



PRESS RELEASE



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New Report Released on the State of Canada's Housing

OTTAWA, Ontario, March 31, 2003 — Canada Mortgage and Housing Corporation (CMHC) today released a new flagship publication, the 2003 Canadian Housing Observer, which provides a comprehensive overview of Canadian housing conditions and trends and the key factors behind them.

Illustrated with extensive charts, the Observer combines a broad range of housing information and statistics into one publication. It gives a portrait of Canada's housing stock, how Canada's changing demographics and socio-economic factors influence our housing, and discusses the key trends in housing finance and the factors impacting on the affordability of housing in Canada.

To be published on an annual basis, the Canadian Housing Observer is at the core of an initiative to make housing data and analysis more accessible to decision makers, policy analysts, researchers, the media and the general public.

"The Observer will be an important tool for our housing partners in helping identify, address and monitor Canadian housing trends and issues", said Jean-Claude Villiard, President of CMHC. "This publication provides the housing industry with an integrated view of market developments, housing challenges and changing needs of Canadians."

The publication is available on CMHC's Web site (www.cmhc-schl.gc.ca). A special Web version of the Observer, to be launched this spring, will provide links to more detailed housing information related to the trends observed in the print publication, covering major housing markets across Canada.

CMHC is Canada's national housing agency with a mandate to help Canadians gain access to safe, quality and affordable housing. CMHC supports the Canadian housing industry and improves the living conditions of Canadians through its activities in mortgage loan insurance and securitization, assisted housing, research and information transfer and the promotion of Canadian housing exports.

Key highlights are attached.

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 **2003 Canadian Housing Observer**

2003 Canadian Housing Observer — Key Findings

Portrait of Canada's Housing

- In 2001, there were approximately 11.6 million dwellings in Canada, with single-detached homes being the most common building type and accounting for over half of all housing.
- Most Canadians own their homes and home ownership rates are rising.
- Homeownership rates vary considerably by region, ranging from 58 per cent in Québec to a high of 78 per cent in Newfoundland.
- Energy usage for home heating and cooling systems and in the operation of home appliances accounts for a significant portion of Canada's overall energy consumption.

Demographic and Socio-Economic Influences on Housing Demand

- Over the next ten years, the oldest baby boomers will swell the ranks of the 55-64 age group and the changing housing needs of this demographic will have a considerable influence on the housing market.
- Housing represents a significant source of wealth for homeowners, accounting for about 40 per cent of the average net worth of homeowners.

Current Housing Market Developments

- 2002 was a significant growth year in the housing market with housing starts reaching a 13 year high, resale volumes reaching new records, and renovation spending continuing to expand.
- The overall cost of owning a home increased by an average of 1.7 per cent in 2002. The cost of owning an average priced home was higher in Toronto and Vancouver and significantly lower in Winnipeg and Québec City.

Trends in Housing Finance

- Homeowners and home buyers continue to benefit from low mortgage interest rates.
- In 2001, the mortgage market supplied \$94.4 billion to finance 915,200 new or existing housing units across Canada. The average mortgage loan rose by 6.1 per cent to reach \$108,700 per unit.
- Mortgage funding through securitization has experienced significant growth in the past five years. Investors in mortgage securitization vehicles today are the third most important source of mortgage funds.

Housing Affordability

- Since 1996, growth in labour force participation, employment and incomes have helped to bring about improvements in housing affordability for many Canadian households.
- While the vast majority of Canadians are well housed, a significant number of households, estimated at almost 1.8 million in 1996, have difficulties in accessing affordable housing.