

# Housing Market Update

– 1<sup>st</sup> View Forum



*Housing market intelligence you can count on*

- ✓ Housing Demand
- ✓ Resale Market
- ✓ New Construction



# Housing Demand: Balancing Act

Housing market intelligence you can count on

- Cost of borrowing
- General economic conditions
- Population growth & migration



# Resale Market

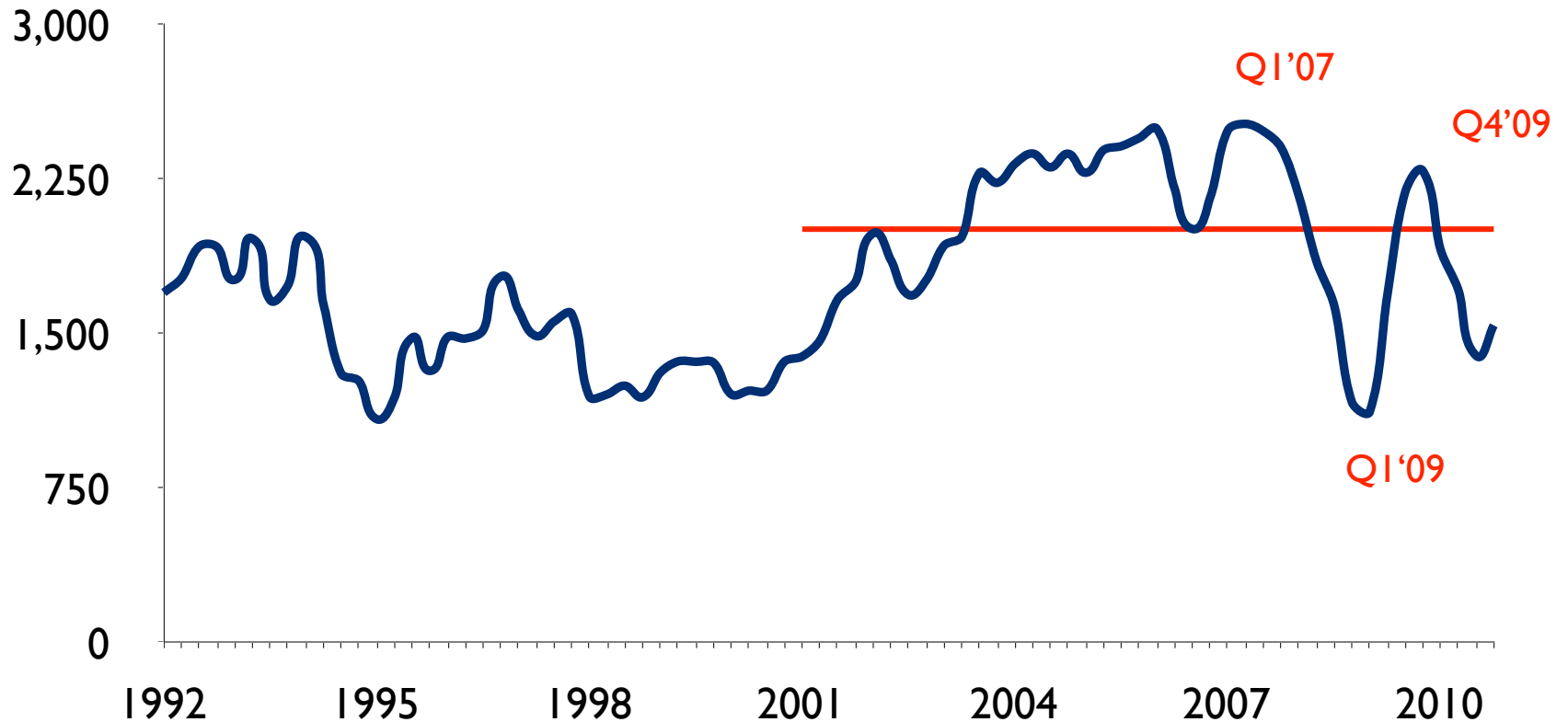
Housing market intelligence you can count on



# Comox Valley Resale Market Activity

Housing market intelligence you can count on

## MLS® Sales, Vancouver Island Real Estate Board (VIREB)

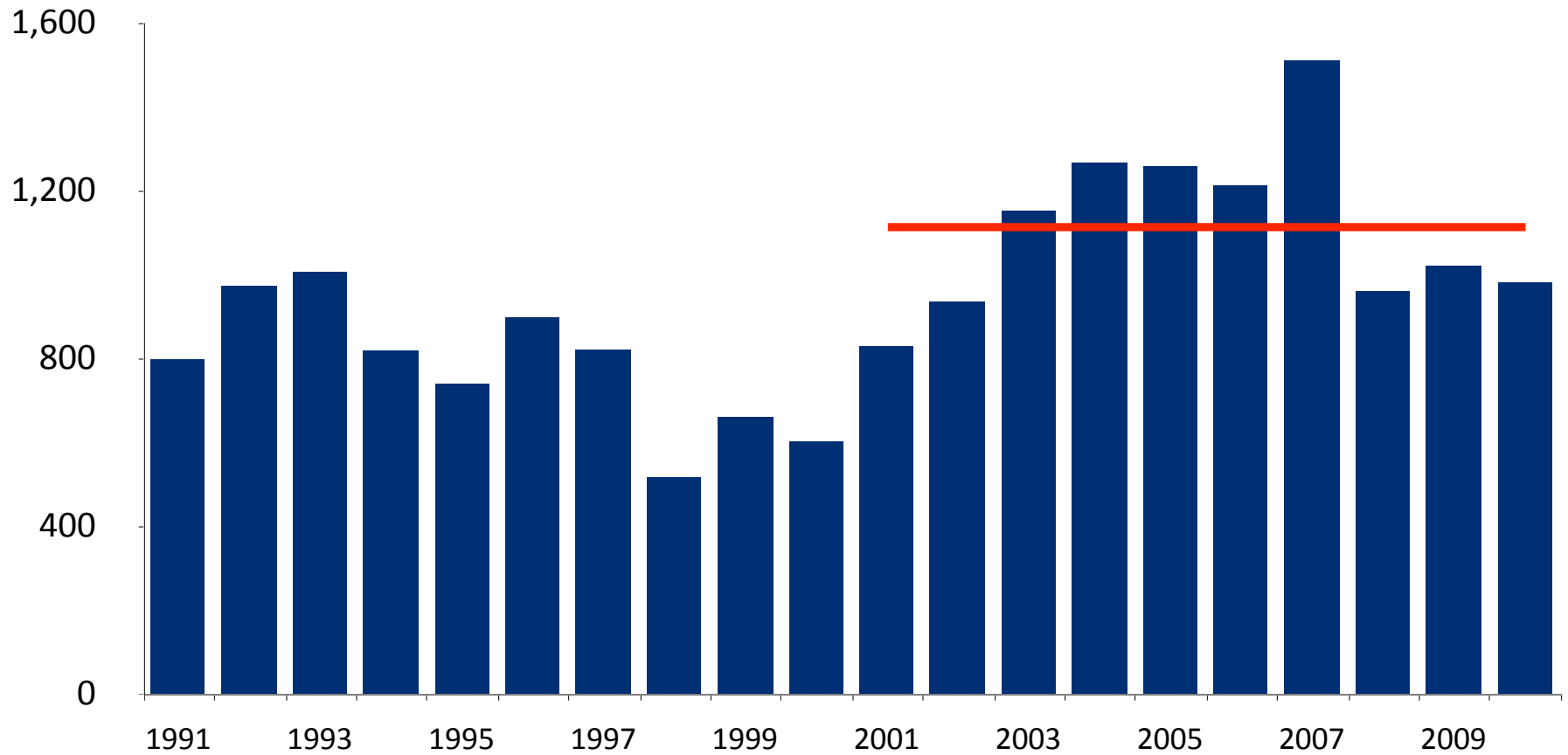


Source: MLS® data supplied and adjusted by CREA.

# MLS Sales to Edge Up in 2011

Housing market intelligence you can count on

## MLS® Sales, Comox Valley

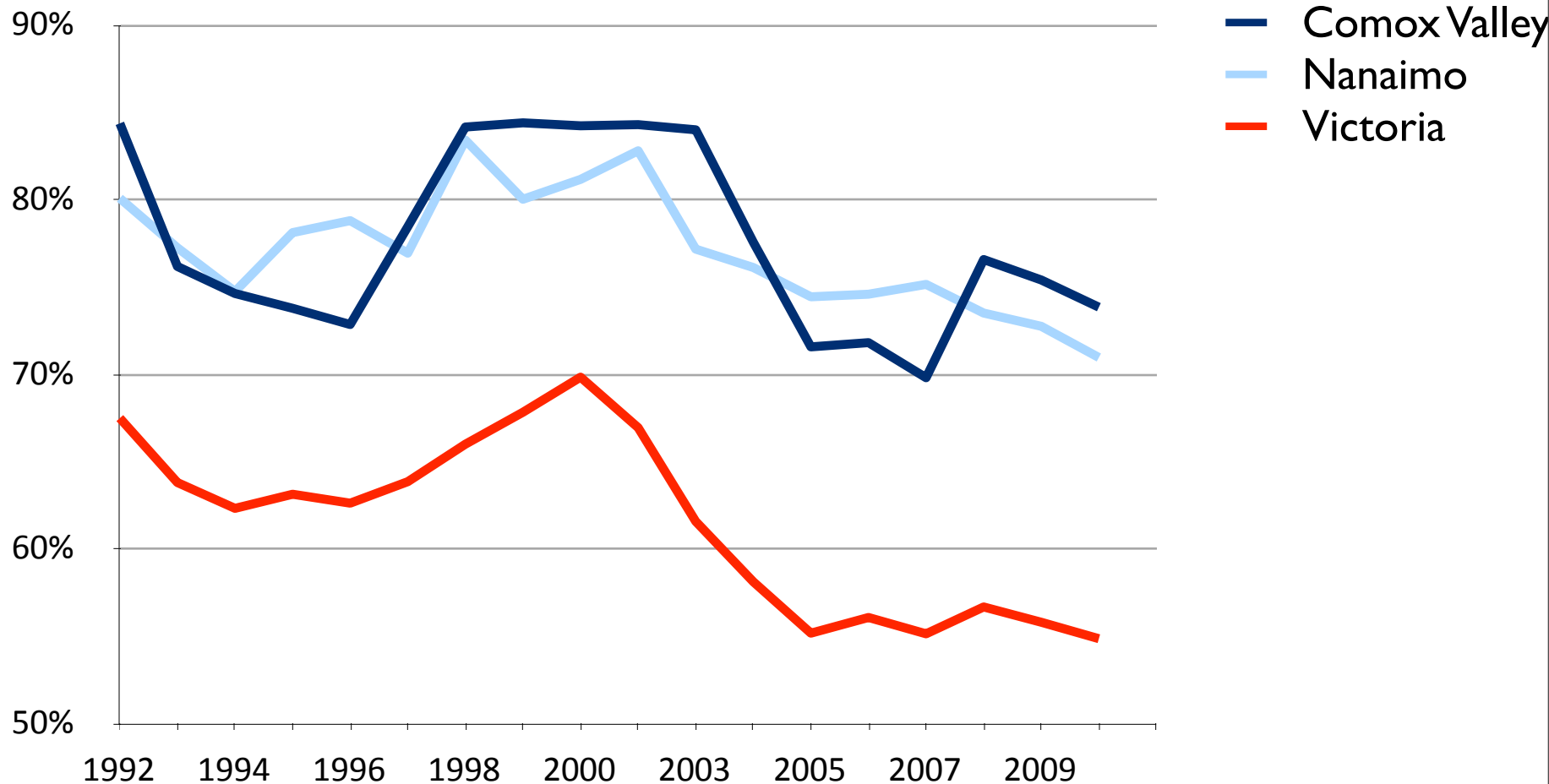


Source: MLS® data supplied by VIREB

# Houses Remain Largest Component of Resale Market

Housing market intelligence you can count on

## MLS® Unit Sales, % Single Detached



Source: MLS® data supplied by VIREB and VREB. Note the VREB total differs from CREA total, as it only includes “single family – residential”, “townhouse”, and “condominium”.

# Supply of Existing Homes Stabilizing

Housing market intelligence you can count on

## MLS® Active Listings, Comox Valley (seasonally-adjusted)



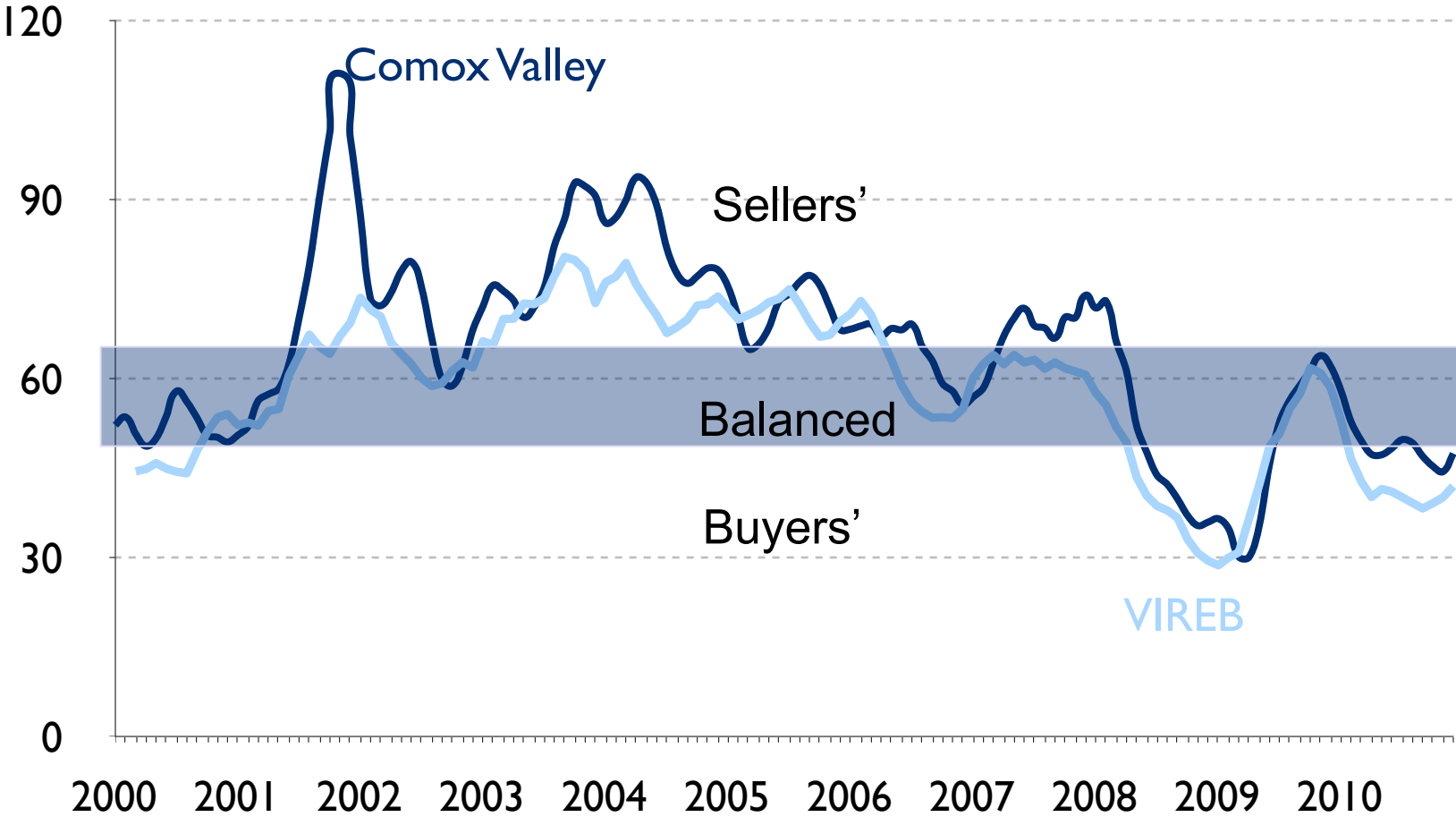
Source: VIREB, seasonally-adjusted by CMHC.



# Resale Market Will Shift to Balanced in 2011

Housing market intelligence you can count on

## MLS® Sales to New Listings Ratio(%)

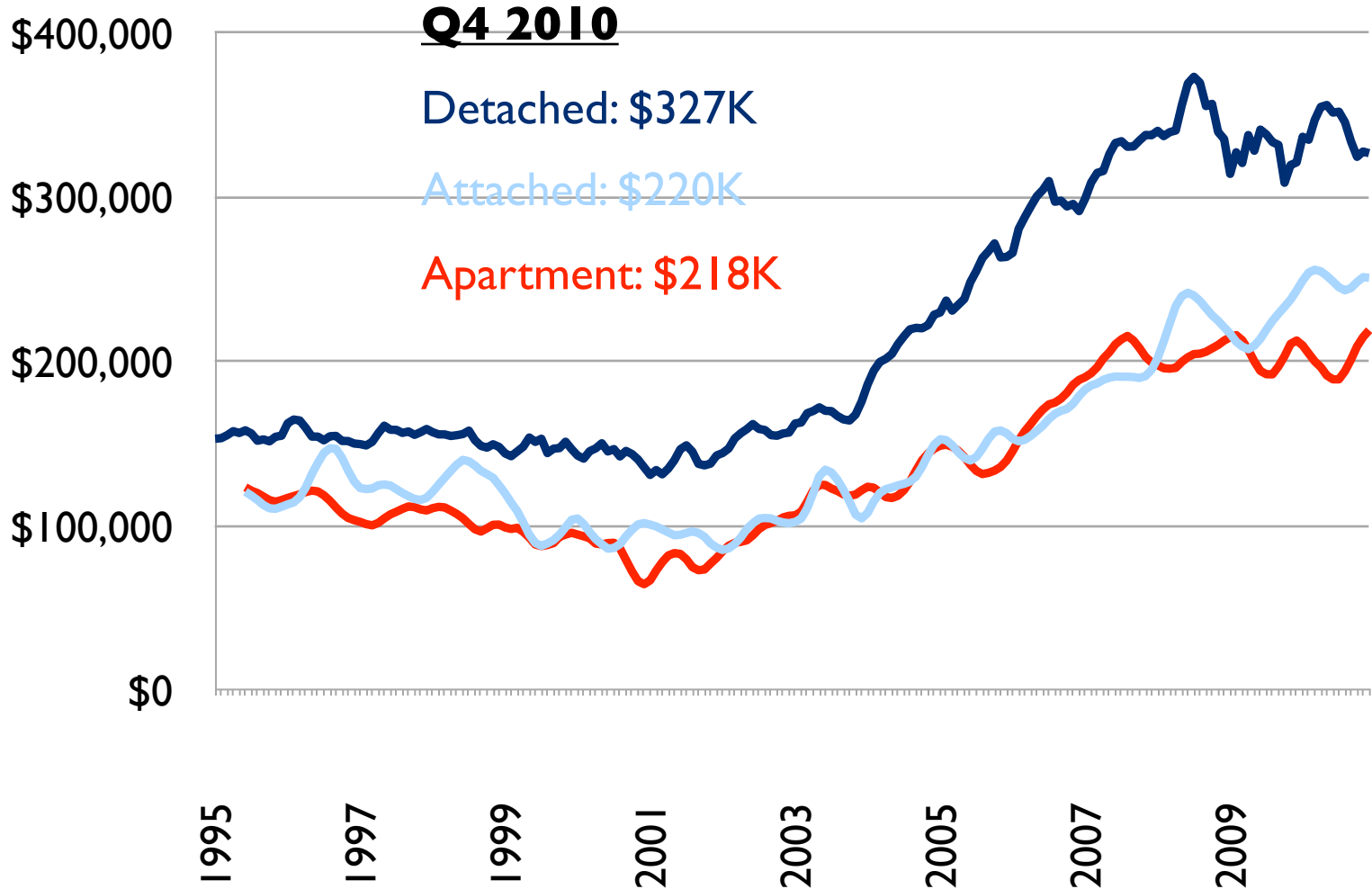


Source: MLS® data supplied by VIREB and CREA, and adjusted by CMHC.

# Homes Prices to Stabilize in 2011

Housing market intelligence you can count on

## MLS® Average Price (seasonally-adjusted), Comox Valley

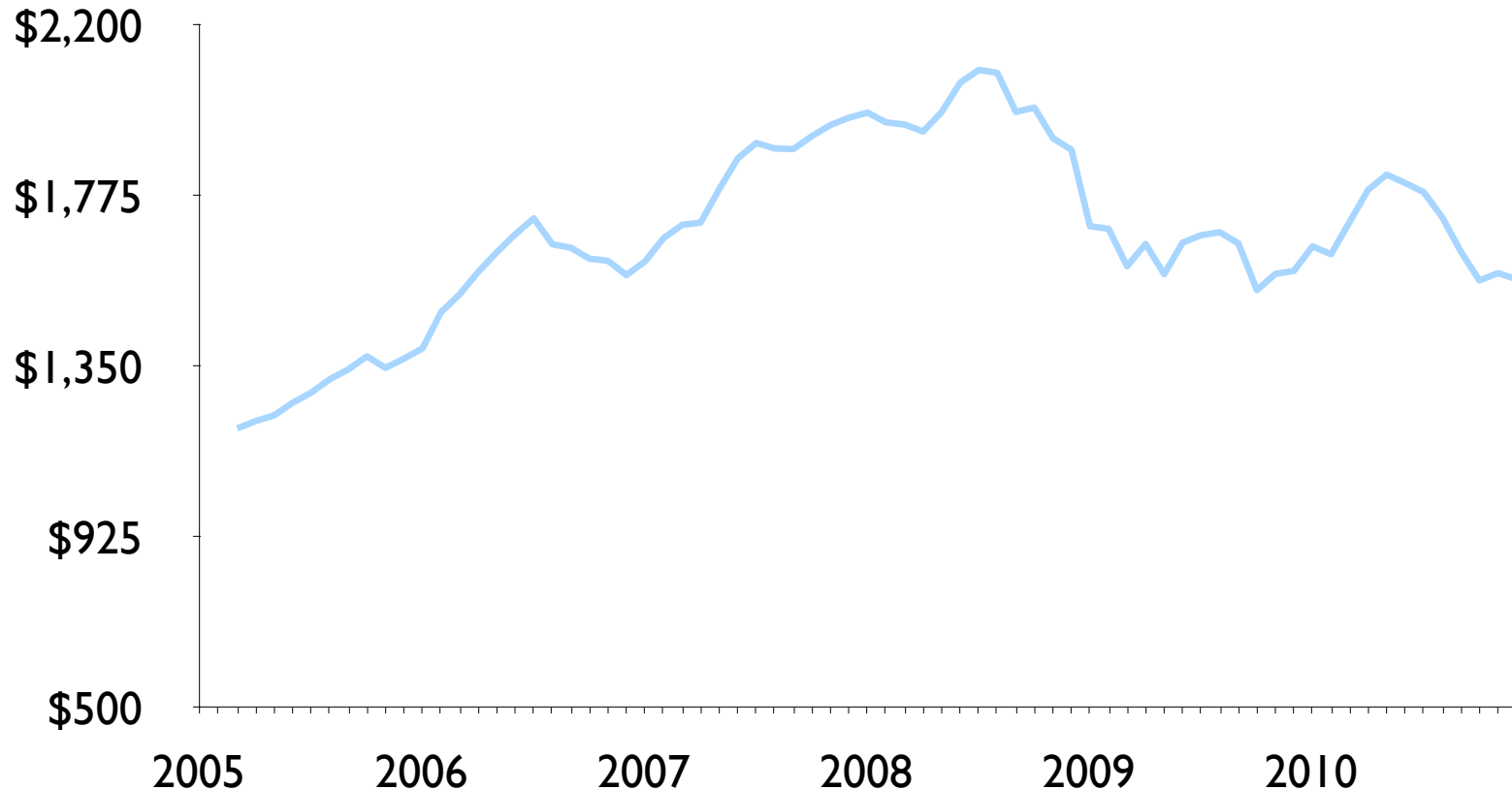


Source: VREB, adjusted by CMHC.

# Carrying Costs Below Previous Peak

Housing market intelligence you can count on

## Average Monthly Carrying Costs, Comox Valley (single-detached)

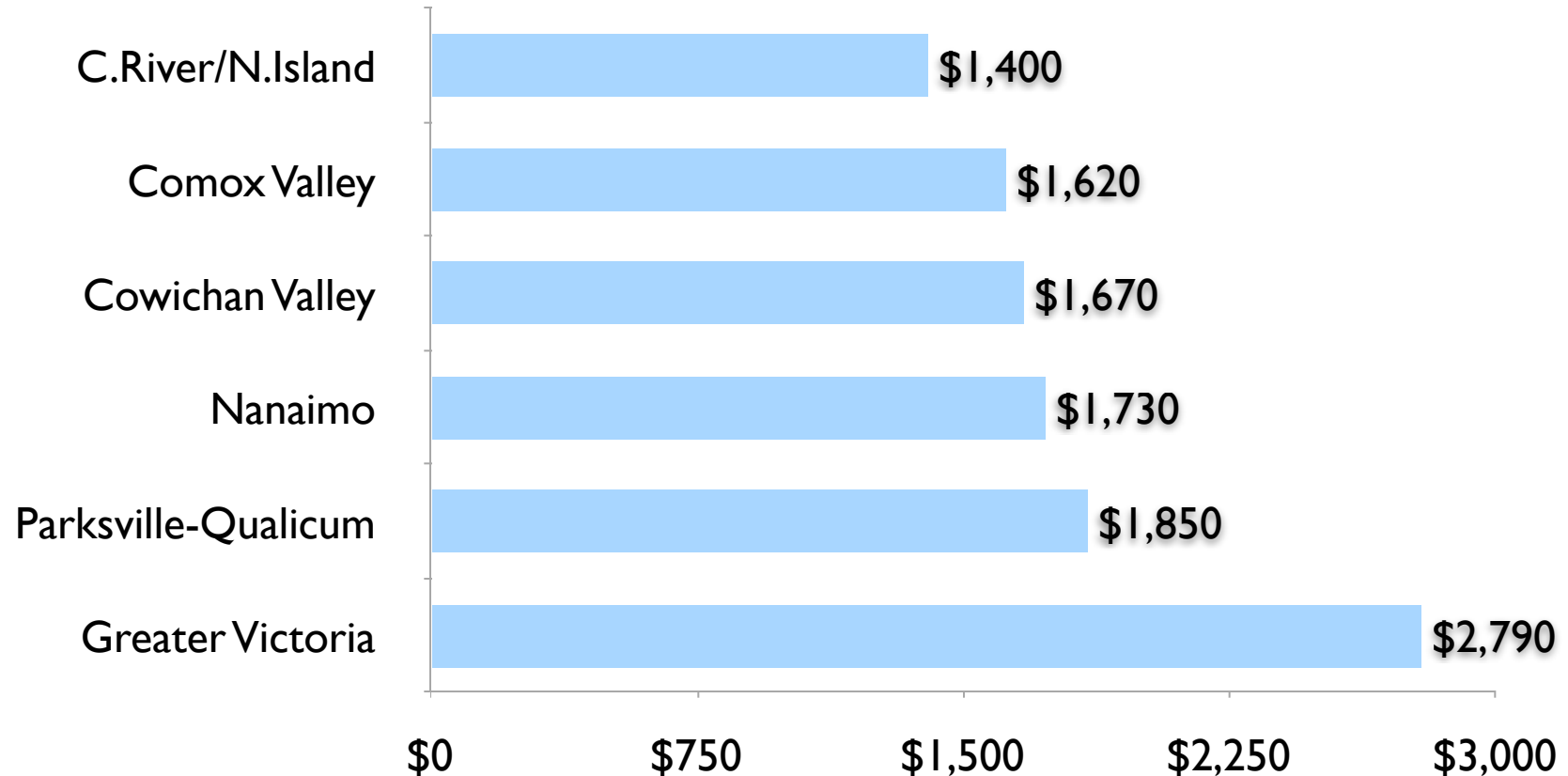


Assumptions: 20% down payment, 25 year amortization, 5-year posted mortgage rate, average MLS® price (SFD).  
Source: VIREB, Bank of Canada, Calculations by CMHC

# Cost of Home-Ownership Varies Across the Region

Housing market intelligence you can count on

## Average Monthly Carrying Costs – Detached Homes

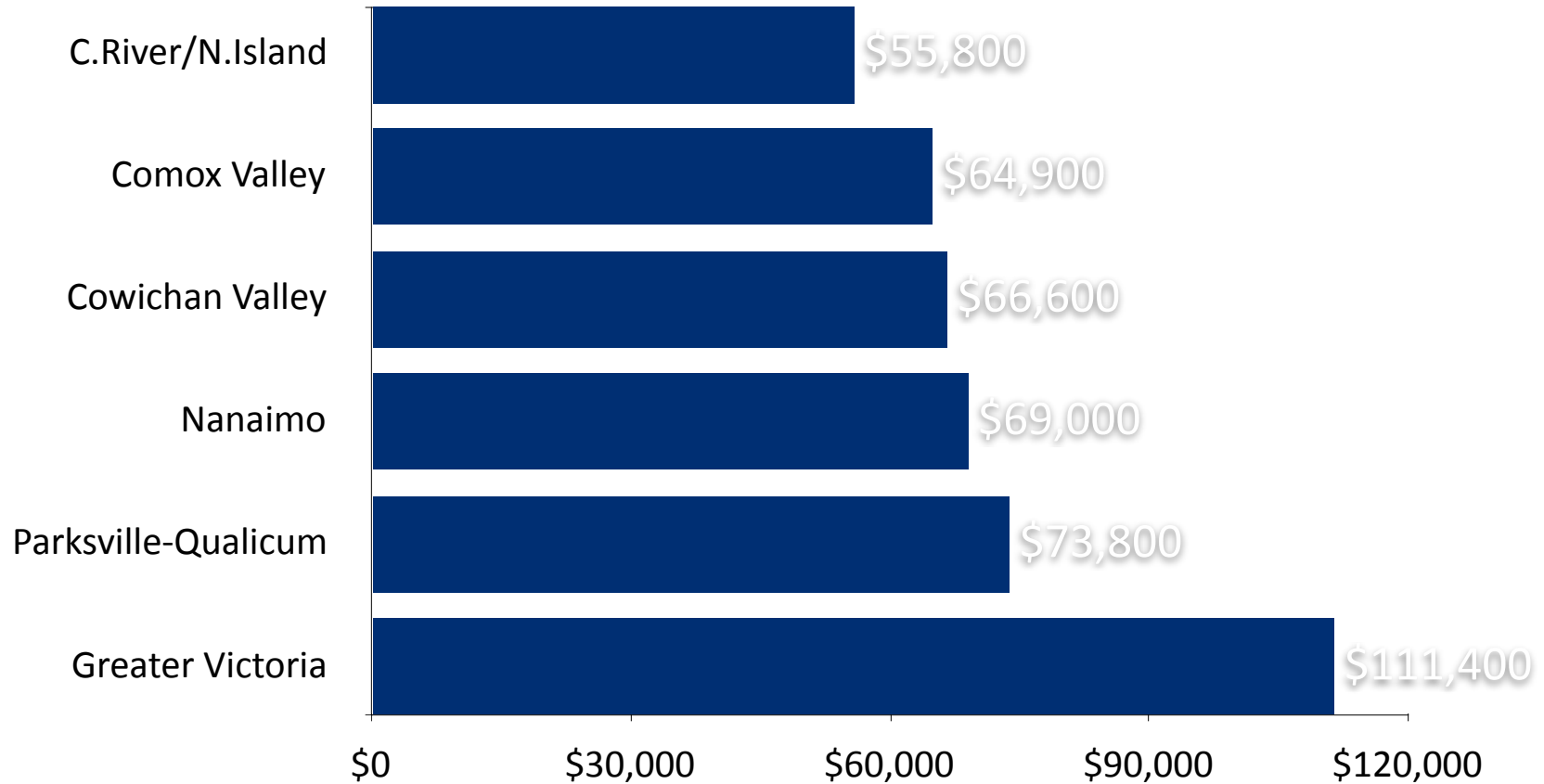


Assumptions: 20% down payment, 25 year amortization, 5-year posted mortgage rate, average 2010 MLS® price  
Source: VIREB, VREB, Bank of Canada, Calculations by CMHC

# More Affordable than Victoria

Housing market intelligence you can count on

## Gross Household Income Required to Purchase a House



Assumptions: 20% down-payment, 25 year amortization, 5-year posted mortgage rate, average 2010 MLS® SFD price, and 30% GDS ratio.

Source: VREB, VIREB, Bank of Canada, and calculations by CMHC.

# Rather than 20%, what if...

Housing market intelligence you can count on

## Average Priced Single-Detached Home (2010: \$342K)

<b>Comox Valley SFD</b>	<b>20% down</b>	<b>10% down</b>
Monthly Carrying Cost	\$1,620	\$1,830
Required Income	\$64,900	\$73,000
Added Interest Cost	\$26,600	

Assumptions: 25 year amortization, 5-year posted mortgage rate, average 2010 MLS® SFD price, 30% GDS ratio.  
Source: VIREB, Bank of Canada, and calculations by CMHC.

# New Home Construction

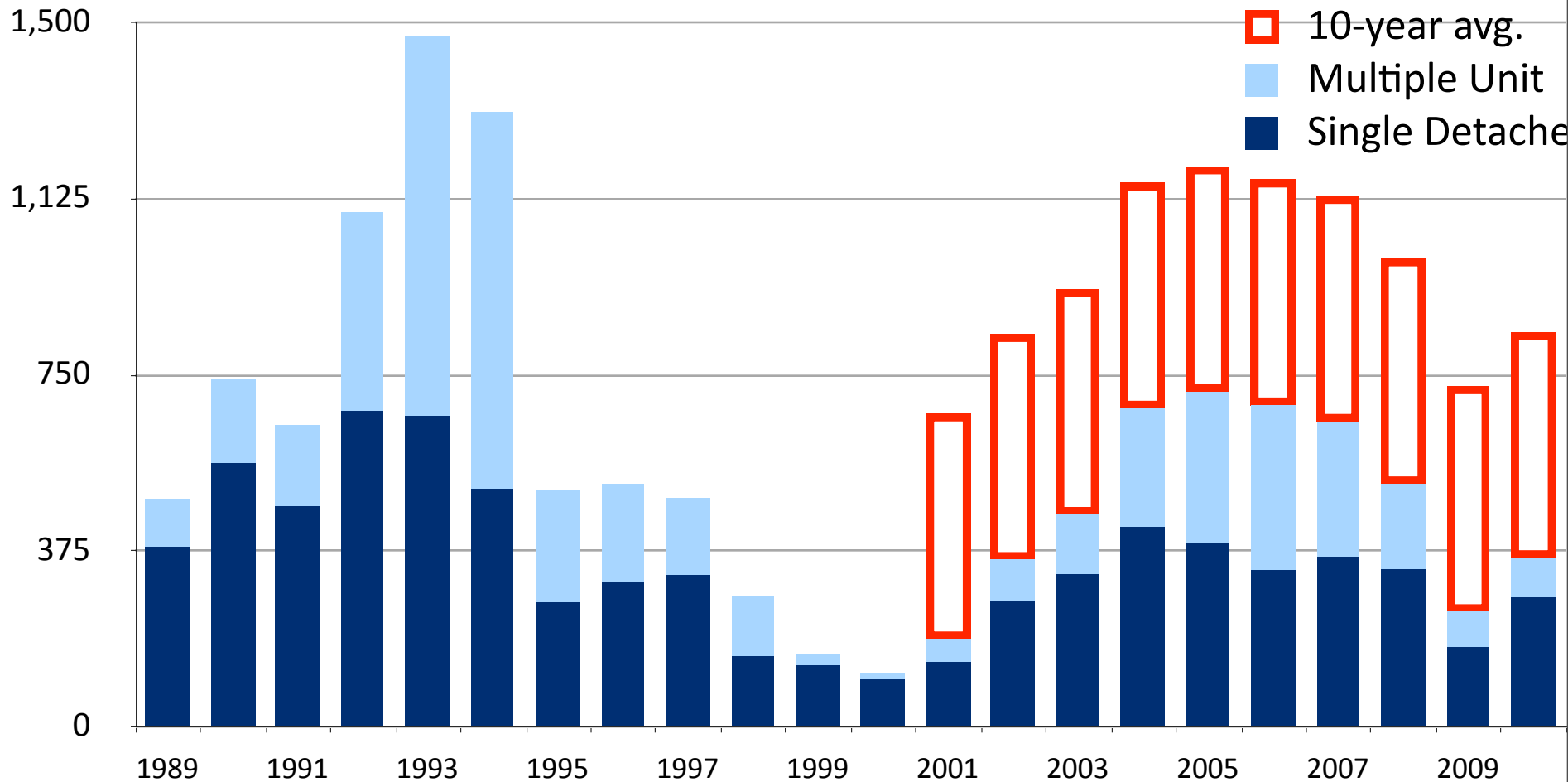
*Housing market intelligence you can count on*



# Historical Housing Starts

Housing market intelligence you can count on

## Housing Starts, Courtenay CA



Source: CMHC



# 2010 vs. Historical Averages

Housing market intelligence you can count on

## Housing Starts – Major Vancouver Island Centres

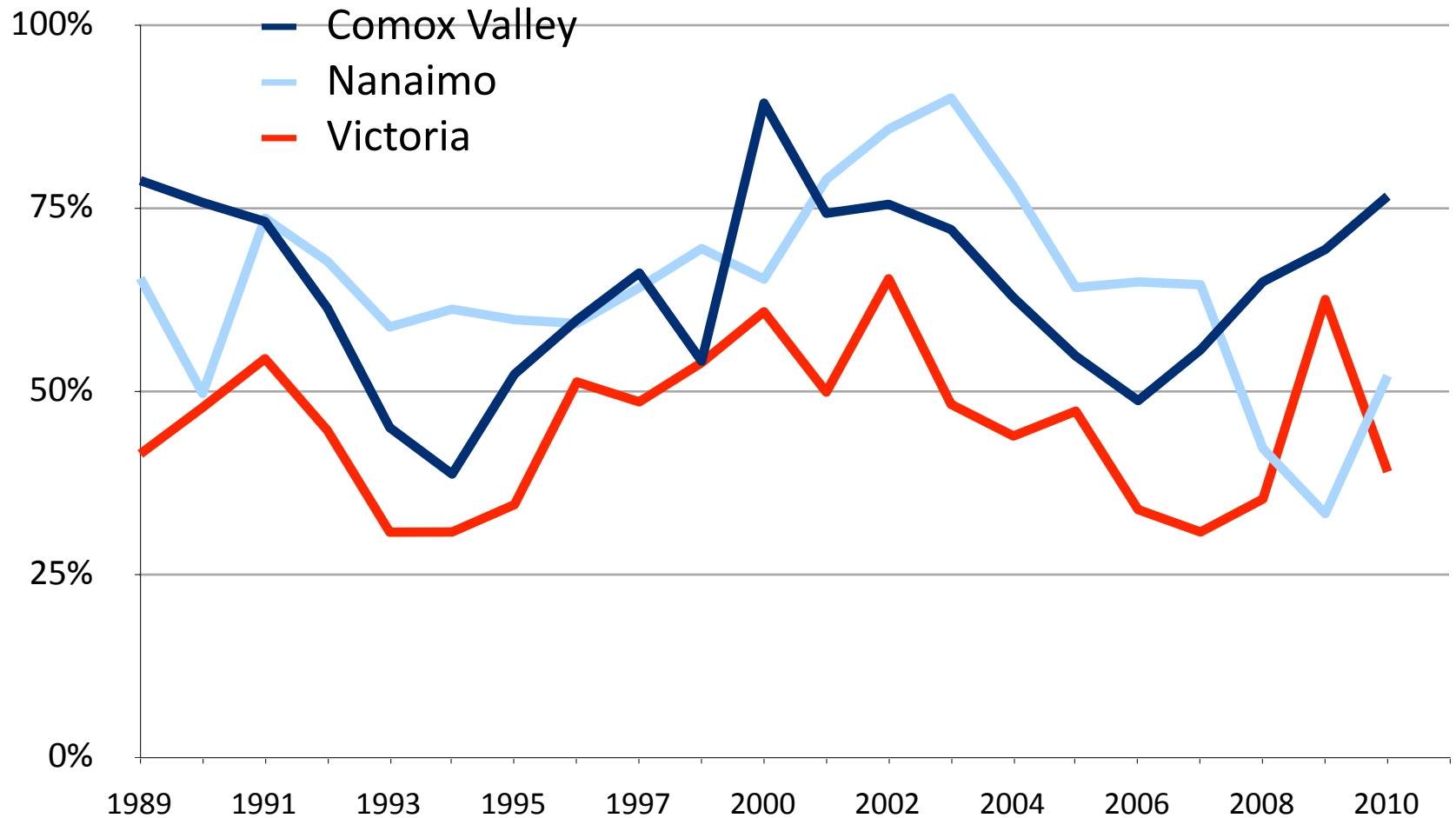
<b>CA</b>	<b>2010</b>	<b>10-yr Avg. (01-10)</b>
Victoria	2,118	1,940
Duncan	246	230
Nanaimo	786	740
Parksville	116	220
Courtenay	360	480
C.River	253	210

Source: CMHC

# Houses Remain Largest Component of New Construction

Housing market intelligence you can count on

## Housing Starts, % Single Detached



Source: CMHC

# Fewer Multi-Unit Structures Under Construction

Housing market intelligence you can count on

## Units Currently Under Construction, Courtenay CA

### Dec. 2010

Comox: 57

Courtenay: 92

Cumberland: 47

Baynes Sound (CV A): 23

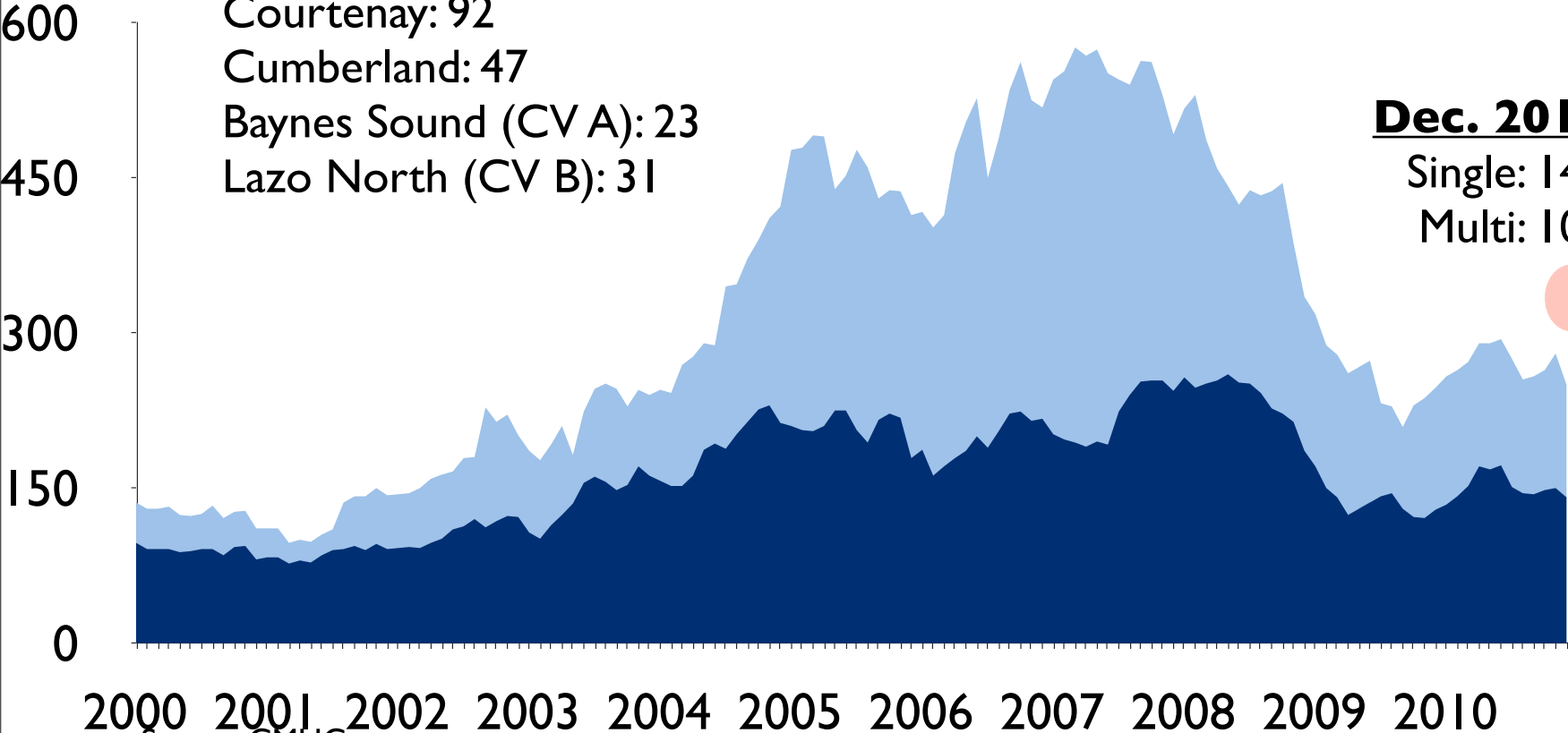
Lazo North (CV B): 31

Multiple Unit  
Single Detached

### Dec. 2010

Single: 141

Multi: 109

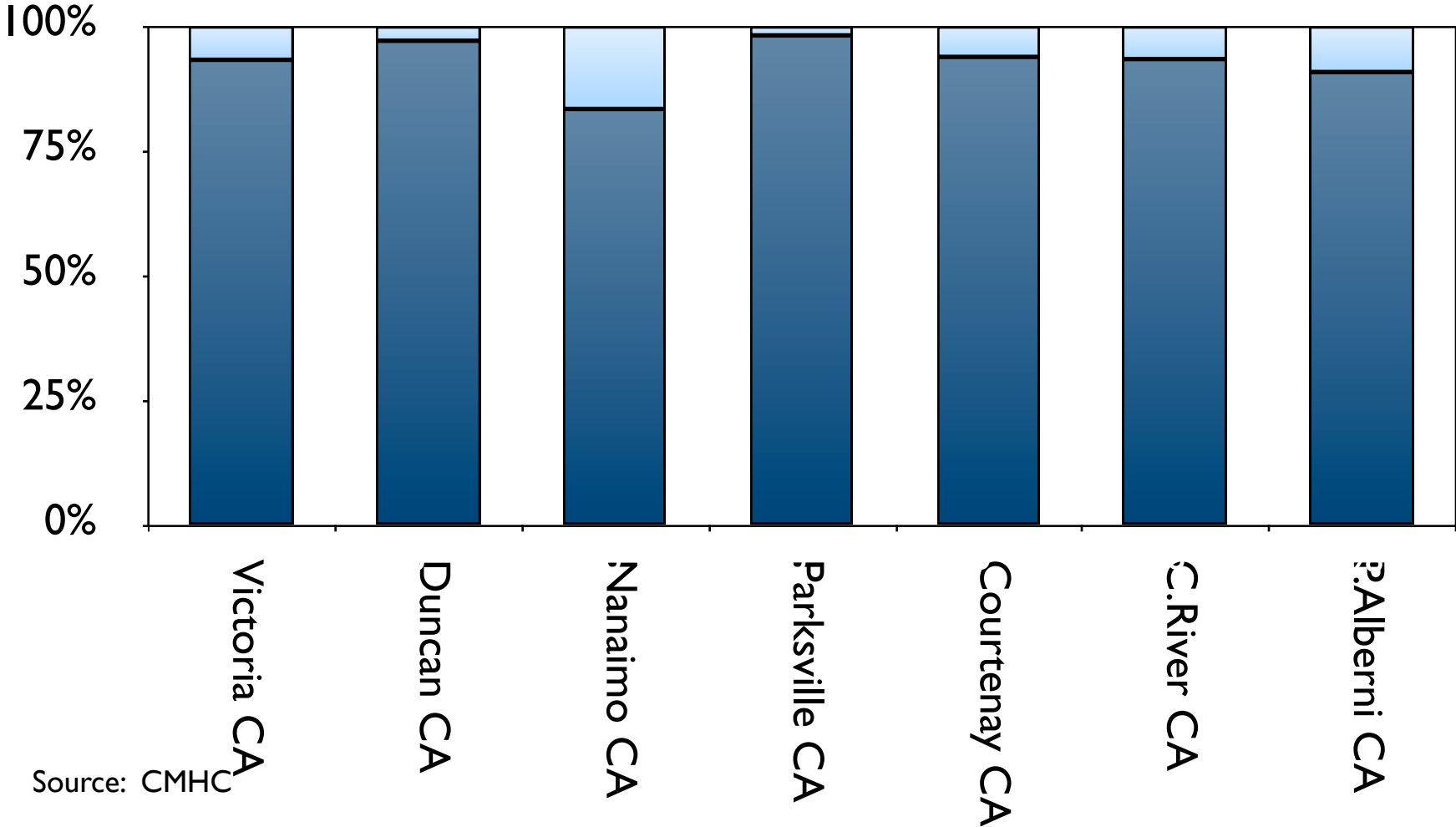


Source: CMHC

# Few New Rental Units

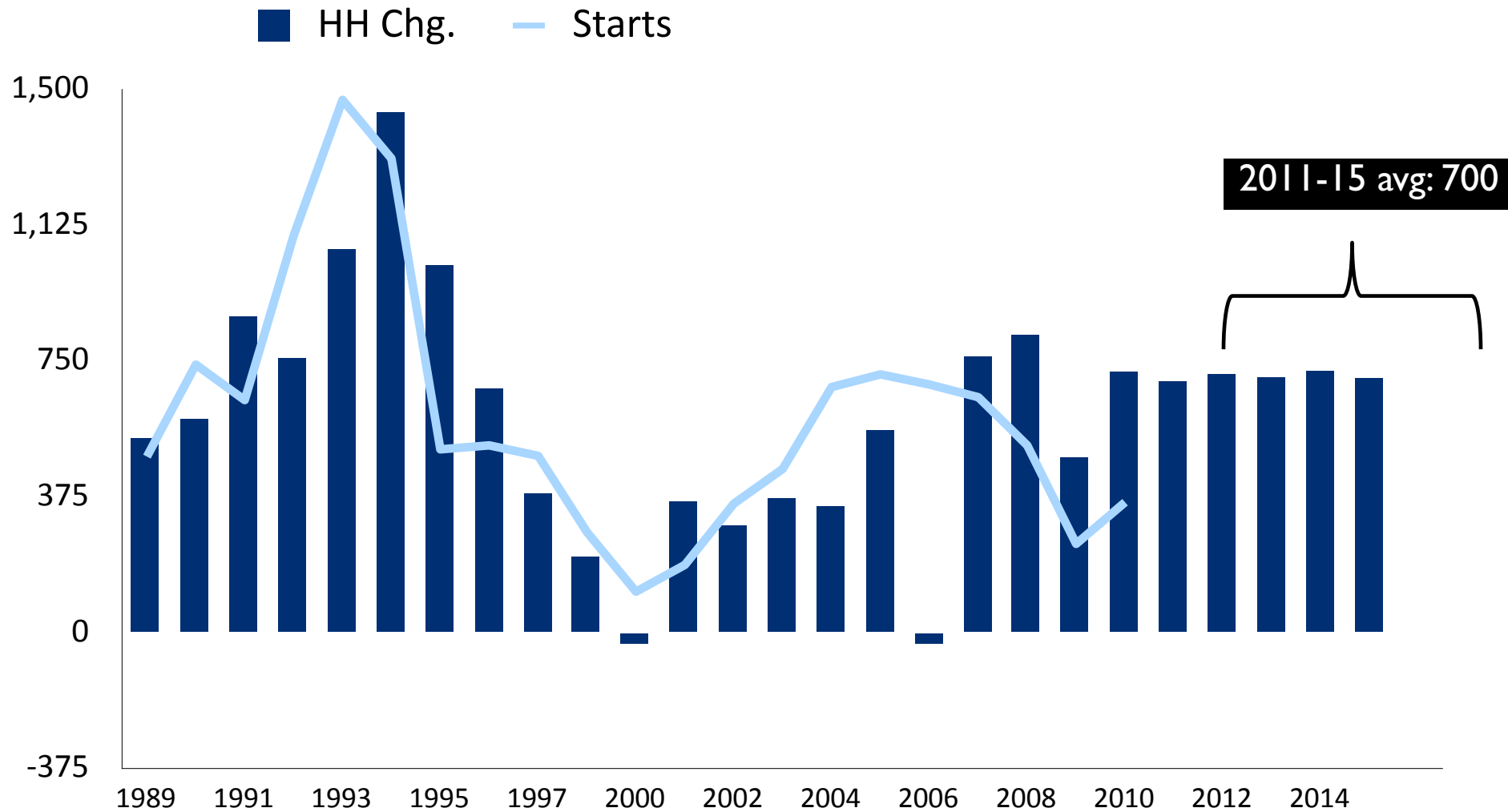
Housing market intelligence you can count on

## Housing starts (Jan. 2001-Nov. 2010) – Rental vs. Non-Rental



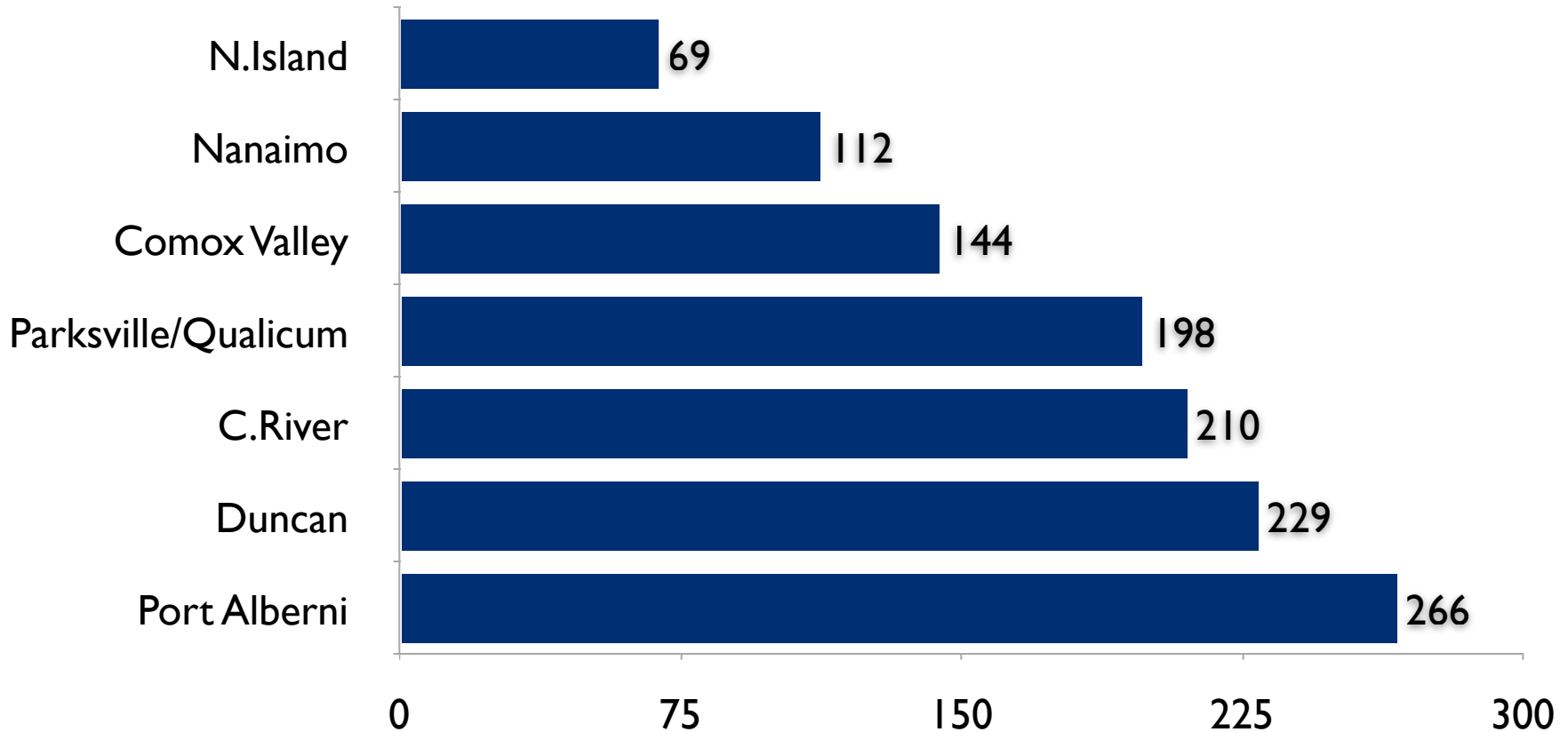
Source: CMHC

## Housing Starts vs. Household Formation, Comox Valley



Source: CMHC and BC Stats (PEOPLE 35 data, 2010).

## Lot Listings by Location - VIREB Board Region

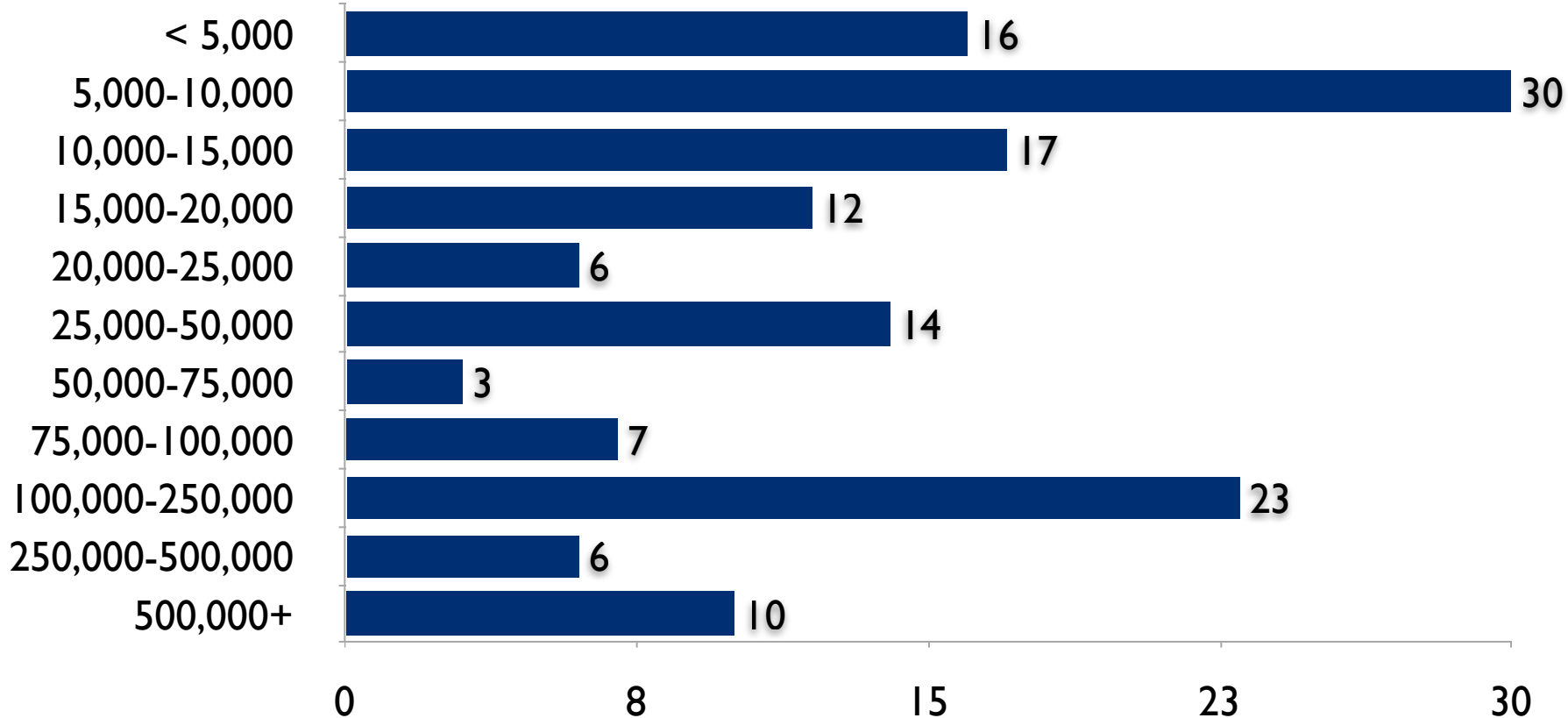


Source: MLS®, as of January 11, 2011.

# Availability of Lots

Housing market intelligence you can count on

## Lot Size (Sq.Ft) Distribution – Comox Valley



Source: MLS®, as of January 11, 2011.

# Renovation Spending Strong

Housing market intelligence you can count on

## Renovation & Construction Expenditures – B.C. 2009

- ✓ New construction spending: \$5.0 billion
- ✓ Renovation spending: \$6.95 billion

Source: Statistics Canada





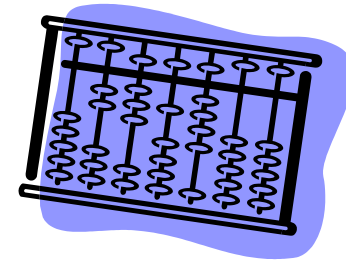
- ✓ Stable economy supports housing demand
- ✓ Resale market returning to balanced conditions
- ✓ Housing starts will level off



Thank You!

Housing market intelligence you can count on

For **CMHC Market Analysis** reports, visit:  
[www.cmhc.ca/housingmarketinformation](http://www.cmhc.ca/housingmarketinformation)



**For More Information Contact:**

Travis Archibald

E-mail: [tarchiba@cmhc.ca](mailto:tarchiba@cmhc.ca)

Telephone: 604-737-4062

Mobile: 604-999-7420