

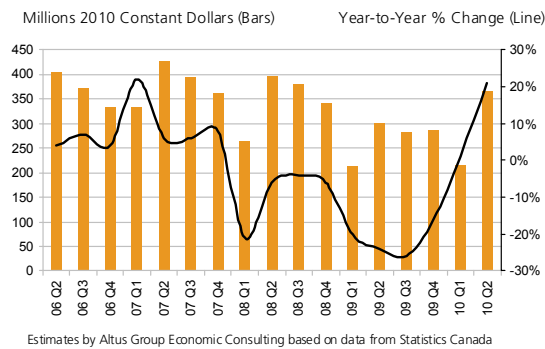
# CMHI MANUFACTURED BUILDING SURVEY QUARTERLY REPORT

Second 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.

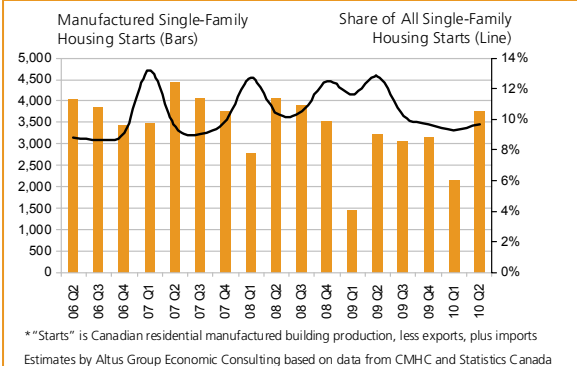
### Manufactured Building Production Canada, 2006-2010



### Highlights from Q2 2010:

- ❖ During the second quarter of 2010, the value of manufactured building production in Canada (residential and non-residential combined) improved, totalling \$344 million, a 14% increase over the same period in 2009;
- ❖ Some 3,753 factory-built single-family homes were started in the second quarter, representing a 10% increase over the same period last year; and
- ❖ Factory-built units have levelled-off as a share of total single-family homes after losing ground since the second quarter of 2009, but remain in line with historical levels.

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



August 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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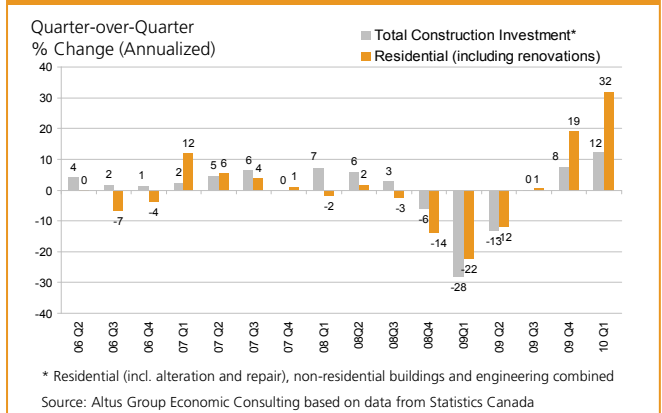


# National Industry Indicators

## Construction Industry

Residential construction investment continued to improve in the first quarter after turning the corner in the second half of 2009. Residential investment was nearly 32% higher (annualized) in the first quarter, which was a substantial improvement over the declines experienced through the recession. Despite recently improved residential construction spending, volumes are expected to moderate in the second half of 2010 as the economic recovery loses steam.

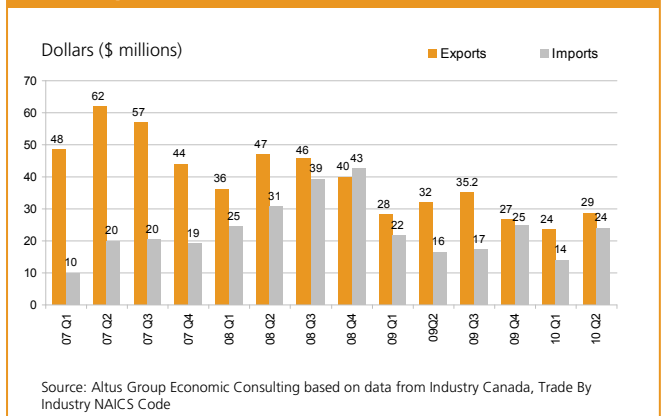
### Quarterly Construction Investment by Sector, Canada, 2006-2010



## Exports of Manufactured Buildings

The trade surplus of manufactured buildings declined in the second quarter and now stands at about \$4.6 million. This was mainly due to an 11% decline in the dollar volume of exports and a 46% increase in imports (year-over-year). The decline in the trade surplus is in-line with overall Canadian trade balances, which narrowed at the start of the recession and have been slow to recover. The trade surplus of manufactured buildings is not expected to improve markedly over the short term as housing market conditions in the U.S., which accounts for about 60% of exports, remains fragile.

### International Trade, Manufactured Buildings, Canada, 2007-2010

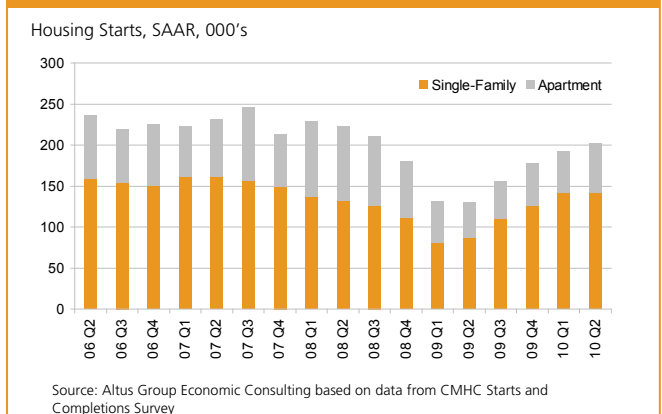


## Housing Industry Overview

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 202,400 units seasonally adjusted at annual rates (SAAR) in the second quarter of 2010, which was about 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) accounted for only a small share of the modest improvement in total starts.

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



# Survey Results

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

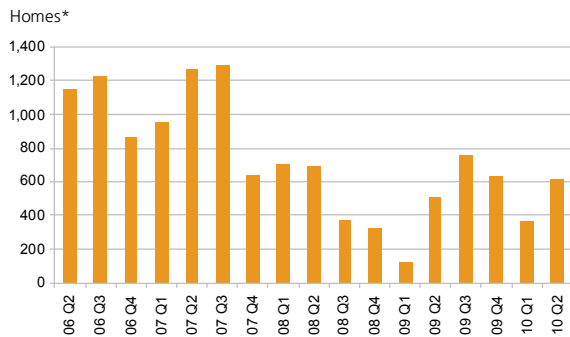
Type of Unit	Units	Square Feet (000s)	Value \$ (millions)	Value \$ (per sf)
Single-family homes	601	762	49.0	64.3
Multi-family homes	49	65	4.0	60.8
Non-residential	na	69	5.6	81.6
Other residential components <sup>1</sup>	na	10	0.2	18.0
Residential	650	836	53.1	63.5
Non-Residential	na	69	5.6	81.6
<b>Total Production<sup>2</sup></b>	<b>650</b>	<b>906</b>	<b>58.8</b>	<b>64.9</b>

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

<sup>2</sup> 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.

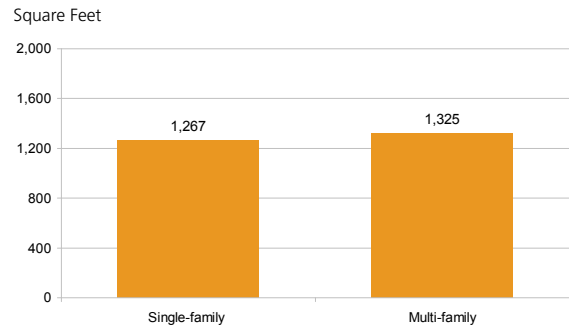
Source: Altus Group Economic Consulting based on data from the *CMHI Manufactured Building Survey*

### 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, Q2 2010



CMHI Manufactured Building Survey

## CMHI Manufactured Building Survey

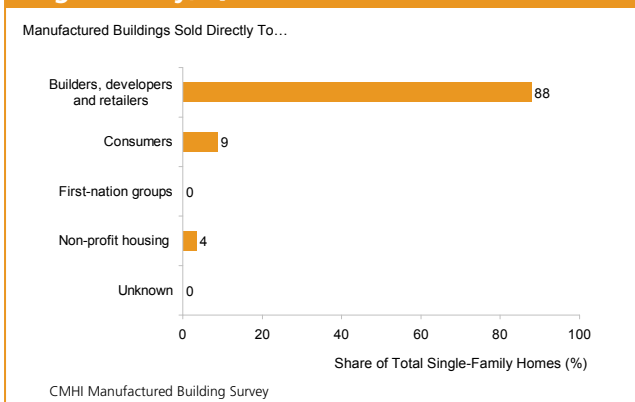
The *CMHI Manufactured Building Survey* is an interactive, web-based survey that collects data from producers of manufactured buildings relating to production volumes. Manufacturers are certified to Canadian Standards Association (CSA) standards. Approximately 90 firms in Canada are identified as CSA-certified builders of factory-constructed buildings and structures. In the second quarter of 2010, 12 firms participated in the *CMHI Manufactured Building Survey*, representing an effective response rate\* of 16.4%.

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

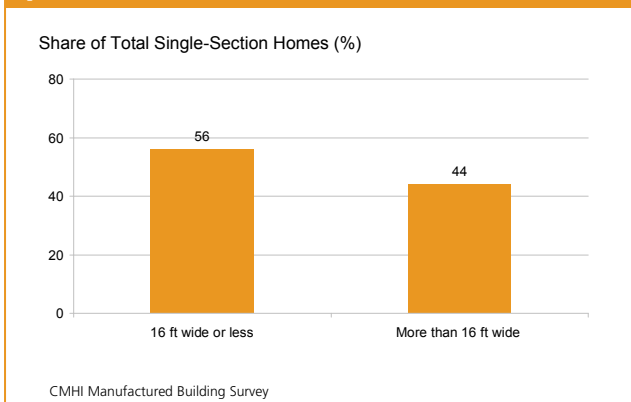
\* Share of survey respondents' production of homes to estimated total production in Canada (3,753 homes).

# Survey Results – Continued

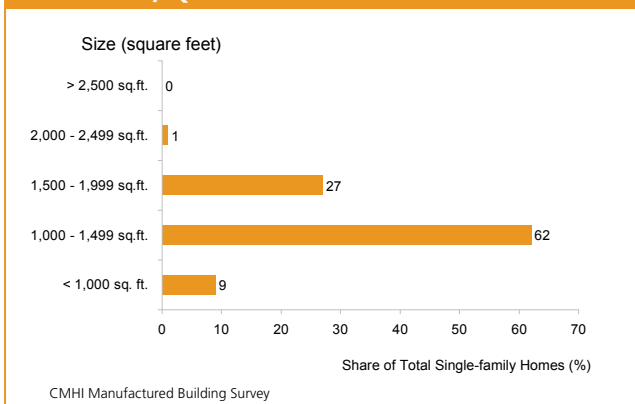
## Distribution of Manufactured Building Sales, Single-Family, Q2 2010



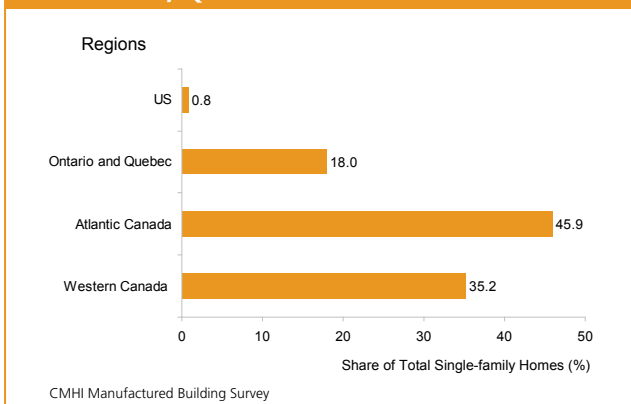
## Distribution of Single-Section Homes By Size, Q2 2010



## Distribution of Single-Family Homes By Total Home Size, Q2 2010



## Distribution of Single-Family Homes By Destination, Q2 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).

