Economic Analysis of Ontario

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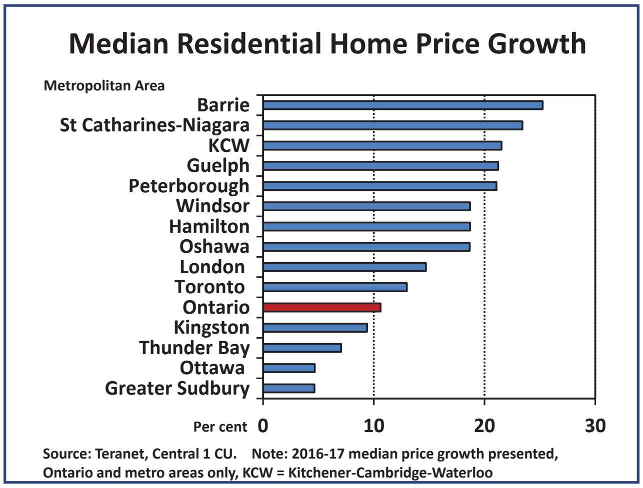
Ontario Housing Forecast 2018-2020

Highlights:

- Modest economic growth, increased interest rates, and restrained consumer spending will underpin modest housing market activity up to 2020
- Ontario's residential home sales are expected to decline by 16.8 per cent and residential median price to grow at 3.2 per cent in 2018
- Ontario's new home construction to decline by 4.7 per cent to 75,400 units in 2018
- Continued population growth will put further strain in the province's rental market
- Combined vacancy rates for apartments and row/townhomes will decline to 1.3 from 1.6 per cent in 2017 in the purpose-built rental market.



Summary

Ontario's housing market momentum halted for most of 2018 as new federal and provincial policies were introduced to protect the financial system, after a sustained period of growth. The housing market will gradually recover as buyers adapt to the new rules, but the front-loaded weakness will weigh on this year's final tally.

Residential demand will evolve at a stable pace and growth will remain range-bound over the forecast horizon of 2018 - 2022. Some markets will post residential home sales that hover around plus or minus five per cent without causing disruption given moderate economic growth. Moderate growth is anchored by restrained household consumption due to higher interest rates, modest employment growth and conservative government spending.

Pent-up demand will remain strong as potential buyers are forced to wait on the 'homeownership sidelines'. The rental market situation will worsen for renters and vacancy rates will trend down further, particularly in large urban cores. Average monthly rent will grow robustly as negotiating power swings to landlords during the forecast period.

Ontario's housing market is expected to land softly rather than suffer a hard correction. Policymakers should implement policies to support housing supply growth during this period of respite in the market. Pent-up demand, insufficient quantity and diversity of housing could restart rampant price appreciation and lead to complications to the well-being of the economy.

Forecast Summary: Ontario
Provincial Forecast

	2015	2016	2017	2018	2019	2020
Residential resale transactions, units	308,258	323,284	310,576	258,396	265,368	272,523
% change	8.6	4.9	-3.9	-16.8	2.7	2.7
Residential resale median transaction price ($)	348,105	380,701	421,096	434,571	447,608	456,560
%change	5.0	9.4	10.6	3.2	3.0	2.0
Housing starts, units (000s)	70.2	75.0	79.1	75.4	69.9	68.4
% change	18.8	6.8	5.5	-4.7	-7.3	-2.1
Purpose-built rental market vacancy rate (%)*	2.5	2.2	1.6	1.3	1.2	1.2

Source: Teranet, CMHC, Statistics Canada, Central 1 Credit Union. Forecast: 2018-2020

* includes both apartments and row/townhomes

Residential homes market to grow modestly

Ontario's residential homes market cooled significantly this year as new federal mortgage lending rules introduced in January added to the drag of the provincial Fair Housing Plan. As the year progressed, Ontario's economic activity tapered off as large debt loads, increased interest rates, inflation, and uncertainty over trade have reduced consumer spending across many big-ticket items, including housing.

First-time buyers are chief among those affected by the new mortgage rules. The rules have sent many first-time buyers off to save more funds to qualify or give up their homeownership dream for the time being.

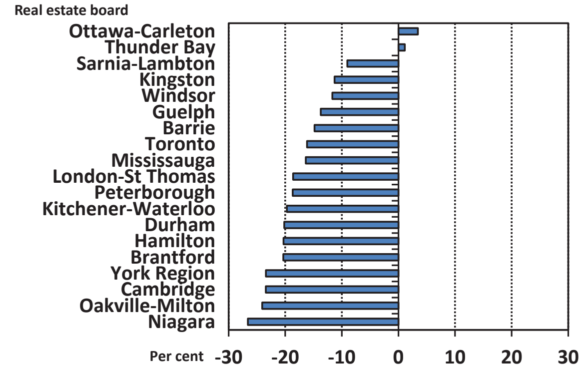
Ontario's housing market posted a 15.2 per cent year-over-year decline in residential sales for the first nine months of the year, according to the Canadian Real Estate Association's (CREA) Multiple Listings Service (MLS®). The average home price lost 4.1 per cent of its value compared to the same period last year. The new policies designed to protect the financial system, consequently depressed Ontario's housing market activity, particularly in Toronto's urban centres and those in the Greater Golden Horseshoe (GGH). From 2016 – 2017, Toronto and its surrounding metro markets' median price appreciation ranged between 18.7 to 25.3 per cent, according to Teranet data shown below. The GGH region's metro markets account for an average of 63 per cent of sales in Ontario since 2011.

Year-to-date, Ontario's residential sales numbers have been pulled down as many markets around Toronto have lost significant sales and price growth. For example, MLS® sales declines ranged from 26.6 per cent in St. Catharines to 13.7 per cent in Guelph. Sales in Toronto and its periphery have moderated by 18.1 per cent, while markets outside of the GGH have moderated to a lesser degree by 7.9 per cent. Increased sales were posted during the same period in Thunder Bay and Ottawa-Carleton, by 1.1 per cent and by 3.4 per cent respectively. Relative affordability and stable employment markets propelled these two regions to higher sales.

MLS® year-to-date growth across Ontario's boards is shown in descending order in the chart in the next column.

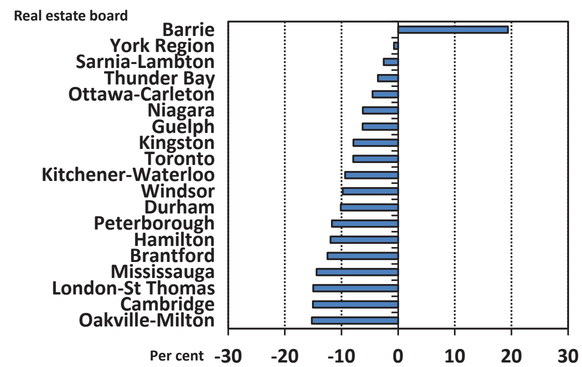
The average MLS® price in the GGH lost 6.6 per cent while markets outside the GGH lost 4.2 per cent over the first nine months of 2018.

Change in YTD MLS® Residential Sales



Source: CREA, Central 1 CU. Note: YTD = Jan. to Sep. 2017 compared to same period in 2018.

Change in YTD MLS® Residential New Listings



Source: CREA, Central 1 CU. Note: YTD = Jan. to Sep. 2017 compared to same period in 2018.

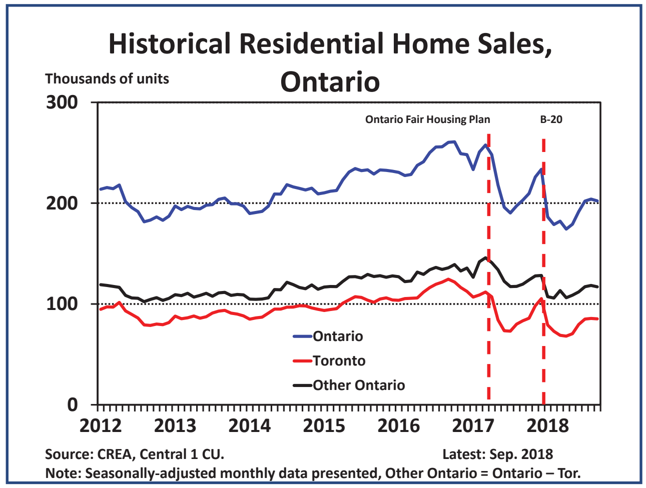
Sluggish sales and price growth has dwindled supply in Ontario in 2018 with new listings down 9.2 per cent. In sub-regions of Ontario supply has also decreased, but for different reasons. In GGH's metro and surrounding markets, new listings have declined by eight per cent. Toronto's active listings have trended significantly lower since December 2017, when they accounted for 20,889 seasonally-adjusted units, according to the Toronto Real Estate Board (TREB). This number dropped by more than 20 per cent to 16,681 units by the end of September 2018. Month-over-month active listings have declined for eight of the first nine months this year, with August being the exception. As the metro GGH market slowed, potential sellers saw no benefit from listing their home or keeping it listed. Potential sellers would rather wait out the market decline than sell their home for a reduced price, the data suggests. Ontario markets, excluding metro GGH, have been less affected by the new policies as the entry to homeownership remained relatively unhindered. Increased sales in these markets reduced new listings faster than they could be replenished, resulting in a decline in new listings.

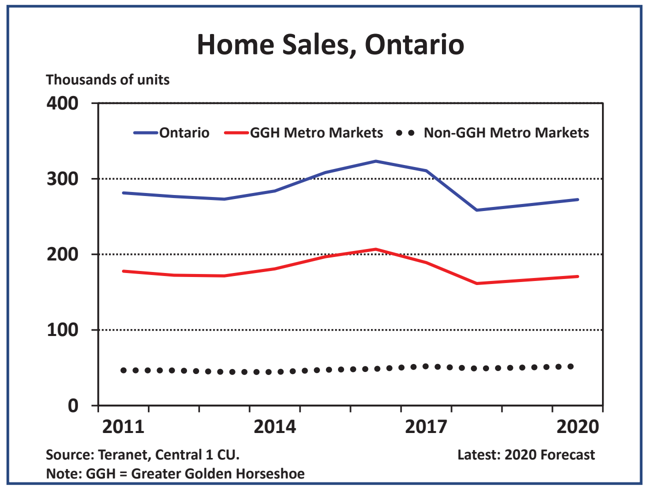
The sales-to-new-listings-ratio (SNLR), which is a relative measure of supply and demand in a market, has declined in both Ontario and GGH metro markets. Both areas are now classified as balanced markets while Ontario markets excluding the metro GGH markets have remained tighter by comparison.

Resales in Ontario and GGH's metro markets will gradually improve as activity in many markets started to rebound in June and July, as the chart below shows. Given the strong front-loaded decline this year annual sales in Ontario will be 16.8 per cent lower while sales in GGH metro markets will be 14.6 per cent lower. Strong moderations will be seen in Toronto of 14.3 per cent, Oshawa 14 per cent, St. Catharines-Niagara 18 per cent, Kitchener-Cambridge-Waterloo -17.4 per cent, Hamilton 15.9 per cent and Barrie 8.4 per cent. Ontario markets, excluding the metro GGH markets, will lose ground this year and home sales will come in 5.6 per cent lower compared to last year. The median price of a residential home will also moderate to 3.2 per cent from 10.6 per cent last year as Toronto and many of its surrounding markets give back price growth. Constant-quality housing price index prices in Toronto have moderated significantly, according to the National Bank-Teranet. Year-to-date Toronto home prices are flat at 0.8 per cent higher than last year.

This compares to a home price growth rate of 24.7 per cent for the same period from 2016 to 2017. Moreover, the Toronto Real Estate Board's housing price index is down by 0.4 per cent over the first 10 months but has been trending up since May after several month-over-month price growth declines in early 2018. Most GGH metro market prices will grow around the same range as Ontario's as fewer sales occur. Sales that do occur will be for cheaper housing options or a higher share of high-density housing. For example, Toronto metropolitan area's median price growth will come in at 2.7 per cent in 2018 significantly lower than the 13 per cent growth posted last year.

The resale market will remain modest as the economy slows down from its current near-capacity, mainly driven by lower consumer demand. Ontario sales will be 2.7 per cent higher in 2019 and 2020. Sales in GGH metro markets will be modest at 2.8 per cent in 2019 and 2020. Toronto sales will come in at three and 2.8 over the next two years. Sales in Toronto's surrounding areas will come in at a range of one per cent in St. Catharines-Niagara to 4.5 per cent in Kitchener-Cambridge-Waterloo in 2019, and 1.5 per cent to 4.8 per cent in 2020 respectively. In non-GGH metro markets, sales will come in at 2.8 and 3.1 per cent higher in 2019 and 2020. Sales in these sub-markets will range from one per cent in Greater Sudbury to 3.5 per cent in Kingston in 2019, and two per cent to four per cent in 2020 respectively.





Median prices will evolve at about the rate of inflation over the next two years in Ontario and GGH metro markets. Buyers willing and able to purchase homes will continue to seek higher-density options and shy away from single-detached homes, which puts downward pressure on median price growth. Prices in markets outside the GGH core will evolve slightly above the rate of inflation as people continue to purchase low-rise housing such as single-detached homes. High-density construction, including condo apartments, do not have a significant presence in these markets. For example, median prices in the Windsor metropolitan area will grow by five per cent and 4.5 per cent in 2019 and 2020 whereas median prices in the Toronto metropolitan area will grow by three and four per cent in 2019 and 2020.

Higher-density housing will carve out a larger share of total new housing construction

Housing starts are a lagging indicator that responds to changes in the economy and the resale home market. Even though 2017's housing starts increased to 79,100 starts, or by 5.5 per cent compared to 2016, starts started decreasing significantly in the last quarter of 2017 This is due to policies in the *Ontario Fair Housing Plan* such as the non-resident tax and rent controls on units, putting downward pressure on new housing demand. Moreover, potential buyers became aware of the new mortgage rules to be introduced at the start of 2018, resulting in some buyers purchasing their new home sooner.

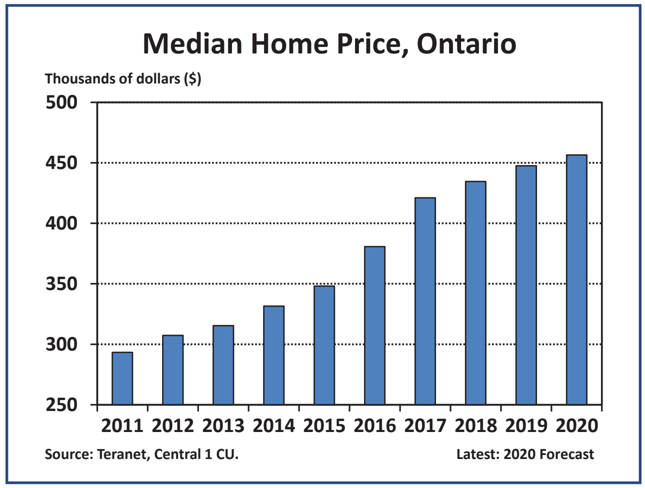
Seasonally-adjusted housing starts declined significantly for five of the first nine months of 2018. Year-to-date total starts are 3.9 per cent off last year's pace mainly due to strong moderations in the building of new low-rise housing. Condo apartments have remained strong at 25.2 per cent better than last year's pace to date. There has been a stronger than usual switch to higher-density housing from more expensive low-rise housing. The share of condo apartment housing starts stood at nearly 52 per cent of new starts compared to 45 per cent and 40 per cent during the same periods in 2016 and 2017 respectively. Developers are adapting to meet current demand and removing low-rise projects while adding high-rise projects.

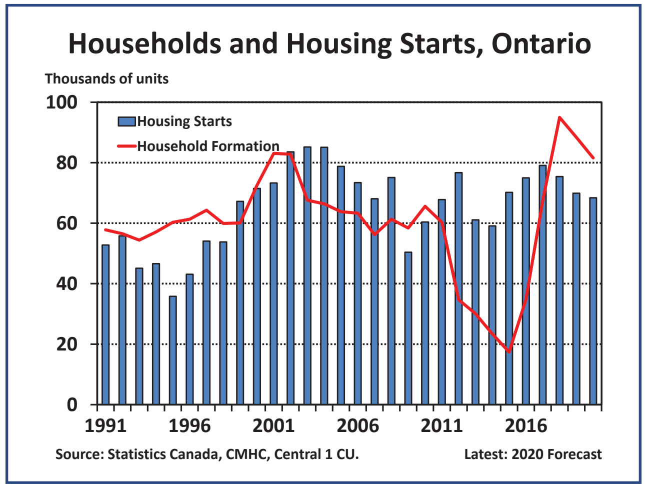
Provincial housing starts are forecast at 75,400. Even with robust moderations in this forecast, housing starts in Ontario will remain above the long-term annual average of 64,750 starts.

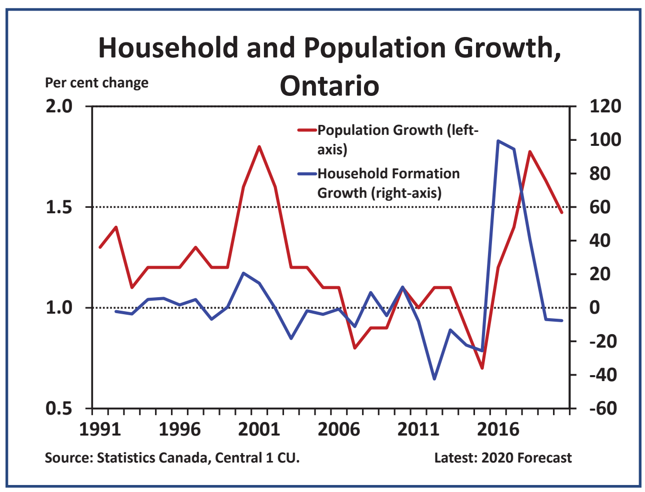
It is not surprising that apartment starts have been resilient. This trend should continue over the forecast period as affordability constraints in metropolitan centres like Toronto and surrounding areas and lack of available greenfields, forces demand and supply to shift to higher-density housing. The share of new apartment construction has increased from about 40 per cent in 2017 to more than 50 per cent year-to-date.

As the market moves away from low-rise housing options into apartments the average price of a new single-detached home should moderate accordingly. The average contract price for a new single-detached home has declined month-over-month six of the first nine months in 2018. The median price has also moderated for most of the year. This shows that the median price moderates even when buyers are willing and able to purchase a single-detached home. Buyers are choosing to purchase cheaper options that are smaller by squared-footage, farther away from the city core, and have fewer amenities.

The number of potential new households in Ontario will be significantly more than the expected new construction over the forecast period, even with the moderation of potential household formation. Many potential households will live with family while saving







for a larger down payment or may forego a home purchase over the next few years.

Higher interest rates will make borrowing through a line of credit or a home equity line of credit more expensive. Therefore, borrowing to renovate a home will diminish significantly as fewer households decide to incur the added debt. In 2018, residential investment spending will increase by 2.1 per cent, which follows 8.5 per cent growth in 2017. Renovation spending will come in around 1.2 per cent in 2019 and 2020.

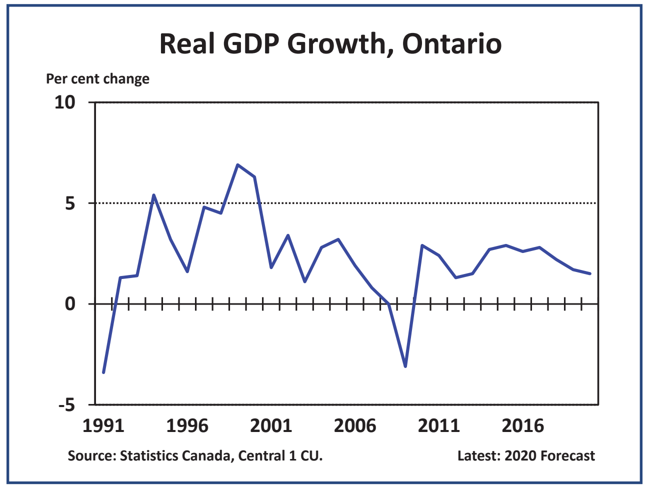
Low vacancy rates to continue in purpose-built rental market

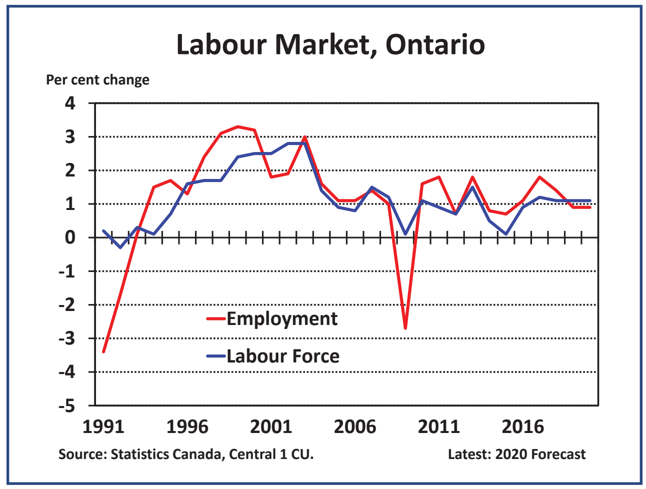
Ontrio's rental market will continue to tighten as potential buyers keep renting due to a moderating economy and tougher entry to homeownership given new rules. The strong ongoing influx of new international residents will add pressure to a rental market ready to burst at the seams.

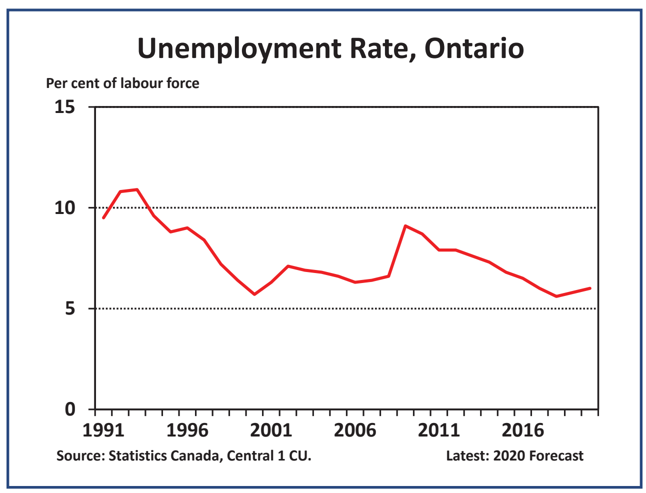
The purpose-built rental market will face the most pressure. The cost of monthly rent will be prohibitive for many new Ontarians, even with the introduction of rent controls for newer buildings and private rentals. New residents will initially look at the purpose-built rental market as the monthly rent is more affordable, though the units are older and have fewer amenities. The provincial vacancy rate and availability rate stood at 1.6 per cent and 2.9 per cent respectively, according to the last rental market survey conducted by the Canada Mortgage and Housing Corporation. The figures are at all-time lows or close to it and are expected to decline further over the forecast.

In 2018 it's expected that 95,000 potential new households will be formed. Construction of rental units is up 11.4 per cent to 5,900 units over the first three quarters compared to the same time last year. Construction of new condo units is up by 22.8 per cent to 24,992. Even if all units are earmarked as rentals and ready by 2019, they would not accommodate the increase in potential new households expected this year, and to a lesser degree in 2019 and 2020.

Ontario's recently tabled Fall Economic Statement provisioned the removal of rent controls from new rental units occupied after November 15, 2018. The new policy could increase rental capacity, but it may take years to open its doors to renters—keeping Ontario's purpose-built rental market tight for years to come. The new policy will be unable to skew the forecast due to the minor supply of new units from today compared to the current stock in the market.







The unemployment rate will edge up as economic growth slows

Real Gross Domestic Product (GDP) is forecast to grow at 2.2 per cent in 2018, down from 2.8 per cent in 2017. While the broad housing market is a drag, and consumer demand will be hampered by higher interest rates, the US-Mexico-Canada Agreement supports trade and lessens business uncertainty. Real GDP will grow at 1.7 and 1.5 per cent in 2019 and 2020 respectively. Public spending will also be a drag as the new provincial government moves to curtail expenditures. Household consumption, residential spending, government spending, hiring, and exports will evolve at a modest pace over the forecast horizon keeping real GDP range-bound.

Employment is forecast to grow at 1.4 per cent and offset the increase in the labour force of 1.1 per cent in 2018. This puts downward pressure on the unemployment rate as it settles from six to 5.6 per cent. Employment is predicted to hover around 0.9 per cent while the labour force will hover around 1.1 per cent. More people looking for work will depress incomes and push the unemployment rate up from 5.6 per cent in 2018 to six per cent in 2020.

There are upside and downside risks with any forecast. Potential upside risks include a substantial pick-up in trade activity due to the Canada and European Union Trade Agreement (CETA). This newly expanded market could insulate the Canadian economy from fluctuating demand from its current main partners. Downside risks include increased trade tensions between the U.S. and China and worsening economic conditions in emerging markets such as Argentina and/or Turkey that could have spill-over effects for the global economy.

Household formation will peak in 2018 before gradually declining

Population growth has averaged about 1.2 per cent per year from 1991 to 2017. Over the next three years population growth will significantly outstrip this long-term average. Population will increase by 1.8 per cent in 2018, 1.6 per cent in 2019 and 1.5 per cent in 2020. Net migration, particularly international migration, will push population growth up significantly in 2018 before declining gradually, but remaining above the long-term trend. Many international migrants will be permanent residency card holders, non-permanent residents, temporary workers or foreign students.

Strong population growth will lift potential household formation to a record high of 95,000 new households. The previous high was an estimated 83,100 new households in 1991.

Central Bank to continue raising rates in 2019

Prospects remain favourable for further rate increases with the Canadian economy operating near full capacity, unemployment at a 40-year low and inflation on target. The next Bank of Canada (Bank) rate increase is predicted to occur at their March 2019 meeting, followed by another quarter-point increase in July. Prospects of below-potential growth in 2020 will prompt the Bank to abstain from raising rates until circumstances warrant change.

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Residential Sales (Units)-Regional Summary						
	2015	2016	2017	2018	2019	2020
Ottawa	27,188	27,075	28,254	28,395	29,247	30,125
% change	6.1	-0.4	4.4	0.5	3.0	3.0
Kingston-Pembroke	9,771	10,738	11,600	9,976	10,225	10,532
% change	5.3	9.9	8.0	-14.0	2.5	3.0
Muskoka-Kawarthas	11,461	12,455	11,533	8,996	9,266	9,590
% change	16.9	8.7	-7.4	-22.0	3.0	3.5
Toronto	143,962	149,883	132,508	106,006	109,187	111,916
% change	8.4	4.1	-11.6	-20.0	3.0	2.5
Kitchener-Waterloo-Barrie	32,205	35,504	36,717	29,374	30,549	31,923
% change	12.4	10.2	3.4	-20.0	4.0	4.5
Hamilton-Niagara	33,581	35,166	33,962	27,509	27,977	28,536
% change	9.1	4.7	-3.4	-19.0	1.7	2.0
London	14,361	15,963	17,911	15,224	15,377	15,684
% change	5.8	11.2	12.2	-15.0	1.0	2.0
Windsor-Sarnia	13,427	14,312	15,083	12,368	12,615	12,868
% change	5.8	6.6	5.4	-18.0	2.0	2.0
Stratford-Bruce	6,660	7,432	8,191	6,880	7,087	7,299
% change	8.2	11.6	10.2	-16.0	3.0	3.0
Northeast	11,219	10,705	10,983	10,159	10,261	10,363
% change	5.2	-4.6	2.6	-7.5	1.0	1.0
Northwest	4,423	4,051	3,834	3,508	3,578	3,686
% change	1	-8.4	-5.4	-8.5	2.0	3.0
Ontario	308,258	323,284	310,576	258,396	265,368	272,523
% change	8.6	4.9	-3.9	-16.8	2.7	2.7

Source: Teranet, Central 1 CU, Latest; 2018-20 forecast

Residential Sales (Units)-Selected Census Metropolitan Areas						
	2015	2016	2017	2018	2019	2020
Barrie	5,674	6,324	5,753	5,270	5,470	5,689
% change	9.6	11.5	-9.0	-8.4	3.8	4.0
Guelph	3,913	3,831	3,997	3,517	3,640	3,772
% change	15.4	-2.1	4.3	-12.0	3.5	3.6
Hamilton	17,367	17,134	16,265	13,679	13,911	14,190
% change	6.6	-1.3	-5.1	-15.9	1.7	2.0
Kingston	3,315	3,377	3,830	3,485	3,607	3,752
% change	5.1	1.9	13.4	-9.0	3.5	4.0
Kitchener-Cambridge-Waterloo	10,522	11,958	13,077	10,802	11,288	11,829
% change	9.5	13.6	9.4	-17.4	4.5	4.8
London	10,801	11,820	13,542	11,849	12,205	12,571
% change	4.9	9.4	14.6	-12.5	3.0	3.0
Oshawa	9,640	10,109	9,902	8,516	8,669	8,799
% change	12.0	4.9	-2.0	-14.0	1.8	1.5
Ottawa	20,570	20,289	21,289	21,502	22,147	22,922
% change	7.0	-1.4	4.9	1.0	3.0	3.5
Peterborough	2,691	3,040	2,754	2,424	2,496	2,571
% change	14.3	13.0	-9.4	-12.0	3.0	3.0
St Catharines-Niagara	10,208	11,604	11,278	9,248	9,340	9,481
% change	15.0	13.7	-2.8	-18.0	1.0	1.5
Greater Sudbury	2,694	2,634	2,582	2,623	2,650	2,703
% change	2.6	-2.2	-2.0	1.6	1.0	2.0
Thunder Bay	2,299	2,163	2,130	2,119	2,183	2,253
% change	-3.3	-5.9	-1.5	-0.5	3.0	3.2
Toronto	136,873	142,788	126,113	108,079	111,321	114,438
% change	8.1	4.3	-11.7	-14.3	3.0	2.8
Windsor	7,619	8,260	8,565	7,460	7,609	7,762
% change	14.0	8.4	3.7	-12.9	2.0	2.0

Source: Teranet, Central 1 CU, Latest; 2018-20 forecast

Residential Median Sale Price ($) - Regional Summary

	2015	2016	2017	2018	2019	2020
Ottawa	313,329	315,062	331,086	343,667	356,727	369,212
% change	2.6	0.6	5.1	3.8	3.8	3.5
Kingston-Pembroke	224,157	234,714	257,618	288,017	299,538	308,524
% change	2.5	4.7	9.8	11.8	4.0	3.0
Muskoka-Kawarthas	252,542	279,563	333,847	368,901	387,346	406,713
% change	2.6	10.7	19.4	10.5	5.0	5.0
Toronto	476,891	544,922	626,003	639,775	658,968	685,327
% change	7.5	14.3	14.9	2.2	3.0	4.0
Kitchener-Waterloo-Barrie	318,087	359,178	428,672	445,819	472,568	498,559
% change	4.9	12.9	19.3	4.0	6.0	5.5
Hamilton-Niagara	297,717	327,030	388,539	411,851	424,207	436,933
% change	7.0	9.8	18.8	6.0	3.0	3.0
London	228,655	249,900	281,614	326,672	343,006	356,726
% change	4.3	9.3	12.7	16.0	5.0	4.0
Windsor-Sarnia	168,971	179,756	206,801	227,481	238,855	250,798
% change	3.1	6.4	15.0	10.0	5.0	5.0
Stratford-Bruce	229,939	244,230	269,114	293,334	313,868	335,211
% change	5.1	6.2	10.2	9.0	7.0	6.8
Northeast	181,684	186,378	198,372	195,793	199,709	204,302
% change	0.6	2.6	6.4	-1.3	2.0	2.3
Northwest	182,093	183,588	200,000	204,000	210,120	217,474
% change	2.4	0.8	8.9	2.0	3.0	3.5
Ontario	348,105	380,701	421,096	434,571	447,608	456,560
% change	5.0	9.4	10.6	3.2	3.0	2.0

Source: Teranet, Central 1 CU, Latest; 2018-20 forecast

Residential Median Sale Price ($) - Selected Census Metropolitan Areas						
	2015	2016	2017	2018	2019	2020
Barrie	326,428	379,626	475,489	449,813	458,809	467,985
% change	7.4	16.3	25.3	-5.4	2.0	2.0
Guelph	338,441	370,750	449,431	462,914	472,172	481,616
% change	4.1	9.5	21.2	3.0	2.0	2.0
Hamilton	350,759	393,569	467,118	457,776	471,509	485,654
% change	8.1	12.2	18.7	-2.0	3.0	3.0
Kingston	263,445	277,233	303,264	327,525	340,626	354,251
% change	1.5	5.2	9.4	8.0	4.0	4.0
Kitchener-Cambridge-Waterloo	308,823	329,803	400,820	430,882	452,426	465,998
% change	4.9	6.8	21.5	7.5	5.0	3.0
London	235,515	249,809	286,543	329,524	346,001	359,841
% change	4.4	6.1	14.7	15.0	5.0	4.0
Oshawa	375,983	437,899	519,613	501,946	511,985	522,225
% change	13.6	16.5	18.7	-3.4	2.0	2.0
Ottawa	334,500	342,345	358,323	376,239	395,051	412,828
% change	1.5	2.3	4.7	5.0	5.0	4.5
Peterborough	258,529	285,913	346,160	380,776	403,623	423,804
% change	4.9	10.6	21.1	10.0	6.0	5.0
St Catharines-Niagara	229,716	257,339	317,603	355,715	373,501	390,309
% change	6.1	12.0	23.4	12.0	5.0	4.5
Greater Sudbury	231,878	234,895	245,780	242,093	246,935	253,109
% change	0.6	1.3	4.6	-1.5	2.0	2.5
Thunder Bay	194,288	207,660	222,283	228,951	235,362	241,246
% change	1.3	6.9	7.0	3.0	2.8	2.5
Toronto	487,007	558,106	630,555	647,580	667,007	693,688
% change	7.5	14.6	13.0	2.7	3.0	4.0
Windsor	171,548	182,911	217,094	245,316	257,582	269,173
% change	4.4	6.6	18.7	13.0	5.0	4.5

Source: Teranet, Central 1 CU, Latest; 2018-20 forecast

Housing and Residential Investment: Ontario						
	2015	2016	2017	2018	2019	2020
Housing Starts (000s)	70.2	75	79.1	75.4	69.9	68.4
% Change	18.6	6.8	5.5	-4.7	-7.3	-2.1
Household Formation (000s)	17.4	34.7	67.5	95	88.4	81.6
Single Detached	-0.8	6.9	28.6	43.9	40.5	37.4
Semi Detached	-0.6	0.5	3.2	5	4.6	4.3
Row	5.1	7	7.8	10.7	10.1	9.4
Detached Apartment Duplex	2.1	2.8	2	2.8	2.5	2.2
Apartment: Highrise (5 or more storeys)	11	14.5	18.6	23	21.9	20.5
Apartment: Lowrise (<5 storeys)	0.5	2.9	6.8	9.1	8.3	7.3
Single Attached	0.2	0.3	0.1	0.2	0.2	0.2
Moveable Dwellings	-0.1	-0.1	0.3	0.3	0.3	0.3
Real Residential Investment (Millions)	45,394	48,776	52,240	51,547	50,804	50,565
% Change	7.7	7.5	7.1	-1.3	-1.4	-0.5
Singles	9,652	11,772	12,183	10,682	10,099	10,034
% Change	10.6	22	3.5	-12.3	-5.5	-0.6
Rows & Doubles	2,835	3,330	4,210	4,223	4,114	4,149
% Change	-2.8	17.5	26.4	0.3	-2.6	0.8
Apartments & Other	5,519	6,294	6,160	6,368	6,095	5,633
% Change	13.7	14.1	-2.1	3.4	-4.3	-7.6
Renovations	20,619	20,878	22,656	23,139	23,418	23,695
% Change	0.9	1.3	8.5	2.1	1.2	1.2
Total Acquisition Costs	6,445	6,036	6,538	6,634	6,573	6,546
% Change	28.9	-6.4	8.3	1.5	-0.9	-0.4
Other Residential Construction	323	466	493	501	505	509
% Change	42.2	44	5.9	1.6	0.7	0.8
Residential Stock	692,773		721,314	734,795	746,980	758,401
% Change	2.6	2	2.1	1.9	1.7	1.5
Housing Maintenance & Repair Expenditures	5,212	5,346	5,617	5,736	5,843	5,940
% Change	0.7	2.6	5.1	2.1	1.9	1.7
Source: Teranet, Central 1 CU, Latest; 2018-20 forecast						

Forecast Summary: Ontario
Provincial Forecast

	2015	2016	2017	2018	2019	2020
Real GDP, % chg.	2.9	2.6	2.7	2.2	1.7	1.5
Nominal GDP, % chg.	5.0	4.3	4.5	4.2	3.8	3.4
Employment, % chg.	0.7	1.1	1.8	1.4	0.9	0.9
Unemployment Rate (%)	6.8	6.5	6.0	5.6	5.8	6.0
Population, % chg.	0.7	1.2	1.4	1.8	1.6	1.5
Retail sales, % chg.	5.3	6.9	7.7	4.2	3.3	3.2
Personal income, % chg.	5.3	3.6	3.9	4.0	2.8	2.9
Net operating surplus: Corporations, % chg.	7.1	7.3	7.2	3.5	8.7	4.7
Consumer price index, % chg.	1.2	1.8	1.7	2.4	1.9	2.0

Source: Statistics Canada, Central 1 Credit Union. Forecast: 2018-2020