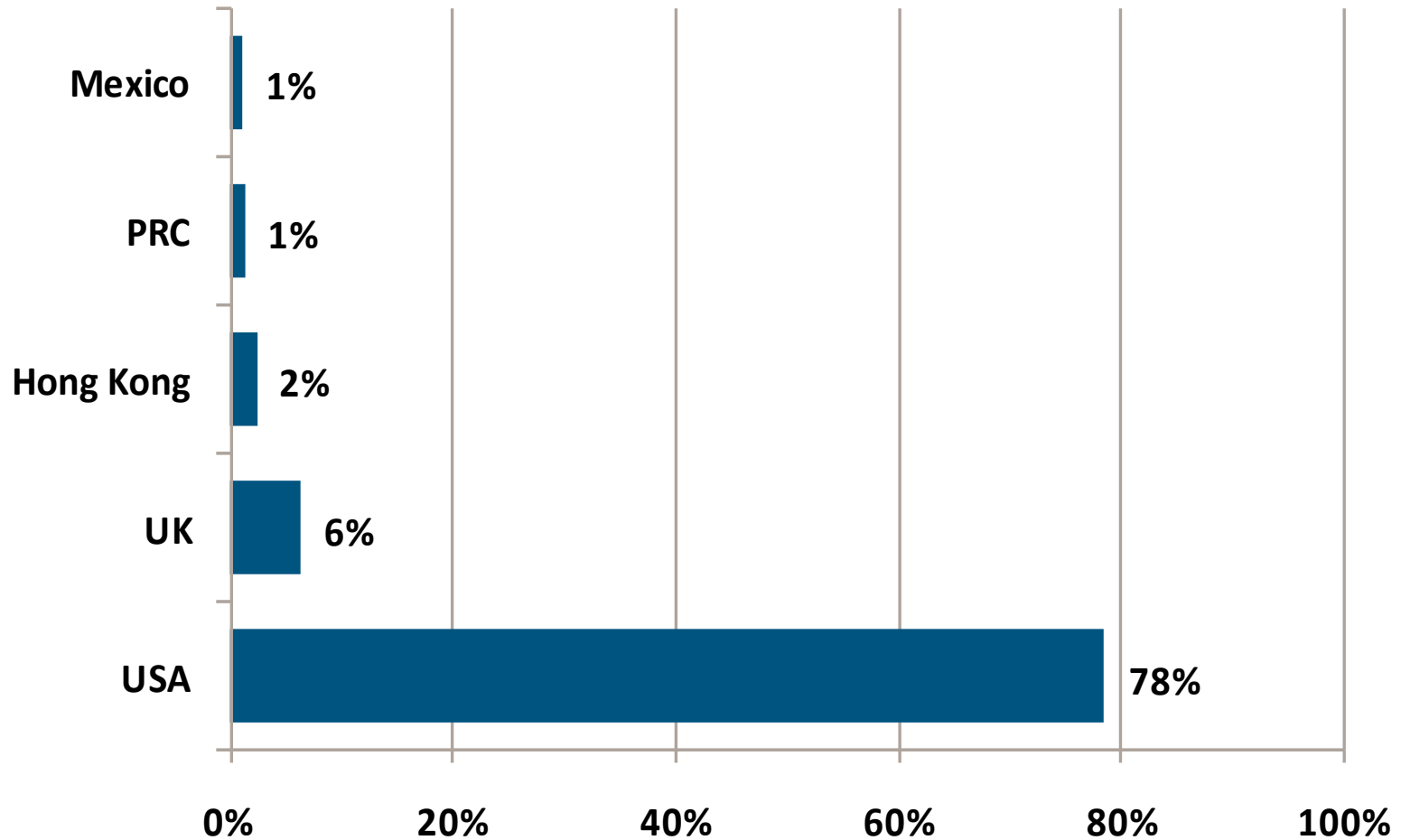
Source: Statistics Canada
YTD=January to October

Advanced Economies Will Gain Momentum



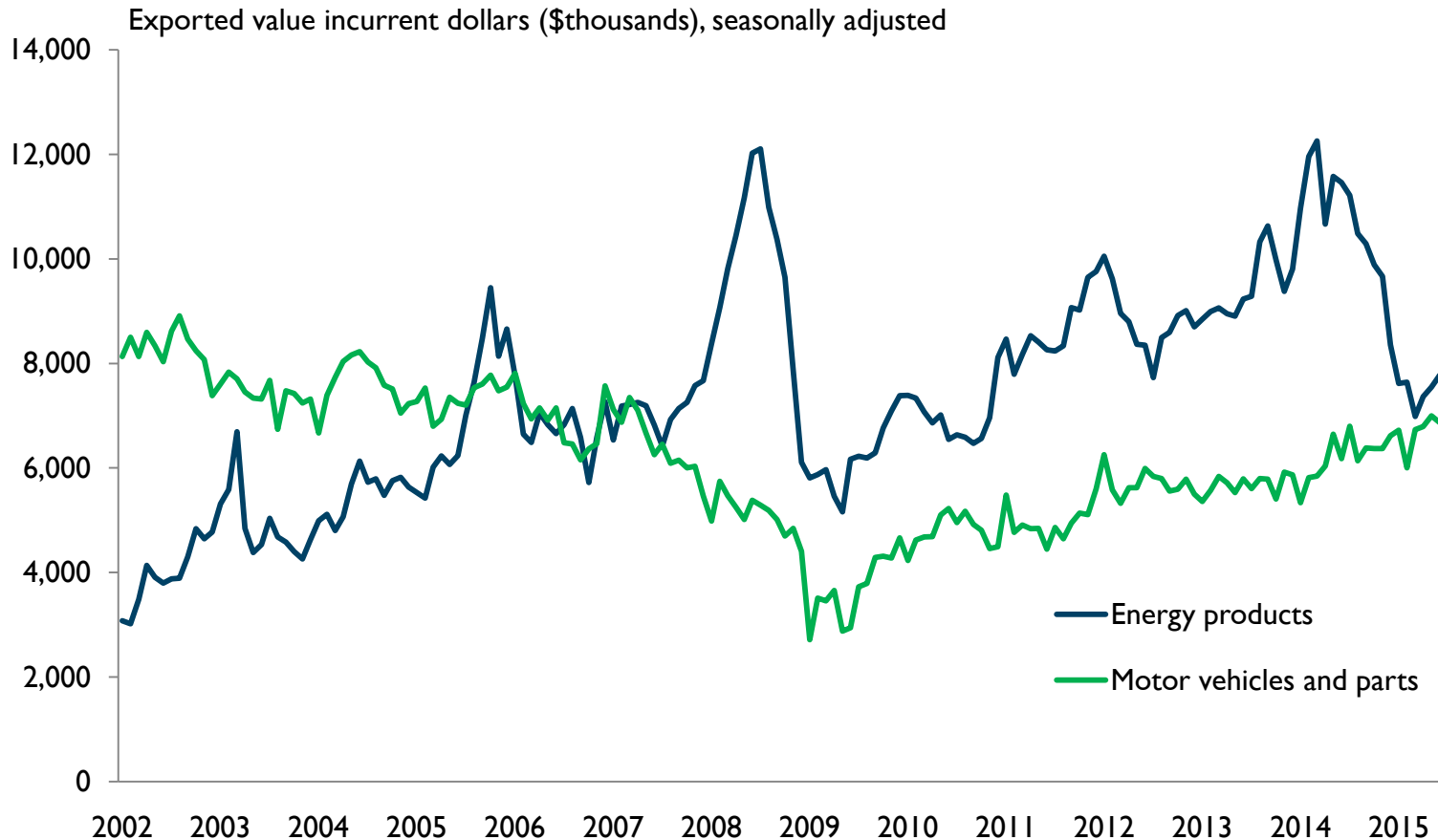
Source: Consensus Economics, IMF

Ontario's Exports Depend on US Growth



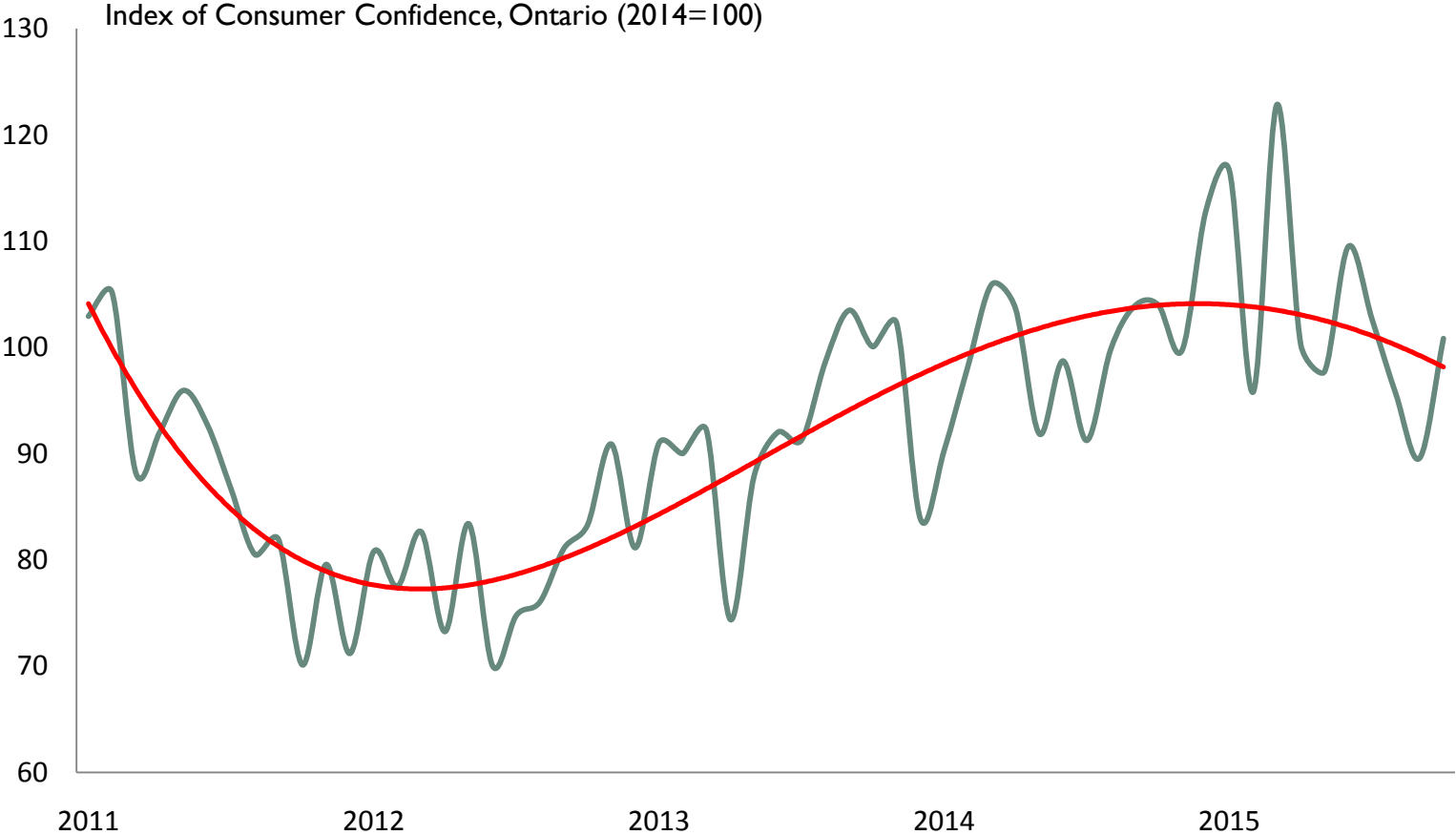
Source: Government of Ontario

Motor Vehicle Exports Approaching Pre-Recession Highs



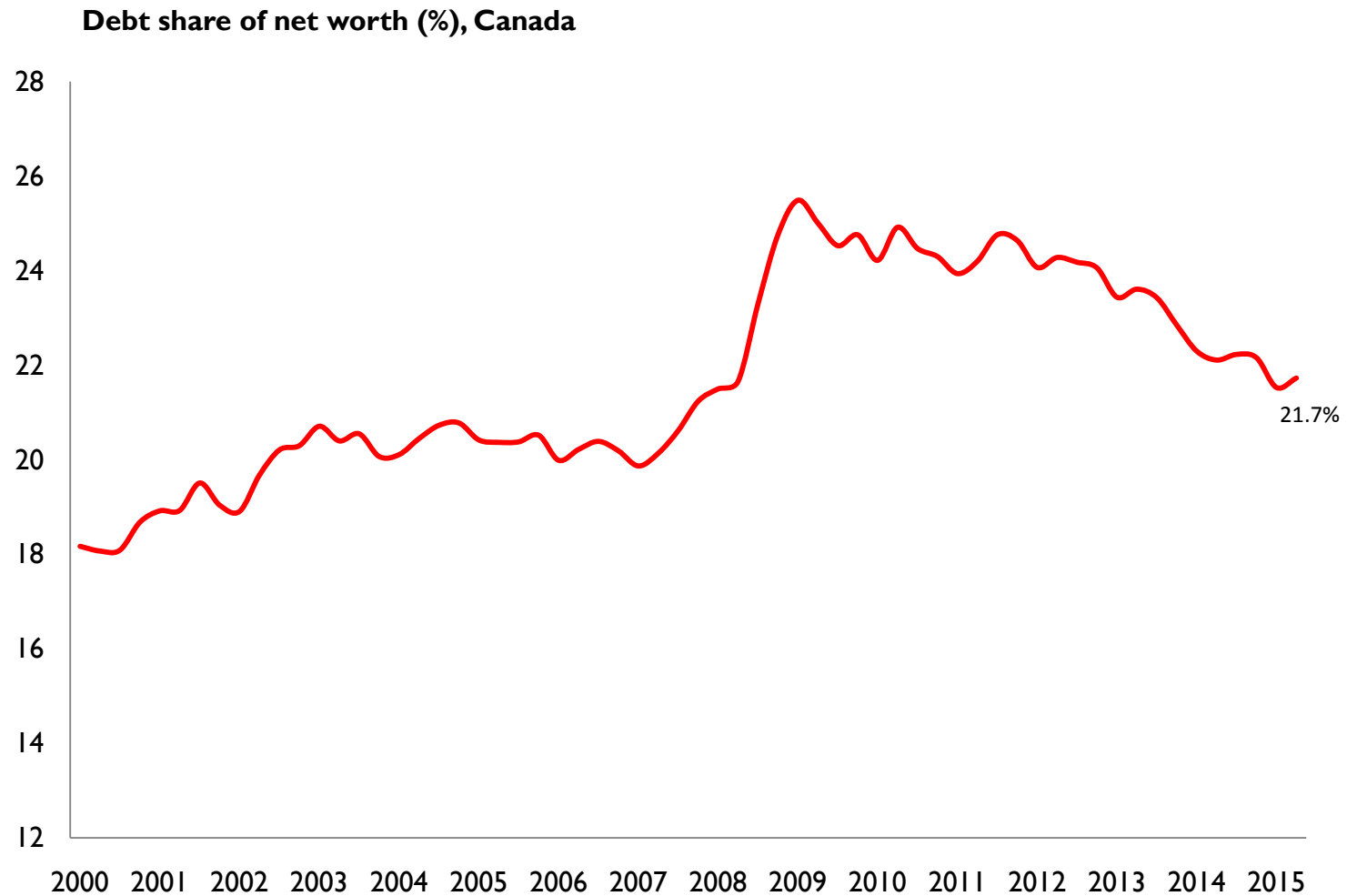
Source: Statistics Canada

Ontario`s consumer confidence moderating



Source: Conference Board of Canada

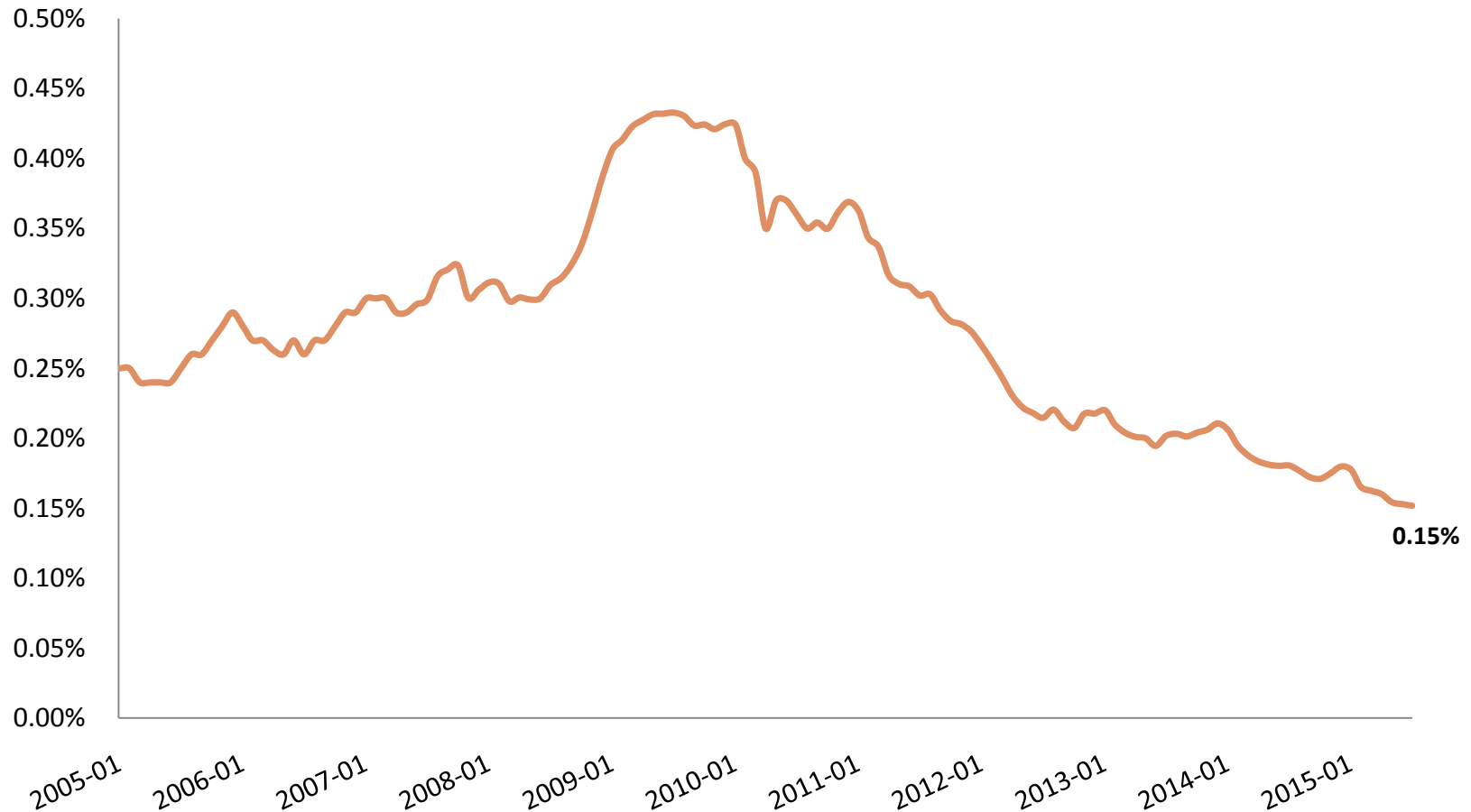
No Sign of Household Balance Sheet Distress



Source: Statistics Canada

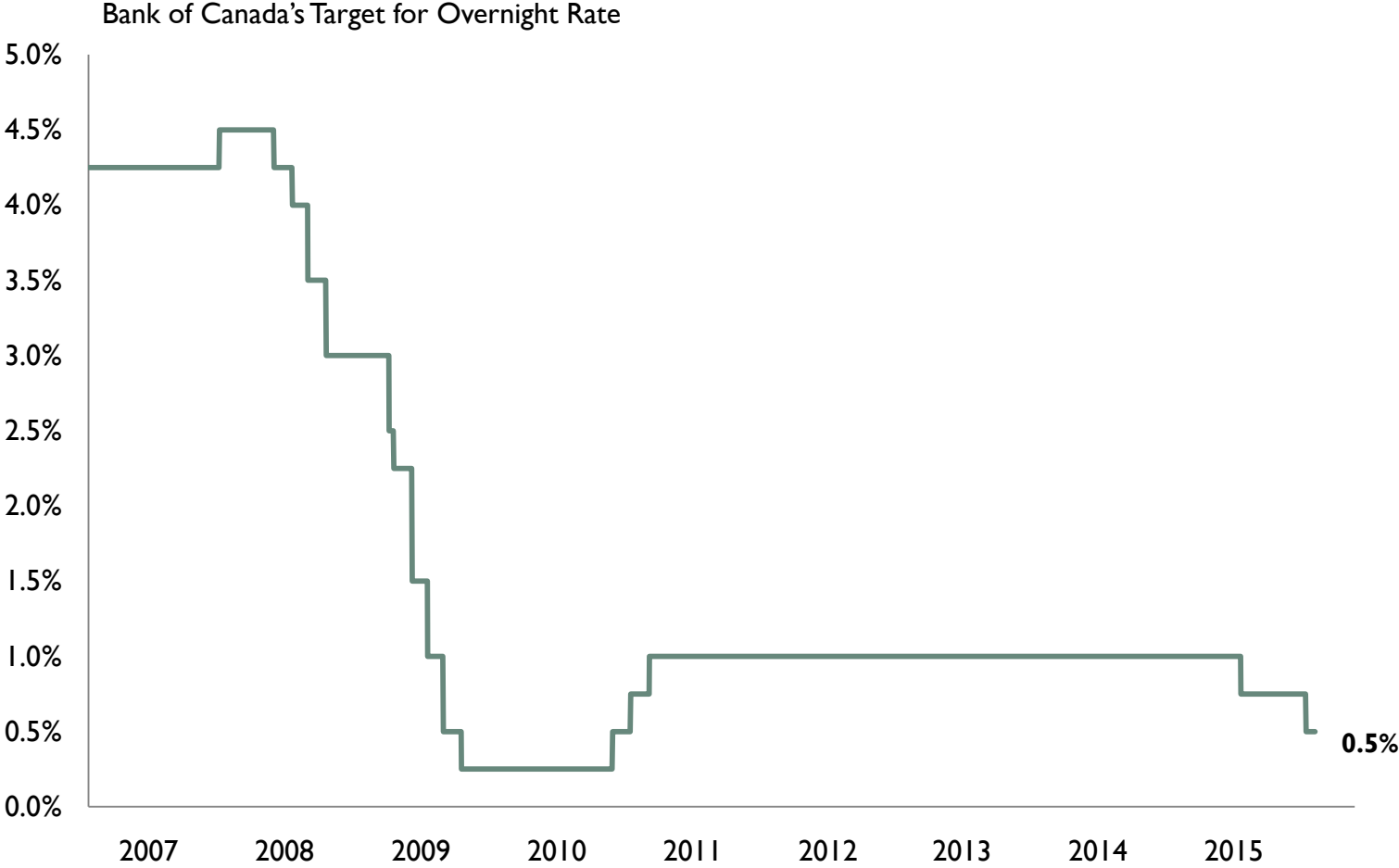
Ontario arrears rate below pre-recession levels

Share of mortgages in arrears for more than 90 days



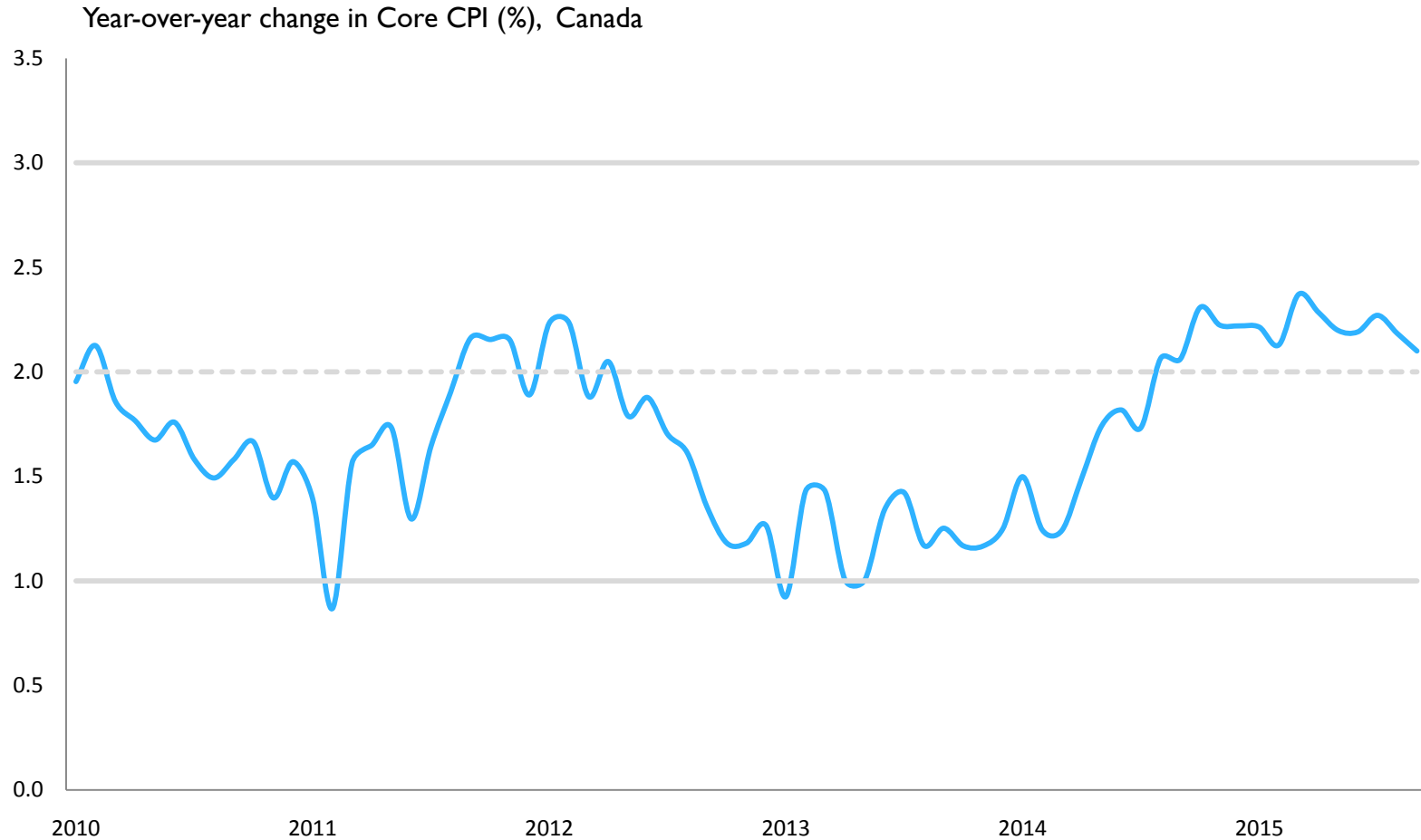
Source: Canadian Bankers Association

Bank of Canada Lowers Target Rate



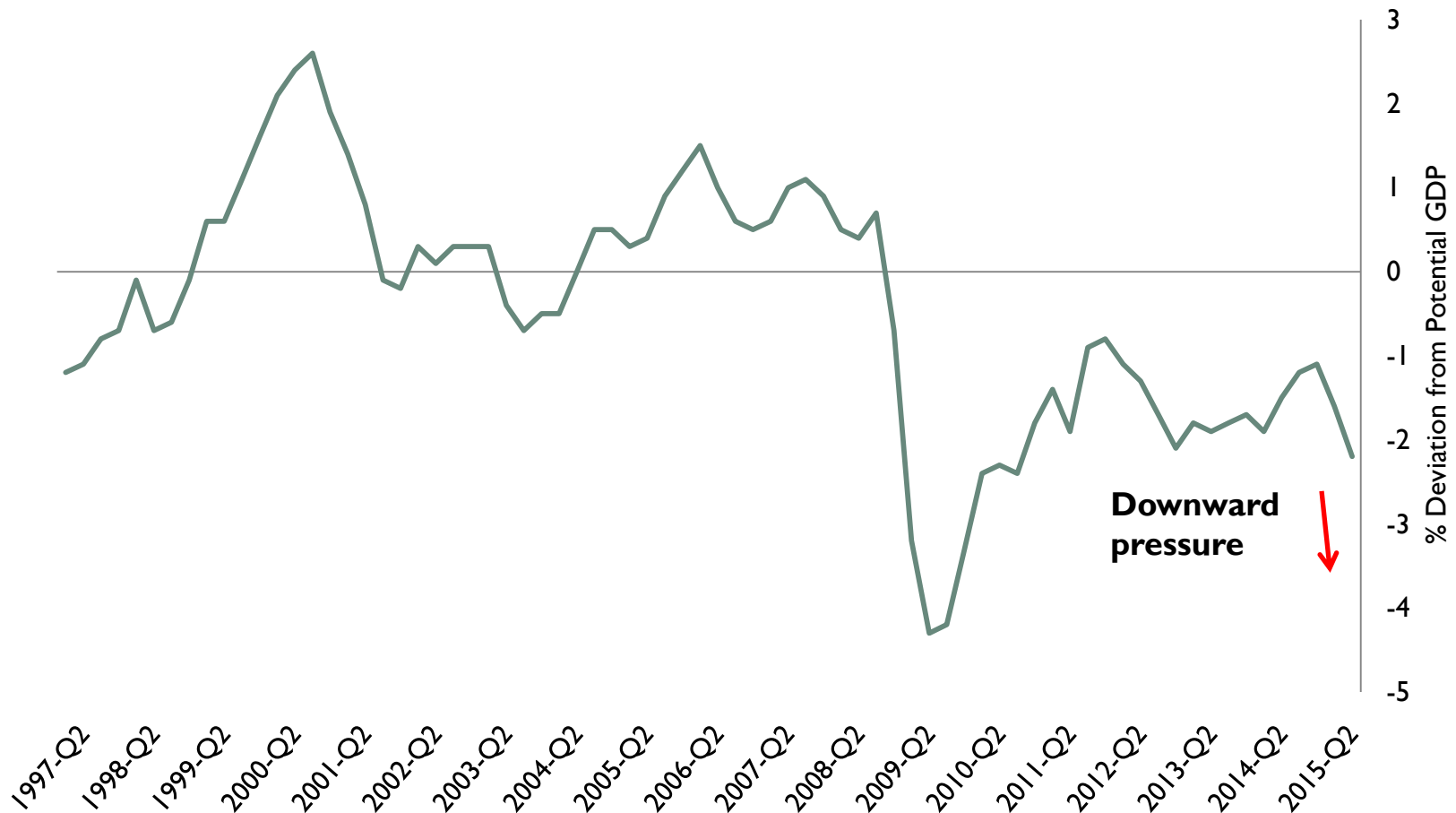
Source: Bank of Canada

BOC Operational Guide



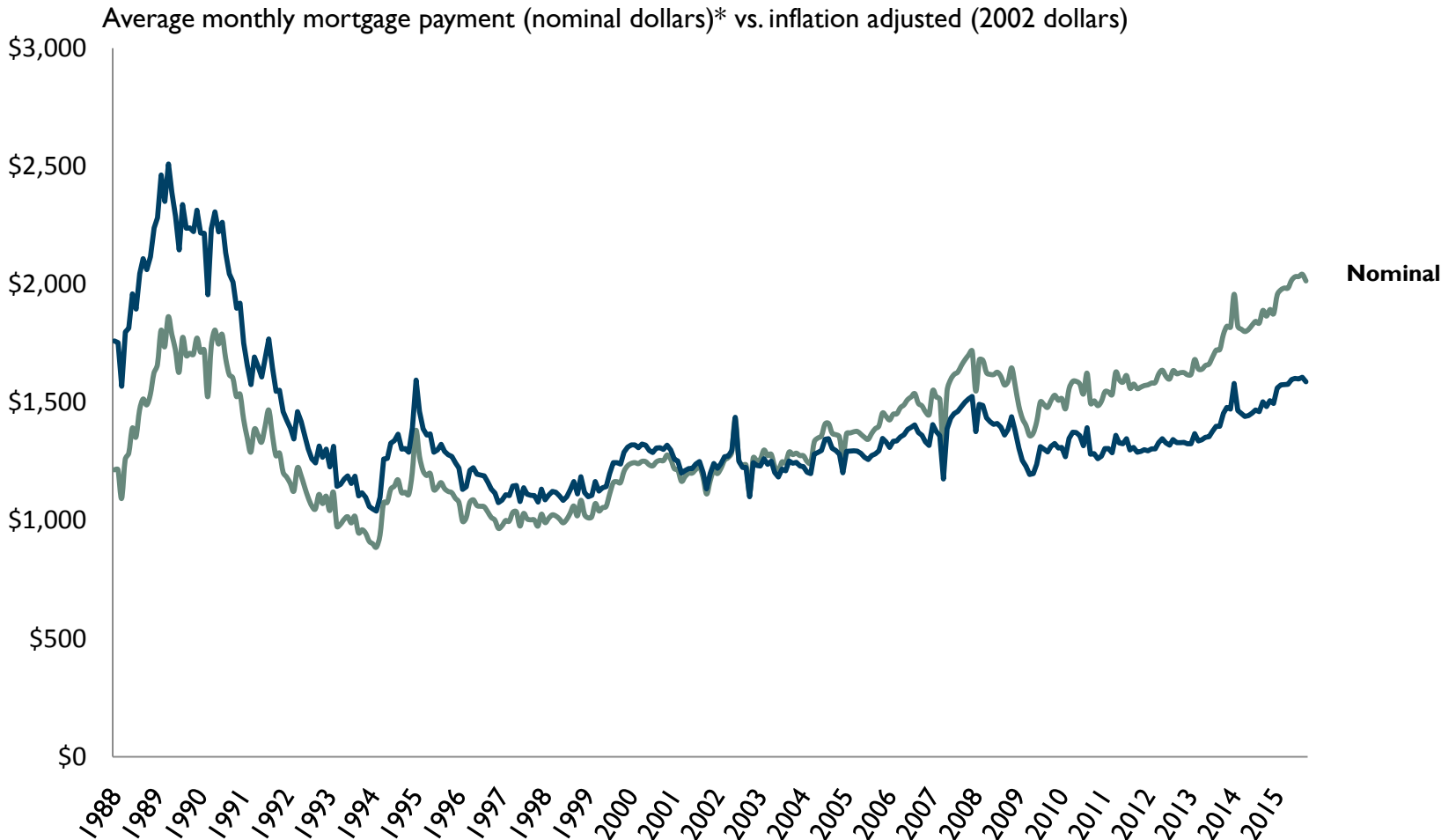
Source: Bank of Canada

Output Gap Widened



Source: Bank of Canada

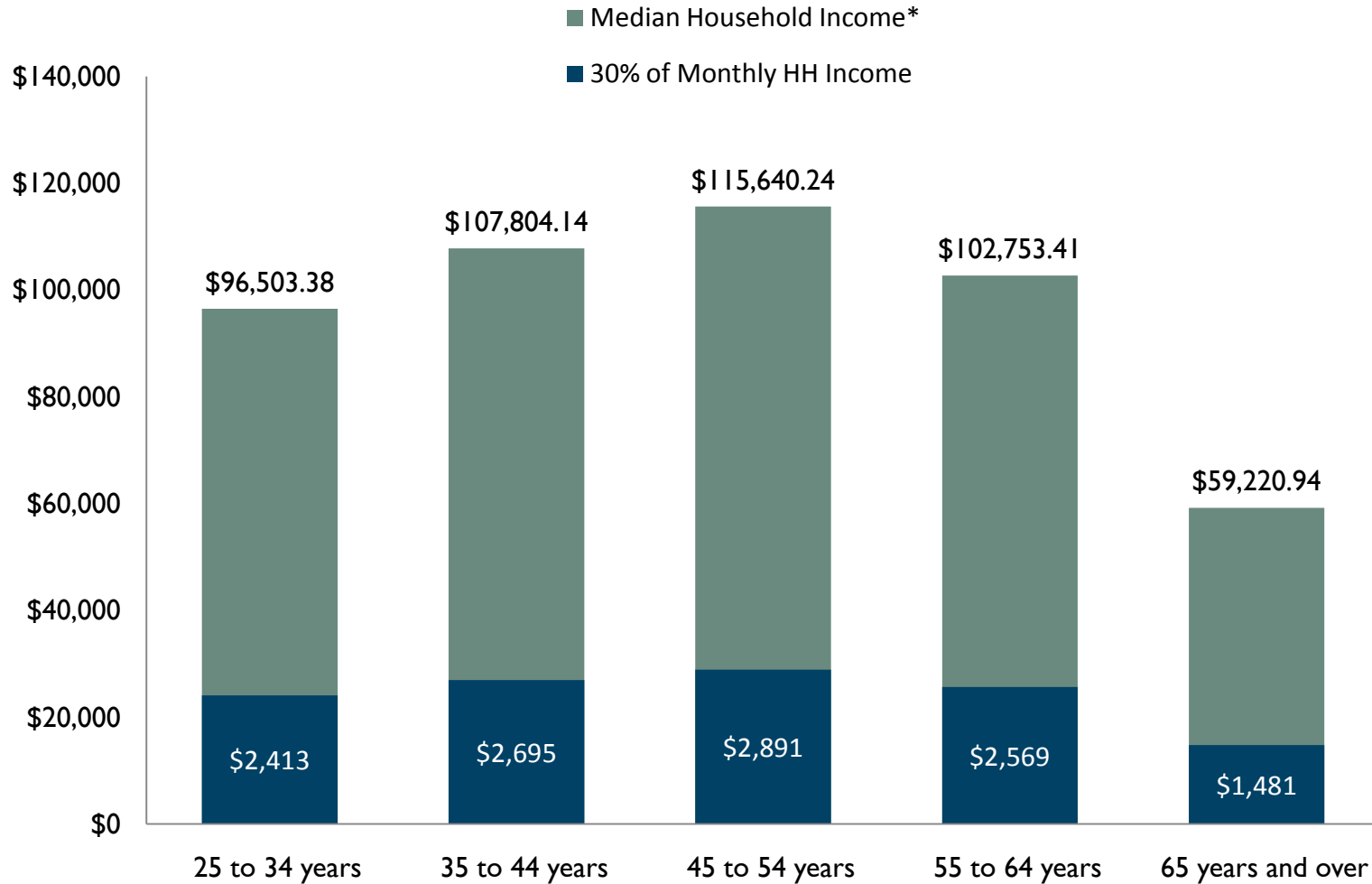
Despite higher prices, Durham`s mortgage payments affordable



Source: CREA, Statistics Canada, CMHC calculations

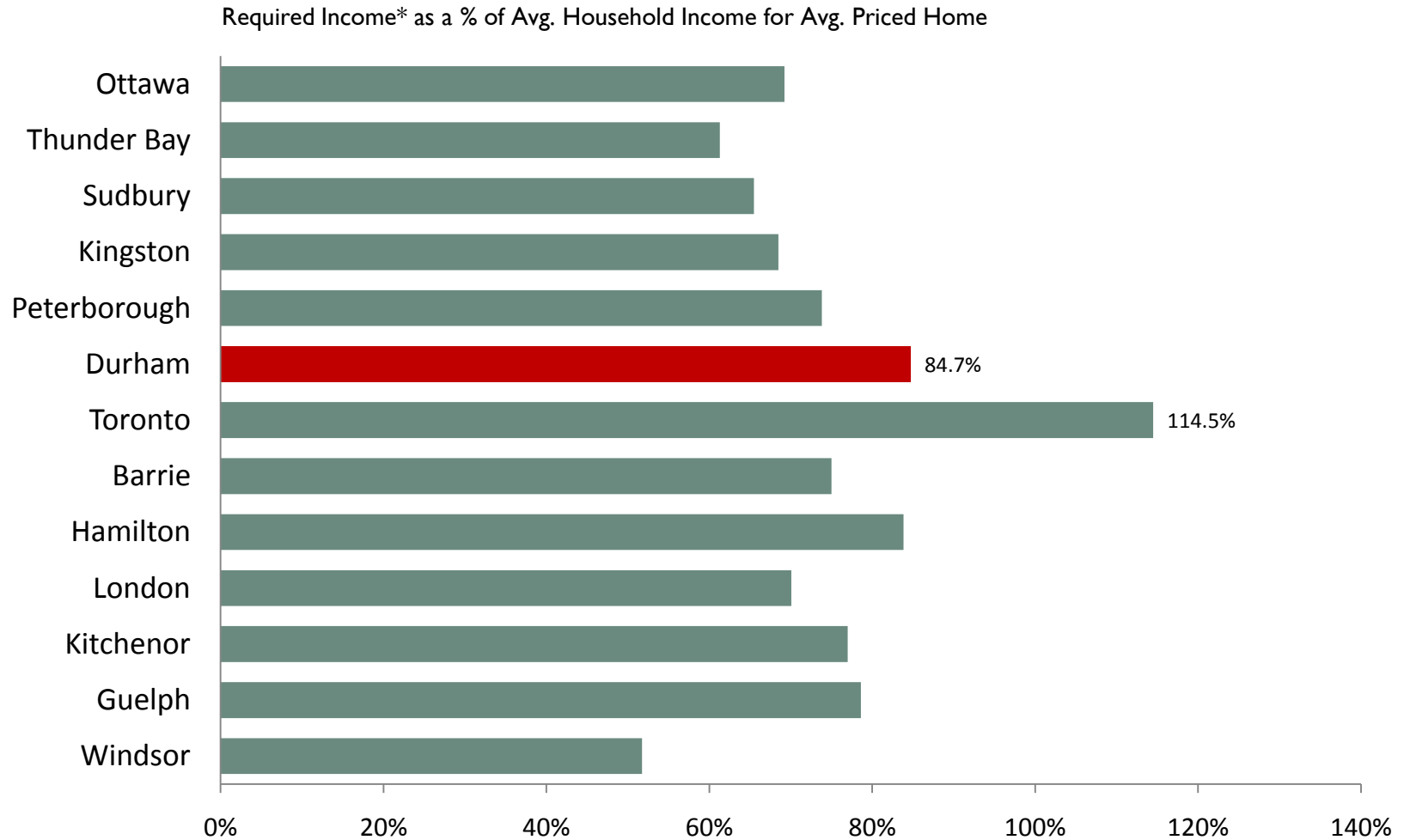
*Based on average MLS price with 10% down payment and 25 year amortization using average 5-year conventional interest rate.

Household Income by Age Group



Source: Statistics Canada, CMHC calculations
*2013 estimate (before taxes)

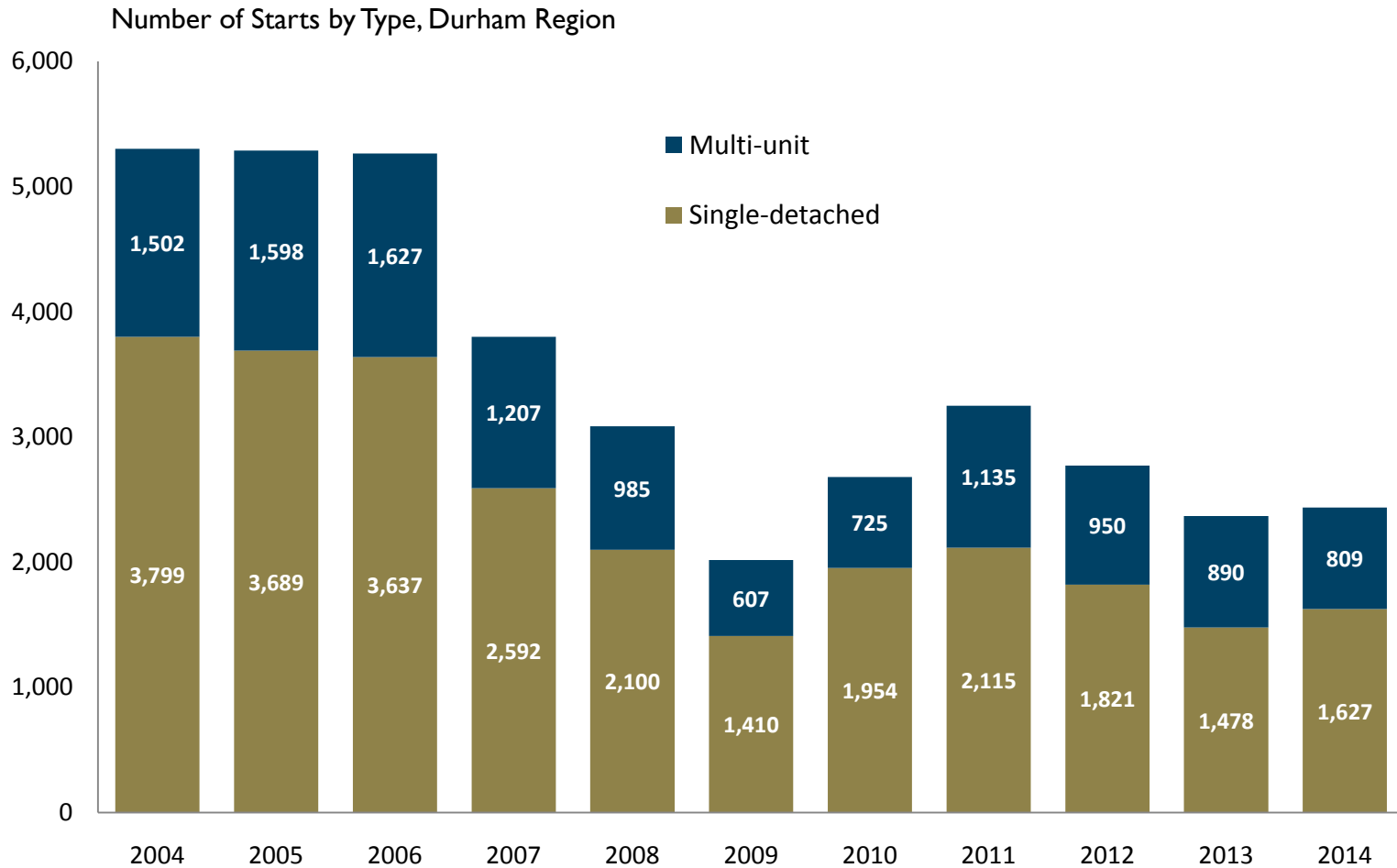
Required Income vs. Actual Income



Source: Statistics Canada, CREA

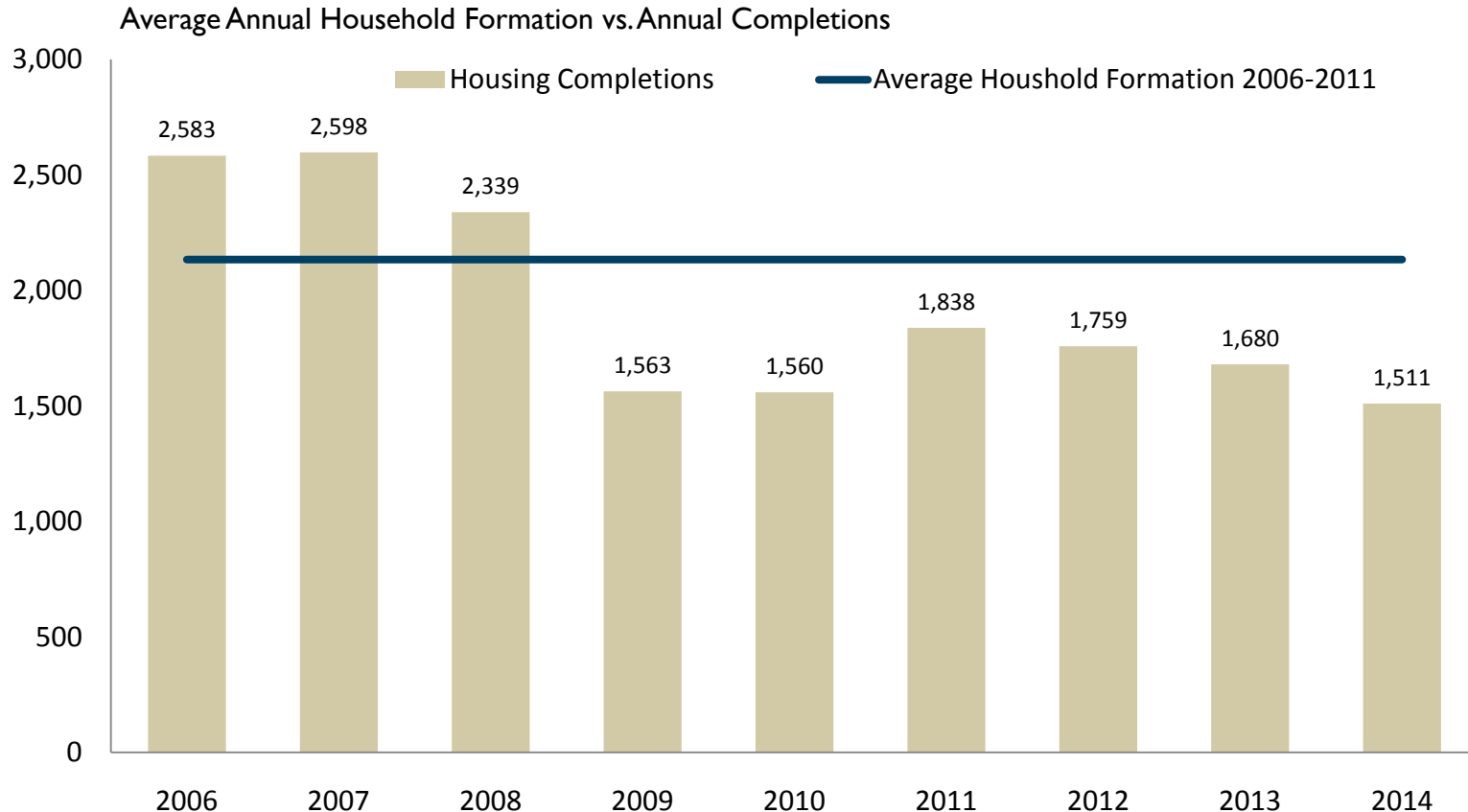
*Required income is mortgage carrying costs divided by 0.32 to reflect the usual 32 per cent gross debt service ratio. Mortgage carrying costs are calculated based on a 10 per cent down payment, the posted fixed five-year mortgage rate and the longest available amortization for a mortgage.

Durham Housing Starts



Source: CMHC

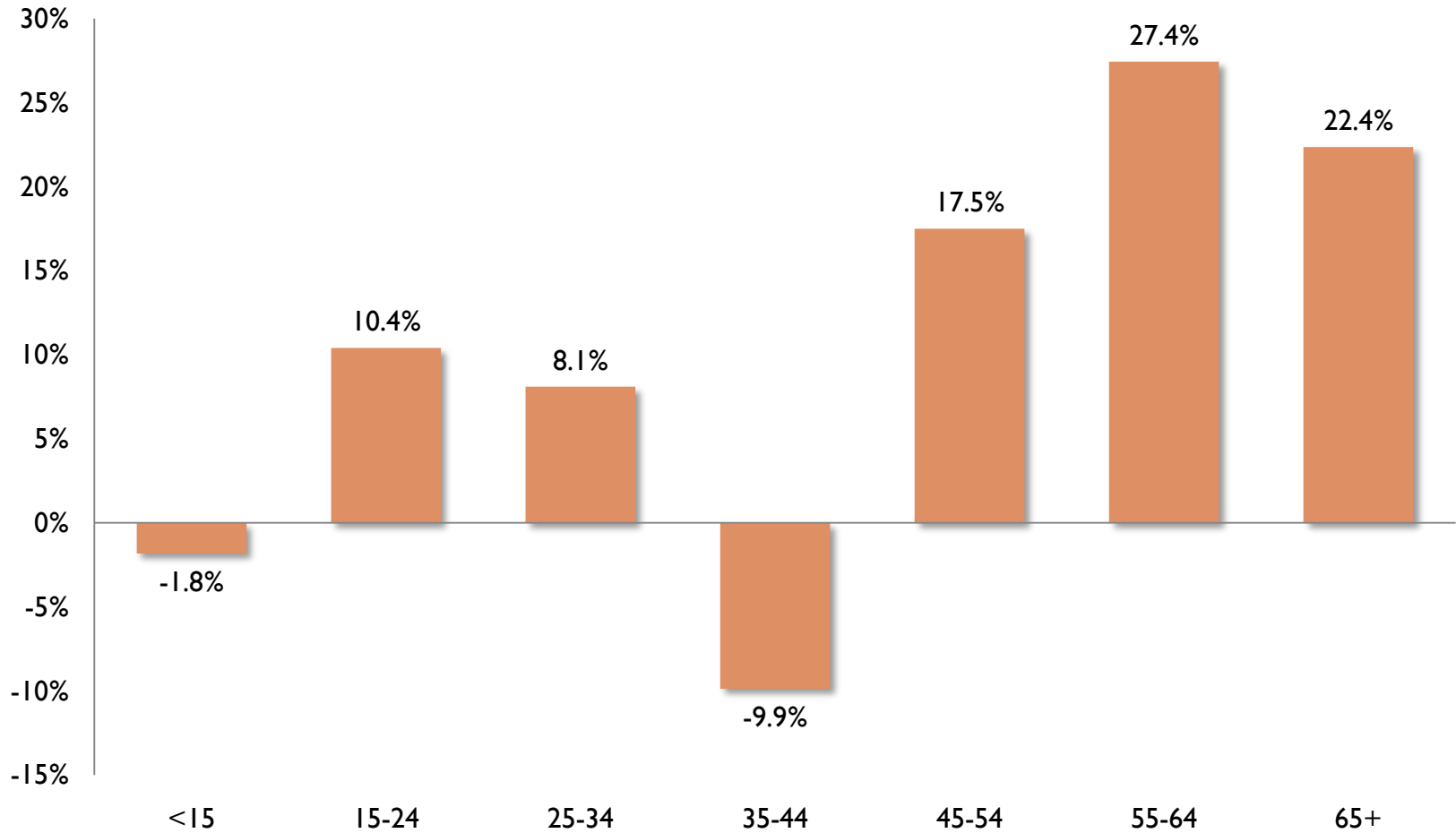
Oshawa CMA Keeping Pace with Demand



Source: Statistics Canada, CMHC

Durham`s Demographics

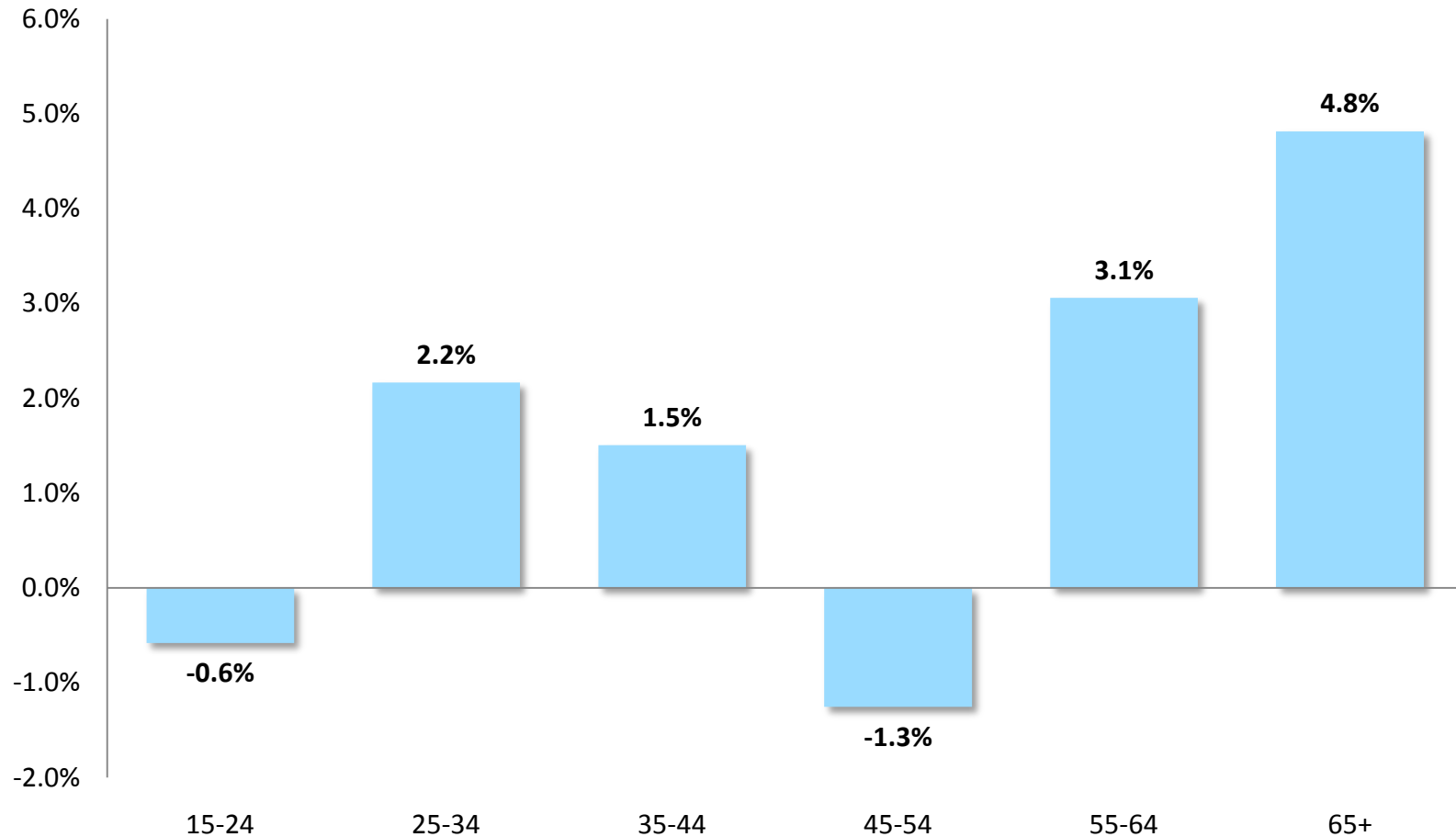
Percentage Change in Population by Age, 2006 vs. 2011



Source: Statistics Canada – 2011 Census

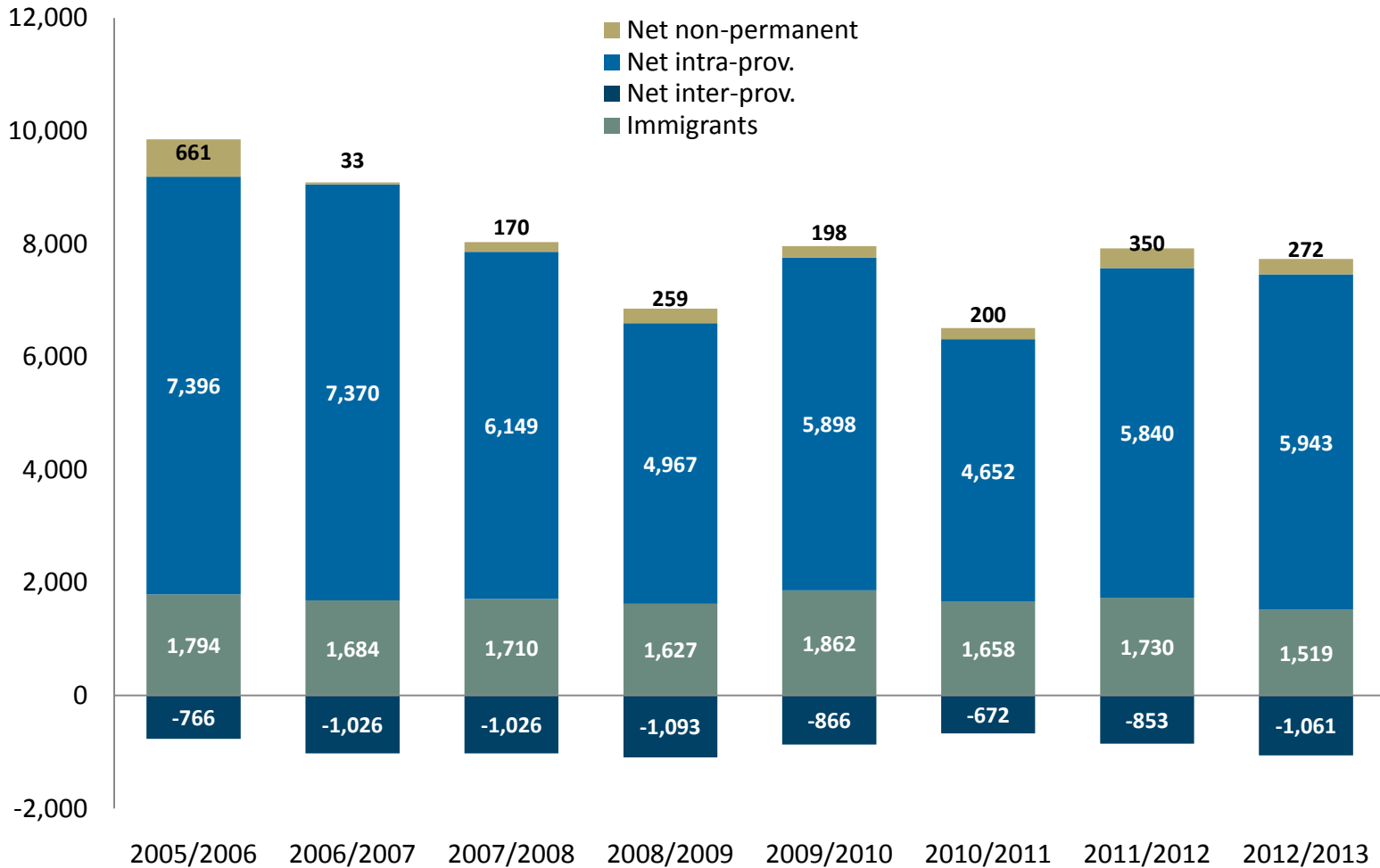
Projected Annual Population Growth

Projected Average Annual Percentage Change in Population by Age, 2013 vs. 2023



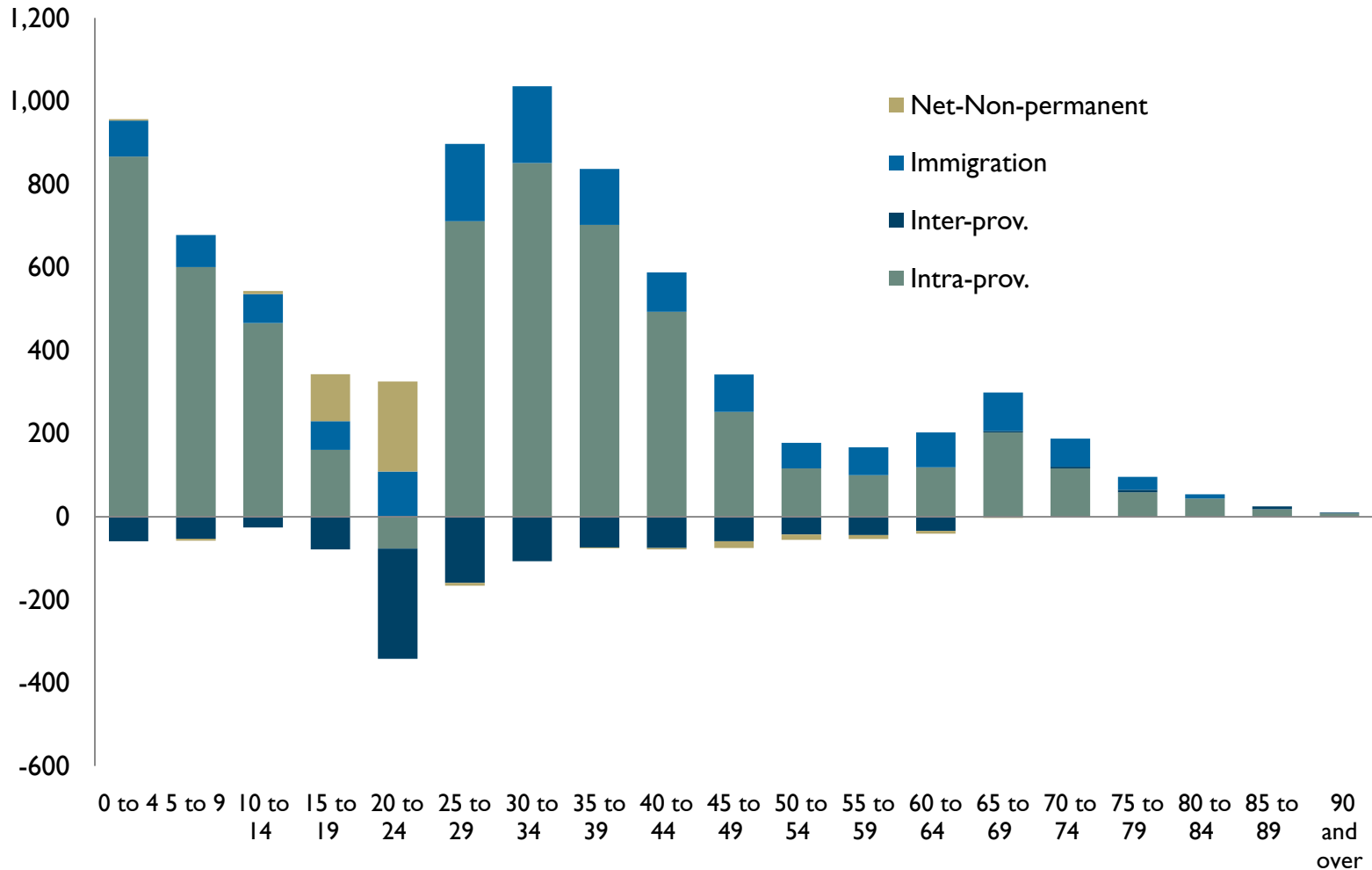
Source: Ontario Ministry of Finance - 2013

Migration to Durham Mostly from Ontario



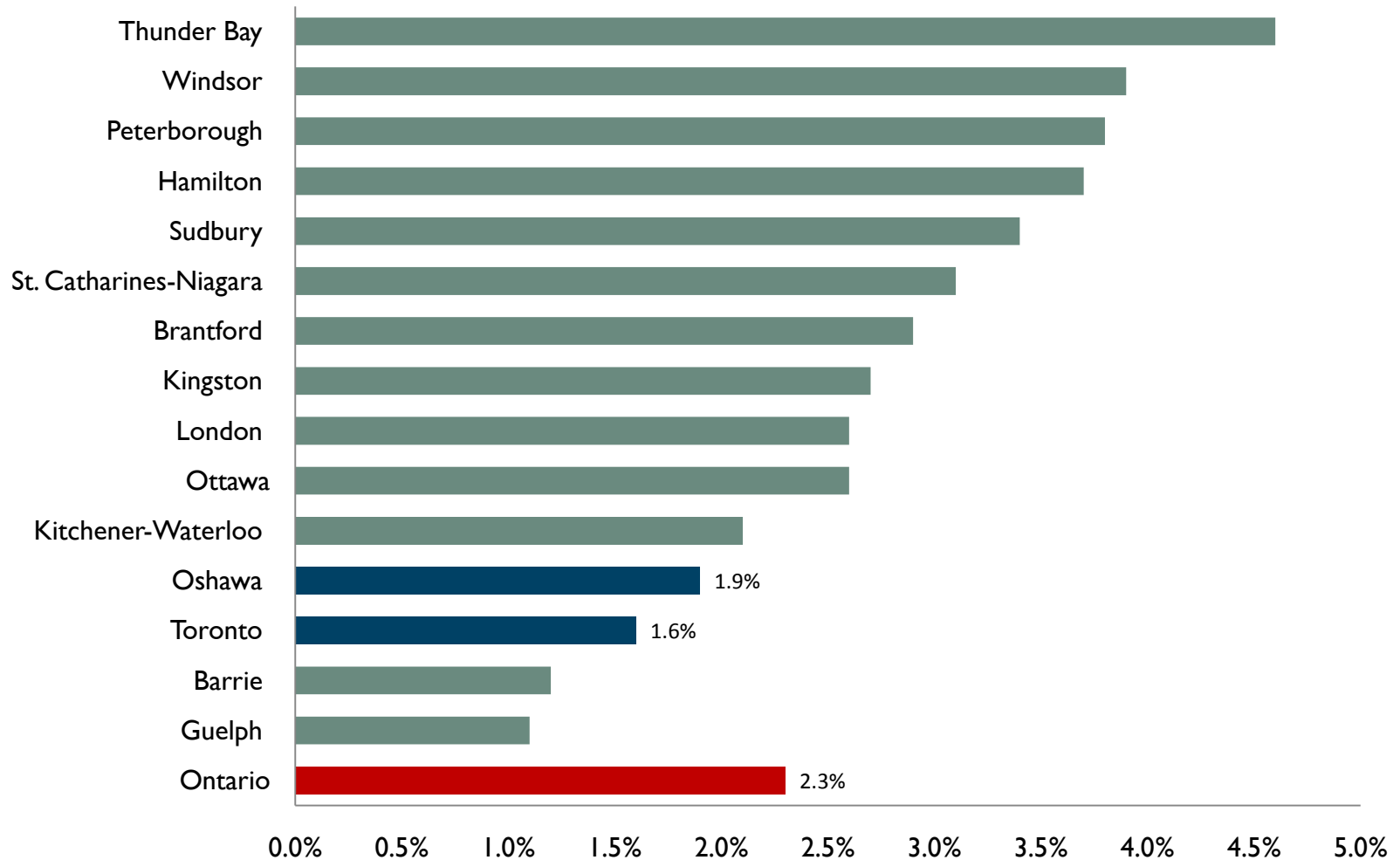
Source: Statistics Canada

Migration to Durham Region by Age



Source: Statistics Canada - 2011/2012

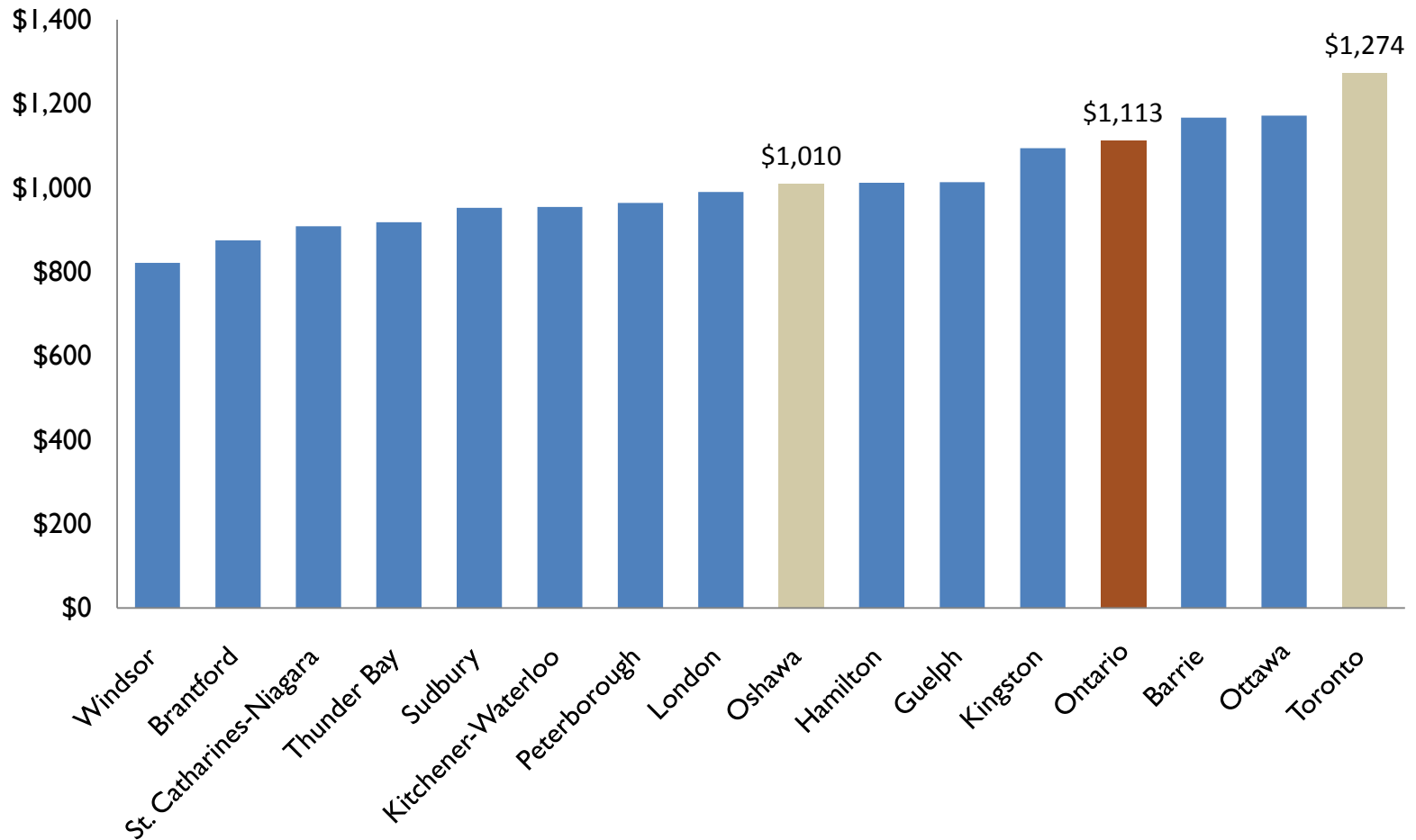
Ontario rental market vacancy rates in 2015



Source: CMHC 2015 October Rental Market Survey

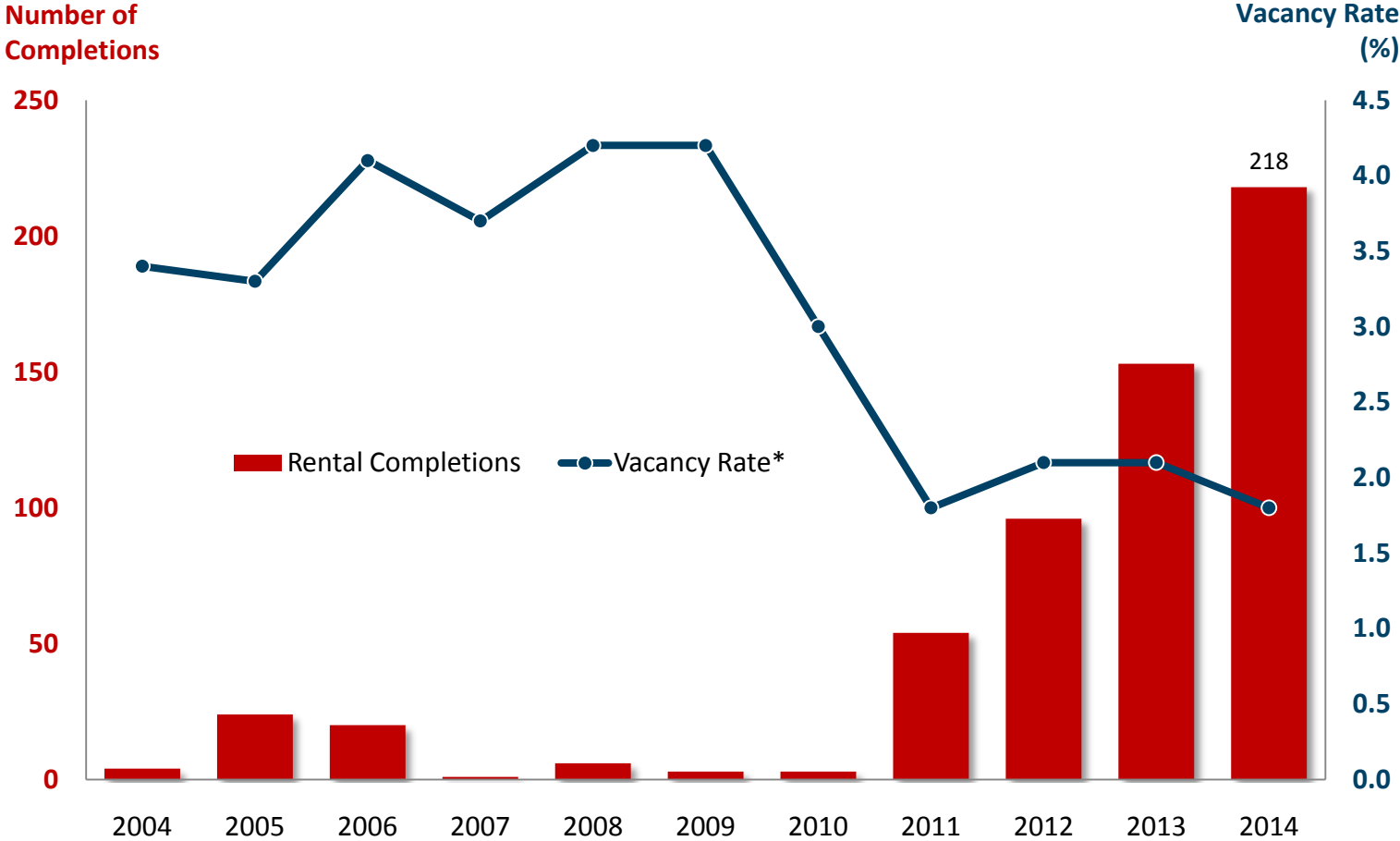
Average Two-Bedroom Rent

Average two-bedroom rent, October 2015



Source: CMHC Rental Market Survey

Tight Rental Market Propelling Supply in Oshawa CMA



Source: CMHC
* Private apartments with 3+ units

Summary

- **Resale market to remain healthy as a result of low mortgage rates and stable employment**
- **Price increases will continue as market conditions favour sellers**
- **Relative affordability compared to Toronto will continue to attract migrants**

Risks to Housing Market Outlook

Downside Risks

- **Lift from US economy tempered by global competition**
- **Imbalances trigger softening Toronto prices that spill into neighbouring markets**
- **Rising share of wealth held in real estate & prone to economic shocks**

Upside Risks

- **US economic growth accelerates above forecast**
- **Sluggish global growth keeps interest rates low longer**

Questions?

Thank You

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