

Durham Region Housing Market Outlook

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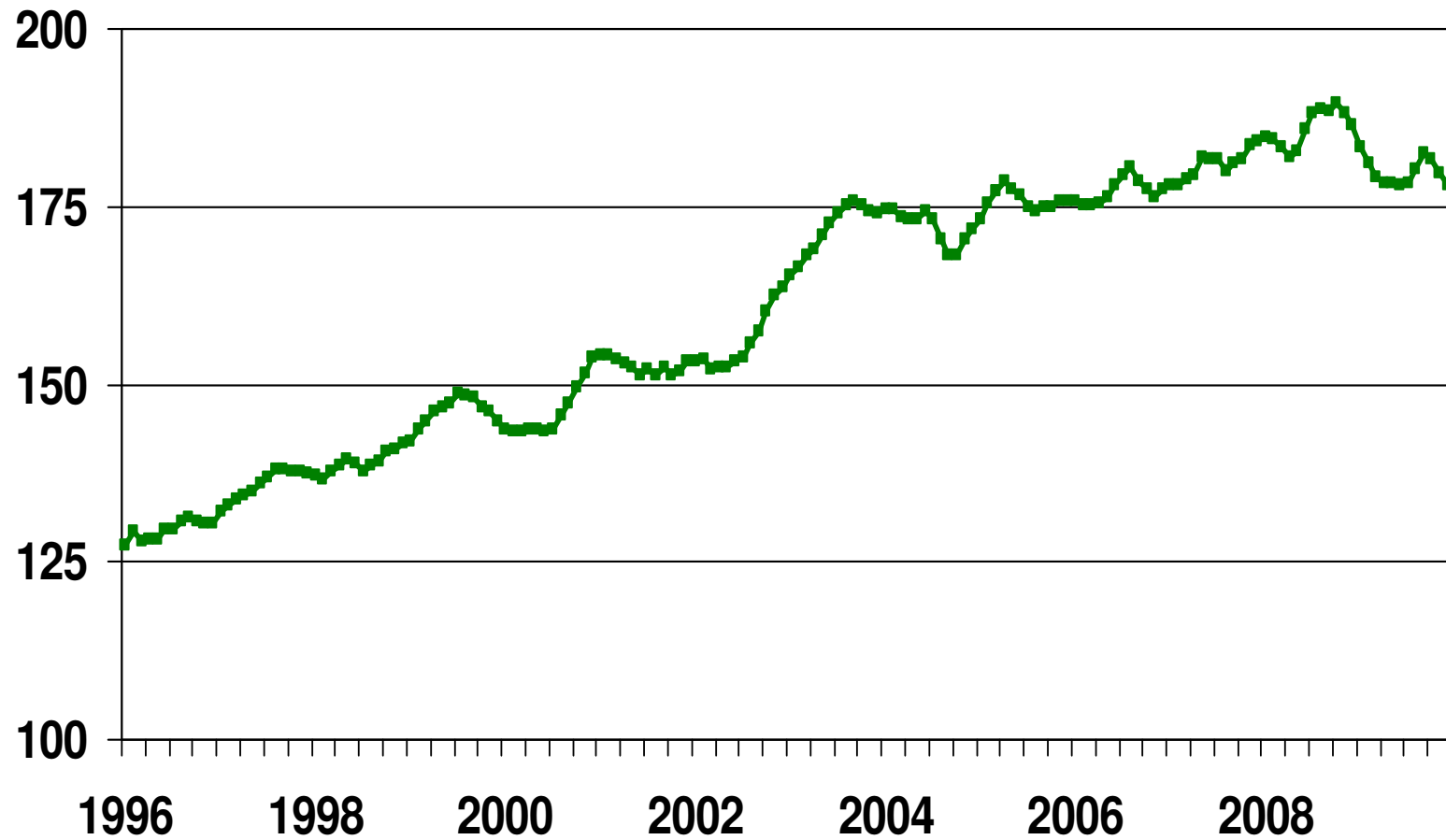
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My Agenda

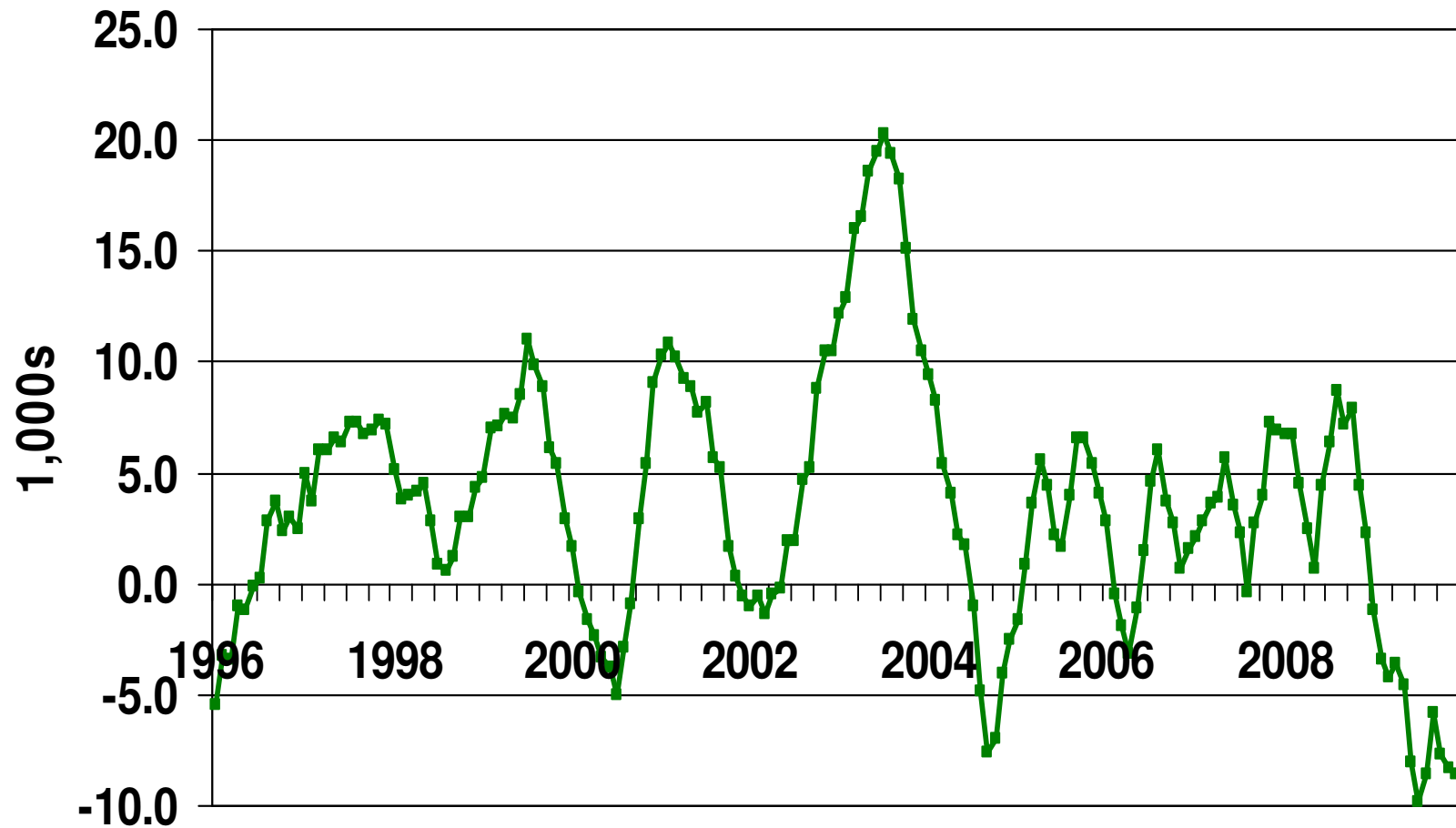
- Employment
 - Trends
 - Drivers and assumptions
 - Outlook
- Housing market outlook
 - Resales
 - New low-rise
 - New high-rise

Oshawa CMA Employment (1,000s)



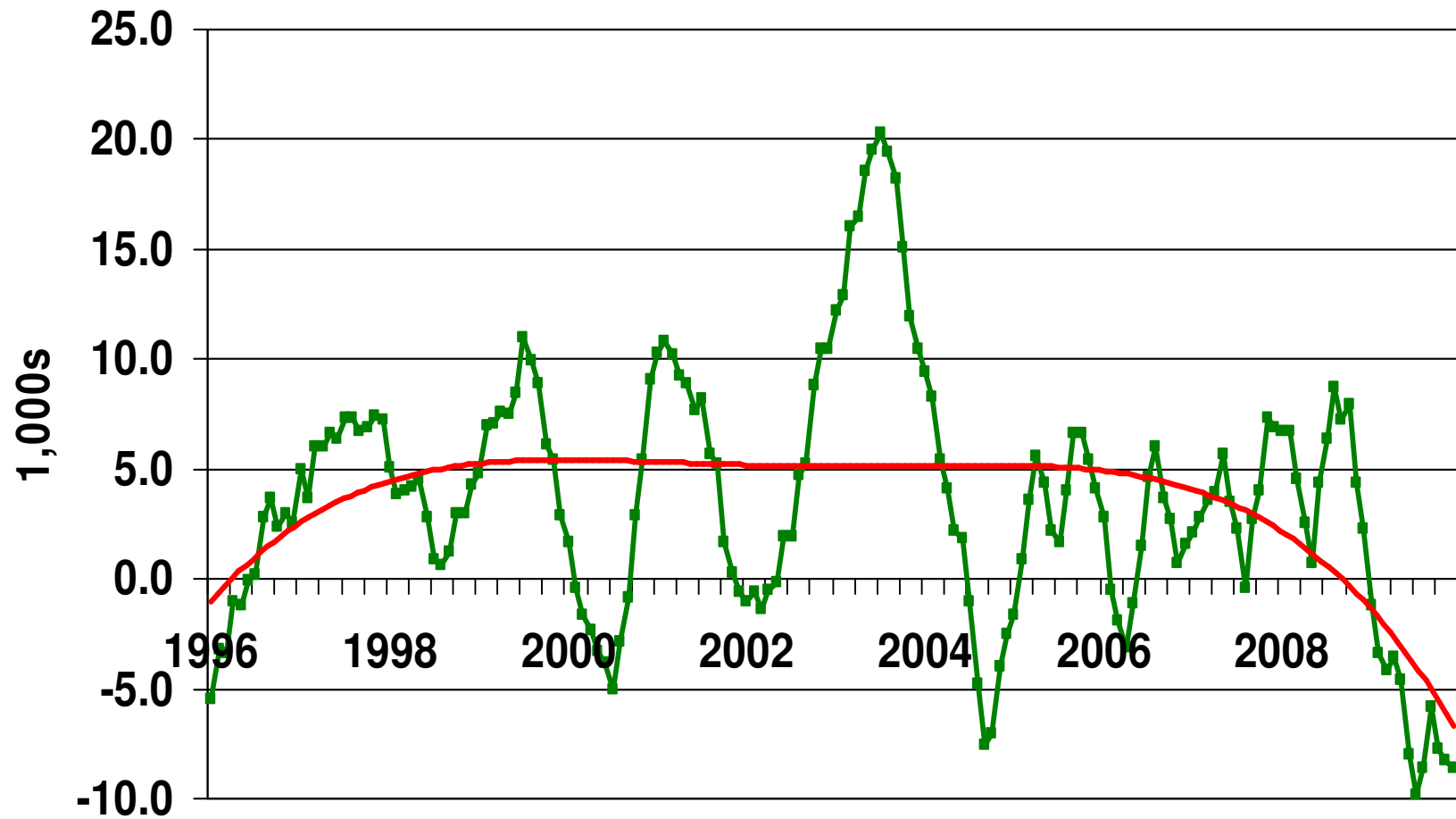
Source: Statistics Canada

Growth of Oshawa CMA Employment



Source: Statistics Canada

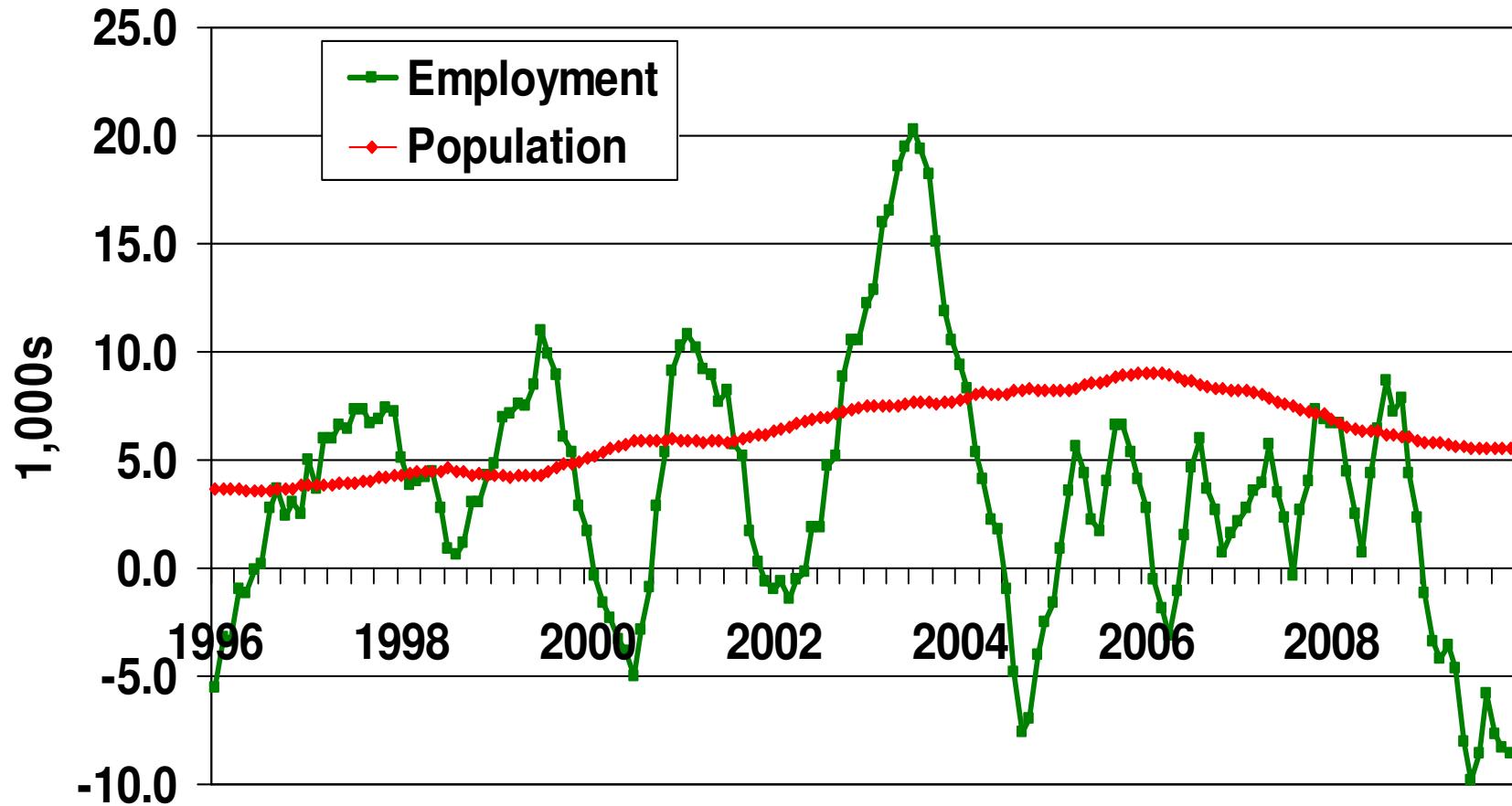
Growth Trend was Stable



Source: Statistics Canada

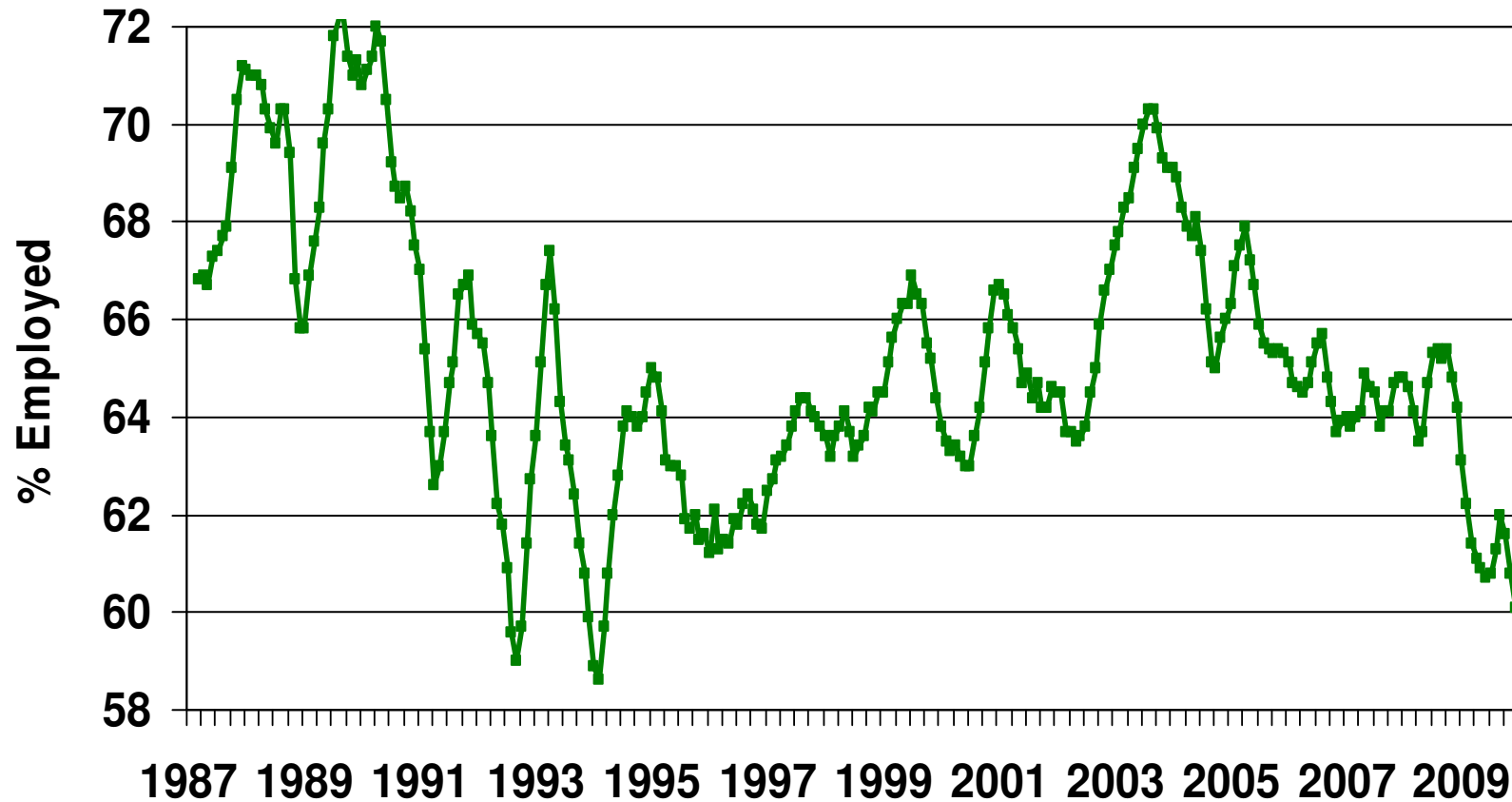
Growth of Oshawa CMA

Employment versus Population



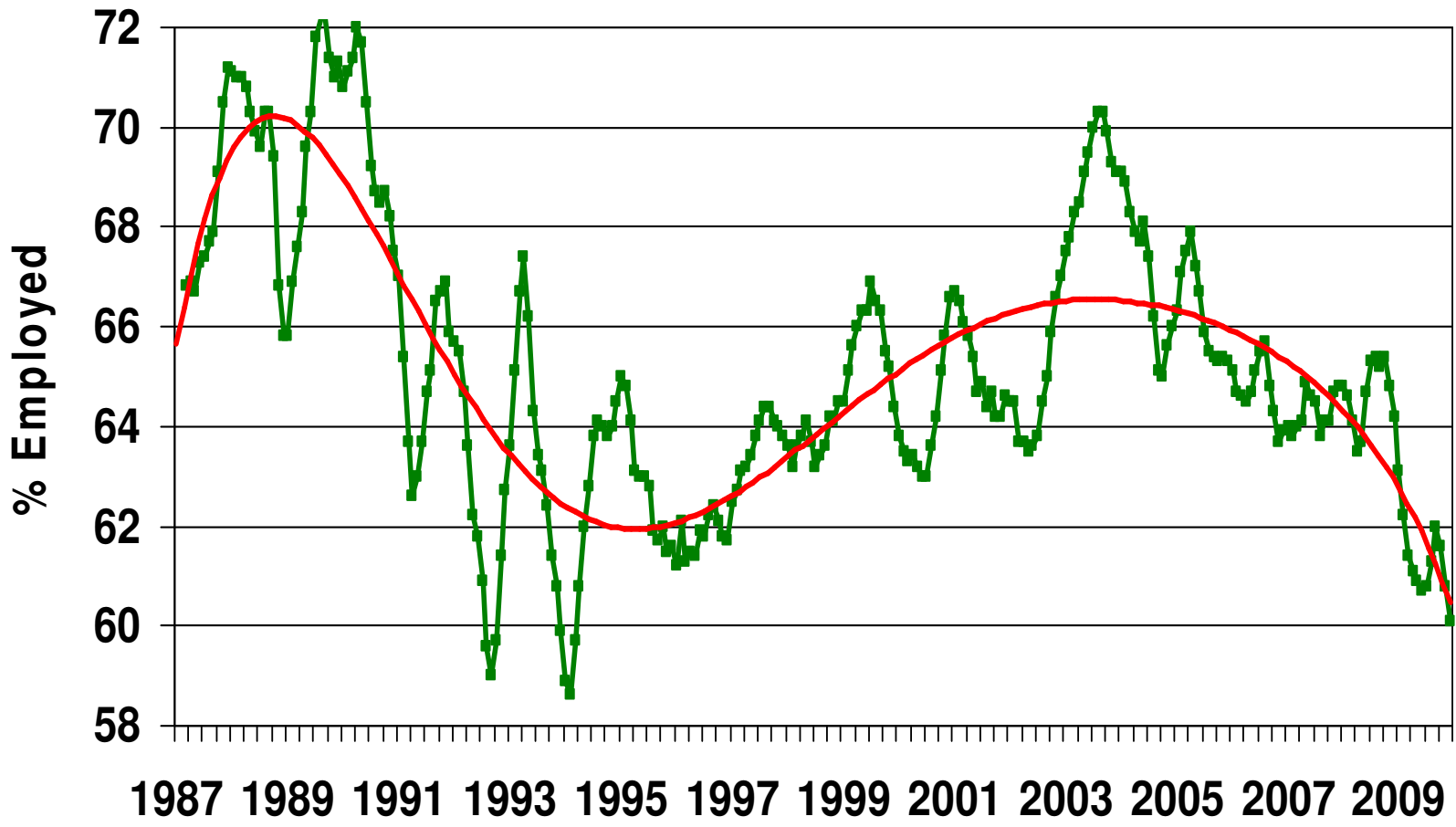
Source: Statistics Canada

Volatile Data for “Employment Rate”



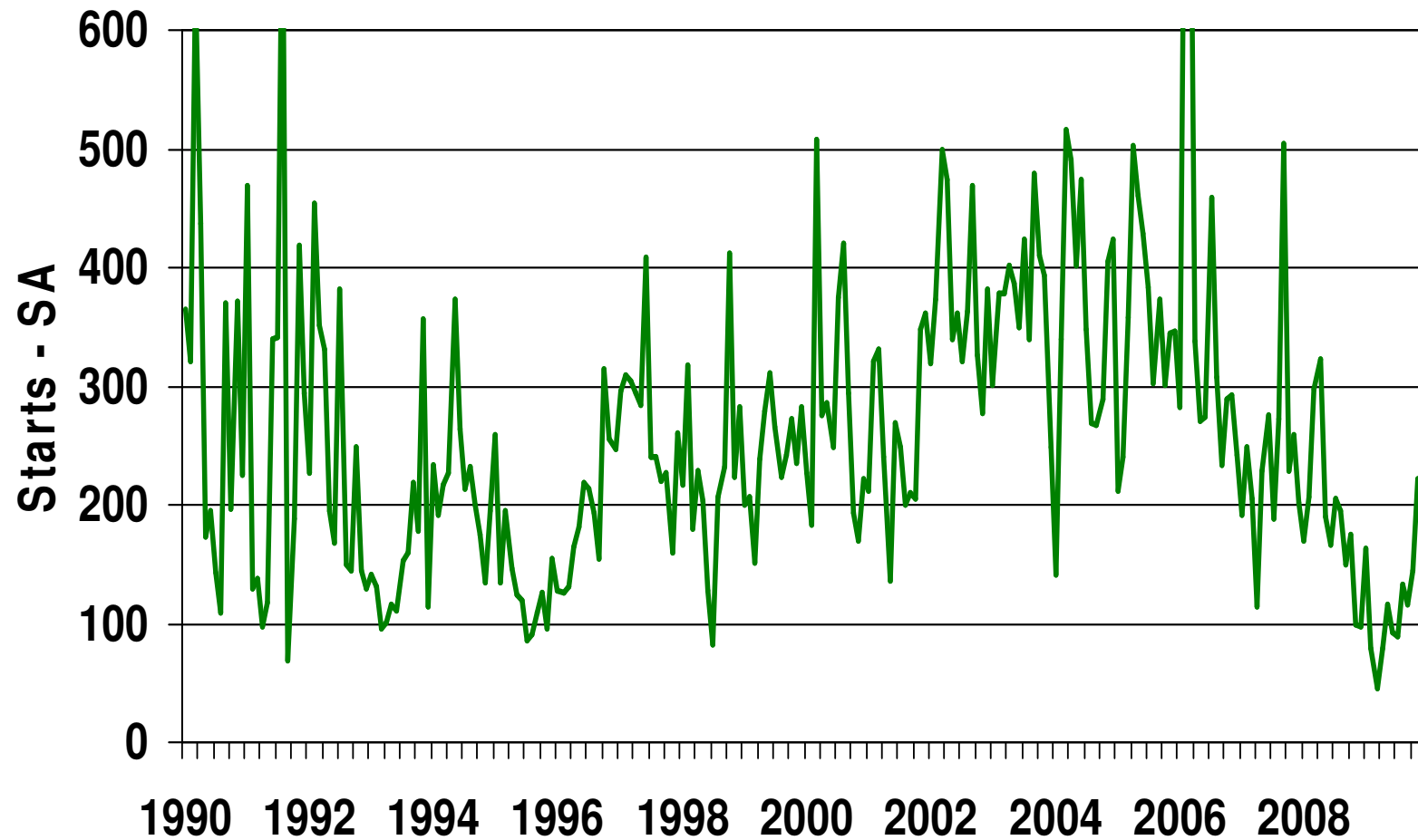
Source: Statistics Canada

Trend Line Shows Cycles for Oshawa CMA "Employment Rate"



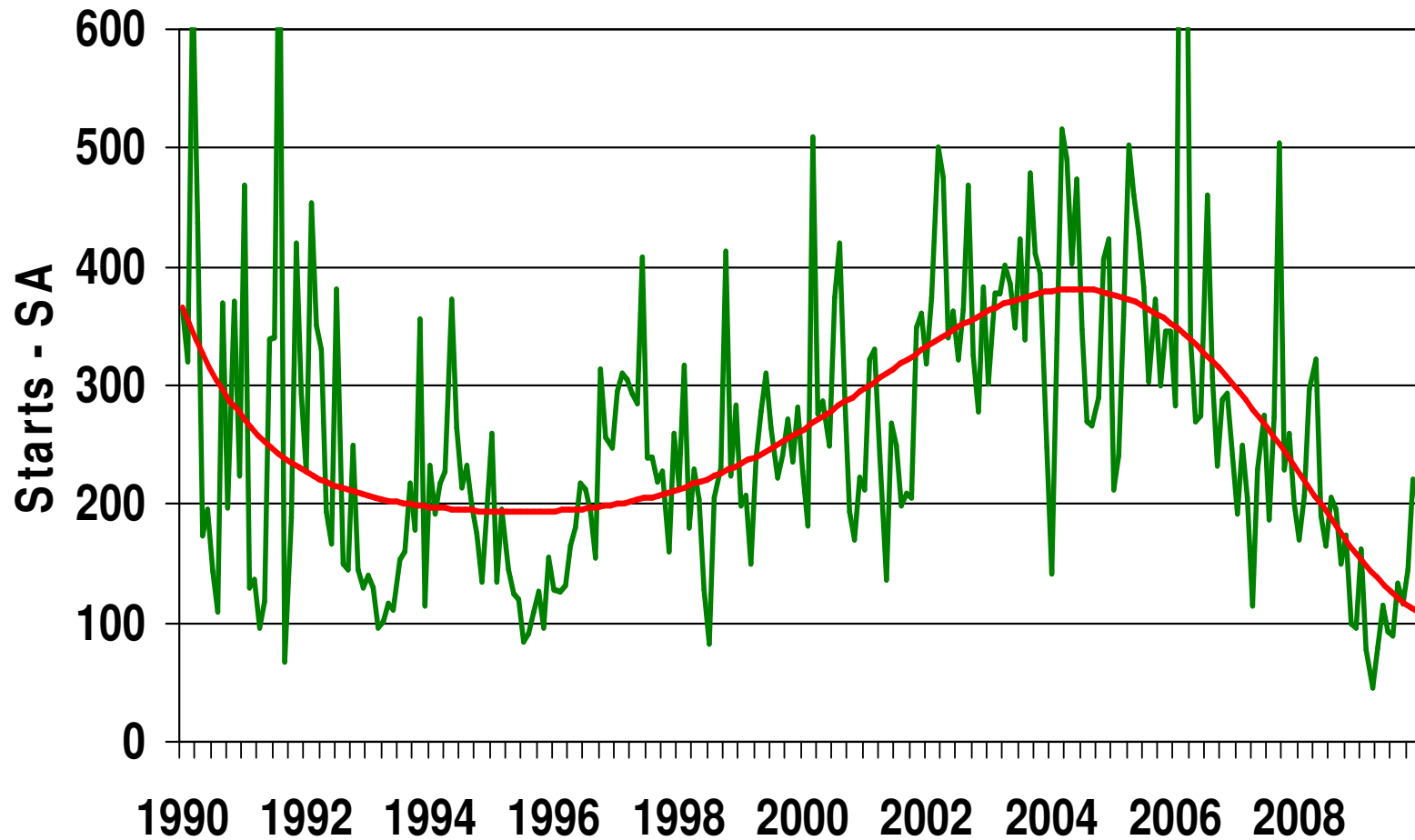
Source: Statistics Canada

Durham Region Housing Starts



Source: CMHC / Will Dunning Inc.

Cycles for Durham Housing Starts



Source: CMHC / Will Dunning Inc.

Factors Driving Employment Growth

Housing Wealth Returned to Positive

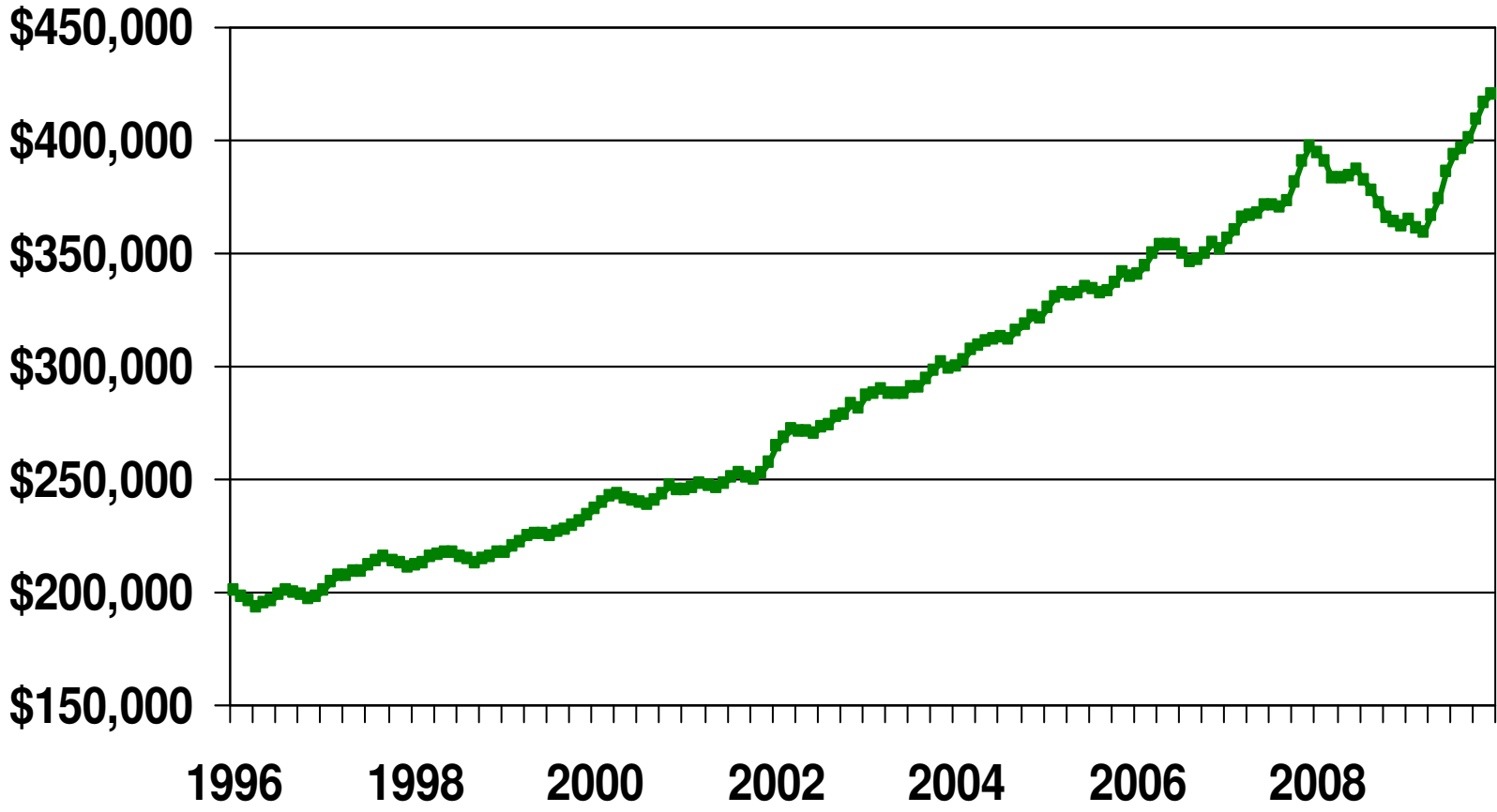
Stock Market Wealth Less Scary

Interest Rates Very Positive

Canadian Dollar Strongly Negative

Commodity Costs Negative

Short Recession for GTA House Values



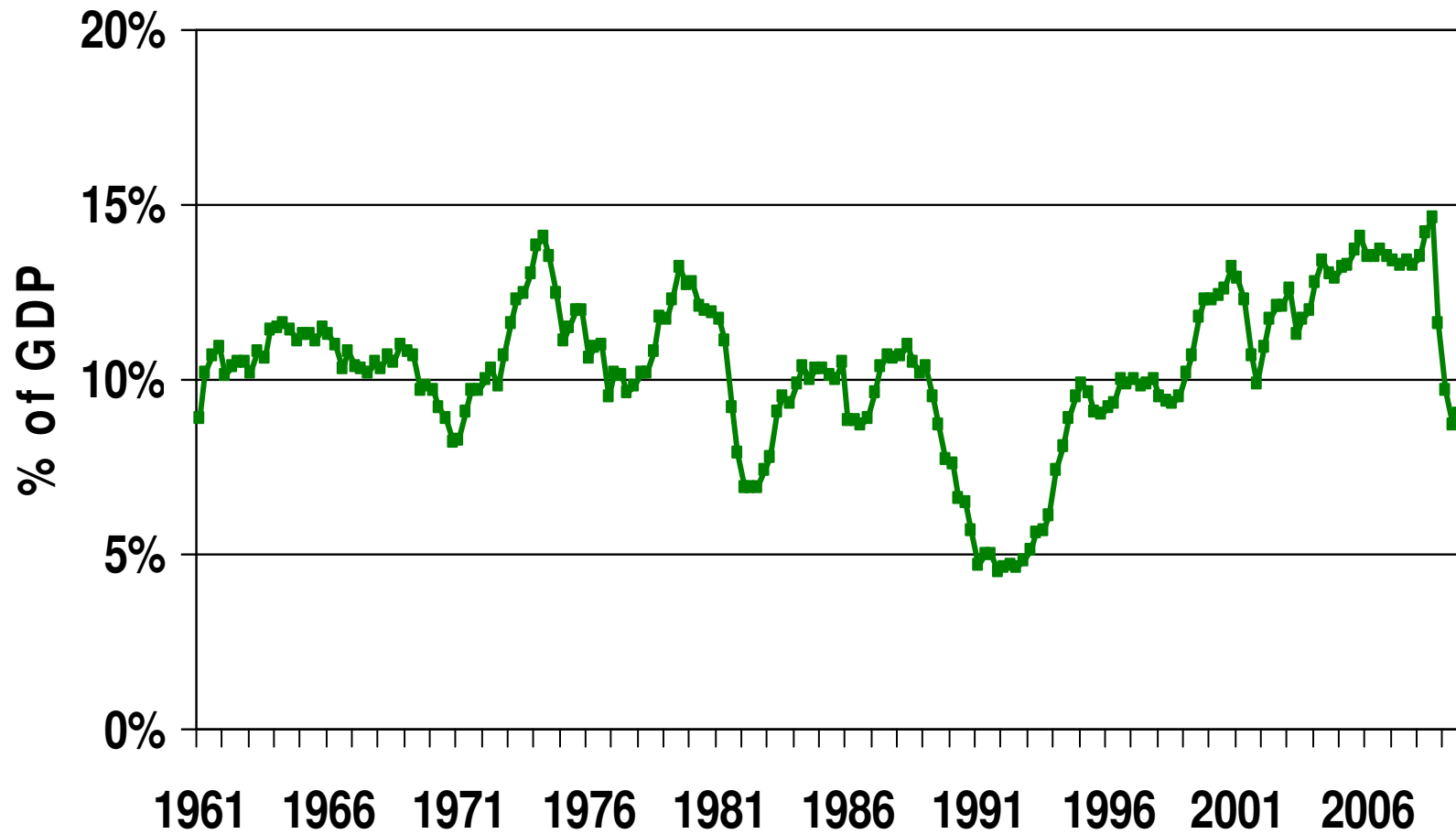
Source: Toronto Real Estate Board / Will Dunning Inc.

TSX Index



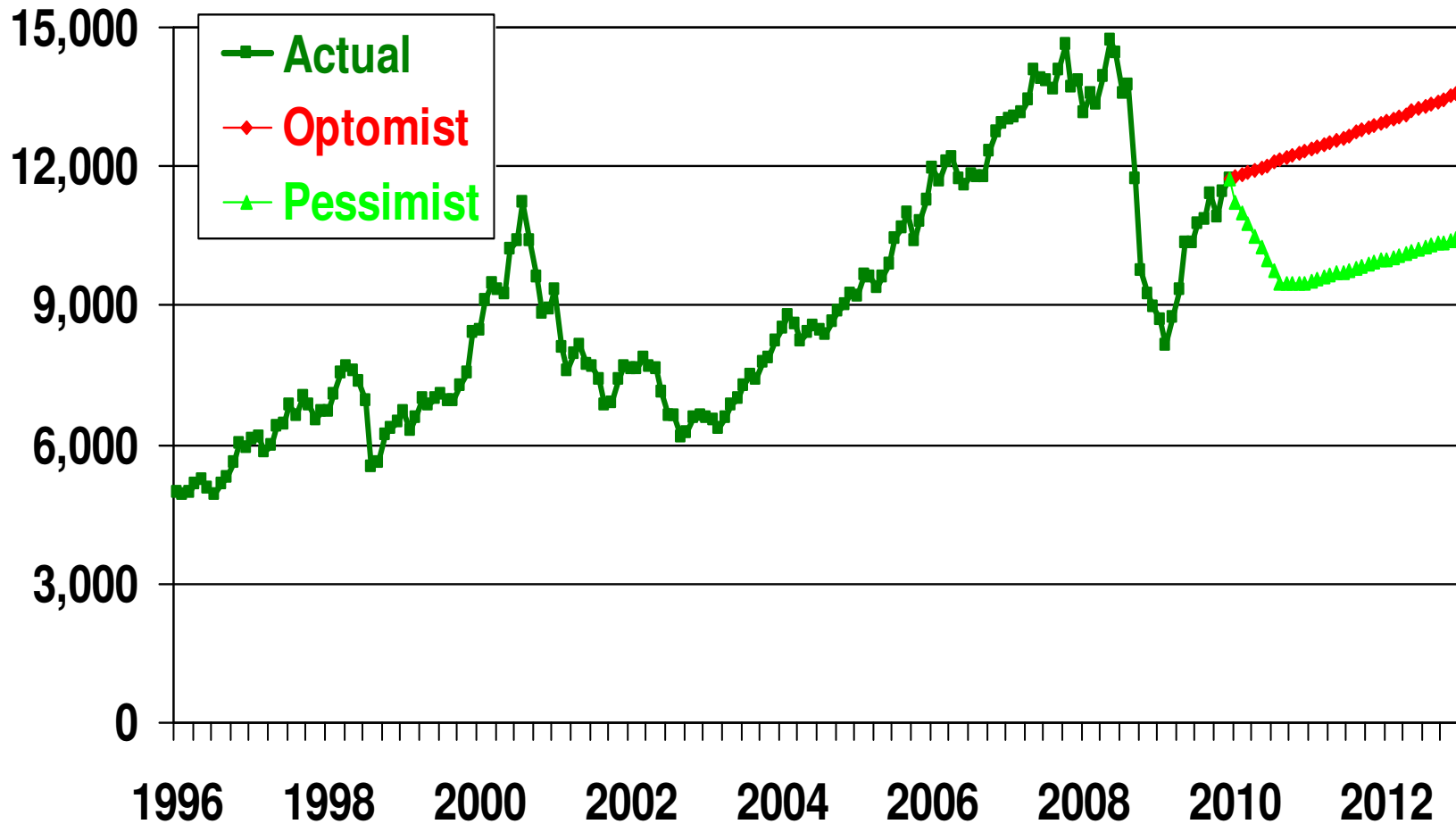
Source: Statistics Canada/Will Dunning Inc.

Corporate Profits as % of Canada's GDP



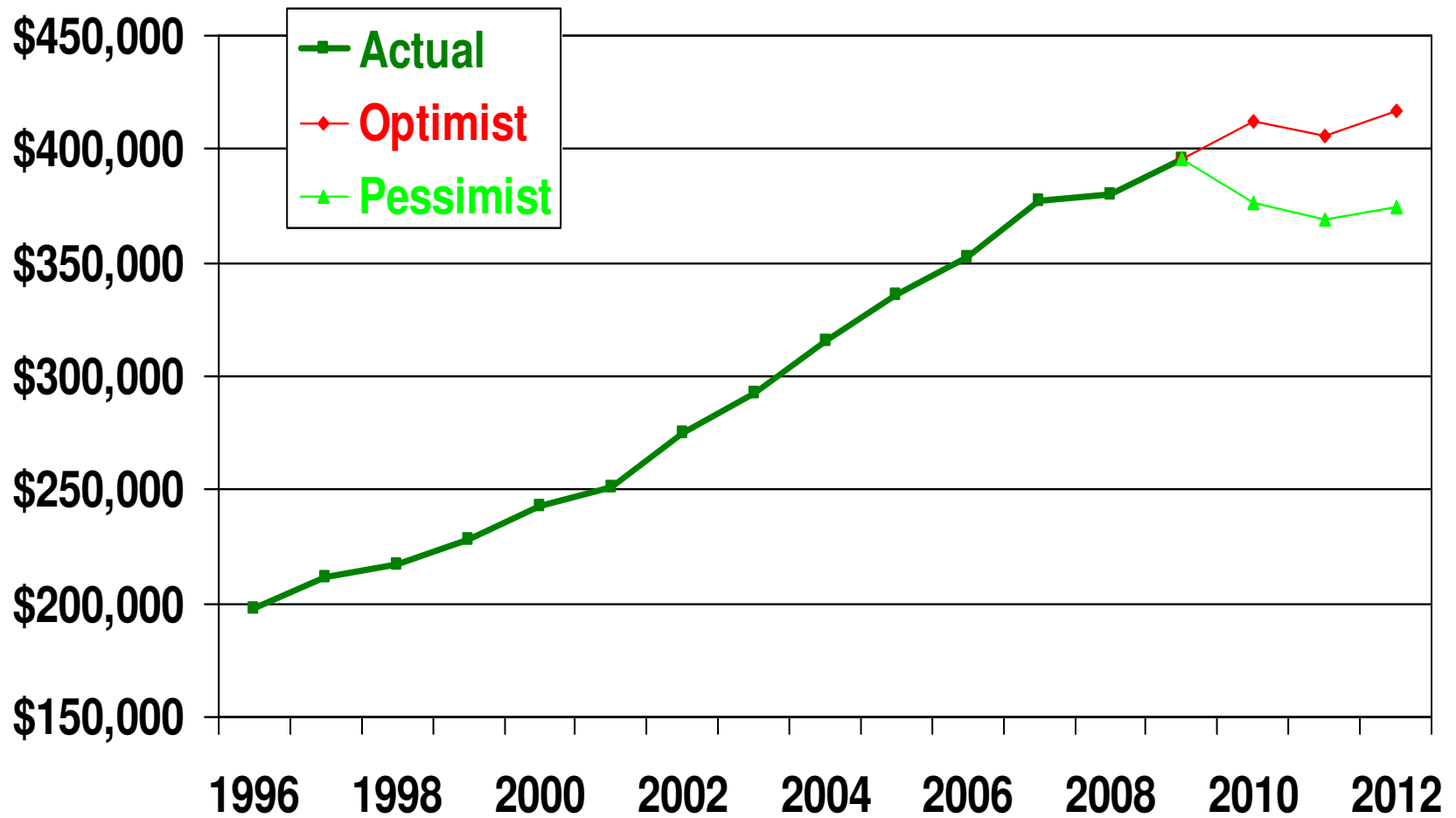
Source: Statistics Canada/Will Dunning Inc.

2 Assumptions for TSX Index



Source: Statistics Canada/Will Dunning Inc.

2 Scenarios for House Prices



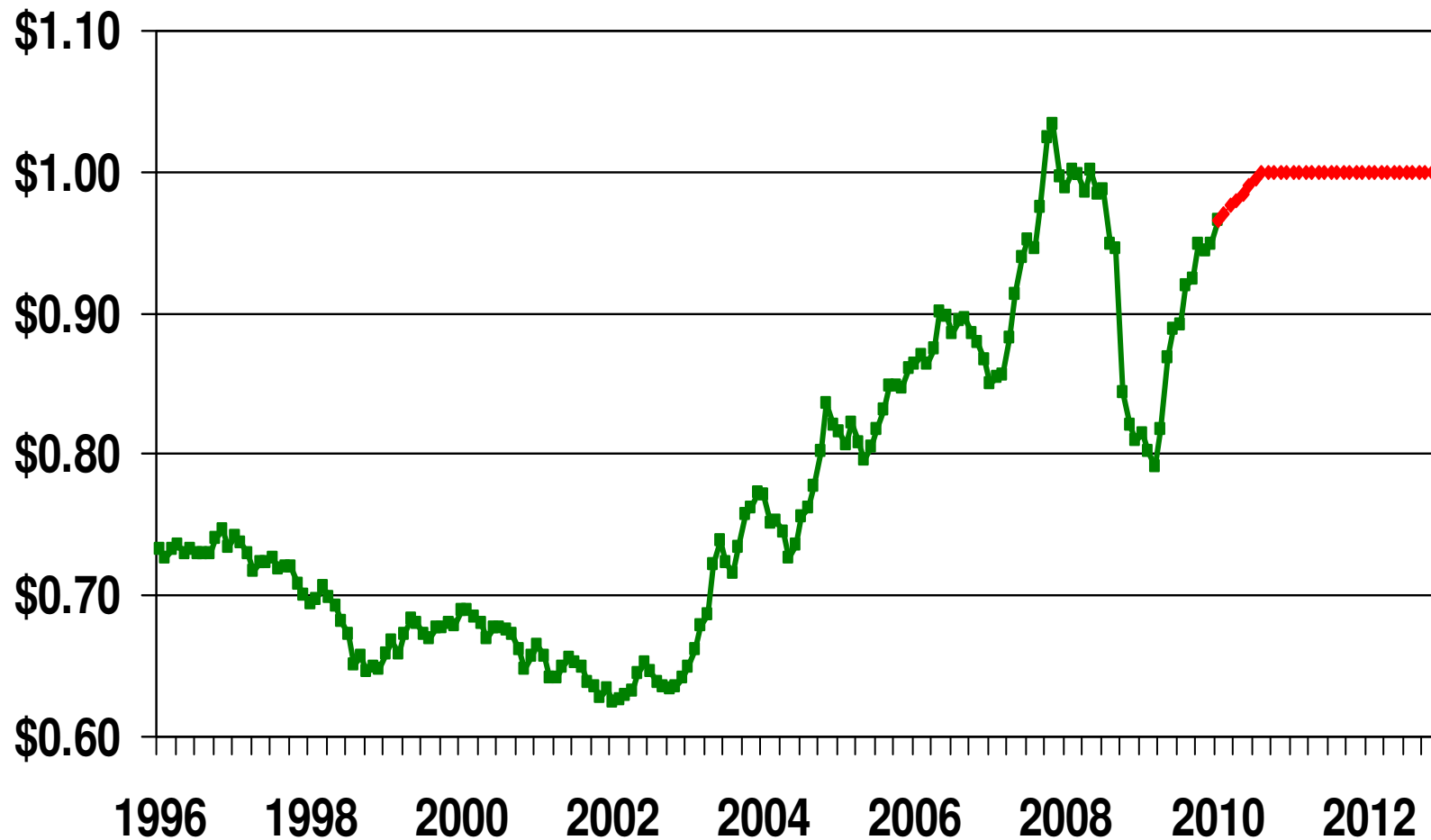
Source: TREB/Will Dunning Inc.

Yield on 5-Year Government of Canada Bonds



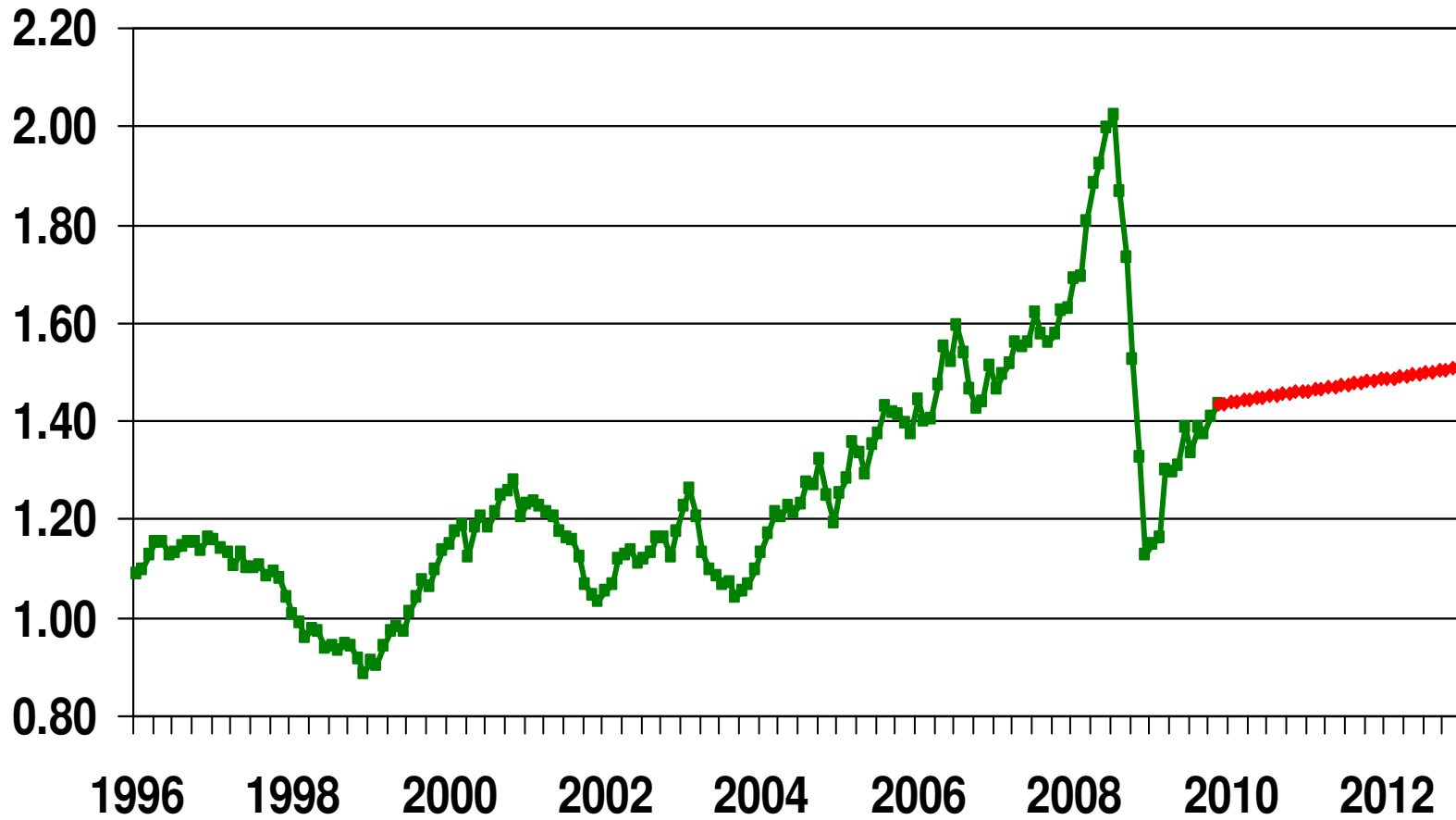
Source: Bank of Canada/Will Dunning Inc.

\$ Canada Very Negative for GTA



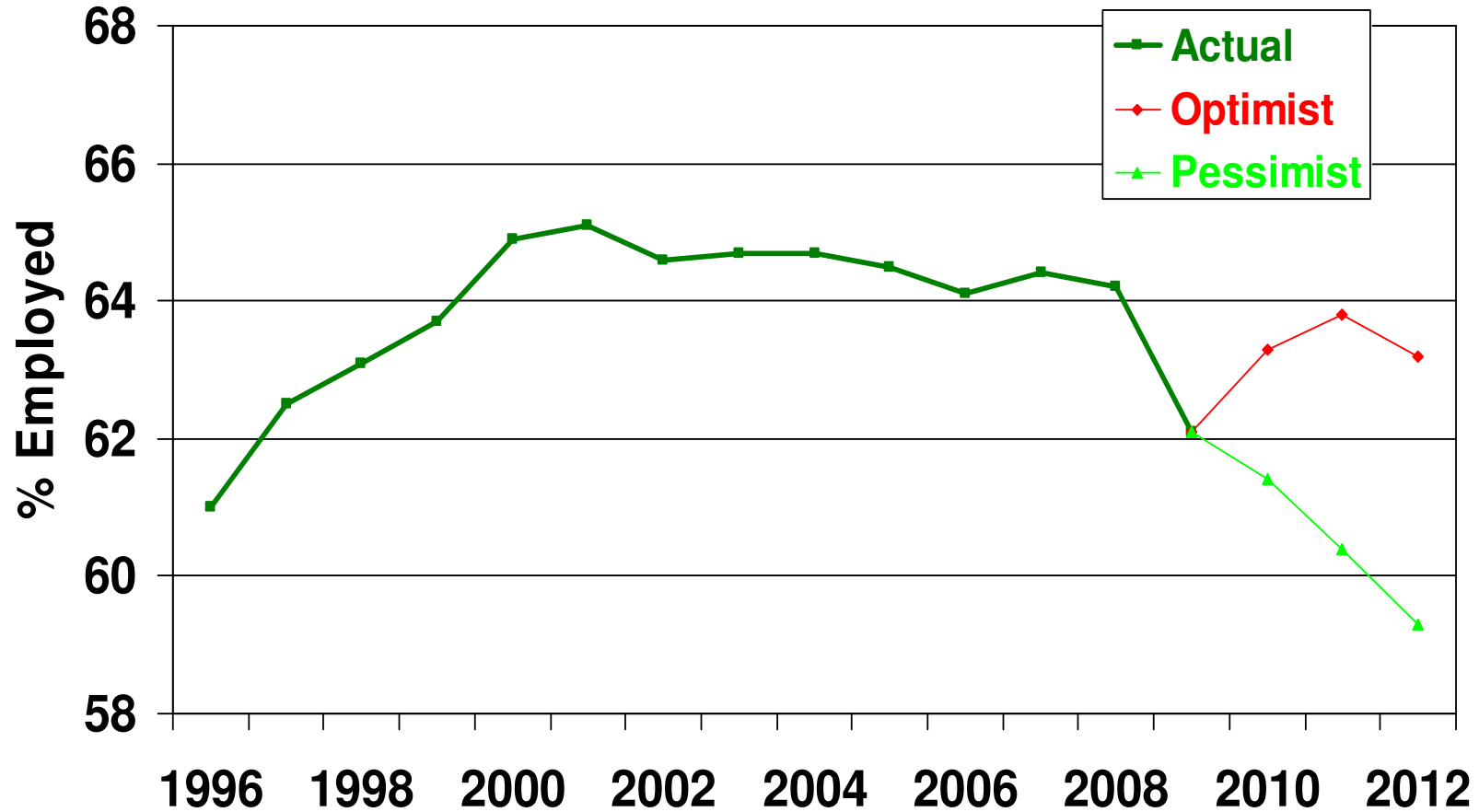
Source: Bank of Canada/Will Dunning Inc.

Commodity Prices Also Negative for GTA



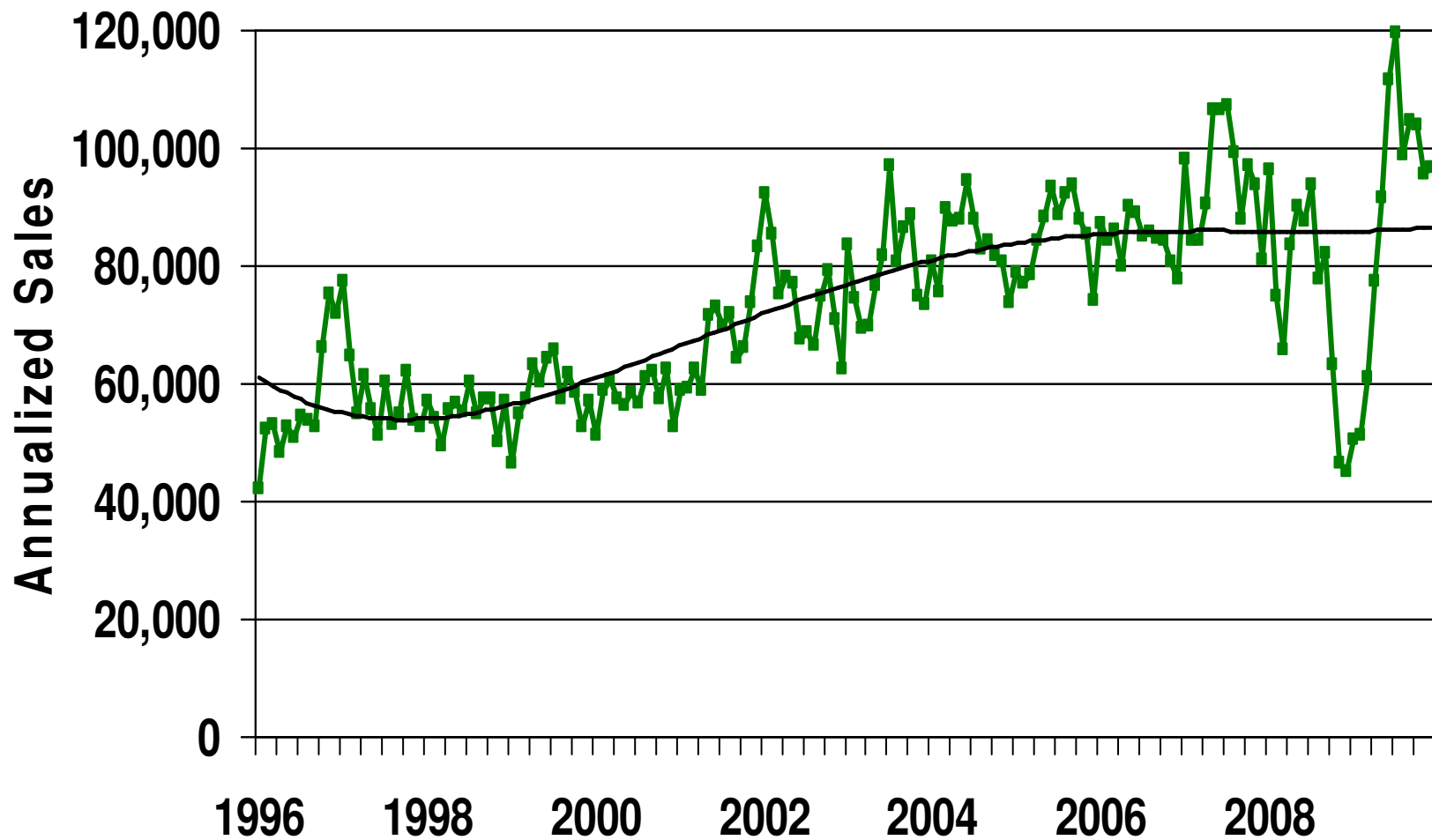
Source: Statistics Canada/Will Dunning Inc.

2 Scenarios for Toronto CMA Employment Rate



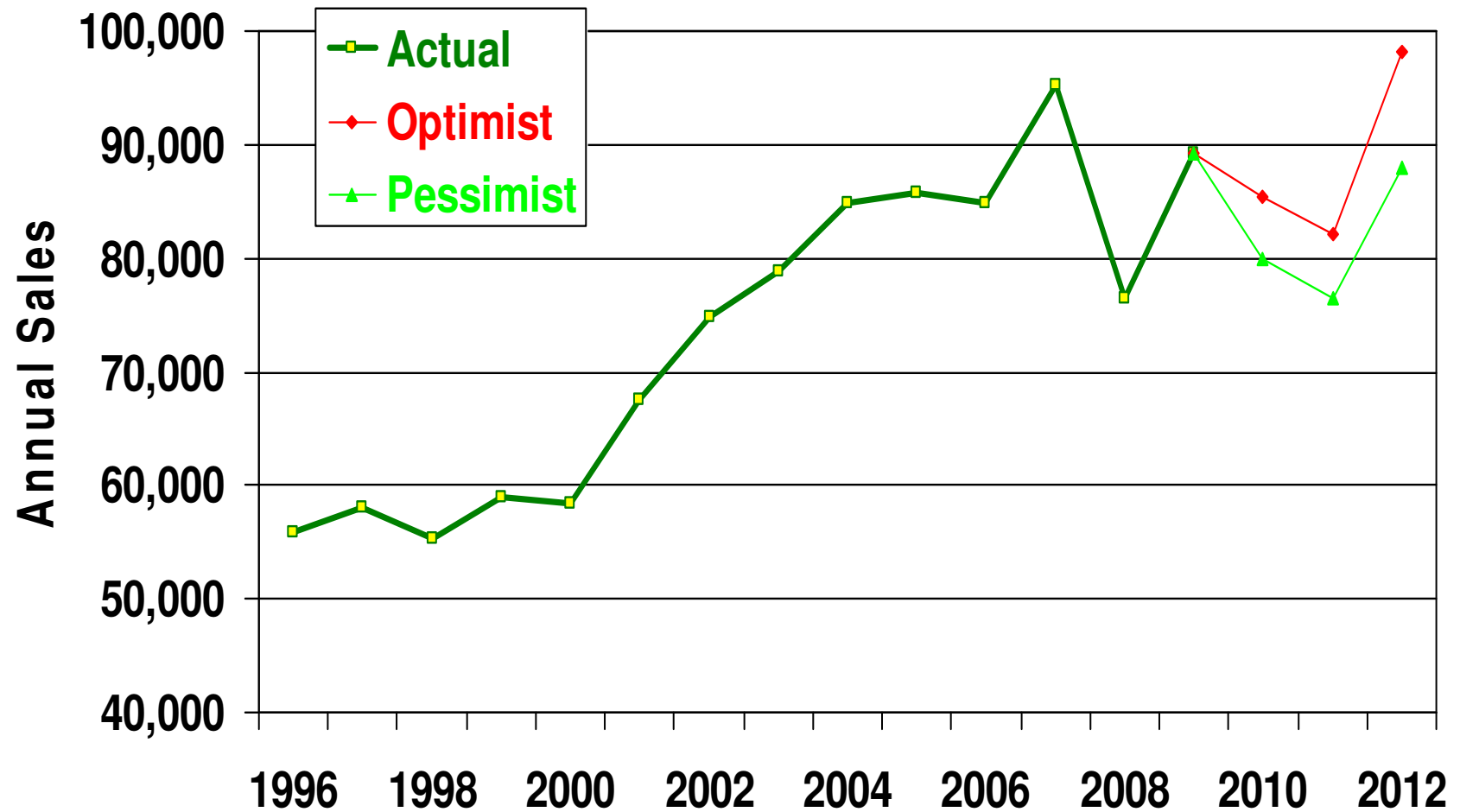
Source: Statistics Canada / Will Dunning Inc.

Resale Market Rebounds



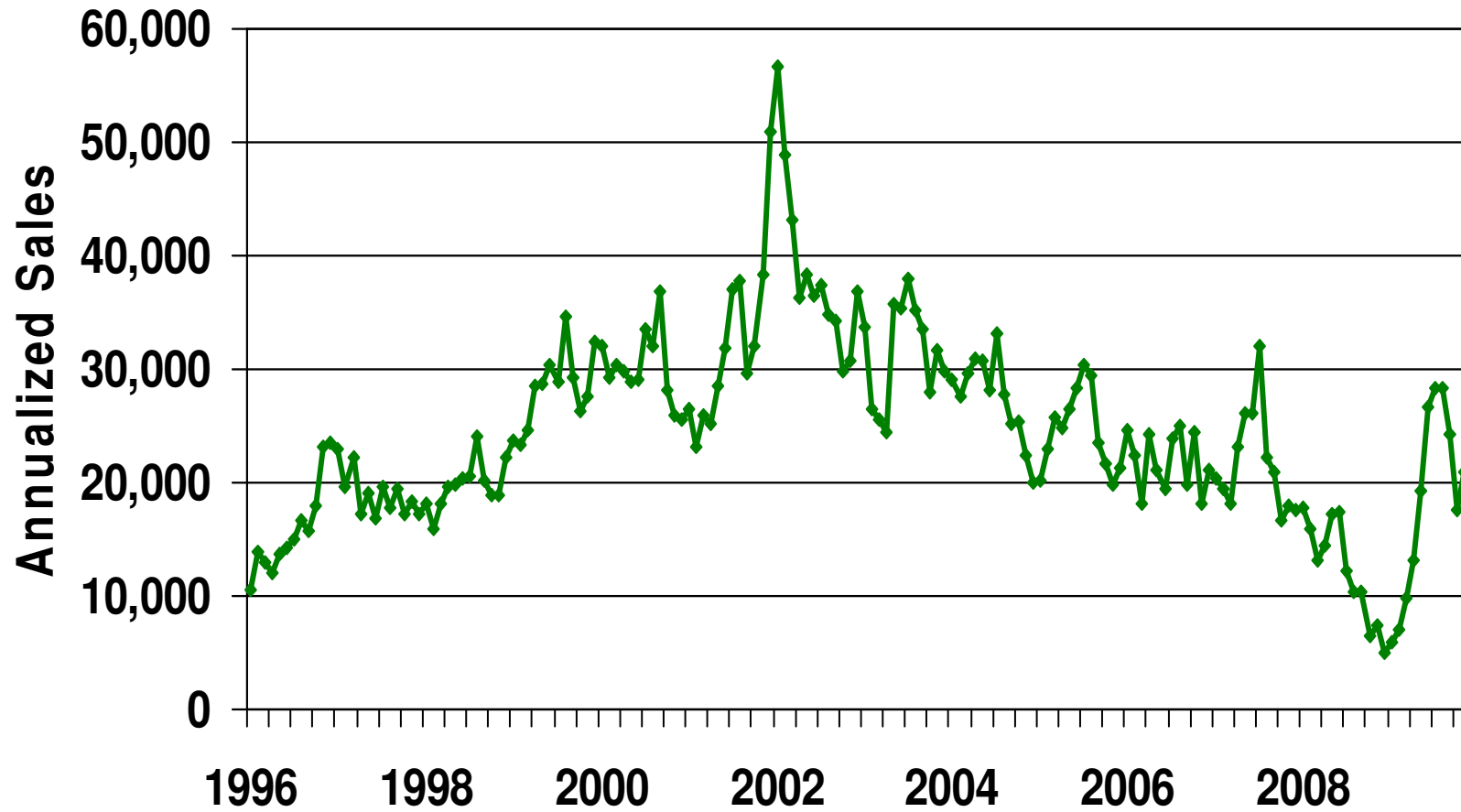
Source: TREB / Will Dunning Inc.

Resale Market Scenarios



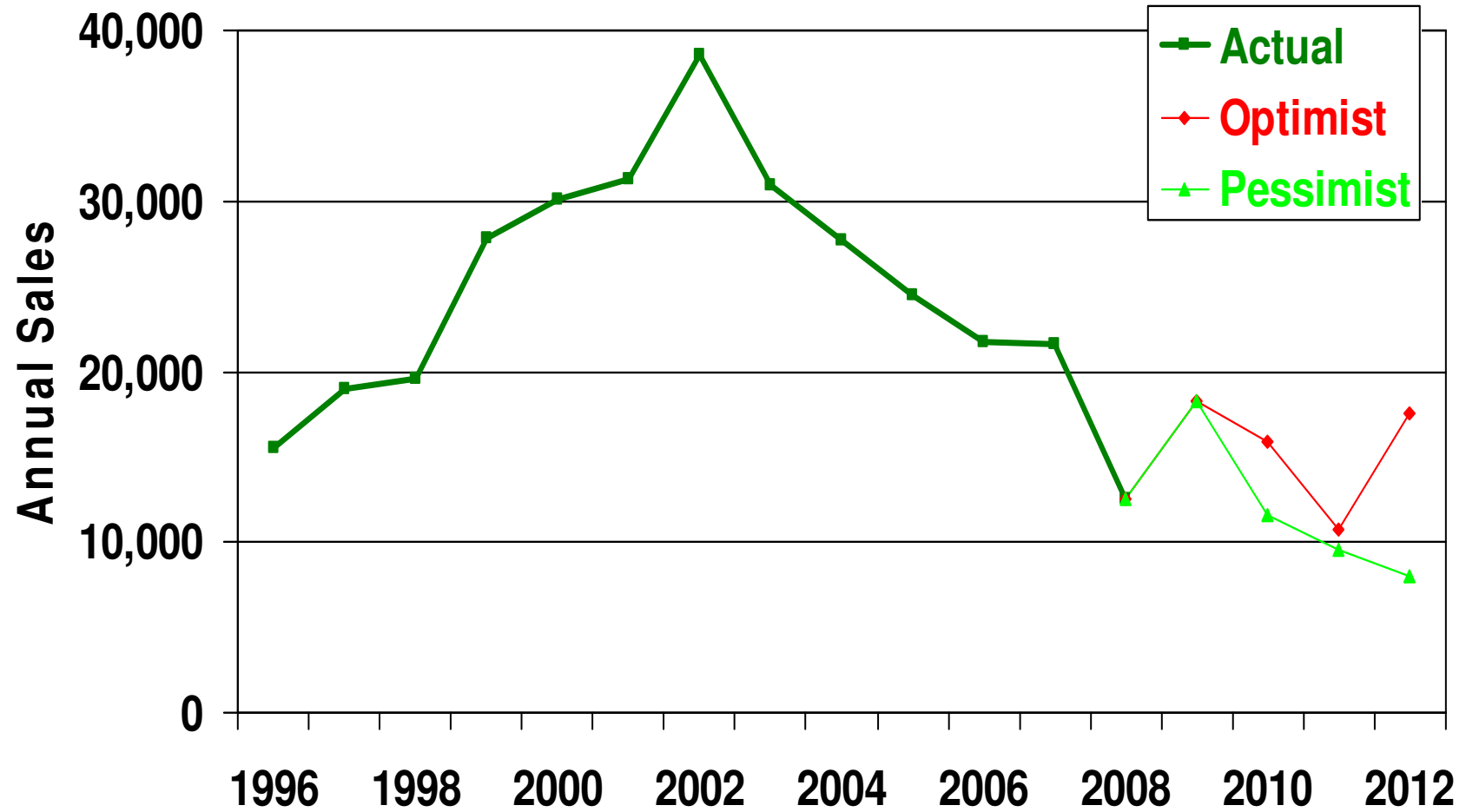
Source: TREB / Will Dunning Inc.

New Low-Rise Sales Even More Volatile



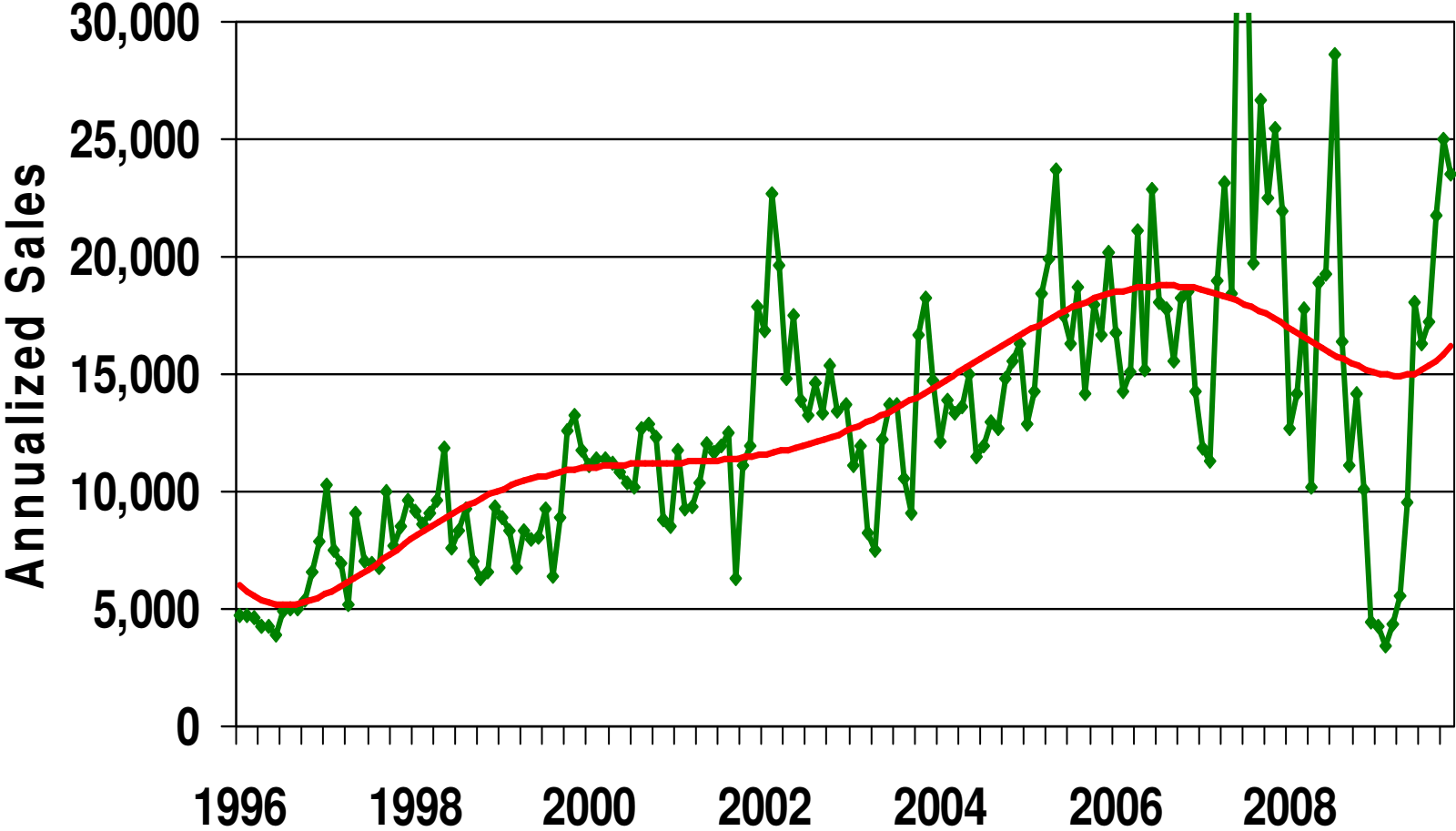
Source: BILD / Will Dunning Inc.

New Low-Rise Sales Scenarios



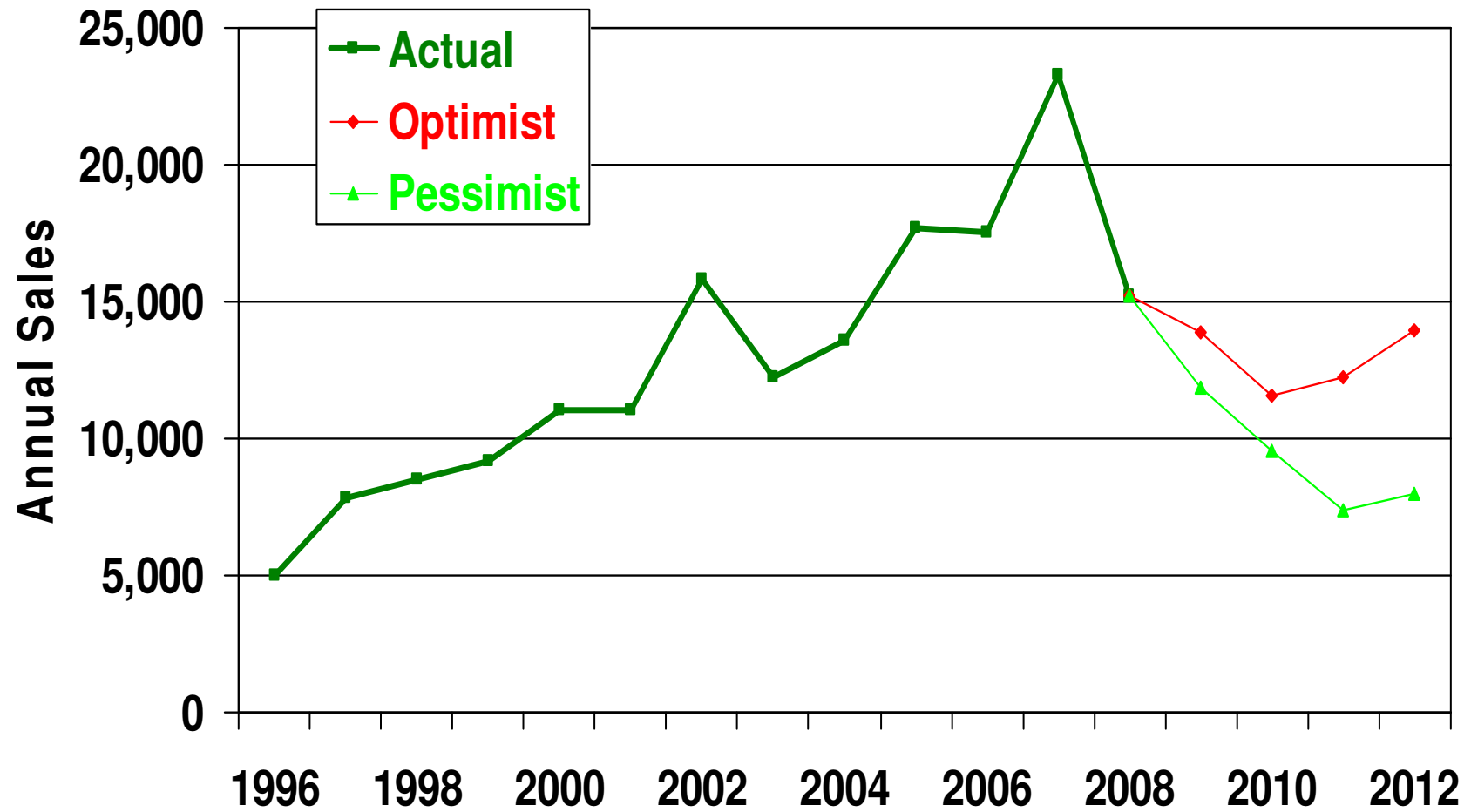
Source: BILD / Will Dunning Inc.

New High-Rise Sales



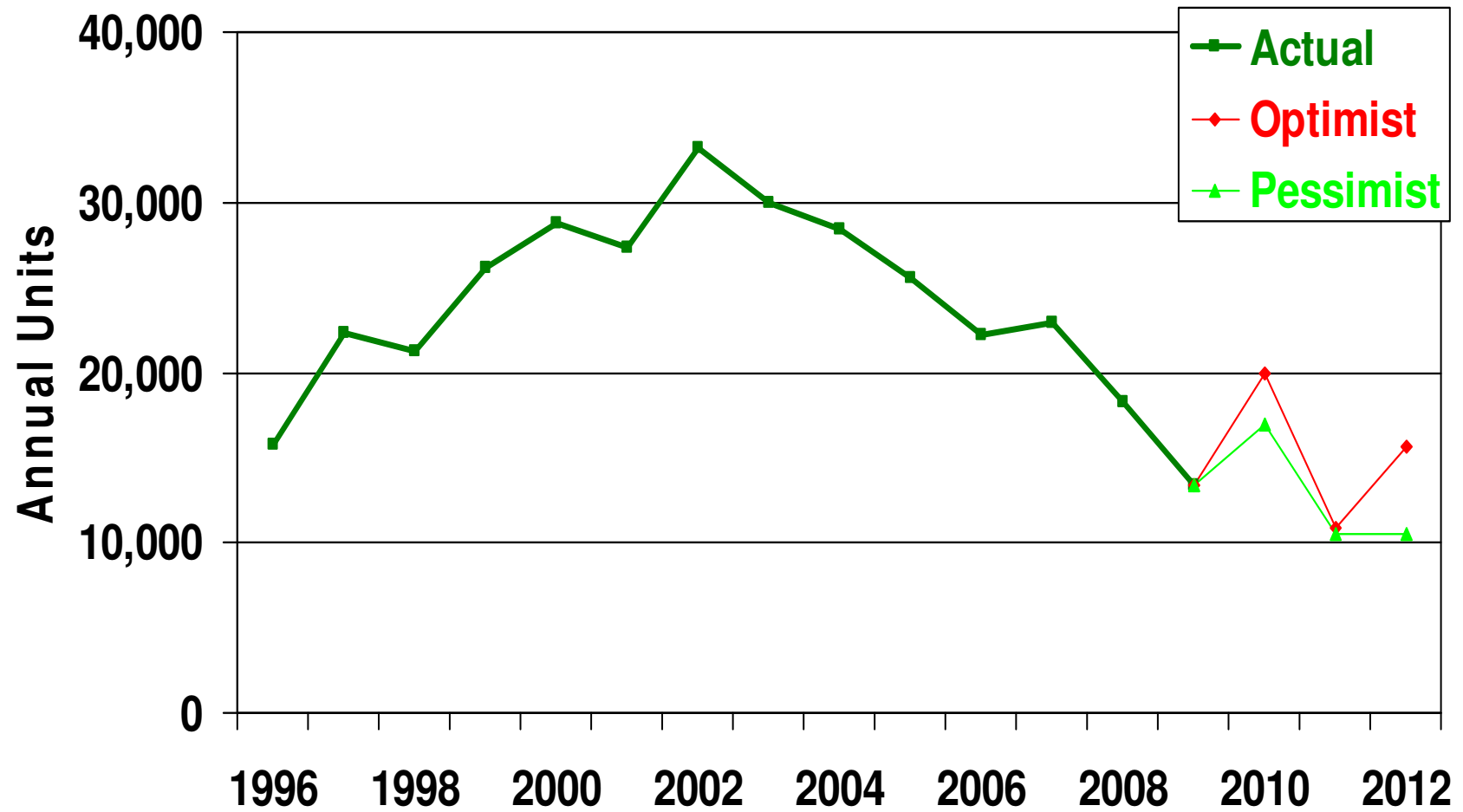
Source: BILD / Will Dunning Inc.

New High-Rise Sales Scenarios



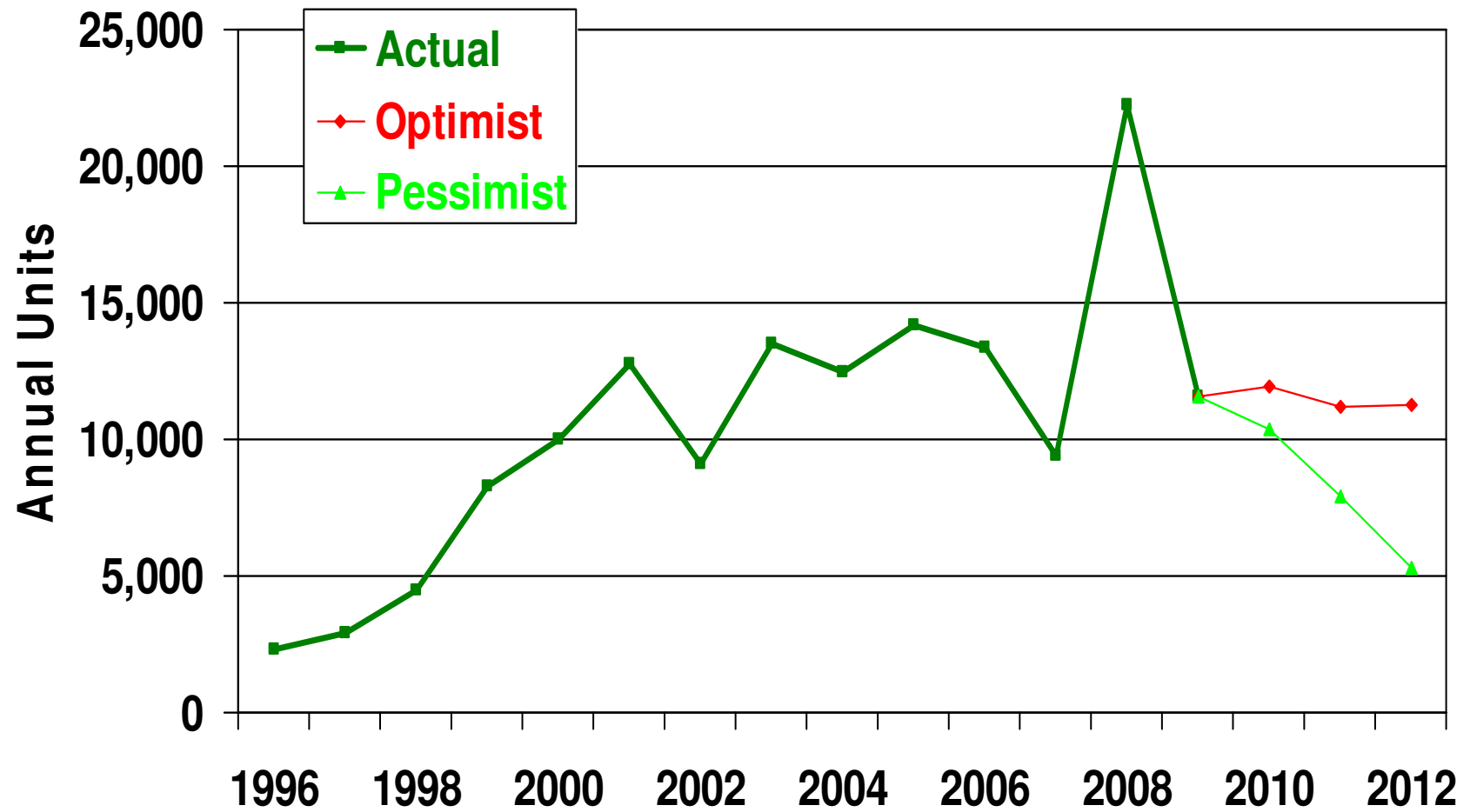
Source: BILD / Will Dunning Inc.

Toronto CMA Housing Starts Scenarios - Low-Rise



Source: CMHC / Will Dunning Inc.

Toronto CMA Housing Starts Scenarios - High-Rise



Source: CMHC / Will Dunning Inc.

Toronto CMA Housing Starts Scenarios (Average Starts Per Year)

Actual 2005-2008	38,545
2009-2012 – “Optimist”	27,900
2009-2012 – “Pessimist”	23,000

Final Thoughts

- Employment is the key factor for housing demand
- Recession has been tightly focused with limited spillovers
- “Investment motive” usually not very important
- Wealth effects are very important – and highly uncertain