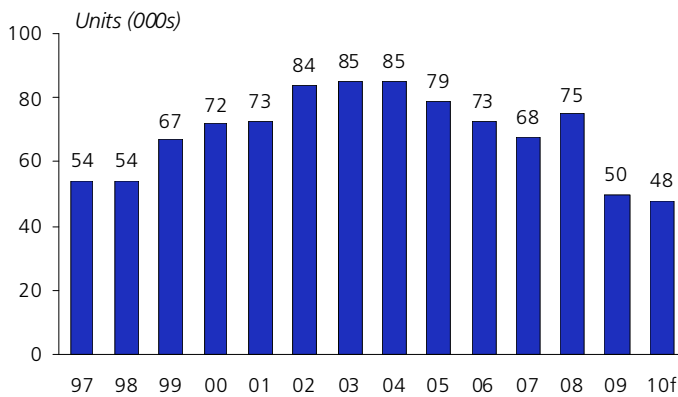


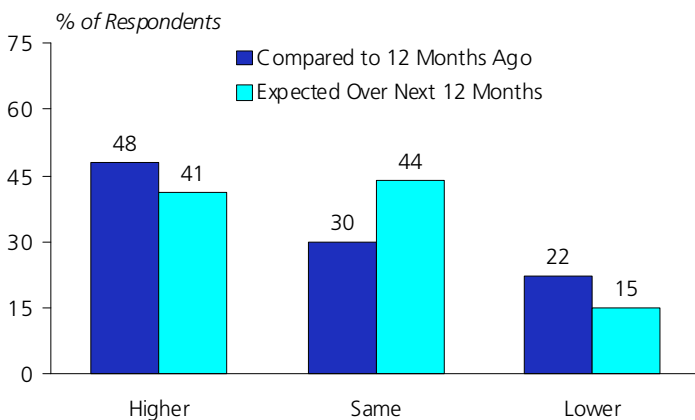
## Ontario Home Builders Expect Housing Starts to Remain Low and Renovation Activity to Improve

### Total Housing Starts Ontario



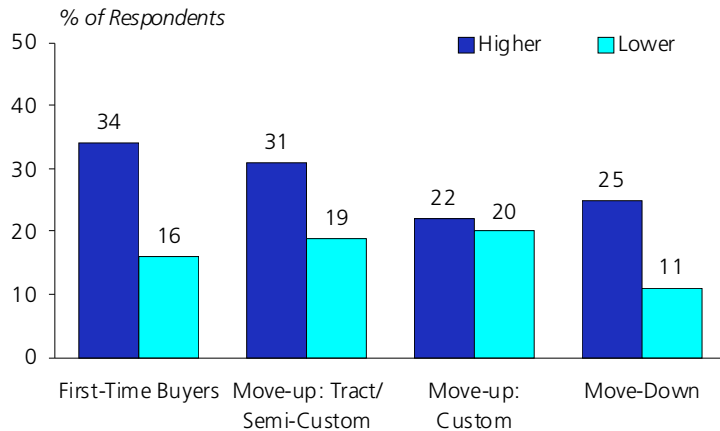
Source: CMHC (historical) and **Pulse Survey** (forecast)

### Change in Renovation Activity Ontario

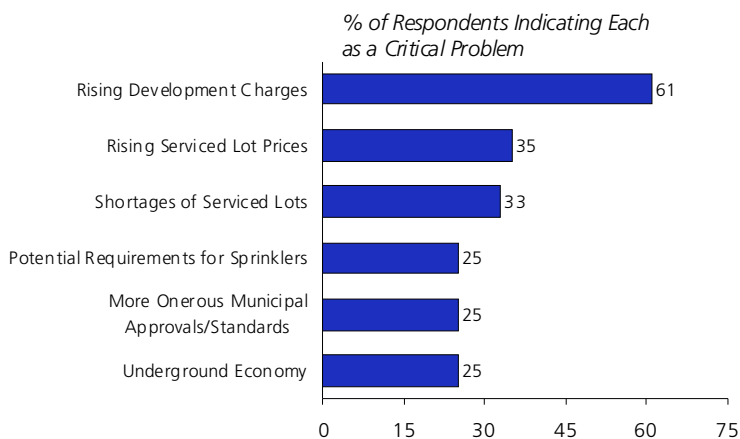


- New home builders in Ontario expect total housing starts to be about 48,000 units in 2010, similar to the 50,370 units started in 2009, according to the latest **Pulse Survey** conducted in December 2009 and January 2010 by the Canadian Home Builders' Association (CHBA).
- Canada-wide, new home builders are forecasting about 143,000 starts in 2010, modestly lower than the 149,100 starts in 2009 and well below the levels of the 2002-2008 period.
- On average, Ontario renovators responding to the **Pulse Survey** report increased activity. Almost half of renovators in Ontario report that their renovation activity is higher than 12 months ago, while only 1 in 5 report lower activity.
- Renovators in Ontario expect continued higher renovation activity over the next 12 months, with more renovators expecting higher activity than the proportion expecting lower activity.
- The average project reported by renovators in Ontario is some \$86,000 and takes 10 weeks to complete.

## Changes in Traffic Compared to Last Year Ontario



## Top Problems for New Home Builders Ontario



- New home builders and renovators in Ontario report that, on average, full-time employment in their companies was somewhat lower than a year ago. However, overall employment is expected to improve somewhat over the next year.
- Ontario new home builders report higher traffic at new home sales sites across all market segments this year compared to a year ago, especially among first-time buyers and the move-down market.
- On average, new home builders in Ontario report that inventories of started-but-unsold single-detached units are generally stable this year compared to a year ago.
- New home builders in Ontario are planning some shift in the upcoming year towards the custom home segment of the move-up market and move-down market, away from the tract/ semi-custom segment of the move-up market, especially.
- The most often cited critical problem for new home builders in Ontario is rising development charges, followed by shortages and associated costs of serviced lots, potential requirements for sprinklers, more onerous municipal approvals/standards and the underground economy.
- About one-third of new home builders in Ontario expect new single-detached house prices to increase over the next year, less than 1 in 10 expect prices to decrease.

The **Pulse Survey** was conducted by the CHBA with assistance from Canada Mortgage and Housing Corporation and Natural Resources Canada. The survey was tabulated and analyzed by Altus Group Economic Consulting. Copies of the detailed results are available from the CHBA ([chba@chba.ca](mailto:chba@chba.ca)).