EM0216: The Kitchener-Waterloo Record, April 6, 2002, page B3

Detached homes dominate Cambridge housing market

CAMBRIDGE

BY ROSE SIMONE
RECORD STAFF

Single detached homes are still dominating the housing market in Cambridge, according to the city's annual housing report released this week.

The report, with numbers compiled by the Canada Mortgage and Housing Corporation, shows the upward movement in house prices to an average of $167,000 for a single detached home last year, compared to $161,000 the previous year.

But even with that trend, 81.6 per cent of the housing built last year built in Cambridge were detached homes. People seemed to prefer the detached home over the row houses or the semi-detached units.

Meanwhile, less the one per cent of all units built last year were apartments.

Starting in the mid- to late-1990s, more first-time buyers purchased homes because of the lower mortgage interest rates and, over the past two years, many of those buyers were moving up into more expensive homes, the report shows.

Fewer homes were sold in the $130,000 to $149,000 range, but the number of homes sold in the $220,000 to $249,000 range more than doubled.

Robert Hemple, a Cambridge planner who prepared the annual housing report, said once people have a down payment and can afford to get into the housing market, they prefer to buy a detached house.

"They would rather have their own piece of real estate."

The main housing boom last year centred on three areas: Hespler East, the Shade's Mill neighbourhood and south of Myers Road.

But for all the people who still can't afford to buy because they don't have the down payment, the situation isn't so great.

For them, there was a bit of good news in that the number of vacant apartments went up slightly last year: Cambridge has had an extremely tight market for renters for the past three to four years.

The vacancy rate for apartments rose to 1.9 per cent of all units in 2001, which is a small improvement from the 1.1 per cent vacancy rate of the past two years.

But that's still lower than the three per cent vacancy rate considered an "ideal" for the market.

The problem for people with low incomes was that the vacant units were generally the ones with the higher rents, so more vacancies didn't make apartments more affordable.

The demand for two-bedroom apartments was the highest and the rents for those units increased an average of 3.9 per cent to $666.

A major issue for Cambridge is that fewer apartment buildings are being built compared to other cities such as Kitchener, Hemple said.

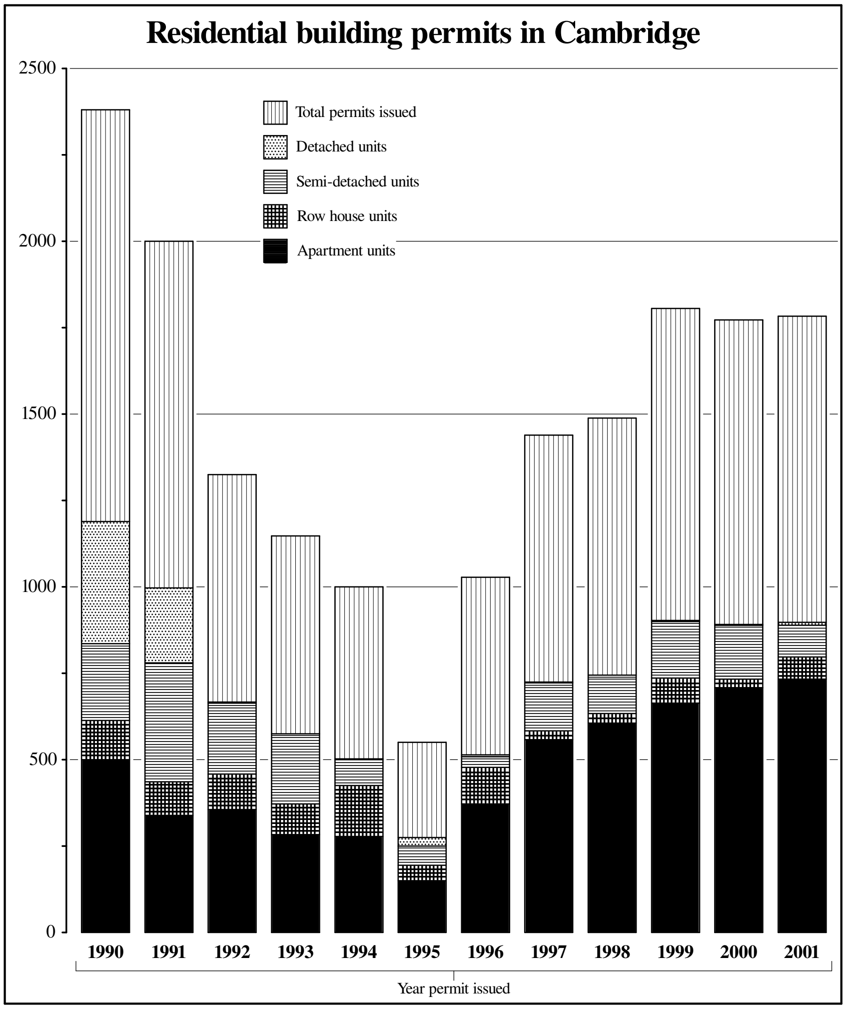
An interesting trend is that new homes have been going up on smaller lots.

In 1966, all of the single-family units built had frontages greater than 12 metres (39.4 feet), but in 1996, only 52 per cent of them had frontages of that size of more. That trend to smaller lots continued into 2001.

Even the "estate lots" being marketed now are much smaller than what people previously thought of as estates, Hemple said.

Nevertheless, that market strategy seems to be working and those lots are popular.

Cambridge councillors will be dealing with the housing report at a planning committee meeting on Monday.



The bar-graph from the article EM0216 reprinted above is used in Figure 3.7 of the STAT 220 Course Materials, where it is discussed on pages 3.24, 3.25 and 3.26 from the perspective of graphical excellence; it is also used in Figure 1.6 of the STAT 332 Course Materials and in Statistical Highlight #26.
This article was kindly brought to the writer's attention by his colleage Chris Redmond, editor of the UW *Gazette*.