

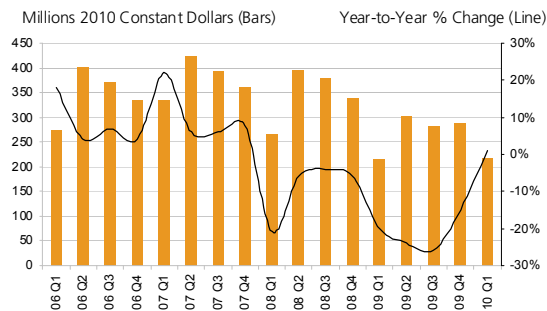
# CMHI MANUFACTURED BUILDING SURVEY QUARTERLY REPORT

First Quarter 2010

## Manufactured Building Conditions

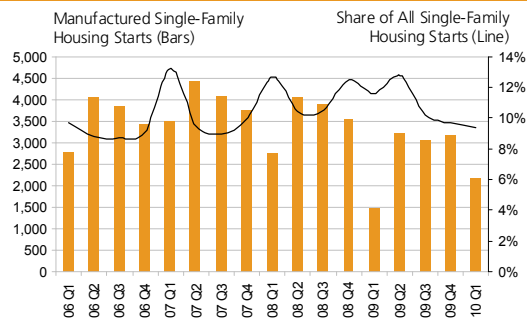
The Canadian Manufactured Housing Institute (CMHI) conducts a monthly survey of producers of factory-built homes called the CMHI Manufactured Building Survey. Altus Group Economic Consulting analyses the data produced from the CMHI Survey and provides information as to the evolving position of manufactured buildings within the Canadian construction sector.

### Manufactured Building Production Canada, 2006-2010



Estimates by Altus Group Economic Consulting based on data from Statistics Canada

### Manufactured Building Residential Starts\* Canada, 2006-2010



\* "Starts" is Canadian residential manufactured building production, less exports, plus imports  
Estimates by Altus Group Economic Consulting based on data from CMHC and Statistics Canada

### Highlights from Q1 2010:

- ❖ The value of manufactured building production in Canada (residential and non-residential combined) remained unchanged in the first quarter, totalling \$216 million, a 1% rise over the same period in 2009;
- ❖ Some 2,169 factory-built single-family homes were started in the first quarter. This represents a significant improvement over the same period last year; and
- ❖ Factory-built units as a share of total single-family homes started in the first quarter of 2010 was some 9%, virtually unchanged from the fourth quarter of 2009, but down from 10.9% for 2009 as a whole.

June 2010

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The CMHI Manufactured Building Survey Quarterly Report is produced with financial assistance from Canada Mortgage and Housing Corporation. To subscribe, please contact:

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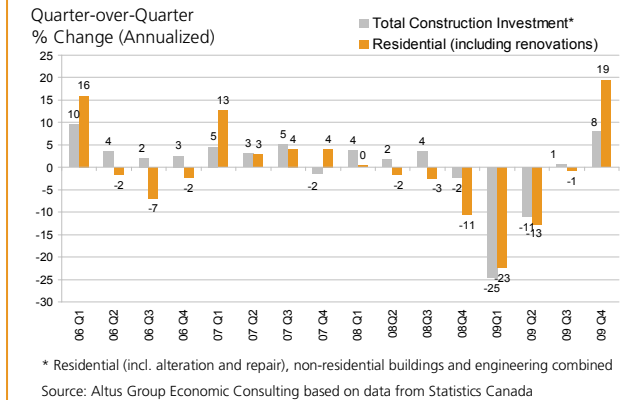


# National Industry Indicators

## Construction Industry

Residential construction investment experienced a significant improvement in the fourth quarter after declining through most of 2009. Residential investment was 19.3% higher (annualized) in the fourth quarter than the previous quarter. Higher residential construction investment occurred within both the new residential structures component and the renovations component. The increase in residential construction helped elevate total construction investment as the ICI and engineering components remained unchanged.

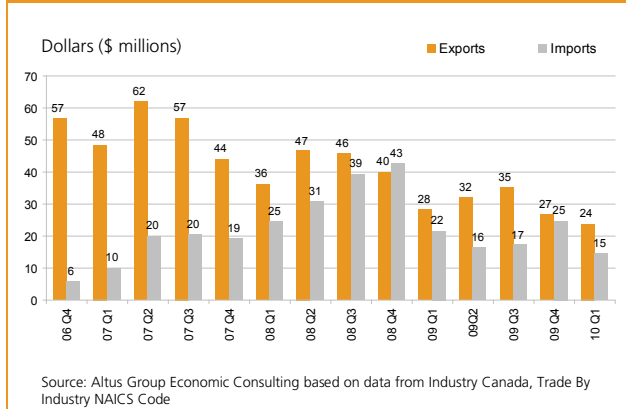
### Quarterly Construction Investment by Sector, Canada, 2006-2009



## Exports of Manufactured Buildings

Exports of manufactured buildings declined by 16% in the first quarter (year-over-year) due primarily to a drop-off in exports within the manufactured homes segment. However, a sharper decline in imports of manufactured buildings resulted in the trade surplus of manufactured buildings widening.

### International Trade, Manufactured Buildings, Canada, 2006-2010

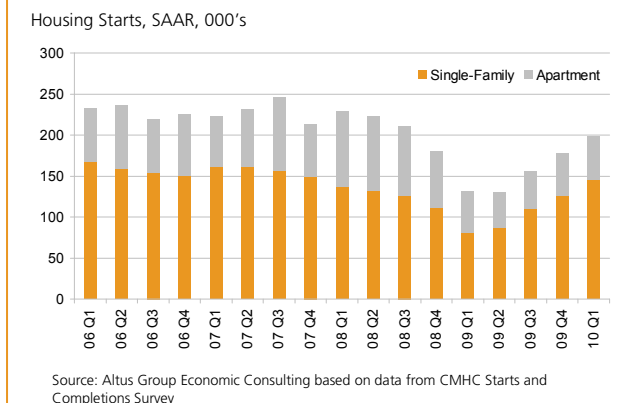


## Housing Industry Overview

Canada Mortgage and Housing Corporation (CMHC) reports total new housing starts (including both site-built and factory-built homes). Total, Canada-wide, housing starts came in at 198,900 units seasonally adjusted at annual rates (SAAR) in the first quarter of 2010, which was 11.5% higher than the previous quarter.

Increases in single-family construction (single-family houses being composed of single-detached, semi-detached and row house units) account for most of the improvement, while the increase in apartment units was more moderate.

### Quarterly Housing Starts By Type, Canada, 2006-2010



# Survey Results

## CMHI Manufactured Building Survey Summary Statistics First Quarter, 2010

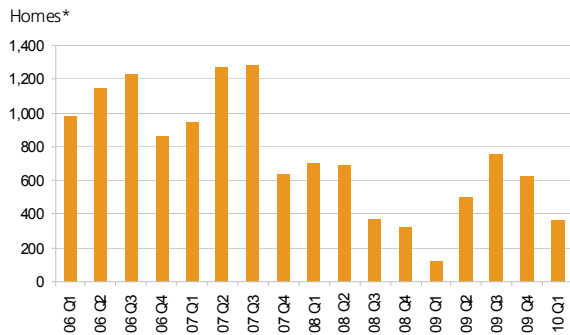
Type of Unit	Units	Square Feet (000s)	Value \$ (millions)	Value \$ (per sf)
Single-family homes	361	474	29.5	62.2
Multi-family homes	10	13	0.7	58.2
Non-residential	na	94	4.4	46.3
Other residential components <sup>1</sup>	na	-	-	na
Residential	371	487	30.2	62.1
Non-Residential	na	94	4.4	46.3
<b>Total Production<sup>2</sup></b>	<b>371</b>	<b>581</b>	<b>34.6</b>	<b>59.5</b>

1 Other residential components include second-storey additions, wall panels, individual rooms used as additions to existing dwellings, etc.

2 Production refers to units that are produced in the factory and shipped to destinations in Canada and the United States. Value of shipments is estimated on an "fob" (freight on board) basis.

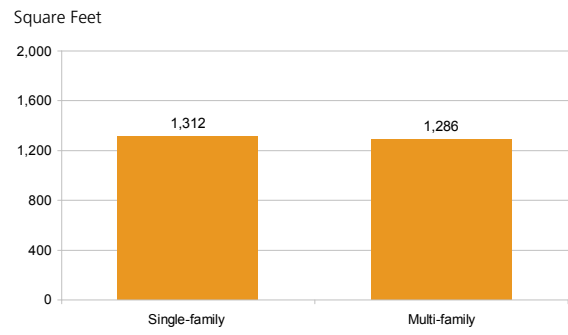
Source: Altus Group Economic Consulting based on data from the *CMHI Manufactured Building Survey*

### Residential Manufactured Buildings Production, Survey Respondents, 2006-2010



CMHI Manufactured Building Survey; prior to 2007 Q3, data from CMHI Industry Shipments Survey  
\* Industry Shipments Survey data converted to "homes" from "sections" by Altus Group

### Residential Manufactured Buildings Average Square Feet Per Unit, Q1 2010



CMHI Manufactured Building Survey

## CMHI Manufactured Building Survey

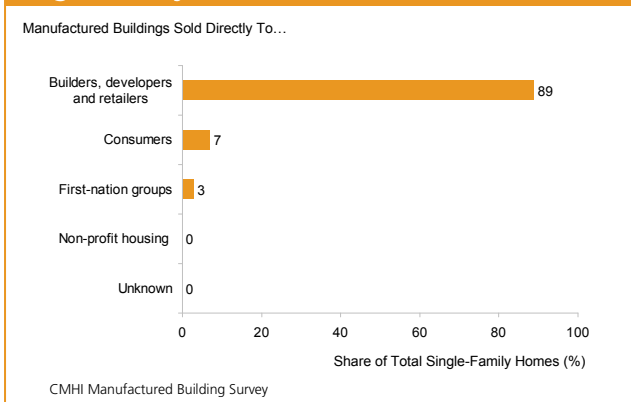
The *CMHI Manufactured Building Survey* is an interactive, web-based survey that collects data from producers of manufactured buildings relating to production volumes. Manufacturers are certified to Canadian Standards Association (CSA) standards. Approximately 90 firms in Canada are identified as CSA-certified builders of factory-constructed buildings and structures. In the first quarter of 2010, 13 firms participated in the *CMHI Manufactured Building Survey*, representing an effective response rate\* of 16.7%.

If you are interested in participating in the *CMHI Manufactured Building Survey*, please contact Kathleen Maynard at 613-563-3520.

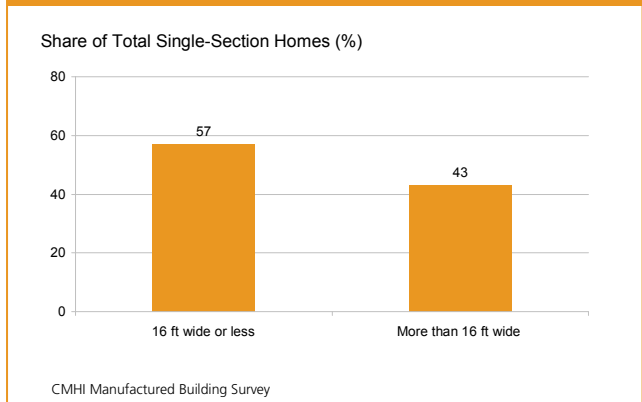
\* Share of survey respondents' production of homes to estimated total production in Canada (2,169 homes).

# Survey Results – Continued

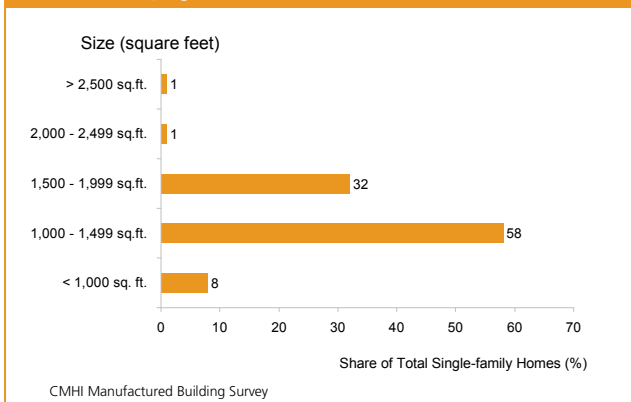
## Distribution of Manufactured Building Sales, Single-Family, Q1 2010



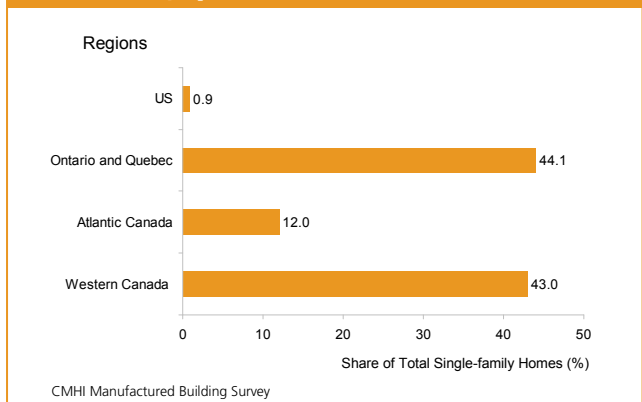
## Distribution of Single-Section Homes By Size, Q1 2010



## Distribution of Single-Family Homes By Total Home Size, Q1 2010



## Distribution of Single-Family Homes By Destination, Q1 2010



### Definitions and Statistical Methodology

- *Manufactured homes* are residential, usually single-section, units placed on a surface-mount foundation.
- *Modular homes* are three-dimensional, closed-wall, factory-built units that are manufactured at a central facility and transported to the dwelling site for assembly. They are usually placed on a full-perimeter foundation (i.e. crawl space or basement).
- *Non-residential* modular units are wood-frame units that are in most cases produced by the same companies that produce housing units. Examples include offices, health care buildings, educational facilities, recreational centres, etc.
- To analyze the Canadian manufactured building sector, data have been collected from Statistics Canada's Annual (and Monthly) Survey of Manufacturers for NAICS codes 321991 [Manufactured Home Manufacturing] and 321992 [Prefabricated Wood Building Manufacturing].
- Quarterly manufactured building industry production and starts data for Canada are produced in-house by Altus Group Economic Consulting. These estimates are derived from Statistics Canada data on industry production volumes and international trade data and converted to "homes" using industry benchmarks set out in *Profile and Prospects of the Factory-Built Industry in Canada* (2006), a study conducted by Clayton Research for Canada Mortgage and Housing Corporation (CMHC).