

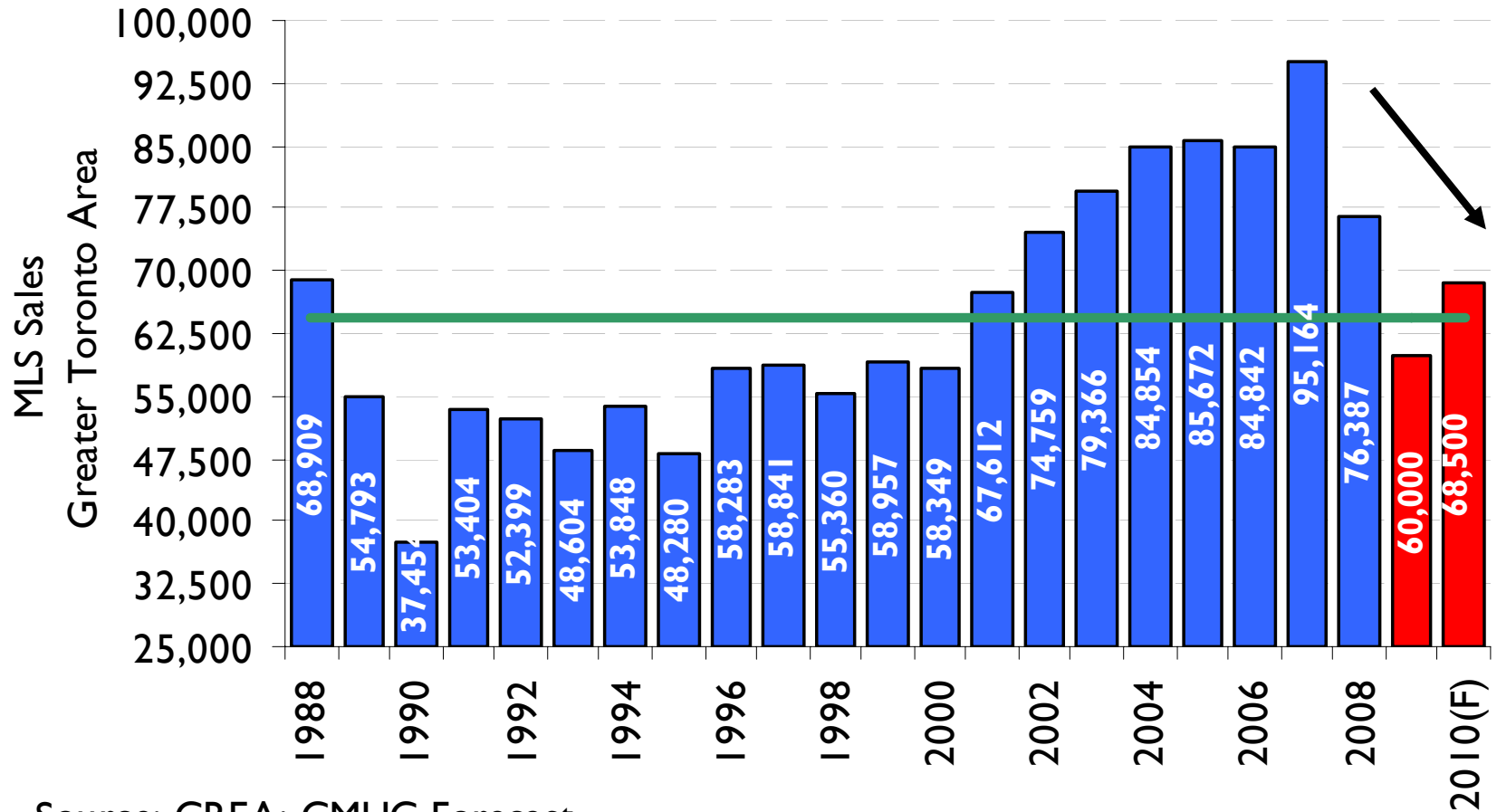
GTA Housing Market Outlook 2009/10

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Outline

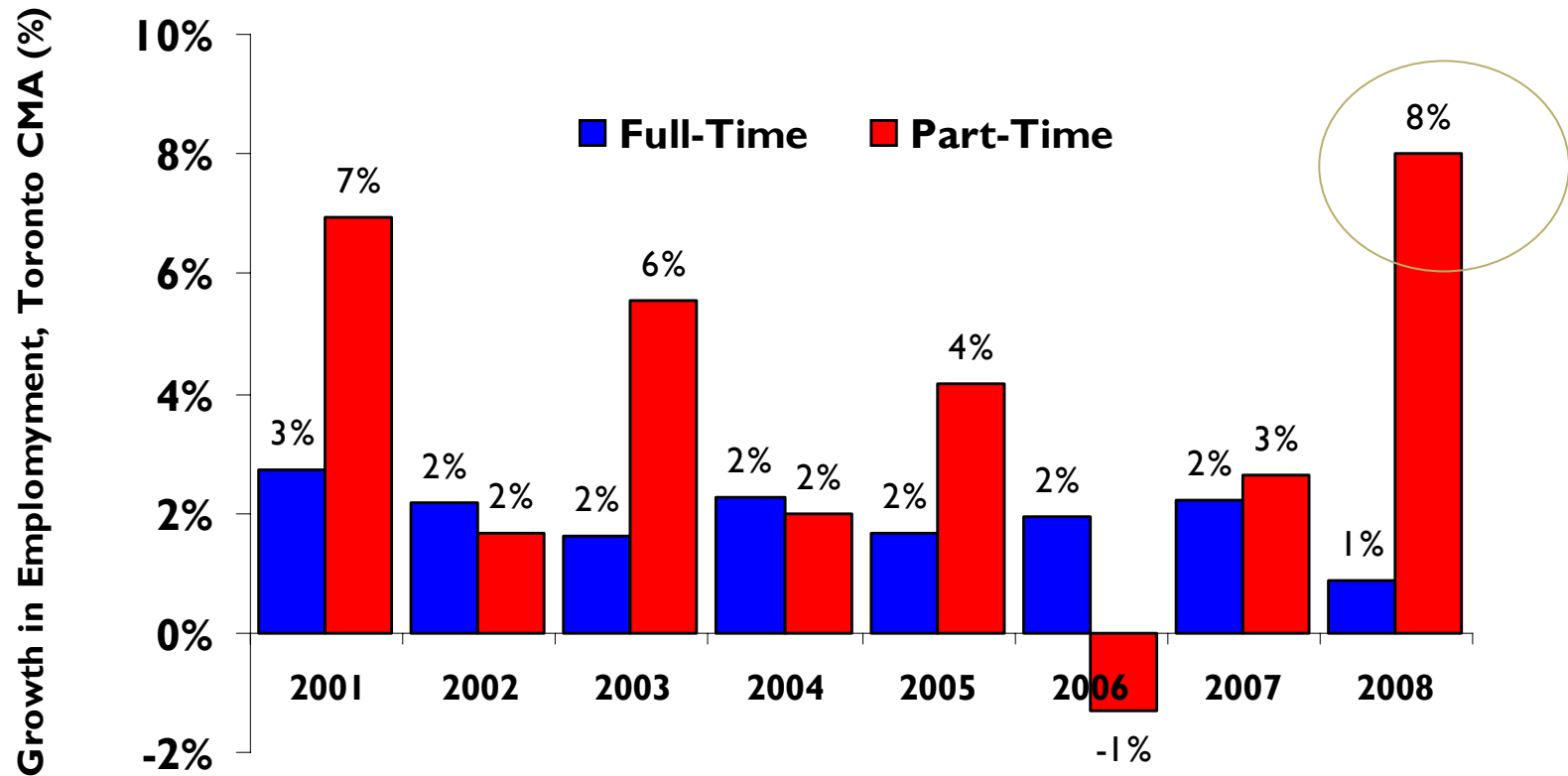
- 1. Resale Market**
- 2. New Home Market**
- 3. Condominium Apartment Market**

MLS[®] Sales Will Edge Lower in the GTA



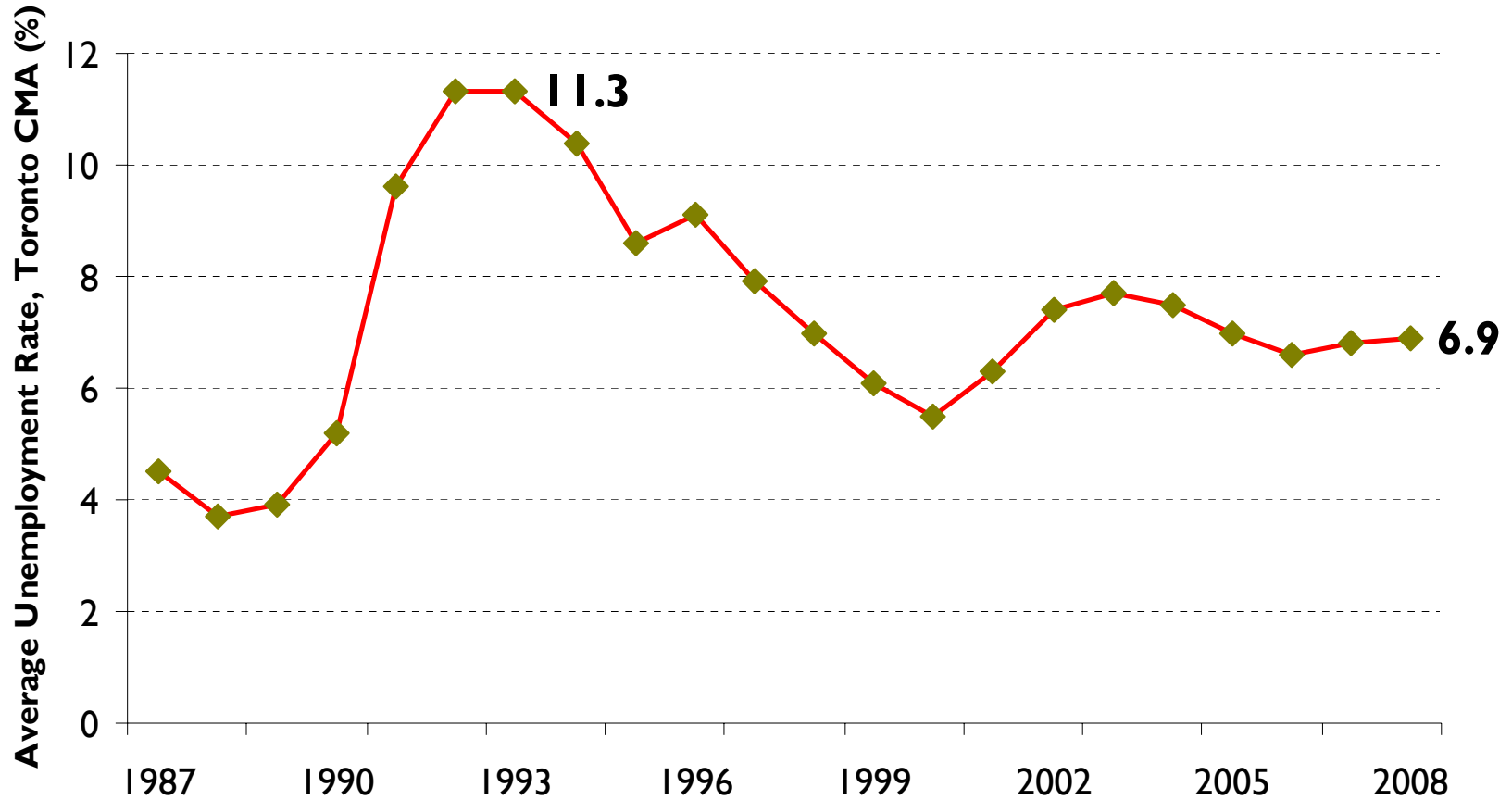
Source: CREA; CMHC Forecast

Fewer Full-Time Jobs Being Created in Toronto



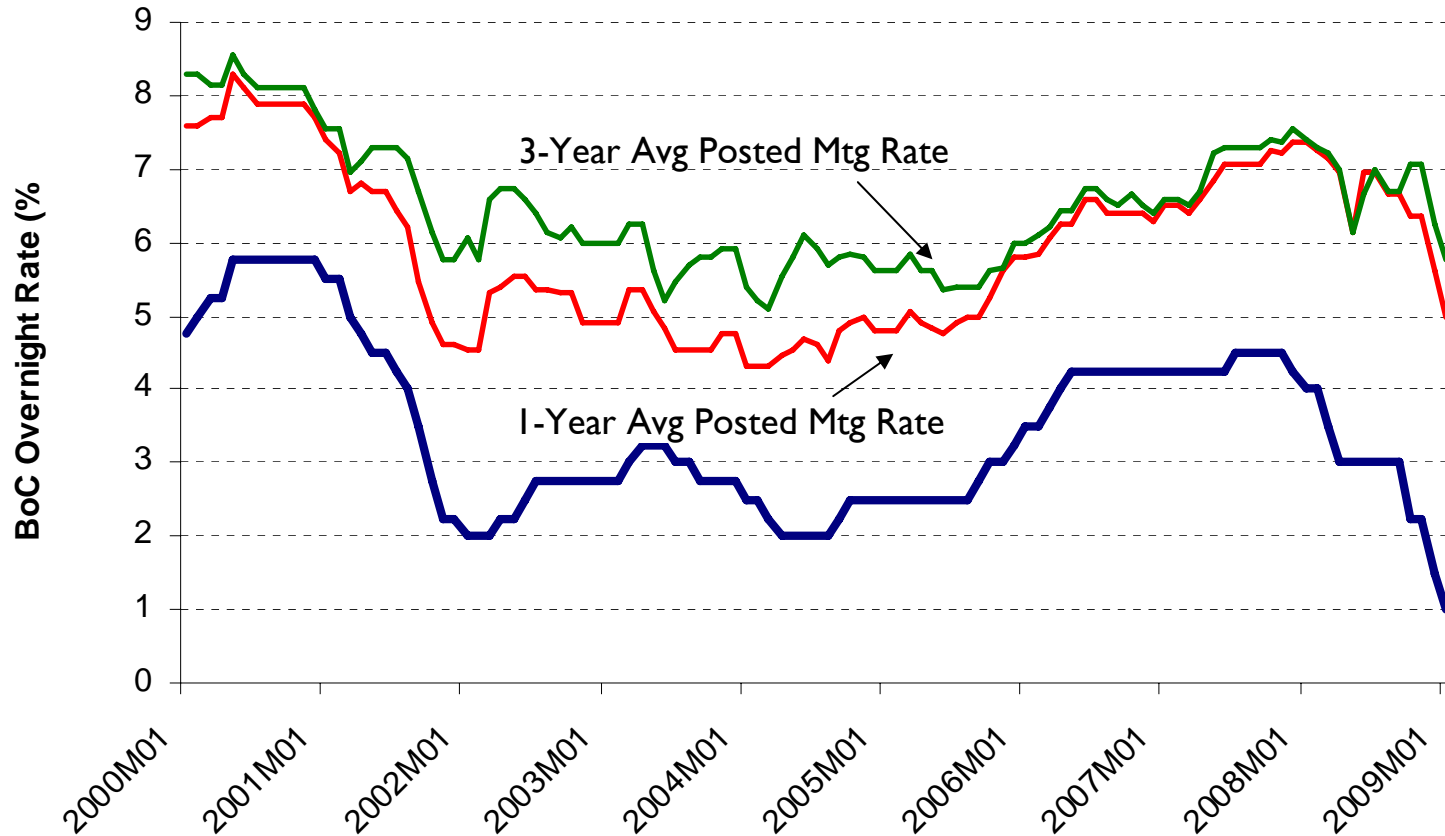
Source: Statistics Canada, CMHC calculations

Labour Market Tight From a Historical Standpoint



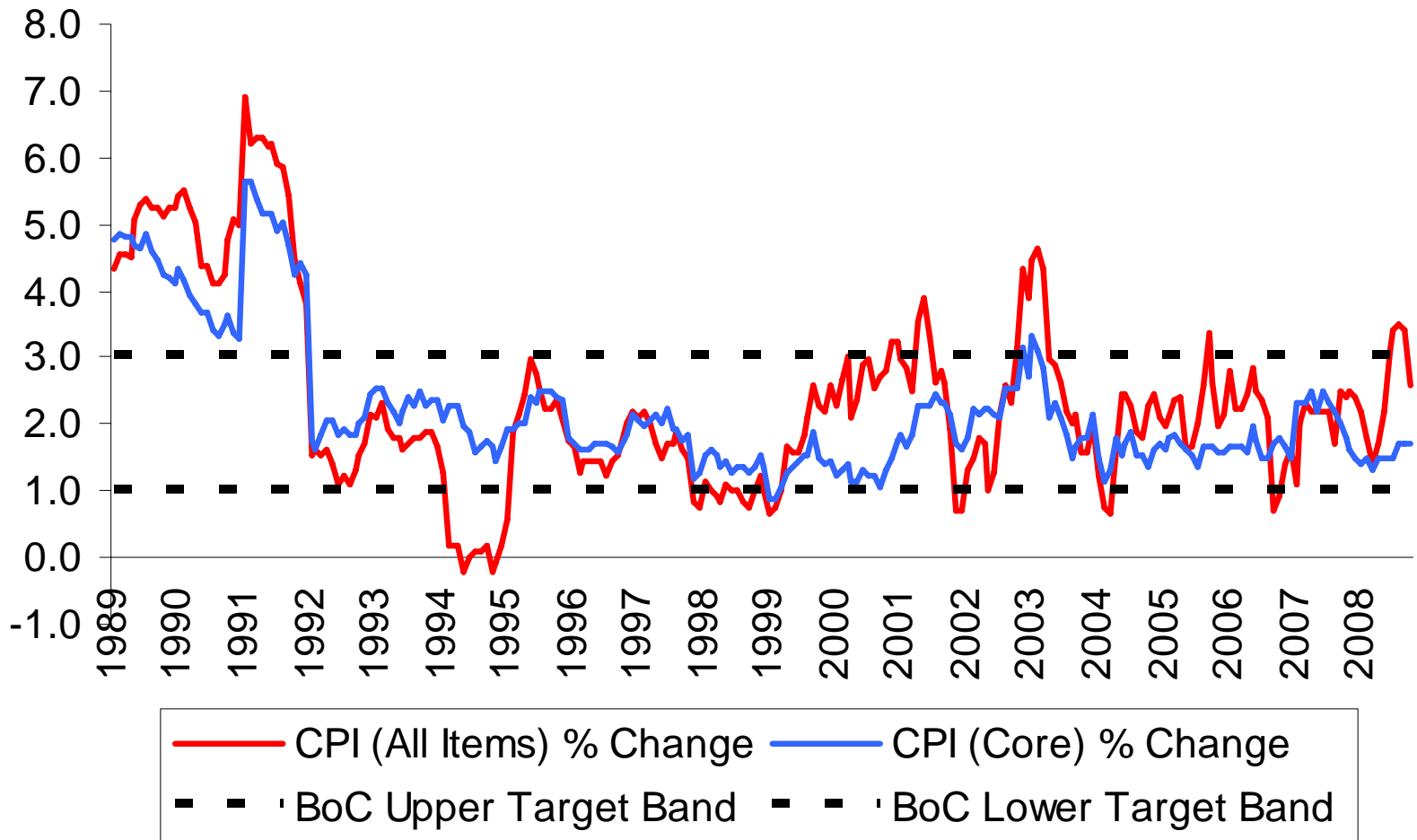
Source: Statistics Canada

BoC Overnight Rate Heading Lower



Source: Bank of Canada

BoC Interest Rate Decisions Based on Inflation



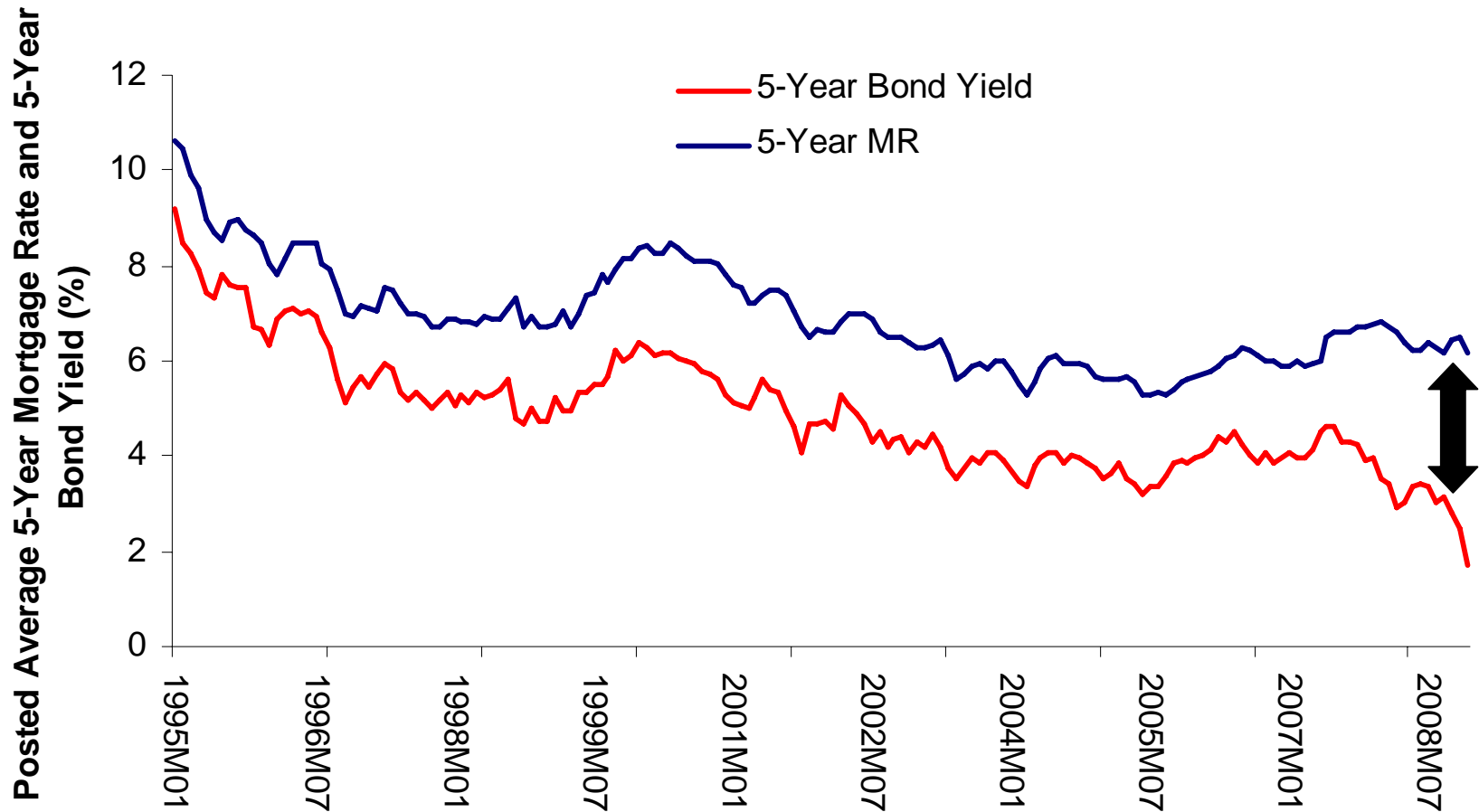
Source: Bank of Canada, CMHC

Mortgage Rates Remain Very Low Historically



Source: Bank of Canada

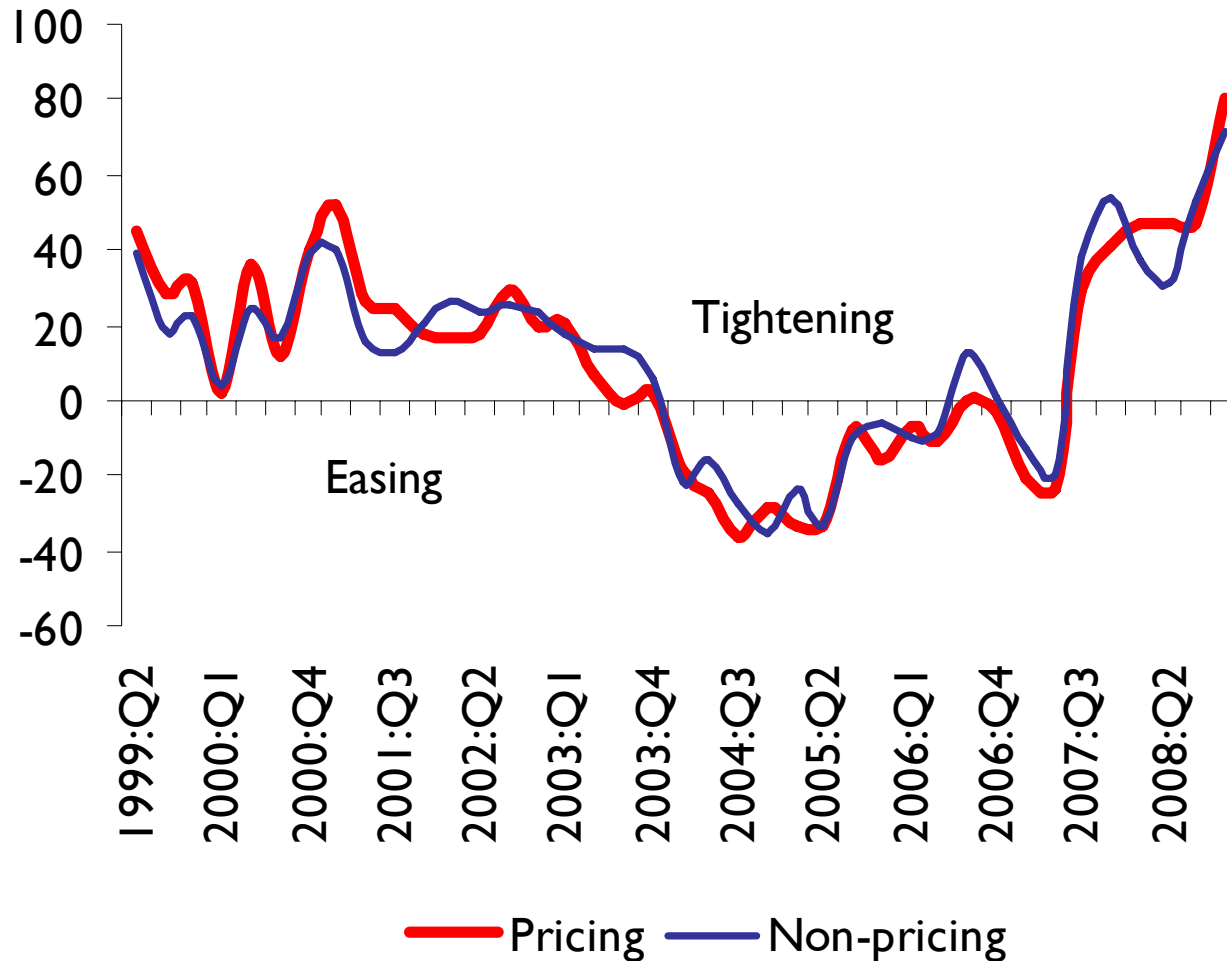
But Risk is Being Priced into Long Term Mortgage Rates



Source: Bank of Canada

A Slowing Economy has Tightened Credit Further

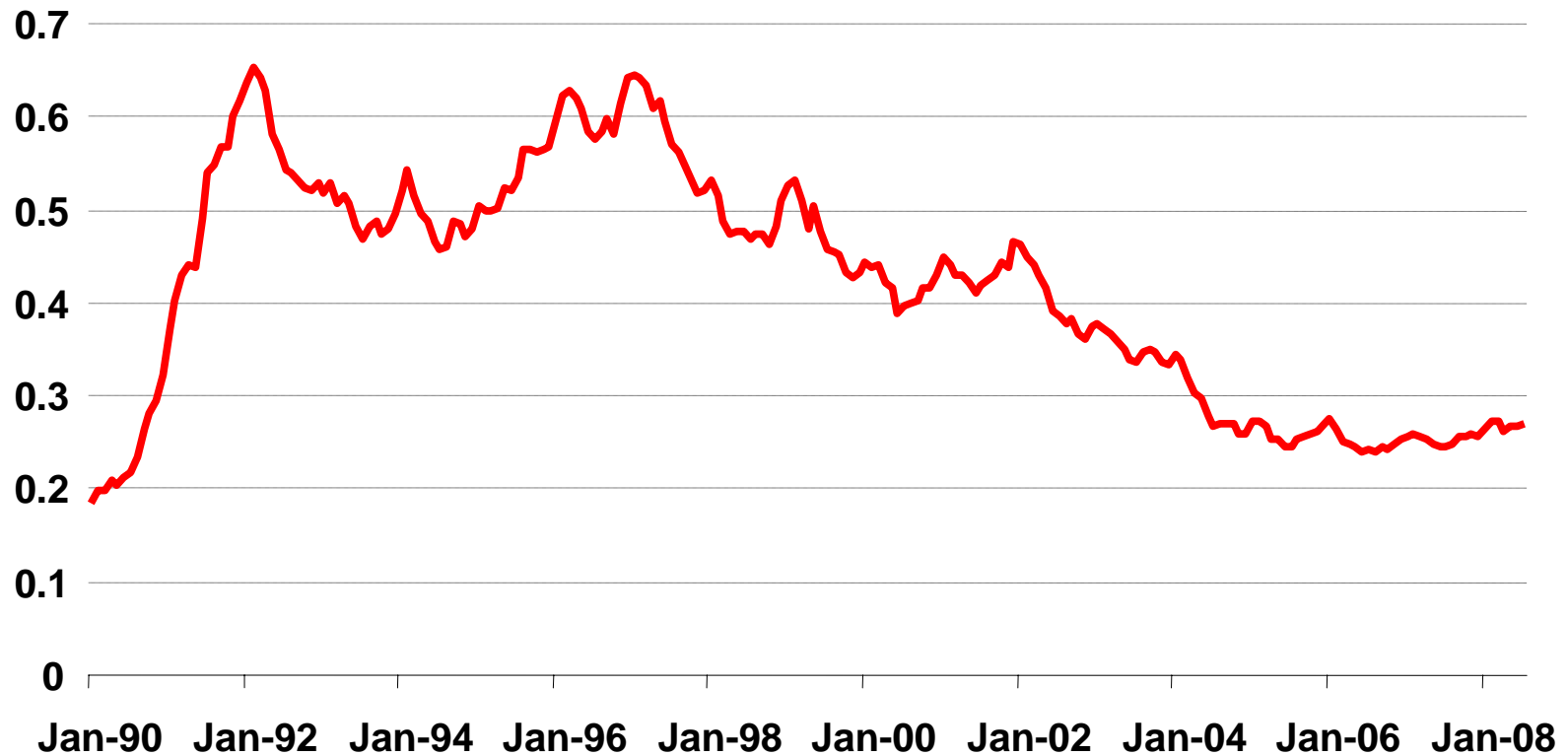
Balance of Opinion = respondents reporting tighter credit minus those reporting eased credit



Source: Bank of Canada Senior Loan Officer Survey, 2008q4

Low Default Rate in Ontario

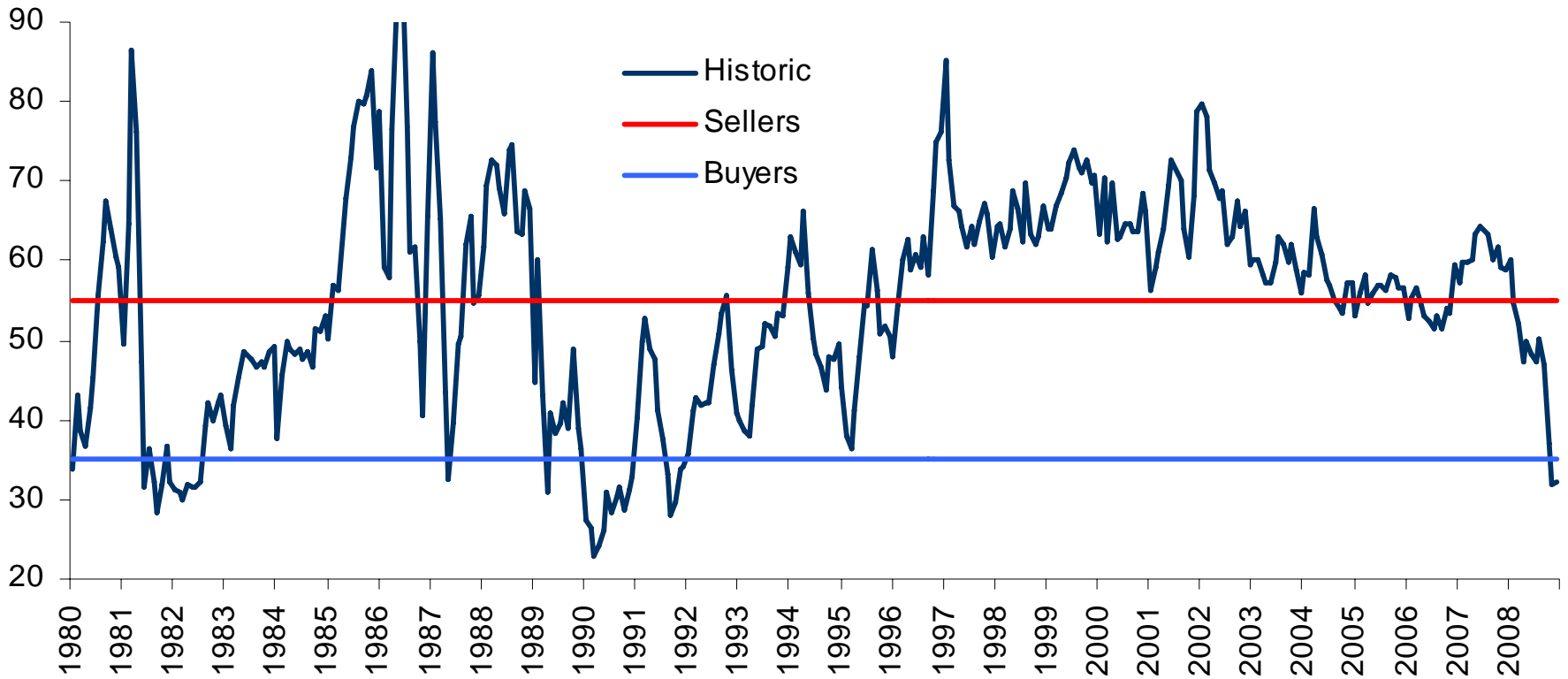
Arrears as a share of the total number of mortgages



Source: Canadian Bankers Association

A Buyers Housing Market in the GTA

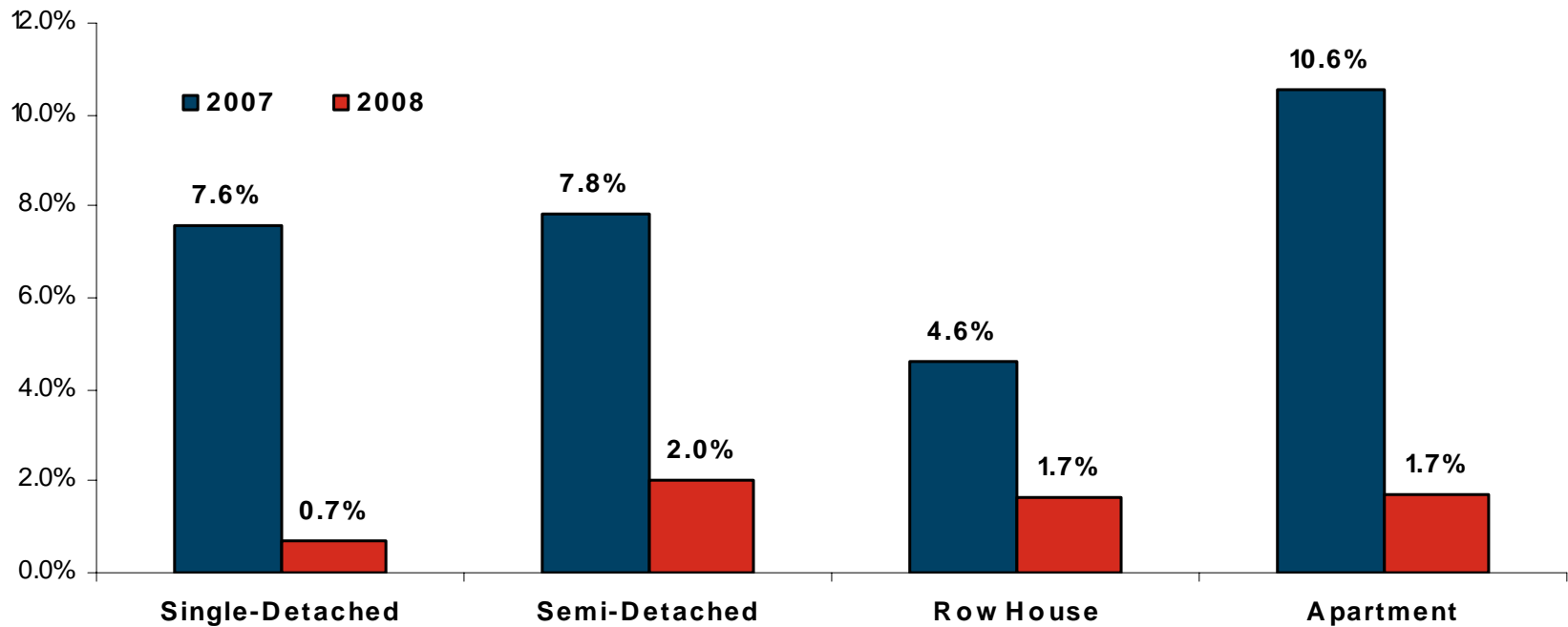
GTA Sales-to-New Listings Ratio (Per Cent)



Source: CREA; CMHC Calculation

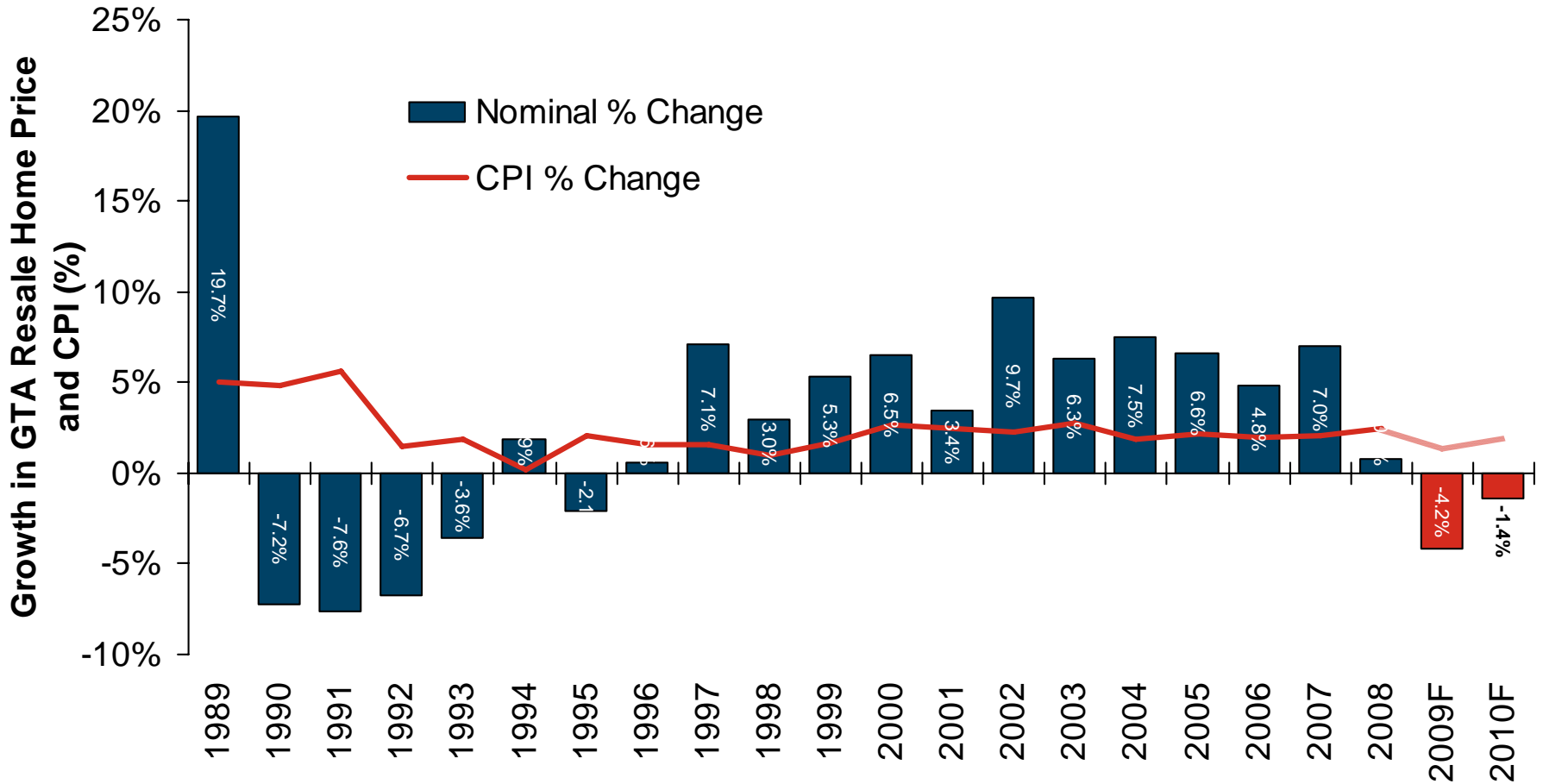
Resale Conditions Also Vary by Home Type

Annual Percentage Change in Average Home Price



Source: CREA

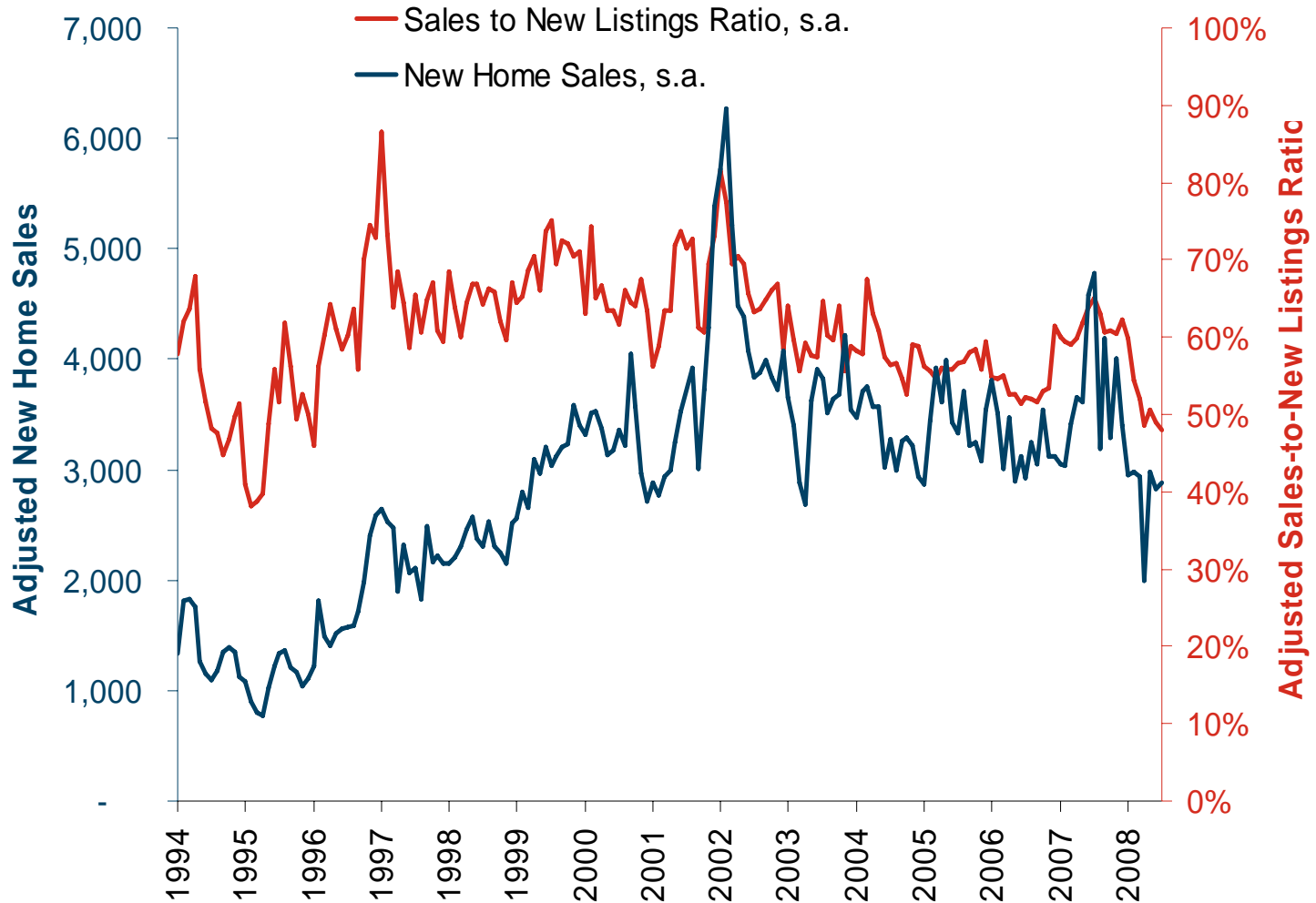
More Choice = Moderate Price Growth



Source: Bank of Canada, CREA and CMHC Forecasts

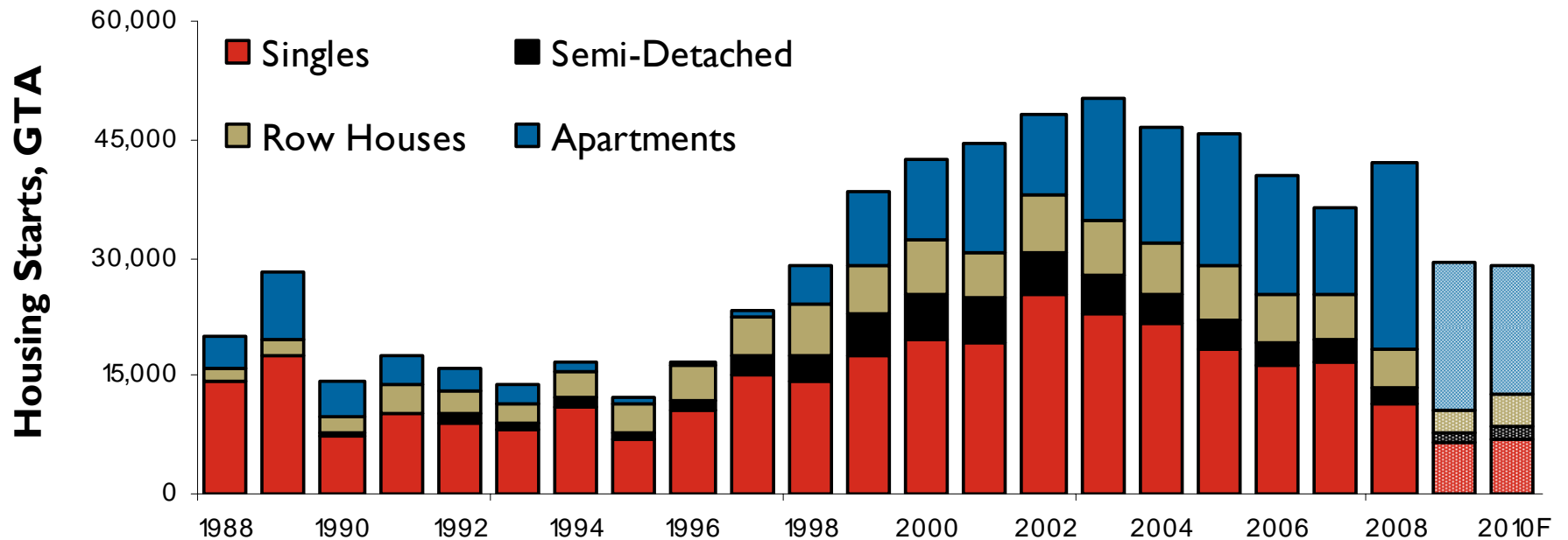
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Increased Resale Market Choice Will Result in Fewer New Home Sales



Source: REALNET, CREA and CMHC seasonal adjustment

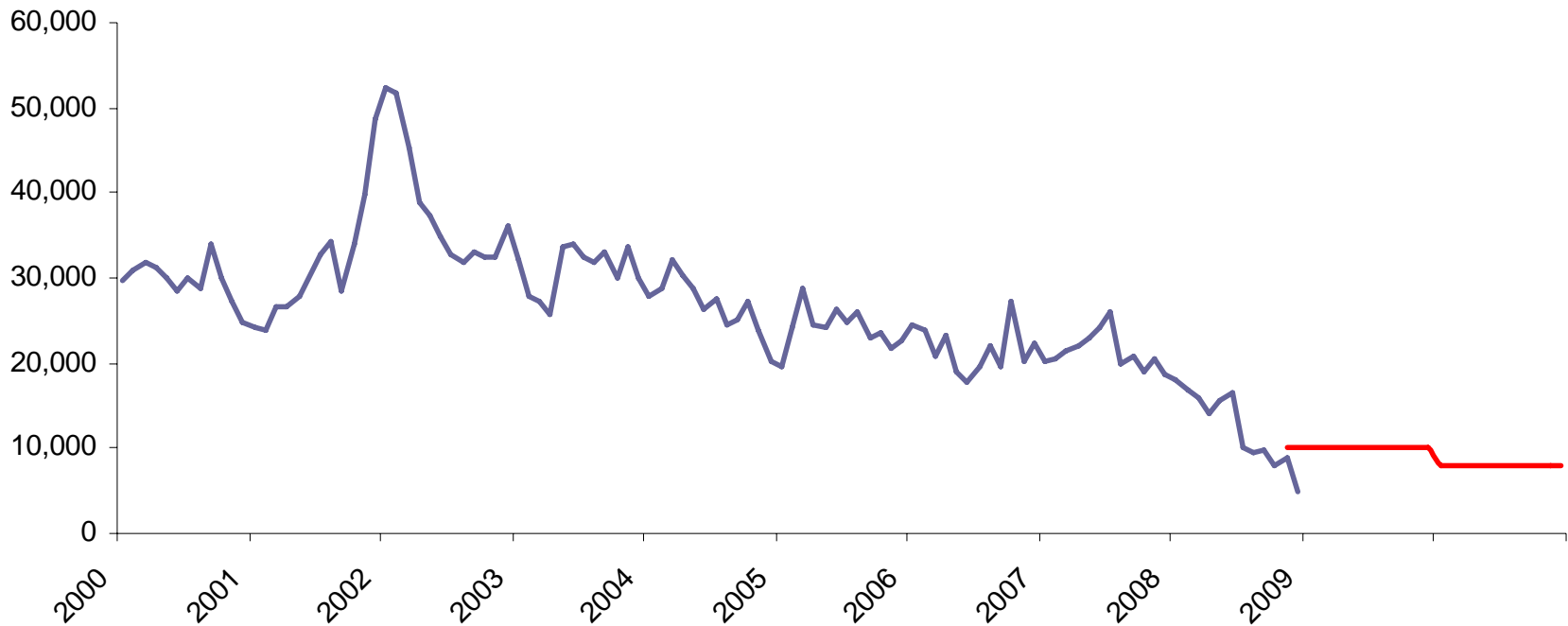
Apartment Starts Will Dominate GTA



Source: CREA, CMHC forecasts

Low-Rise Sales Trending Lower

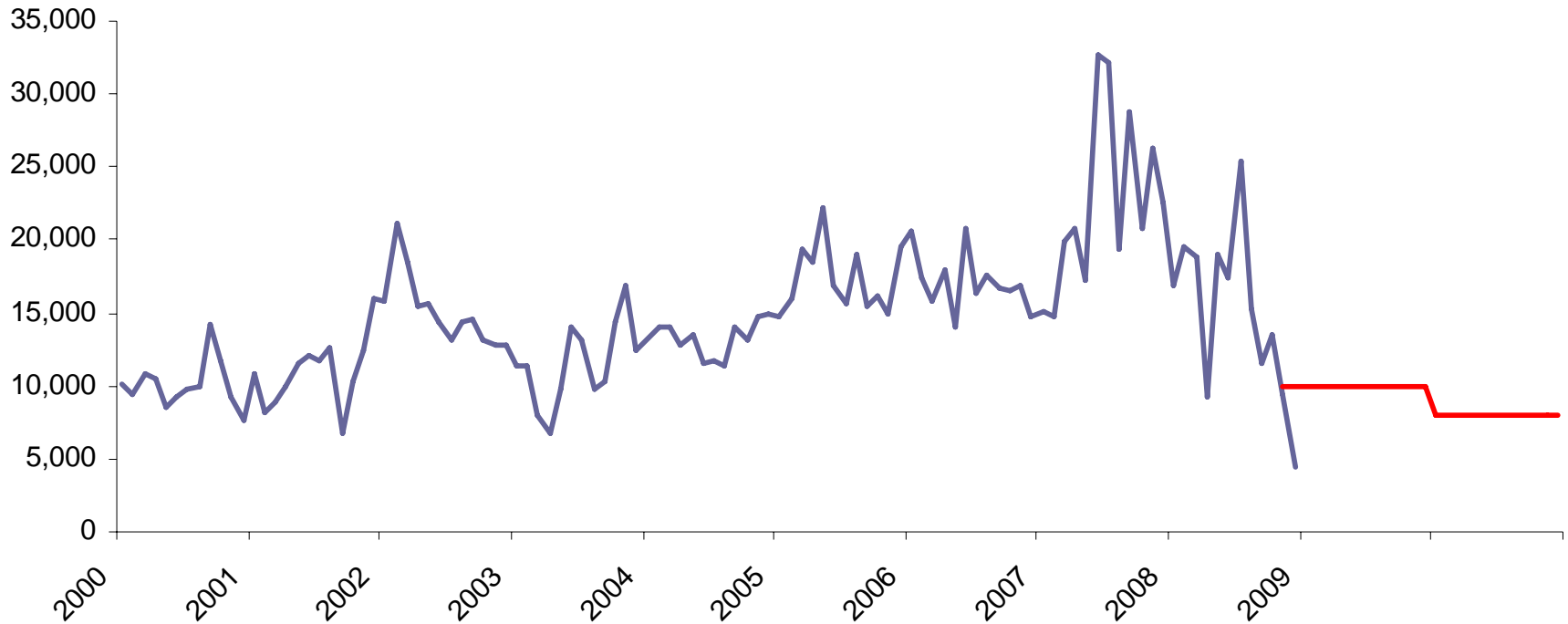
GTA Low-Rise Sales (SAAR)



Source: RealNet Canada Inc. (www.realnet.ca); CMHC Forecast and Seasonal Adjustment

High-Rise Sales Will Moderate But Remain Robust

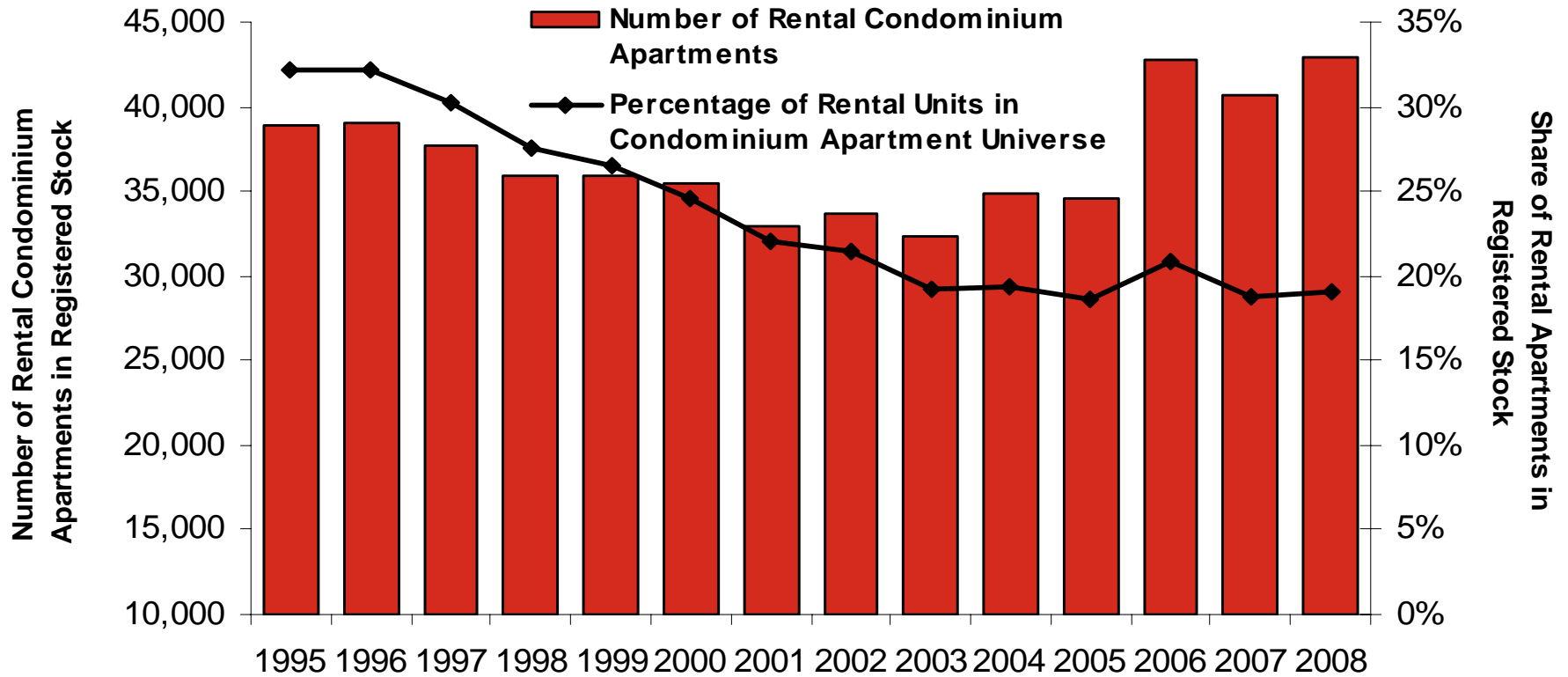
GTA High-Rise Sales (SAAR)



Source: RealNet Canada Inc. (www.realnet.ca); CMHC Forecast and Seasonal Adjustment

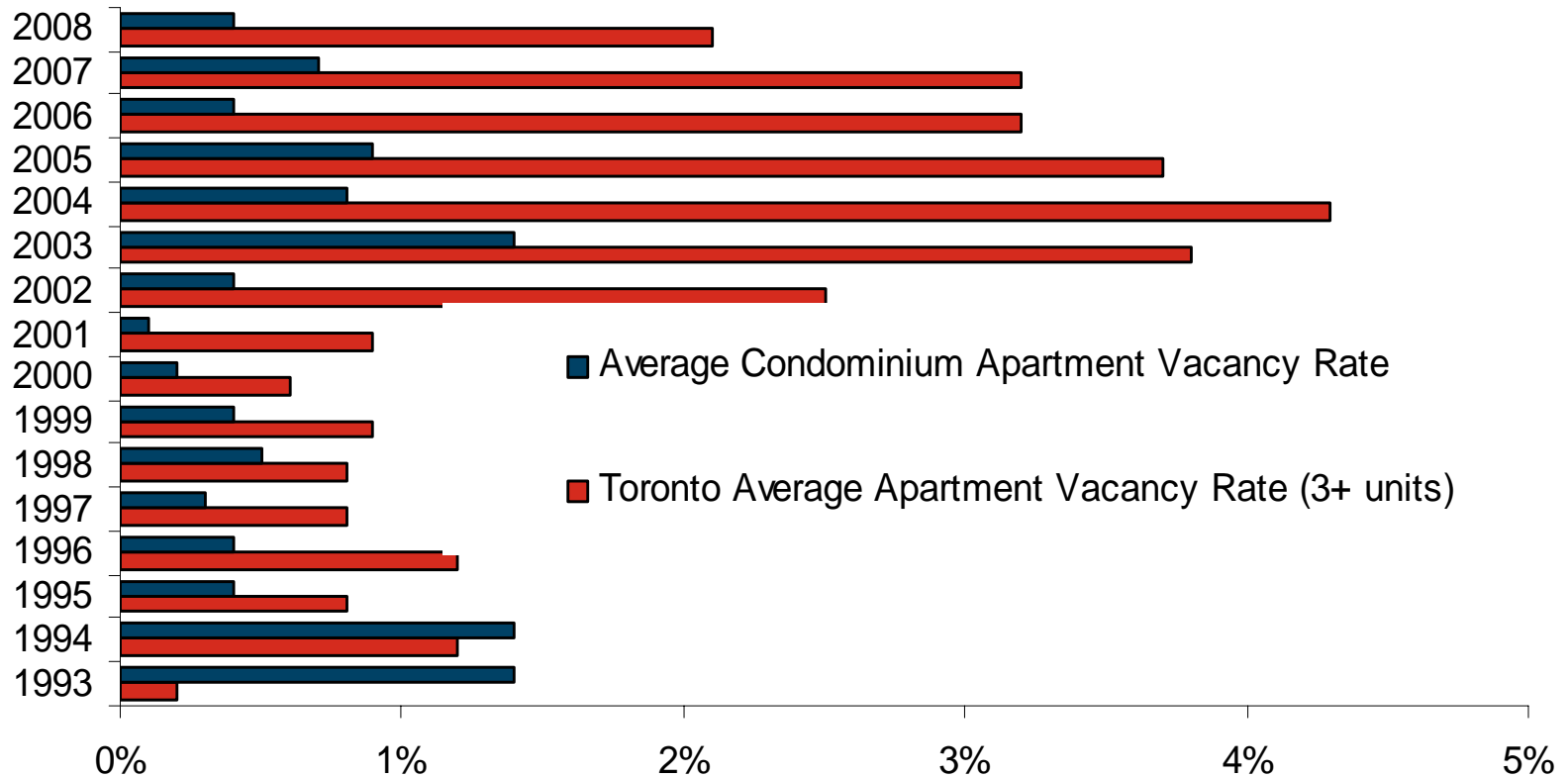
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Number of Rental Condominium Apartments Growing



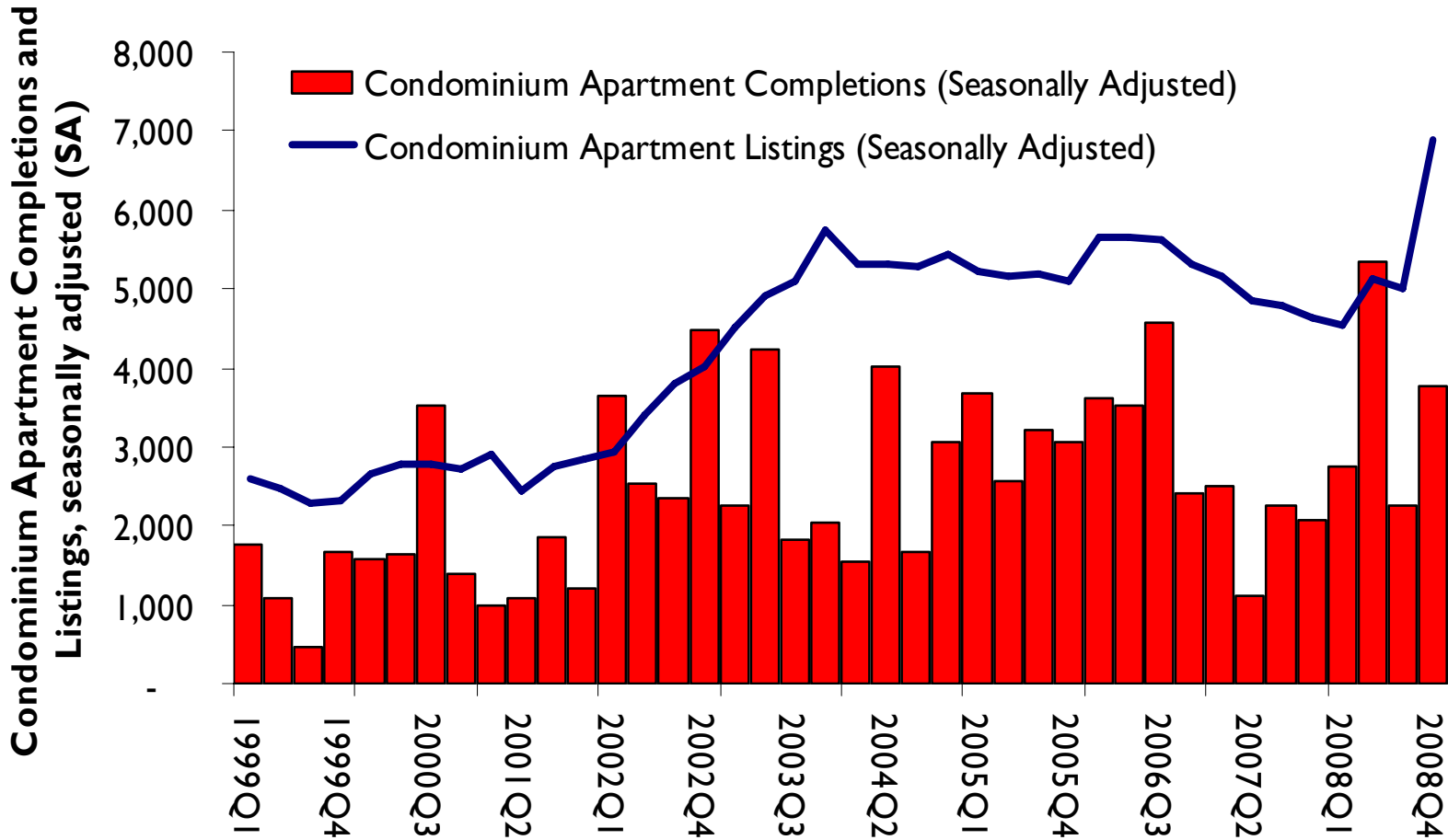
Source: CMHC

Stronger demand for rental condominiums



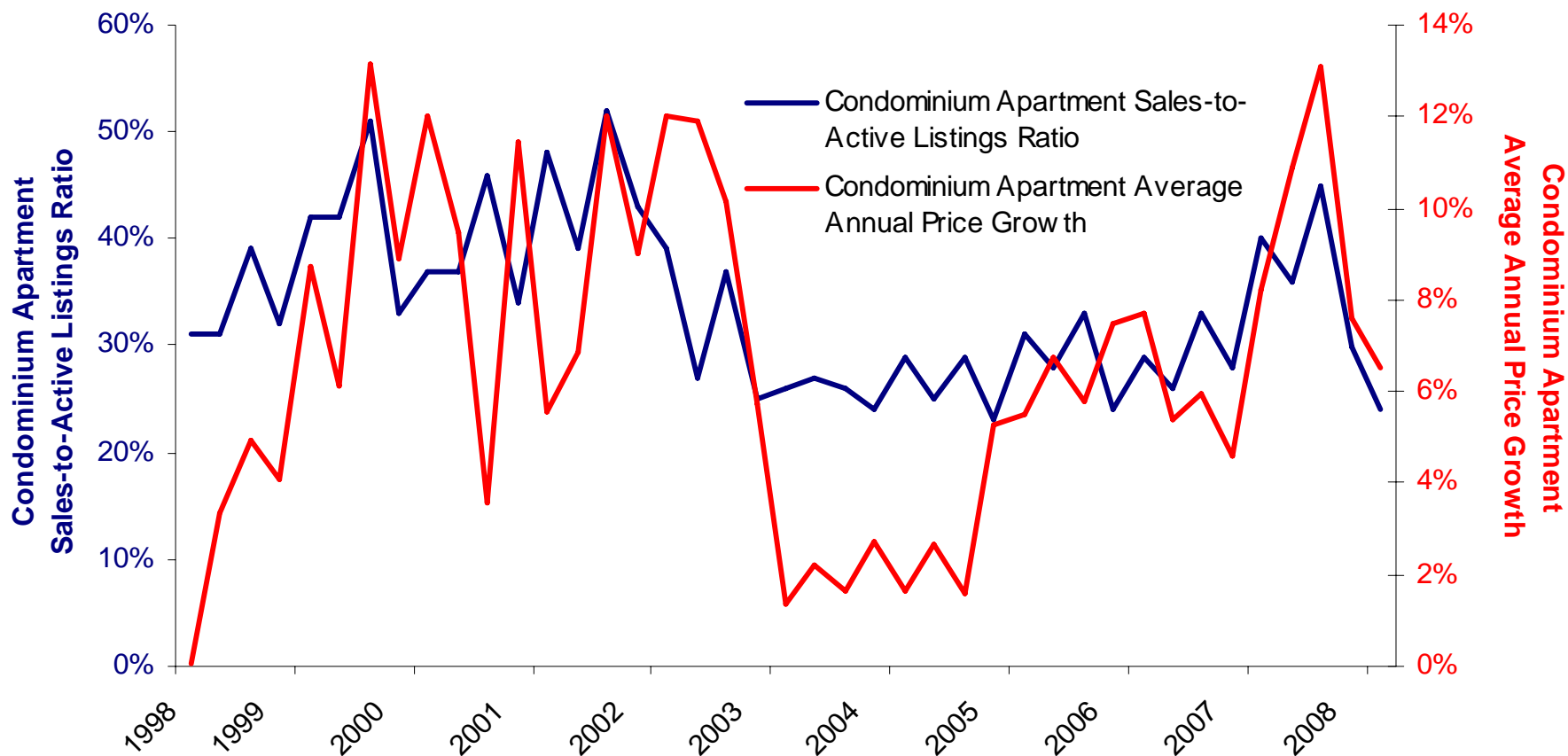
Source: CMHC

Rising Completions Will Trigger More Listings




Source: CREA, TREB, CMHC

More Supply in the Condo Market Results in More Moderate Price Growth



Source: CREA; CMHC Calculations



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