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Metropolitan Condo Outlook Winter 2008

Insights Into the Condominium Market in Canada's Eight Largest Census Metropolitan Areas

ECONOMIC PERFORMANCE AND TRENDS

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Metropolitan Condo Outlook: Insights Into the Condominium Market in Canada's Eight Largest Census Metropolitan Areas
by *Jane McIntyre* and *Robin Wiebe*

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Preface

This report from The Conference Board of Canada and Genworth Financial Canada offers an in-depth analysis of the condominium market for Canada's eight largest census metropolitan areas (CMAs). The report covers a wide range of condominium market statistics, such as starts, completions, absorptions, and prices. The main goal of this publication is to provide an analysis of the recent trends in the condo market in each of the eight CMAs, as well as an analysis of where each of the eight markets is heading over the next five years.

The eight census metropolitan areas covered are Québec City, Montréal, Ottawa, Toronto, Calgary, Edmonton, Vancouver, and Victoria.

This report is published twice a year, in summer and winter.

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Executive Summary

Apartment condominium markets in this report's eight cities are downshifting, with sales of existing units slated to grow more slowly in 2008 than in 2007 in most markets and to drop in Ottawa, Calgary, and Edmonton. Still, 2008 will be a good year in most areas, as resale prices continue to advance, albeit more slowly, and starts remain above historical norms.

Demographics and affordability, in varying mixtures, provide twin underpinnings of condominium demand. The population share of those 55 and over, a group frequently associated with condominium tenure, is increasing in all major urban areas. Currently, the overall populations in Victoria and Québec City are relatively older, while Calgary's is younger.

In many cities, condominiums are filling a need for relatively affordable housing close to the city core. Since prices for single-detached bungalows, for example, are pushing $500,000 in some Toronto and Calgary neighbourhoods and at least $650,000 in Vancouver, condominiums represent an important first step for many housing market entrants.

Recently elevated starts volumes suggest apartment condominiums are becoming entrenched in most communities. Edmonton, Vancouver, and Victoria are estimated to have posted record-high starts volumes in 2007, while Calgary and Ottawa hit all-time highs in 2006. More broadly, average annual starts in the five years to 2007 were at least 40 per cent above the equivalent figure five years earlier in each of this report's cities. Victoria, the growth leader, saw nearly a fivefold increase in starts over this period, while starts in Québec City were four times higher. Still, in 2007 alone, starts patterns were mixed, with increases posted in Edmonton, which had this report's highest growth in starts at 31 per cent, as well as in Montréal, Vancouver, and Victoria. But starts fell an equivalent 31 per cent in both Toronto and Québec City, while easing more gently in Calgary and Ottawa.

Relatively large drops in starts of new apartment condominiums are expected in five of this report's eight markets. Victoria will see 2008's largest relative drop, with starts expected to be off 54 per cent, while Vancouver and Montréal will experience the biggest absolute

Table 1—Apartment Condo Indicators

	Starts			Resale sales			Median resale price ($)		
	2007	2008f	2009f	2007f	2008f	2009f	2007f	2008f	2009f
Québec City	710	736	644	1,700	1,783	1,740	130,133	134,872	139,485
	–30.8	*3.7*	*–12.5*	*18.0*	*4.9*	*–2.4*	*4.7*	*3.6*	*3.4*
Montréal	7,814	5,507	5,078	10,680	11,021	11,391	175,555	182,700	189,571
	3.1	*–29.5*	*–7.8*	*18.1*	*3.2*	*3.4*	*2.9*	*4.1*	*3.8*
Ottawa	1,053	1,057	1,027	1,538	1,526	1,565	185,377	188,276	194,778
	–11.0	*0.4*	*–2.9*	*13.2*	*–0.7*	*2.5*	*5.7*	*1.6*	*3.5*
Toronto	9,261	11,883	13,165	21,237	21,672	22,011	229,708	236,351	242,254
	–30.6	*28.3*	*10.8*	*15.7*	*2.0*	*1.6*	*7.6*	*2.9*	*2.5*
Calgary	3,622	2,800	2,604	4,783	4,504	4,451	275,633	286,896	295,248
	–14.2	*–22.7*	*–7.0*	*21.5*	*–5.8*	*–1.2*	*22.2*	*4.1*	*2.9*
Edmonton	4 525	2 916	2 751	4 282	3 390	3 322	235 881	250 873	255 193
	31,4	*–35,6*	*–5,6*	*11,3*	*–20,8*	*–2,0*	*43,2*	*6,4*	*1,7*
Vancouver	11 154	8 688	8 571	16 901	17 612	18 615	328 158	346 713	355 184
	26,1	*–22,1*	*–1,4*	*–7,0*	*4,2*	*5,7*	*11,9*	*5,7*	*2,4*
Victoria	1 540	712	698	2 362	2 403	2 486	272 061	282 619	289 399
	7,0	*–53,8*	*–2,0*	*8,5*	*1,7*	*3,4*	*9,4*	*3,9*	*2,4*

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

declines, of 2,466 and 2,307 units respectively. By contrast, Toronto starts will rise 28 per cent in 2008, although not to levels seen earlier this decade. Inventories of unsold units are modest in all markets except Montréal and thus do not present an obstacle to future starts. Indeed, completed and unabsorbed new apartment condominiums have been virtually non-existent in Calgary since the beginning of 2006, and during the first three quarters of 2007 they averaged less than five per cent of starts in Edmonton, Toronto, Vancouver, and Victoria.

Resales of apartment condominium units rose in seven of this report's eight cities during 2007, with only Vancouver posting a volume decline. Calgary's 21.5 per cent sales jump was the largest relative advance, and Toronto's nearly 2,900-unit hike was the biggest in absolute terms.

Prices increased in all markets during 2007, with Edmonton's 43.2 per cent spike the largest and Montréal's 2.9 per cent increase the smallest. Rising prices continue to attract generally higher listings, with Calgary and Edmonton posting particularly outsized gains. By contrast, Ottawa and Toronto saw listings ease in 2007.

Anecdotal evidence suggests that investors are active in several markets. Demand from this source boosts sales volumes and average prices.

Rising mortgage rates and higher apartment condominium prices are eroding affordability in most cities, particularly in Vancouver and Victoria. Affordability remains better, despite recent deterioration, in Calgary and Edmonton and has stabilized in Montréal and Ottawa.

Finally, while a looming U.S. slowdown overshadows the entire Canadian economy and housing market, domestic demand, including that for housing, remains healthy. Condominiums are unlikely to suffer disproportionately in any downturn.

Québec City

Québec City's new and resale condominium markets will improve moderately in 2008, thanks to an alignment in demand and supply, as indicated by stability in both the sales-to-active-listings ratio in the resale market and month's supply in the new market.

After climbing by an annual average of 23.3 per cent in the last half of the 1990s, unit sales of existing apartment condominiums in Québec City took a breather in 2002 and 2003. Despite the slowdown in sales, an ongoing lack of new listings meant the sales-to-active-listings ratio spiked to nearly 23 per cent in 2002. The past four years have seen the market come roaring back. Between 2004 and 2007, unit sales rose by an average of 12.9 per cent annually, while listings grew 27.3 per cent per year, on average, thus bringing the sales-to-active-listings ratio back down to 13.4 per cent by the end of 2007.

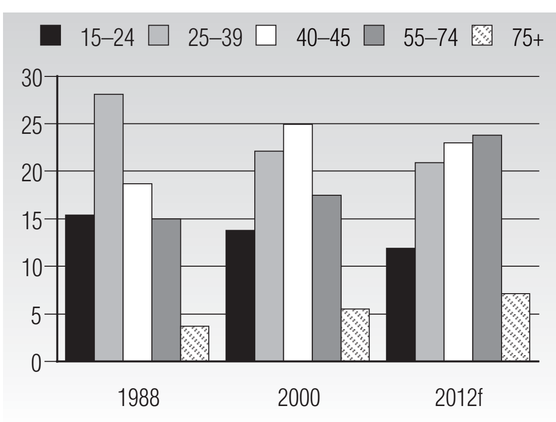
The increase in sales may have resulted from lower interest rates after 2001, as well as the steady increase in the share of the population 55 and older over the past 10 years, from 20.3 per cent in 1996 to 27.8 per cent in 2007. But more telling perhaps is how condominiums remain a relatively affordable option. In fact, the average monthly mortgage payment as a per cent of household income in Québec City has risen only modestly. Notwithstanding significant price increases averaging roughly 10 per cent per year between 2002 and 2007, mortgage payments as a per cent of income stood at 12 per cent in 2007, roughly the same share as in 1996.

While the resale market soared in the second half of the last decade, starts in the new condominium market fell rapidly. During the early 1990s, there had been a considerable amount of new condominium construction, and starts peaked at 1,400 units in 1993. However, months' supply started to creep upward. To deal with this, builders began to retreat from the market, cutting the number of starts each year, reaching a low of 81 units in 2000. Absorptions also continued to decline but, fortunately, at a slower pace. Accordingly, months' supply moved back down to 3 months by 2001.

From 2001 to 2004, the new condominium market was strong. Starts increased more than threefold in 2001 alone, and then averaged growth of 60.3 per cent per year from 2002 to 2004. Demand was even stronger initially, as months' supply actually fell in 2002 and 2003. It has been slowly moving upward since 2004, however, prompting builders to pull back from the market once more. Starts dropped 5.1 per cent in 2005 and 9 per cent in 2006, holding months' supply at 2.7 months. A further 30.8 per cent decline in starts in 2007 was more proof of a market running out of steam.

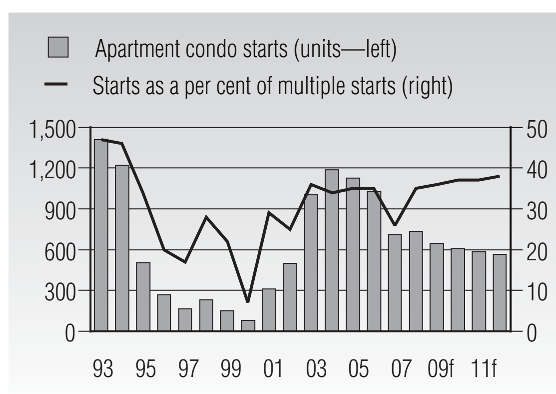
The new and resale condominium markets are expected to post modest growth in 2008. Stable months' supply and little change in the sales-to-active-listings ratio indicate

Chart 1—Share of Population by Age Cohort



Sources: The Conference Board of Canada; Statistics Canada.

Chart 2—Apartment Condo Construction

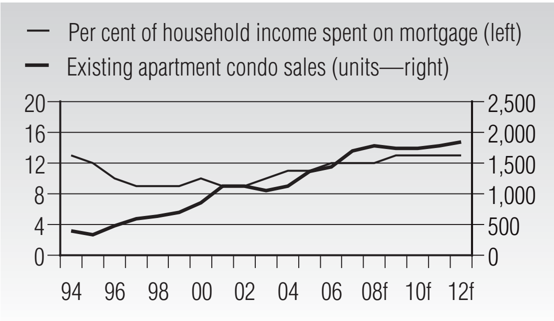


Sources: The Conference Board of Canada; CMHC Housing Time Series Database.

that demand and supply in both markets has become better balanced lately. Unit sales of existing condominiums are forecast to rise by 4.9 per cent in 2008, while starts are expected to increase by 3.7 per cent.

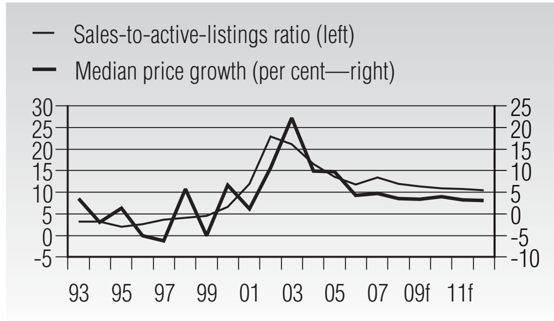
Over the longer term, unit sales in the resale markets are expected to increase slowly, reflecting relatively soft population growth. Prices will increase more moderately as well. Starts of new condominiums are forecast to drift downward but stay above 560 units in 2012, still high by historical standards.

Chart 3—Affordability and Apartment Condo Sales



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Chart 4—Sales to Active Listings and Price Change



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Table 1—Resale Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Unit sales	1,364	1,441	1,700	1,783	1,740	1,743	1,782	1,848
	21.5	*5.6*	*18.0*	*4.9*	*–2.4*	*0.2*	*2.2*	*3.7*
Active listings	836	1,019	1,057	1,234	1,280	1,328	1,393	1,467
	48.4	*22.0*	*3.7*	*16.8*	*3.7*	*3.7*	*4.9*	*5.3*
Months' supply	7.4	8.5	7.5	8.3	8.8	9.1	9.4	9.5
Median price	119,188	124,350	130,133	134,872	139,485	144,898	149,623	154,304
	9.7	*4.3*	*4.7*	*3.6*	*3.4*	*3.9*	*3.3*	*3.1*

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Table 2—New Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Starts	1,127	1,026	710	736	644	610	586	568
	–5.1	*–9.0*	*–30.8*	*3.7*	*–12.5*	*–5.2*	*–4.1*	*–3.0*
Under construction	769	579	497	559	501	477	466	458
	17.9	*–24.7*	*–14.1*	*12.4*	*–10.4*	*–4.6*	*–2.5*	*–1.7*
Completions	1,189	1,200	656	602	590	565	553	545
	10.0	*0.9*	*–45.3*	*–8.2*	*–2.0*	*–4.3*	*–2.0*	*–1.6*
Complete and not absorbed	246	261	211	167	172	177	179	180
	63.9	*5.8*	*–19.0*	*–20.7*	*2.9*	*3.0*	*1.2*	*0.2*
Absorptions	1,108	1,154	809	608	579	561	552	545
	15.5	*4.2*	*–29.9*	*–24.8*	*–4.8*	*–3.1*	*–1.7*	*–1.3*
Months' supply	2.7	2.7	3.1	3.3	3.6	3.8	3.9	4.0

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Montréal

A drop in the number of newly completed units sold or rented in Montréal will lead to a sharp decline in condominium starts in 2008 and 2009. But the resale market will continue to post increases over the same two years.

Existing apartment condominium sales have been strong for the past decade in Montréal, increasing by an annual average of 23.3 per cent between 1996 and 2002, and by 11.5 per year from 2003 to 2006. Price growth picked up in 2002, encouraging more sellers to enter the market. Accordingly, the sales-to-active-listings ratio dropped from a peak of 26.8 per cent in 2002 to 10.8 per cent by the end of 2006.

Increased demand, together with higher prices from 2002 onward, also led to substantial increases in new condominium construction, at least until 2004. The number of new condominiums started each year increased by an average of 17.7 per cent between 1996 and 2001, and by 44.2 per cent from 2002 and 2004. An important driver of Montréal's condominium market has been the increase in the proportion of the population aged 55 and older, from 21 per cent in 1996 to 24.6 per cent in 2006.

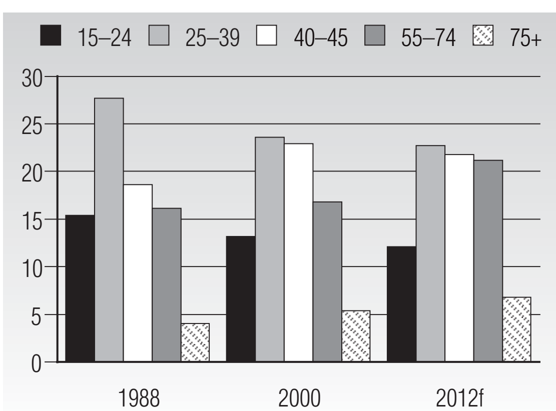
By 2004, the supply of condos had risen enough for month's supply to climb back up. Builders responded by lowering starts 14.7 per cent in 2005 and by 5 per cent in 2006. Despite these declines, however, the number of newly completed but unoccupied units continued to grow rapidly, going from 600 units in 2003 to over 2,300 units in 2006.

Sales of existing units and condominium starts both posted gains in 2007. The resale market saw strong unit sales through the first half of this year, which led to an estimated increase of 18.1 per cent for the year as a whole. Meanwhile, growth in starts was a much more moderate 3.1 per cent, solely the result of a strong fourth quarter in 2006. There was no actual growth in the new market throughout 2007.

Over 2008 and 2009, existing condominium sales are forecast to keep increasing, by an average of 3.3 per cent annually, while starts will slide down, dropping 29.5 per cent in 2008 and 7.8 per cent in 2009. This will result in a better balance between supply and demand in the both the resale and new condominium markets in the coming years. In the resale market, the sales-to-active-listings ratio is expected to hover around 11.5 per cent in 2008 and 2009 and then fall only slightly, to 10.5 per cent, by the end of the forecast period. Months' supply in the new market, which fell to an estimated 2.9 months in 2007, is expected to stay around 3 months from 2008 onward.

As median prices have risen rapidly in recent years, so have monthly mortgage payments as a proportion of household income, going from 10 per cent in 2001 to 16 per cent in 2006. Price growth is expected to be much more moderate in the future. Median resale

Chart 1—Share of Population by Age Cohort



Sources: The Conference Board of Canada; Statistics Canada.

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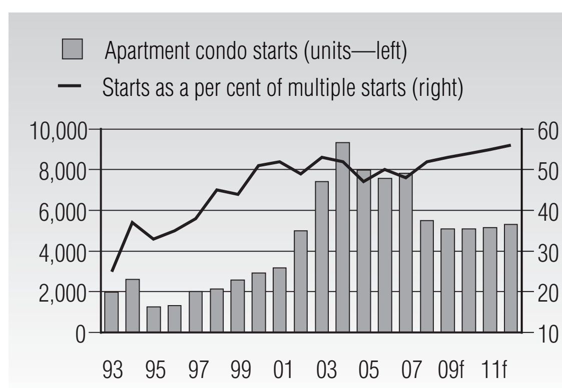
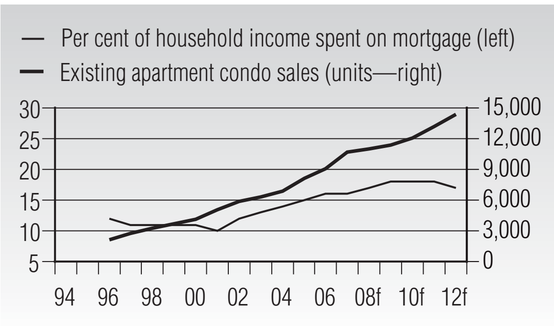


Sources: The Conference Board of Canada; CMHC Housing Time Series Database.

prices, which grew by an estimated 2.9 per cent in 2007, will average 3 per cent annual growth over the forecast period (2008–2012). At the same time, the 55+ demographic will continue to increase as a share of the total population. These factors combined will help to keep sales in the resale market strong through the medium term, and will help new condo starts increase modestly after 2010.

Chart 3—Affordability and Apartment Condo Sales



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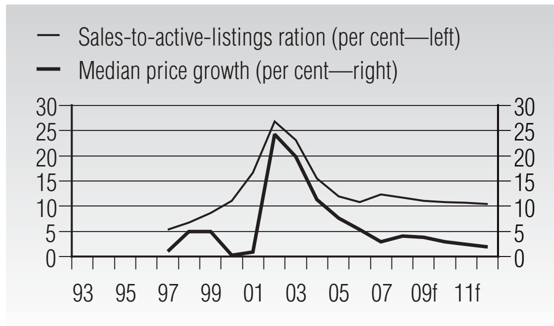


Sources: The Conference Board of Canada; Canadian Real Estate Association.

Table 1—Resale Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Unit sales	8,153	9,041	10,680	11,021	11,391	12,069	13,181	14,382
	18.3	*10.9*	*18.1*	*3.2*	*3.4*	*6.0*	*9.2*	*9.1*
Active listings	5,659	6,998	7,247	7,854	8,569	9,278	10,290	11,395
	52.4	*23.7*	*3.6*	*8.4*	*9.1*	*8.3*	*10.9*	*10.7*
Months' supply	8.3	9.3	8.1	8.6	9.0	9.2	9.4	9.5
Median price	161,771	170,547	175,555	182,700	189,571	195,040	199,785	203,591
	7.7	*5.4*	*2.9*	*4.1*	*3.8*	*2.9*	*2.4*	*1.9*

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Table 2—New Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Starts	7,973	7,578	7,814	5,507	5,078	5,081	5,156	5,302
	–14.7	*–5.0*	*3.1*	*–29.5*	*–7.8*	*0.0*	*1.5*	*2.8*
Under construction	7,155	7,279	6,106	6,559	5,416	4,828	4,724	4,764
	1.2	*1.7*	*–16.1*	*7.4*	*–17.4*	*–10.9*	*–2.2*	*0.8*
Completions	7,966	7,773	9,097	6,491	5,217	5,100	5,147	5,247
	4.4	*–2.4*	*17.0*	*–28.6*	*–19.6*	*–2.2*	*0.9*	*1.9*
Complete and not absorbed	1,651	2,342	2,311	1,892	1,487	1,315	1,283	1,293
	49.6	*41.8*	*–1.3*	*–18.1*	*–21.4*	*–11.6*	*–2.4*	*0.8*
Absorptions	7,728	6,473	9,719	7,141	5,601	5,199	5,157	5,228
	13.7	*–16.2*	*50.2*	*–26.5*	*–21.6*	*–7.2*	*–0.8*	*1.4*
Months' supply	2.6	4.3	2.9	3.2	3.2	3.0	3.0	3.0

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Ottawa

Condominium apartment starts in Ottawa are forecast to drop through the medium term. Meanwhile, after posting a modest decline in 2008, resale volumes will then grow at a moderate pace from 2009 to 2012. Median price growth will also be modest.

Unit sales in Ottawa's existing apartment condominium market increased an average of 15.3 per cent per year from the mid-1990s until 2002. Growing demand eventually pushed up median apartment prices too, by 12.4 per cent on an average annual basis from 1999 to 2002. Unfortunately, income growth, although strong, failed to keep pace, resulting in declining affordability. Mortgage payments as a share of total household income jumped to 12 per cent by 2002, up 3 percentage points from the late 1990s.

This may partly explain why resale condominium sales fell by an average of 2 per cent per year from 2003 to 2005. And just as sales were falling, more new sellers entered the market, tempted by the higher prices. Accordingly, the sales-to-active-listings ratio dipped sharply from 2002 to 2005. The resulting lower price growth since 2005 has led to buyers returning to the marketplace. Unit sales rose a modest 0.2 per cent that year, and averaged a healthy 13.6 per cent average annual growth through 2006 and 2007. Meanwhile, the slowdown in price growth also led to the number of active listings growing little in 2006 and then falling by 11 per cent in 2007.

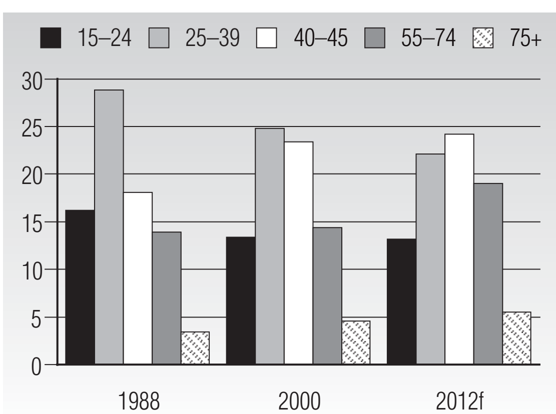
In the new condominium market, huge inventories of completed but unabsorbed units around the mid-1990s led to low levels of starts from 1995 until 2000. At the same time, demand, as measured by the change in absorptions, was volatile, increasing and decreasing sharply from one year to the next.

For much of this decade, growth in absorptions has been stronger, save for a couple of years, but starts have been more volatile. Still, overall the trend remains upward, and starts topped an estimated 1,000 units in 2007 for the third time in four years. Until recently, demand and supply seemed to be in better balance as well, with months' supply ranging from 0.5 months to 1.2 months. Months' supply crept up to 2.7 months in 2007.

Some of the appeal of the condominium market in recent years may have to do with a surge in Ottawa's percentage of the population 55 and older, a key segment of the population interested in buying condominiums. This share grew from 18.8 per cent in 1996 to 22.5 per cent in 2006. Further growth to 24.5 per cent is expected over the forecast period.

But higher prices will temper overall demand for new condominiums in Ottawa and lead to only modest growth in the resale market. Starts are forecast to squeak out a 0.4 per cent increase in 2008 before declining by 2.9 per cent in 2009 and by an average of 1.8 per cent per year for the rest of the forecast period. But weaker demand will

Chart 1—Share of Population by Age Cohort



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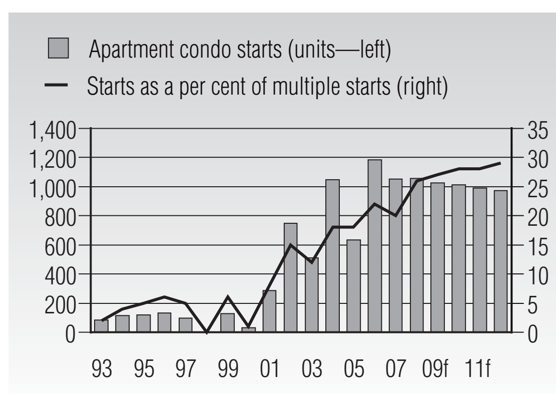
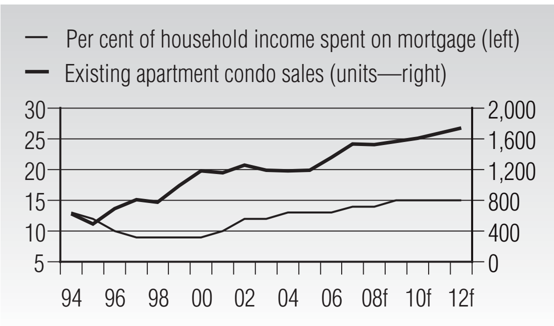


Sources: The Conference Board of Canada; CMHC Housing Time Series Database.

still result in months' supply climbing back up to 2.7 months again by 2012. Meanwhile, unit sales are expected to fall by 0.7 per cent this year and then increase by 2.5 per cent next year. Growth in unit sales will be a moderate 3.7 per cent, on average, from 2010 to 2012, holding the sales-to-active-listings ratio fairly stable at around 34 per cent. Median price growth will also moderate, averaging 3.4 per cent annually from 2009 onward.

Chart 3—Affordability and Apartment Condo Sales



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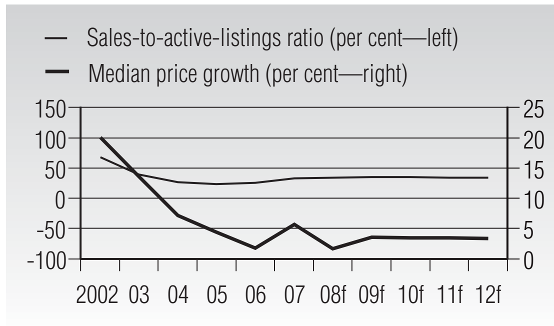


Sources: The Conference Board of Canada; Canadian Real Estate Association.

Table 1—Resale Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Unit sales	1,189	1,358	1,538	1,526	1,565	1,612	1,676	1,746
	0.2	*14.2*	*13.2*	*–0.7*	*2.5*	*3.0*	*4.0*	*4.2*
Active listings	432	436	388	377	373	387	406	426
	17.3	*1.0*	*–11.0*	*–3.0*	*–1.0*	*3.8*	*4.8*	*4.9*
Months' supply	4.4	3.9	3.0	3.0	2.9	2.9	2.9	2.9
Median price	172,475	175,413	185,377	188,276	194,778	201,372	208,266	215,231
	4.4	*1.7*	*5.7*	*1.6*	*3.5*	*3.4*	*3.4*	*3.3*

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Table 2—New Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Starts	634	1,183	1,053	1,057	1,027	1,012	989	972
	–39.6	*86.6*	*–11.0*	*0.4*	*–2.9*	*–1.4*	*–2.3*	*–1.8*
Under construction	1,148	1,277	1,509	1,274	1,086	987	959	950
	–5.8	*11.2*	*18.2*	*–15.6*	*–14.8*	*–9.1*	*–2.8*	*–1.0*
Completions	899	712	1,104	985	967	963	957	951
	12.9	*–20.8*	*55.0*	*–10.7*	*–1.9*	*–0.4*	*–0.6*	*–0.7*
Complete and not absorbed	85	75	198	212	164	174	196	214
	16.5	*–12.1*	*165.7*	*7.0*	*–22.7*	*6.2*	*12.9*	*8.8*
Absorptions	885	724	893	1,098	981	945	936	936
	23.2	*–18.2*	*23.4*	*22.9*	*–10.7*	*–3.7*	*–0.9*	*0.0*
Months' supply	1.1	1.2	2.7	2.3	2.0	2.2	2.5	2.7

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Toronto

Toronto's resale apartment condominium market will continue to see steady, moderate growth in unit sales. In the new market, starts are expected to rise by 12.7 per cent per year, on average, although demand is expected to wane over the medium term.

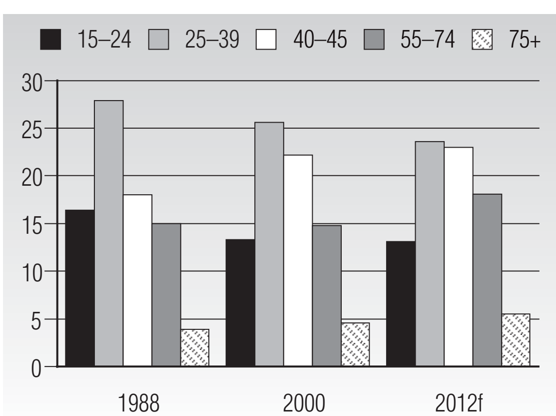
For the past 10 years, Toronto's resale apartment condominium market has grown at a steady pace. Unit sales increased by 7.1 per cent on an average annual basis from 1997 to 2007, bringing sales of existing units to over 20,000, nearly double the level they were in 1997. In line with the growth in sales, median condominium prices also rose by an average of 7.7 per cent per year from 1997 to 2002 and by a slower 5.1 per cent per year since then. This more moderate price growth has resulted in up-and-down fluctuations in the number of active listings each year. Most recently, active listings increased by 7.8 per cent in 2006 and fell by an estimated 11.5 per cent in 2007. The sales-to-active-listings ratio remained around 27 per cent up until 2007, when it climbed to 36 per cent, thanks to the decline in listings and a 15.7 per cent spike in unit sales.

After averaging annual increases of 46.4 per cent per year from 1997 to 2000, starts in the new condominium market have see-sawed as builders have responded to changes in demand. An estimated 30.6 per cent decline in starts in 2007 brought them below 10,000 units. But even though this level is much weaker than in recent years, it is still relatively high by historical standards. Back in the mid-1990s, annual condominium starts in Toronto were in the 2,000–3,000 unit range. The decline in starts in 2007 means that months' supply held steady at 0.5 months for the second year in a row despite weaker absorptions.

Neither the resale nor the new condominium market has been driven by significant increases in its 55+ population over the past 10 years, as has been the case in other cities in this report. The share of Toronto's population 55 and older rose only modestly from 19.3 per cent in 1997 to 21.5 per cent in 2006. Rather, the appeal of Toronto's condominium market has been its relative affordability compared with single-family and semi-detached homes. Despite rising prices, condominium mortgage payments as a share of household income declined in the mid-1990s, and then remained fairly steady at between 13 and 14 per cent from 2000 to 2006. However, this share had jumped considerably to 16.3 per cent by the third quarter of 2007.

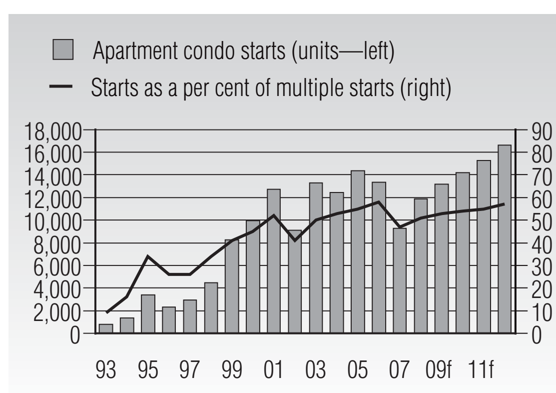
Regardless, the current outlook calls for both the resale and new condominium markets to do well over the next two years. After increasing sharply in 2007, sales of existing units will keep rising at a moderate pace, averaging growth of 1.8 per cent per year from 2008 to 2009. Growth in unit sales will then improve to 4.9 per cent per year, on average, between 2010 and

Chart 1—Share of Population by Age Cohort



Sources: The Conference Board of Canada; Statistics Canada.

Chart 2—Apartment Condo Construction

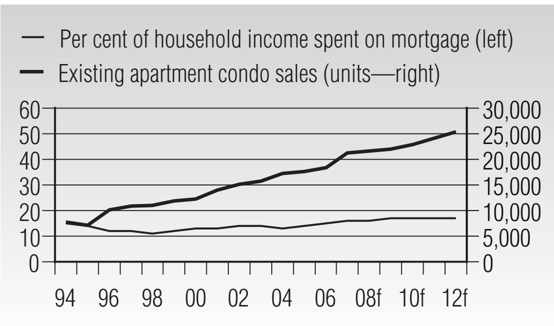


Sources: The Conference Board of Canada; CMHC Housing Time Series Database.

2012. This will keep supply and demand in balance, holding the sales-to-active-listings ratio at its current rate of roughly 36 per cent.

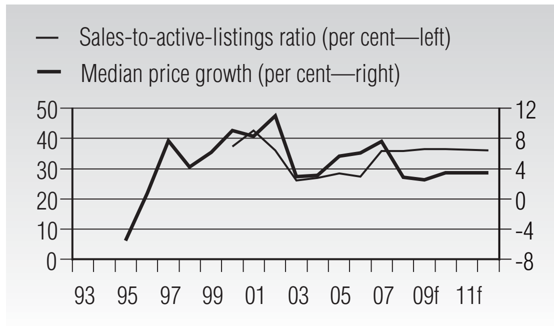
The new market is expected to end its roller-coaster ride in 2008, with starts forecast to rise by as much as 28.3 per cent. A further 10.8 per cent increase is expected in 2009. With growth in absorptions expected to slow in the coming years, months' supply will climb to 1.2 months by 2012, reflecting a more balanced market.

Chart 3—Affordability and Apartment Condo Sales



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Chart 4—Sales to Active Listings and Price Change



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Table 1—Resale Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Unit sales	17,686	18,359	21,237	21,672	22,011	22,911	24,099	25,386
	2.8	*3.8*	*15.7*	*2.0*	*1.6*	*4.1*	*5.2*	*5.3*
Active listings	5,171	5,573	4,931	5,041	5,032	5,228	5,532	5,876
	–3.0	*7.8*	*–11.5*	*2.2*	*–0.2*	*3.9*	*5.8*	*6.2*
Months' supply	3.5	3.6	2.8	2.8	2.7	2.7	2.8	2.8
Median price	201,179	213,450	229,708	236,351	242,254	250,623	259,507	268,488
	5.7	*6.1*	*7.6*	*2.9*	*2.5*	*3.5*	*3.5*	*3.5*

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Table 2—New Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Starts	14,376	13,338	9,261	11,883	13,165	14,203	15,269	16,620
	15.5	*–7.2*	*–30.6*	*28.3*	*10.8*	*7.9*	*7.5*	*8.8*
Under construction	24,181	24,808	25,410	28,367	26,310	22,863	20,749	19,619
	11.3	*2.6*	*2.4*	*11.6*	*–7.3*	*–13.1*	*–9.2*	*–5.4*
Completions	12,134	13,581	8,442	13,544	14,323	14,783	15,187	15,638
	23.8	*11.9*	*–37.8*	*60.4*	*5.8*	*3.2*	*2.7*	*3.0*
Complete and not absorbed	900	595	385	501	761	1,034	1,307	1,564
	68.2	*–33.8*	*–35.4*	*30.3*	*51.8*	*35.8*	*26.4*	*19.7*
Absorptions	12,371	13,385	8,831	13,298	14,059	14,510	14,918	15,385
	30.2	*8.2*	*–34.0*	*50.6*	*5.7*	*3.2*	*2.8*	*3.1*
Months' supply	0.9	0.5	0.5	0.5	0.6	0.9	1.1	1.2

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Calgary

Calgary's apartment condominium market is cooling. Rapidly rising resale listings and moderating sales have improved buyer choice and slowed price advances. This burgeoning resale supply will also compete with new condominiums, shaving starts. Moderating price growth will prevent further significant affordability deterioration.

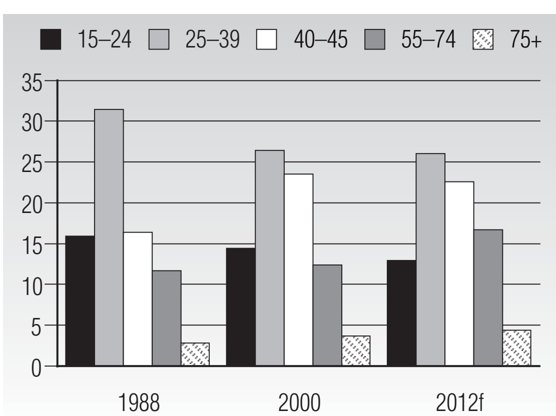
Although Calgary apartment condominium starts dropped to an estimated 3,620 units in 2007—after 2006's record-high 4,222 units—they were still more than 1,000 units above the annual average between 1997 and 2006. Developer enthusiasm was whetted by healthy new-unit absorptions, which averaged over 2,500 units at an annual rate in the two years leading up to the third quarter of 2007, and by a near-complete absence of unsold inventory. Nonetheless, builders, well aware that soaring resale listings present future buyers the option to buy existing units, will hedge their bets, cutting starts to 2,800 units in 2008. Starts will be also limited by builder concentration on a record number of units under construction. Longer term, apartment condominium starts will drift down to near 2,500 units.

As in Edmonton, Calgary's resale apartment condominium market is moving quickly to a balanced state as listings flood in. Price increases, already slowing, will moderate further. A balanced market is expected in the medium term. Sales rose 22 per cent to an estimated high of 4,780 units in 2007, the third straight double-digit percentage volume jump, but will ease 6 per cent to 4,500 units in 2008. Looking ahead, continued population growth, particularly among those 55 and older, will buoy demand. Sales will gently rise to a new record by 2012.

More immediately, soaring active listings, which ended the third quarter of 2007 more than double the year-earlier count, will set the market's tone by dramatically improving buyer selection. Indeed, price increases have already ratcheted back; Calgary's median condominium price fell between the second and the third quarters for the first time in two years and was up a comparatively modest 14.7 per cent year-on-year, a seven-quarter low. Still, early-year momentum propelled the median apartment price ahead an estimated 22 per cent in 2007, following 2006's 48 per cent leap. Price growth will cool to 4.1 per cent in 2008 and float near 3 per cent thereafter. Slowing price growth will relieve Calgary apartment condo-seekers, who have seen local price levels race past those in Montréal, Ottawa, Toronto, and Victoria since 2005.

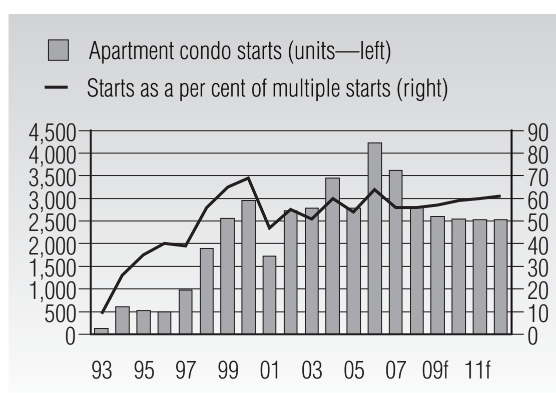
Since Calgary's 18.3 per cent population share among those 55 and over is the lowest among this report's eight centres, affordability, location, and general population growth have clearly outweighed empty-nester demand as condominium market drivers. Nonetheless, as elsewhere, Calgary's population is aging and will provide an increasingly important buyer pool. The absolute number of 55+ inhabitants more than doubled in the 20 years to 2006, and their share of the overall population rose

Chart 1—Share of Population by Age Cohort



Sources: The Conference Board of Canada; Statistics Canada.

Chart 2—Apartment Condo Construction

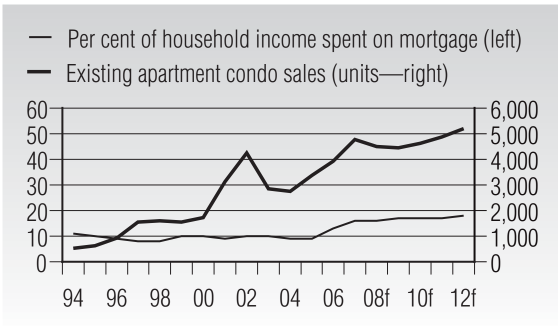


Sources: The Conference Board of Canada; CMHC Housing Time Series Database.

from only 14 per cent in 1986 and 15.7 per cent in 1996.

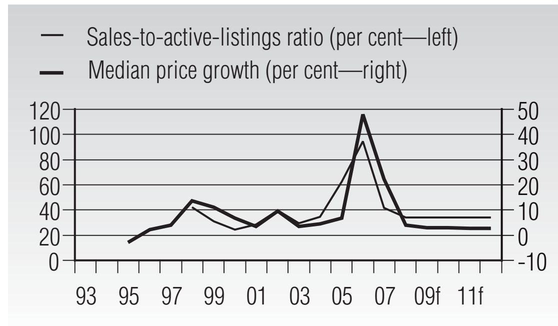
Cooling price hikes suggest that the worst erosion of Calgary affordability is over. In the year up to the third quarter of 2007, Calgary's median apartment condominium price jumped 15 per cent, while the average five-year mortgage rate rose 40 basis points. This boosted the third-quarter principle and interest charge on Calgary's average condominium 19 per cent from a year earlier to a record $1,796 per month. This jump far outstripped the simultaneous 5 per cent increase in average household income, making condominium mortgage payments equal to 16.1 per cent of income, up from 14.2 per cent a year earlier.

Chart 3—Affordability and Apartment Condo Sales



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Chart 4—Sales to Active Listings and Price Change



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Table 1—Resale Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Unit sales	3,379	3,936	4,783	4,504	4,451	4,625	4,879	5,201
	23.1	*16.5*	*21.5*	*–5.8*	*–1.2*	*3.9*	*5.5*	*6.6*
Active listings	452	348	954	1,107	1,090	1,124	1,188	1,267
	–32.0	*–23.0*	*174.3*	*16.1*	*–1.5*	*3.1*	*5.7*	*6.6*
Months' supply	1.6	1.1	2.4	2.9	2.9	2.9	2.9	2.9
Median price	152,535	225,558	275,633	286,896	295,248	303,768	312,129	320,728
	6.7	*47.9*	*22.2*	*4.1*	*2.9*	*2.9*	*2.8*	*2.8*

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Table 2—New Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Starts	2,780	4,222	3,622	2,800	2,604	2,539	2,526	2,525
	–19.4	*51.9*	*–14.2*	*–22.7*	*–7.0*	*–2.5*	*–0.5*	*0.0*
Under construction	4,141	5,386	5,637	3,865	3,262	3,064	3,013	3,003
	15.1	*30.1*	*4.7*	*–31.4*	*–15.6*	*–6.1*	*–1.7*	*–0.3*
Completions	2,606	2,790	2,357	2,718	2,603	2,583	2,576	2,575
	5.9	*7.1*	*–15.5*	*15.3*	*–4.2*	*–0.8*	*–0.3*	*0.0*
Complete and not absorbed	192	5	34	242	345	391	413	422
	26.3	*–97.5*	*619.4*	*608.7*	*42.4*	*13.3*	*5.6*	*2.4*
Absorptions	2,714	2,840	2,237	2,550	2,529	2,549	2,560	2,568
	9.1	*4.6*	*–21.2*	*14.0*	*–0.8*	*0.8*	*0.4*	*0.3*
Months' supply	0.8	0.0	0.2	1.1	1.6	1.8	1.9	2.0

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Edmonton

Edmonton's market for apartment condominiums is downshifting, as recent sharp price increases have attracted a huge listings run-up. This market swing will curb resale price hikes and starts in 2008. Slowing price increases will limit future erosion in affordability.

Propelled by a buoyant economy and accelerating population growth, Edmonton's apartment condominium market has been torrid. Starts jumped to an estimated 4,525 units in 2007, the highest on record and up 31 per cent from 2006's already elevated level. Soaring absorptions, including an all-time high volume in the first quarter of 2007, and plummeting builder new-unit inventories, to less than 1 per cent of starts volume, the lowest on record, fuelled this activity.

But a big jump in resale listings and a levelling of new unit absorptions at a relatively sustainable pace will result in more completed and unoccupied new units and thus fewer starts. Moreover, builders are busy with projects under construction; these were never higher than during 2007's third quarter. All this will cut 2008 apartment condominium starts to just over 2,900 units in 2008, down 36 per cent from 2007. Longer term, starts will hover between 2,700 and 2,800 units per year.

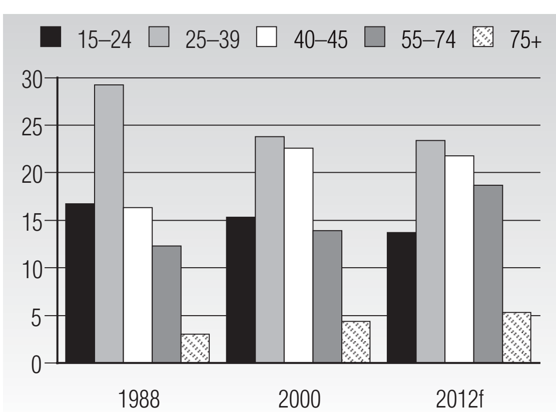
Edmonton's market for resale condominiums is rapidly moving from a seller's stance to a more balanced state, as a flood of listings have improved buyer choice and curtailed sellers' pricing power. Sales also slowed sharply after mid-2007, dramatically slashing the sales-to-listings ratio. Unsurprisingly, price growth is slowing—it hit a four-quarter low last spring, and price advances appear set to crumble under the weight of this new supply and slowing sales. While 2007's average price was up an estimated 43 per cent, the 2008 price advance will be roughly one-seventh the size.

Both sales and active listings will remain high in 2008, despite a slowdown in growth from 2007's stratospheric levels. Indeed, a smaller relative deceleration in sales than in active listings will improve the market's tone later in 2008. Boosted by a rising and aging population, sales growth will resume by 2010. Price increases will moderate to the mid-2 per cent range in 2010–2012, setting the tone for a generally balanced market.

Even though Edmonton's population is comparatively youthful by the standards of the cities covered in this report, its aging population will become an increasingly important clientele for condominiums. Between 1996 and 2006, Edmonton's population aged 55 and over rose by over 65,700, a 43 per cent jump. This boosted the local proportion of 55+ residents to 20.9 per cent from 17.4 per cent.

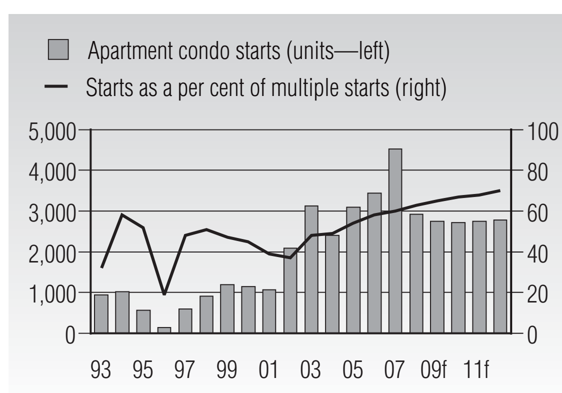
The affordability of resale condominiums in Edmonton eroded significantly as prices soared and interest rates edged higher. In the third quarter of 2007, the median price for local condominiums was nearly 90 per cent higher than two years earlier, while interest rates

Chart 1—Share of Population by Age Cohort



Sources: The Conference Board of Canada; Statistics Canada.

Chart 2—Apartment Condo Construction



Sources: The Conference Board of Canada; CMHC Housing Time Series Database.

advanced just under 1.5 percentage points. This lifted monthly principle and interest mortgage costs for an average Edmonton apartment condominium to $1,568 in the first quarter of 2007, a new high and more than twice the average mortgage payment during the equivalent quarter two years earlier. Since Edmonton's average household income rose only 14 per cent during this time, this payment simultaneously rose from 9.2 per cent of household income to 17.4 per cent—also the highest on record, presenting a moderate market risk.

Chart 3—Affordability and Apartment Condo Sales

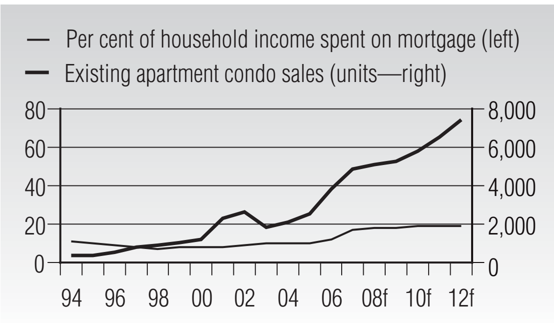


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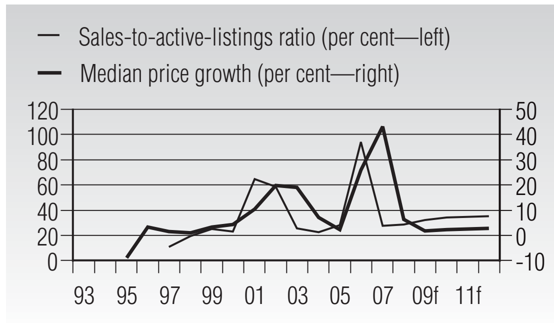
Chart 4—Sales to Active Listings and Price Change



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Table 1—Resale Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Unit sales	2,545	3,848	4,282	3,390	3,322	3,545	3,880	4,318
	21.6	*51.2*	*11.3*	*–20.8*	*–2.0*	*6.7*	*9.4*	*11.3*
Active listings	757	342	1,422	1,037	872	872	939	1,037
	–1.7	*–54.9*	*316.5*	*–27.1*	*–15.9*	*0.0*	*7.7*	*10.4*
Months' supply	3.6	1.1	4.0	3.7	3.1	3.0	2.9	2.9
Median price	130,946	164,705	235,881	250,873	255,193	260,748	267,116	274,333
	2.2	*25.8*	*43.2*	*6.4*	*1.7*	*2.2*	*2.4*	*2.7*

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Table 2—New Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Starts	3,098	3,445	4,525	2,916	2,751	2,722	2,748	2,788
	28.7	*11.2*	*31.4*	*–35.6*	*–5.6*	*–1.1*	*1.0*	*1.5*
Under construction	3,867	4,815	5,682	4,179	3,469	3,109	3,001	2,973
	–4.6	*24.5*	*18.0*	*–26.4*	*–17.0*	*–10.4*	*–3.5*	*–0.9*
Completions	2,149	2,631	2,802	2,989	2,739	2,712	2,713	2,726
	–20.8	*22.4*	*6.5*	*6.7*	*–8.4*	*–1.0*	*0.0*	*0.5*
Complete and not absorbed	576	250	67	242	383	476	545	595
	151.4	*–56.6*	*–73.0*	*259.0*	*58.5*	*24.2*	*14.6*	*9.1*
Absorptions	2,194	2,992	2,757	2,817	2,636	2,629	2,652	2,683
	–7.1	*36.4*	*–7.8*	*2.2*	*–6.4*	*–0.3*	*0.9*	*1.1*
Months' supply	3.1	1.0	0.3	1.0	1.7	2.2	2.5	2.7

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Vancouver

> Vancouver's market for apartment condominiums is cooling, as rising listings temper price growth. Despite strong new-unit take-up, condominium starts will drop in 2008, as builders remain busy with existing projects. Affordability is already poor and continues to erode.

Driven by demand for less expensive homes, high land prices, and escalating construction costs that favour multiple-unit projects, starts of apartment condominiums in Vancouver soared to an estimated record high of 11,154 units in 2007, up 26 per cent from 2006. Meantime, although the number of complete and unoccupied apartment condominiums also went up, it remains modest and not an obstacle to new construction. Nonetheless, starts will pull back to just under 8,700 units in 2008 as builders complete the record number of units under construction. Demographics and immigration will help shape the market for condominiums as retirees and affluent newcomers seek upscale units. Starts will rise gently from 2010 onwards, but remain below the 2007 peak.

Complete and unoccupied unit counts will also rise, but total only half of mid-1990's volume by 2012.

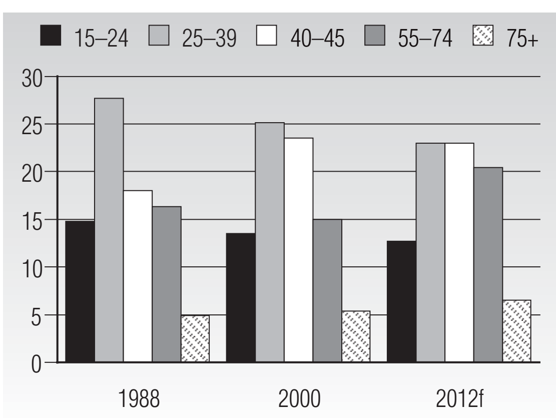
Signs of moderation are appearing in Vancouver's resale apartment condominium market, although it still favours sellers. Sales rose as 2007 progressed, but still ended the year down an estimated 7.0 per cent from 2006. Prices for resale units ended 2007 up an estimated 11.9 per cent, the slowest pace in three years, but still the sixth straight year of double-digit percentage hikes.

Unsurprisingly, such high prices drew increased supply; active listings rose in four consecutive quarters before easing in the third quarter of 2007. Listings averaged nearly 4,000 units in the year ending the third quarter of 2007, up nearly 20 per cent from the equivalent period a year earlier. This cut the sales-to-active-listings ratio to an estimated 38 per cent in 2007. This slight improvement in purchasers' bargaining position is starting to curb vendor pricing power, shaving average quarterly price increases to 3.2 per cent in the year leading up to the end of the third quarter of 2007, down from 3.8 per cent in the same period a year earlier.

Vancouver apartment condominium sales will rebound 4.2 per cent in 2008 to 17,612 units, compared to an average near 13,230 units between 1998 and 2007, and grow steadily thereafter as demographics, immigration, and affordability (relative to single-detached homes) sustain demand. Growth in the median apartment condominium price will cool to 5.7 per cent in 2008 and then ease in our forecast's later stages as high prices encourage active listings to increase.

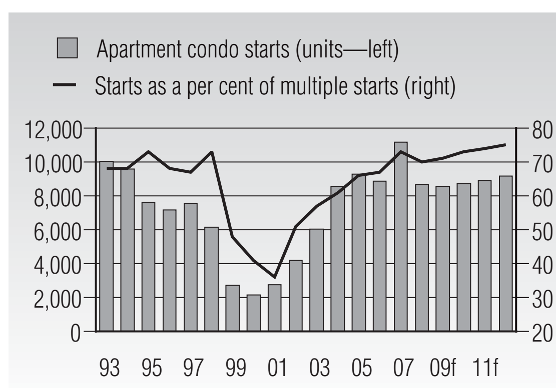
Vancouver demographics broadly support apartment condominiums. The population aged 55 and over, an important cohort of condominium clients, accounts for 23 per cent of Vancouver's population.

Chart 1—Share of Population by Age Cohort



Sources: The Conference Board of Canada; Statistics Canada.

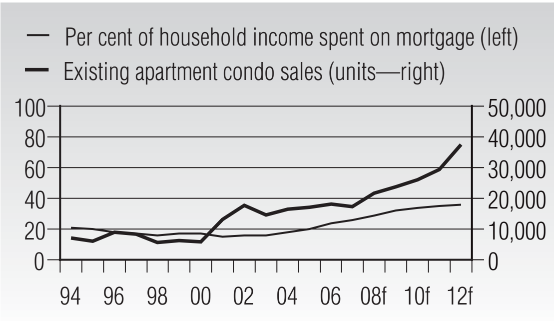
Chart 2—Apartment Condo Construction



Sources: The Conference Board of Canada; CMHC Housing Time Series Database.

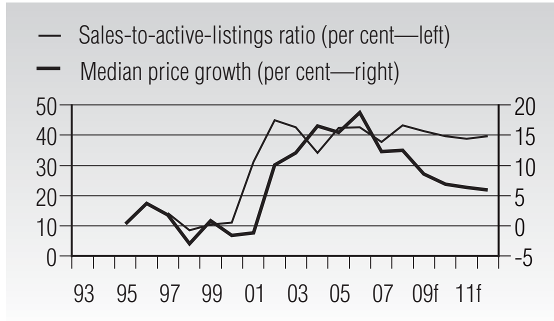
Local apartment condominium resale affordability in Vancouver, the poorest in Canada, deteriorated further in 2007. During the year's first three quarters, Vancouver's median apartment condominium price increased by 7 per cent, and the average five-year mortgage rate rose from 6.6 per cent to 7.2 per cent. This lifted the monthly principle and interest charge on an average local condominium to $2,155, the highest on record and up 13.3 per cent from the first quarter's average. Vancouver's average household income rose only 2.5 per cent during this period, so this third quarter mortgage payment was equivalent to 27 per cent of household income, up from 24.4 per cent in 2007's first quarter.

Chart 3—Affordability and Apartment Condo Sales



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Chart 4—Sales to Active Listings and Price Change



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Table 1—Resale Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Unit sales	17,146	18,183	16,901	17,612	18,615	20,261	22,149	24,100
	4.0	*6.0*	*–7.0*	*4.2*	*5.7*	*8.8*	*9.3*	*8.8*
Active listings	3,359	3,555	3,821	3,592	3,810	4,262	4,794	5,345
	–16.7	*5.8*	*7.5*	*–6.0*	*6.1*	*11.9*	*12.5*	*11.5*
Months' supply	2.4	2.3	2.7	2.4	2.5	2.5	2.6	2.7
Median price	247,192	293,375	328,158	346,713	355,184	366,348	377,932	389,344
	15.5	*18.7*	*11.9*	*5.7*	*2.4*	*3.1*	*3.2*	*3.0*

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Table 2—New Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Starts	9,291	8,845	11,154	8,688	8,571	8,696	8,891	9,157
	8.8	–4.8	26.1	–22.1	–1.4	1.5	2.2	3.0
Under construction	12,382	14,421	15,328	14,291	11,241	9,992	9,597	9,478
	23.6	*16.5*	*6.3*	*–6.8*	*–21.3*	*–11.1*	*–4.0*	*–1.2*
Completions	6,596	8,052	9,503	9,801	8,763	8,803	8,924	9,091
	44.0	*22.1*	*18.0*	*3.1*	*–10.6*	*0.5*	*1.4*	*1.9*
Complete and not absorbed	84	79	240	561	813	1,093	1,366	1,603
	15.2	*–5.1*	*202.2*	*134.1*	*45.0*	*34.5*	*25.0*	*17.3*
Absorptions	6,591	8,092	9,174	9,530	8,510	8,517	8,663	8,866
	43.6	*22.8*	*13.4*	*3.9*	*–10.7*	*0.1*	*1.7*	*2.3*
Months' supply	0.2	0.1	0.3	0.7	1.1	1.5	1.9	2.2

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Victoria

Balanced markets are nearly at hand, if not here already, for both new and resale apartment condominiums in Victoria. Although ongoing demand will be generated by retirees and younger purchasers, eroding affordability is contributing to a moderating market.

Victoria apartment condominium starts eased in the third quarter of 2007 after hitting the second-highest level on record during the spring. All in all, condominium starts rose an estimated 7 per cent in 2007, to the highest annual level since our data begins in 1989. Starts have been boosted by strong condominium absorptions, which hit levels not seen in more than 13 years over the summer. Although estimated absorptions for 2007 overall were little changed from 2006, these two years were collectively the highest on record. Absorptions will moderate, as affordability erodes, but remain elevated by historical standards.

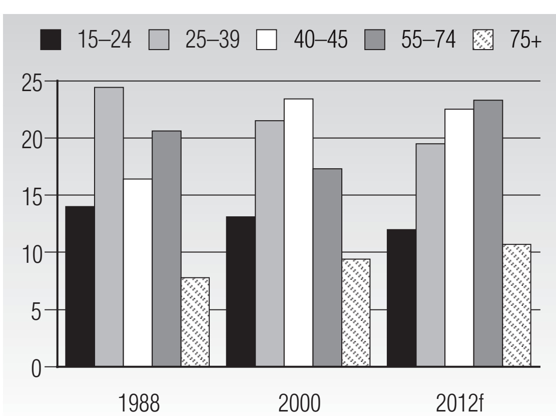
Although unsold new condominium counts are rising, this upswing is modest given starts' robust volumes. Accordingly, inventory overhang will impair future starts only slightly. Still, starts are expected to decline to levels more in line with historical averages. Overall, 2008 starts will be just above 700 units, less than half 2007's number.

Victoria's resale apartment condominium market has eased in the last two years. Price increases have slowed from double-digit percentage hikes in 2003 to 2006. These higher prices attracted greater listings supply, in turn easing pressure on prices. Indeed, price growth was below 3 per cent in both the second and third quarters of 2007, after exceeding 4.5 per cent during five of six prior quarters.

Sales rose strongly in the first half of 2007 following three quarterly drops. Together with comparatively flat listing growth, this pickup in sales lifted the sales-to-active-listings ratio to near 25 per cent in the first three quarters of 2007, up from levels nearer 21 per cent during 2006's second half but consistent with a near-term balanced market and single-digit price growth, like the 3.9 per cent increase expected for 2008. Broadly similar drops in sales and listings will keep the market balanced and prices advancing just below 3 per cent per year over the medium term.

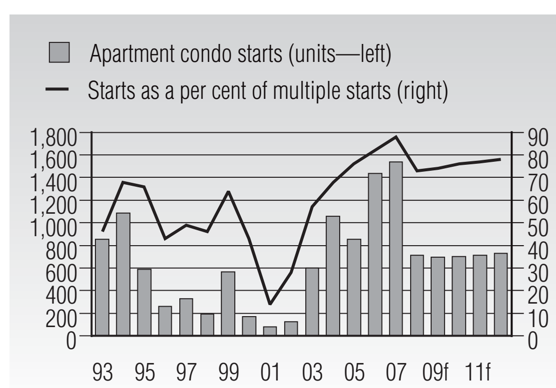
Rapidly rising house prices are driving many first-time buyers to choose more modestly priced condominiums. But retirees remain an important clientele. Victoria's mild climate makes it an attractive retiree destination and thus fertile ground for higher-end units. An estimated 30 per cent of Victoria's population in 2006 was aged 55 or more, the largest share among this report's eight cities, although the area's 21.7 per cent increase in its 55+ population over the decade ending 2006 was comparatively modest. Like Vancouver, Victoria has long been attractive to retirees and has always had a relatively high 55+ population share.

Chart 1—Share of Population by Age Cohort



Sources: The Conference Board of Canada; Statistics Canada.

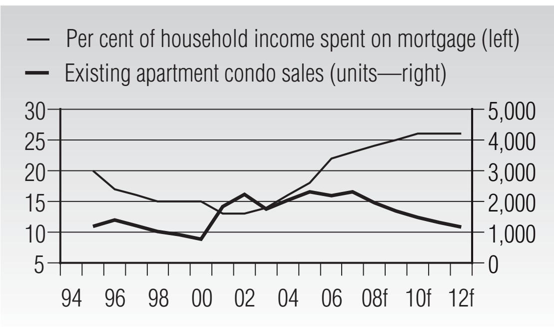
Chart 2—Apartment Condo Construction



Sources: The Conference Board of Canada; CMHC Housing Time Series Database.

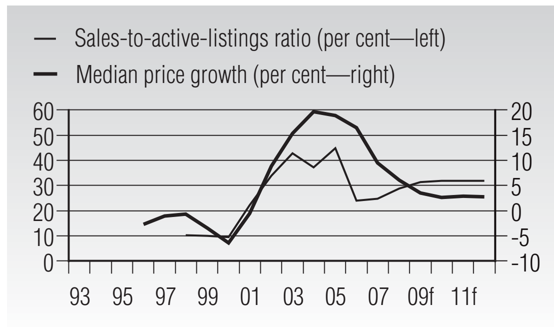
Rising resale apartment condominium prices and modest mortgage rate upticks have further weakened Victoria's already-poor affordability. Over the first three quarters of 2007, Victoria's median apartment condominium price rose 4.5 per cent, and the average five-year mortgage rate nudged up 60 basis points. This lifted the principle and interest charge on Victoria's average condominium to just under $1,780 in the third quarter, a new record high and up 10.6 per cent year-over-year. Since Victoria's average household income grew by a more moderate 7.9 per cent, condominium mortgage payments consumed 23.3 per cent of average household income, also the highest on record and up from 22.8 per cent a year earlier.

Chart 3—Affordability and Apartment Condo Sales



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Chart 4—Sales to Active Listings and Price Change



Sources: The Conference Board of Canada; Canadian Real Estate Association.

Table 1—Resale Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Unit sales	2,307	2,176	2,362	2,403	2,486	2,613	2,746	2,889
	13.1	*–5.7*	*8.5*	*1.7*	*3.4*	*5.1*	*5.1*	*5.2*
Active listings	430	758	782	639	615	641	674	709
	–6.3	*76.5*	*3.2*	*–18.4*	*–3.7*	*4.3*	*5.0*	*5.2*
Months' supply	2.2	4.2	4.0	3.2	3.0	2.9	2.9	2.9
Median price	213,590	248,779	272,061	282,619	289,399	297,065	305,641	314,298
	18.9	*16.5*	*9.4*	*3.9*	*2.4*	*2.6*	*2.9*	*2.8*

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Table 2—New Condominium Apartment Market

	2005	2006	2007	2008f	2009f	2010f	2011f	2012f
Starts	856	1,439	1,540	712	698	704	715	732
	–19.1	*68.1*	*7.0*	*–53.8*	*–2.0*	*0.8*	*1.6*	*2.3*
Under construction	1,181	1,495	1,997	1,263	871	790	763	751
	39.1	*26.6*	*33.6*	*–36.8*	*–31.1*	*–9.3*	*–3.4*	*–1.7*
Completions	688	914	938	723	711	711	711	712
	63.4	*32.8*	*2.7*	*–22.9*	*–1.7*	*0.0*	*0.1*	*0.1*
Complete and not absorbed	33	21	53	74	77	92	107	121
	62.5	*–36.2*	*157.2*	*39.3*	*3.2*	*19.7*	*17.0*	*12.8*
Absorptions	690	895	899	731	697	695	696	699
	61.9	*29.7*	*0.5*	*–18.7*	*–4.6*	*–0.4*	*0.2*	*0.4*
Months' supply	0.6	0.3	0.7	1.2	1.3	1.6	1.9	2.1

Italics indicate percentage change.
Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Definitions and Concepts

Housing starts—Refers to the beginning of construction work on a building, usually when the concrete has been poured for the entire footing around the structure, or at an equivalent stage where a basement will not be part of the structure.

Under construction—Units started but not completed.

Completions—Units where all the proposed construction work has been performed or, in some cases, where 90 per cent of construction work has been completed and the structure is fit for occupancy.

Complete and not absorbed—Newly completed units that remain unoccupied.

Absorptions—Newly completed units sold or rented. Units pre-sold or pre-leased are not included until the completion stage.

Months' supply (new condos)—The number of months needed to absorb units that are completed but not absorbed.

Unit sales—The number of exiting condo apartments sold on the multiple listing service (MLS).

Active listings—The number of condo apartments for sale on the MLS.

Sales-to-active-listings ratio—The number of condo apartments sold divided by the number of active condo apartment listings.

Months' supply (resale)—The number of months needed to sell the current supply of active listings, based on an average of recent months' sales volumes.

Median resale price—The median resale price is found by arranging all the sales prices for resale condo apartments in a particular city from lowest value to highest value and picking the middle one.

Average resale price—The average resale condo apartment price in a particular city. Data do not generally include figures for new construction sales.

Sources: The Conference Board of Canada; CMHC Housing Time Series Database; Canadian Real Estate Association.

Metropolitan areas with their component census subdivisions

Name	Type
Québec City	
Beaumont	Municipality
Boischatel	Municipality
Château-Richer	City
Fossambault-sur-le-Lac	City
Lac-Beauport	Municipality
Lac-Delage	City
Lac-Saint-Joseph	City
L'Ancienne-Lorette	City
L'Ange-Gardien	Parish (Municipality of)
Lévis	City
Notre-Dame-des-Anges	Parish (Municipality of)
Québec	City
Saint-Augustin-de-Desmaures	City
Sainte-Brigitte-de-Laval	Municipality
Sainte-Catherine-de-la-Jacques-Cartier	City
Sainte-Famille	Parish (Municipality of)
Sainte-Pétronille	Village
Saint-François-de-l'Île-d'Orléans	Municipality
Saint-Gabriel-de-Valcartier	Municipality
Saint-Henri	Municipality
Saint-Jean-de-l'Île-d'Orléans	Municipality
Saint-Lambert-de-Lauzon	Parish (Municipality of)
Saint-Laurent-de-l'Île-d'Orléans	Municipality
Saint-Pierre-de-l'Île-d'Orléans	Municipality
Shannon	Municipality
Stoneham-et-Tewkesbury	United Townships (Municipality of)
Wendake	Indian reserve
Montréal	
Baie-d'Urfé	City
Beaconsfield	City
Beauharnois	City
Beloeil	City
Blainville	City
Boisbriand	City
Bois-des-Filion	City
BoucherCity	City
Brossard	City
Candiac	City
Carignan	City
Chambly	City
Charlemagne	City
Châteauguay	City
Coteau-du-Lac	Municipality
Côte-Saint-Luc	City
Delson	City
Deux-Montagnes	City
Dollard-des-Ormeaux	City
Dorval	Cité
Gore	Township (Municipality of)
Hampstead	City
Hudson	City
Kahnawake	Indian reserve
Kanesatake	Indian settlement
Kirkland	City
La Prairie	City
L'Assomption	City
Laval	City
Lavaltrie	City
L'Épiphanie	Parish (Municipality of)
L'Épiphanie	City
Léry	City
Les Cèdres	Municipality
Les Coteaux	Municipality
L'Île-Cadieux	City
L'Île-Dorval	City
L'Île-Perrot	City
Longueuil	City
Lorraine	City
Mascouche	City
McMaster City	Municipality
Mercier	City
Mirabel	City
Montréal	City
Montréal-Est	City
Montréal-Ouest	City
Mont-Royal	City
Mont-Saint-Hilaire	City
Notre-Dame-de-l'Île-Perrot	City
Oka	Municipality
Otterburn Park	City
Pincourt	City
Pointe-Calumet	Municipality
Pointe-Claire	City
Pointe-des-Cascades	Village
Repentigny	City
Richelieu	City
Rosemère	City
Saint-Amable	Municipality
Saint-Basile-le-Grand	City
Saint-Bruno-de-MontarCity	City
Saint-Colomban	Parish (Municipality of)
Saint-Constant	City
Sainte-Anne-de-Bellevue	City
Sainte-Anne-des-Plaines	City
Sainte-Catherine	City
Sainte-Julie	City
Sainte-Marthe-sur-le-Lac	City
Sainte-Thérèse	City
Saint-Eustache	City
Saint-Isidore	Parish (Municipality of)
Saint-Jérôme	City
Saint-Joseph-du-Lac	Municipality
Saint-Lambert	City
Saint-Lazare	City
Saint-Mathias-sur-Richelieu	Municipality
Saint-Mathieu	Municipality
Saint-Mathieu-de-Beloeil	Municipality
Saint-Philippe	Municipality
Saint-Placide	Municipality
Saint-Sulpice	Parish (Municipality of)
Saint-Zotique	Village
Senneville	Village
Terrasse-Vaudreuil	Municipality
Terrebonne	City
Varennes	City
Vaudreuil-Dorion	City
Vaudreuil-sur-le-Lac	Village
Verchères	Municipality
Westmount	City
Ottawa	
Clarence-Rockland	City
Ottawa	City
Russell	Township
Toronto	
Ajax	Town
Aurora	Town
Bradford West Gwillimbury	Town
Brampton	City
Caledon	Town
Chippewas of Georgina Island First Nation	Indian reserve
East Gwillimbury	Town
Georgina	Town

Name	Type
Halton Hills	Town
King	Township
Markham	Town
Milton	Town
Mississauga	City
Mono	Town
New Tecumseth	Town
Newmarket	Town
Oakville	Town
Orangeville	Town
Pickering	City
Richmond Hill	Town
Toronto	City
Uxbridge	Township
Vaughan	City
Whitchurch-Stouffville	Town
Calgary	
Airdrie	City
Beiseker	Village
Calgary	City
Chestermere	Town
Cochrane	Town
Crossfield	Town
Irricana	Village
Rocky View No. 44	Municipal district
Tsuu T'ina Nation 145 (Sarcee 145)	Indian reserve
Edmonton	
Alexander 134	Indian reserve
Beaumont	Town
Betula Beach	Summer village
Bon Accord	Town
Bruderheim	Town
Calmar	Town
Devon	Town
Edmonton	City
Fort Saskatchewan	City
Gibbons	Town
Golden Days	Summer village
Itaska Beach	Summer village
Kapasiwin	Summer village
Lakeview	Summer village
Leduc	City
Leduc County	County (municipality)
Legal	Town
Morinville	Town
New Sarepta	Village
Parkland County	County (municipality)
Point Alison	Summer village
Redwater	Town
Seba Beach	Summer village
Spring Lake	Village
Spruce Grove	City
St. Albert	City
Stony Plain	Town
Stony Plain 135	Indian reserve
Strathcona County	Specialized municipality
Sturgeon County	Municipal district
Sundance Beach	Summer village
Thorsby	Village
Wabamun	Village
Wabamun 133A	Indian reserve
Wabamun 133B	Indian reserve
Warburg	Village

Name	Type
Vancouver	
Anmore	Village
Barnston Island 3	Indian reserve
Belcarra	Village
Bowen Island	Island municipality
Burnaby	City
Burrard Inlet 3	Indian reserve
Capilano 5	Indian reserve
Coquitlam	City
Coquitlam 1	Indian reserve
Coquitlam 2	Indian reserve
Delta	District municipality
Greater Vancouver A	Regional district electoral area
Katzie 1	Indian reserve
Katzie 2	Indian reserve
Langley	City
Langley	District municipality
Langley 5	Indian reserve
Lions Bay	Village
Maple Ridge	District municipality
Matsqui 4	Indian reserve
McMillan Island 6	Indian reserve
Mission 1	Indian reserve
Musqueam 2	Indian reserve
Musqueam 4	Indian reserve
New Westminster	City
North Vancouver	City
North Vancouver	District municipality
Pitt Meadows	District municipality
Port Coquitlam	City
Port Moody	City
Richmond	City
Semiahmoo	Indian reserve
Seymour Creek 2	Indian reserve
Surrey	City
Tsawwassen	Indian reserve
Vancouver	City
West Vancouver	District municipality
White Rock	City
Whonnock 1	Indian reserve
Victoria	
Becher Bay 1	Indian reserve
Capital H (Part 1)	Regional district electoral area
Central Saanich	District municipality
Cole Bay 3	Indian reserve
Colwood	City
East Saanich 2	Indian reserve
Esquimalt	District municipality
Esquimalt	Indian reserve
Highlands	District municipality
Langford	City
Metchosin	District municipality
New Songhees 1A	Indian reserve
North Saanich	District municipality
Oak Bay	District municipality
Saanich	District municipality
Sidney	Town
Sooke	District municipality
South Saanich 1	Indian reserve
T'Sou-ke 1 (Sooke 1)	Indian reserve
T'Sou-ke 2 (Sooke 2)	Indian reserve
Union Bay 4	Indian reserve
Victoria	City
View Royal	Town

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