



PRESS RELEASE



Canadian Mortgage News - National Archive 2001

Housing Starts Rising This Year and in 2002

OTTAWA, Ontario, February 14, 2001 — Housing starts in Canada should reach 158,400 units this year and 164,300 in 2002, compared to 151,653 in 2000, according to Canada Mortgage and Housing Corporation's (CMHC) first quarter **CMHC Housing Outlook** report.

"Gains in new construction this year and next will reflect the delayed effects of several years of strong job creation, as well as declining mortgage rates, tax cuts and income growth, and rising migration. Stronger house prices and low inventories will also promote construction," said Michel Laurence, Chief Economist at CMHC. "These factors will more than offset the effects of slower economic growth.

"High employment levels and attractive mortgage rates will support the resale market. After the slight drop in 2000, sales of existing homes will establish new records this year and next year. The strongest resale price gains will occur in Ontario, Saskatchewan, and Alberta."

After hitting an 11-year high last year, starts in Ontario will continue to show solid growth thanks to job gains, tight resale markets, and an influx of migrants. Toronto starts will increase steadily, representing over half the homes built in the province. Growth in Ottawa will remain vigorous.

The bright spot in the Atlantic region in the next two years will be Newfoundland, where housing starts, propelled by expansion in the oil industry, will increase. After large gains the past two years, starts in the other Atlantic provinces will drop this year.

Strong economic performance and a growing shortage of existing homes for sale will push starts up in Quebec in the next two years.

In Alberta, favourable migration and one of the fastest growing economies in the country will maintain residential construction at early 1980s levels. Starts in Manitoba and Saskatchewan will bounce back over the next two years.

After dropping by more than half the past three years, British Columbia starts will partially recover in 2001 and 2002. Construction will be up in Vancouver and Victoria.

For further information please contact:

Michel Laurence
CMHC
(613) 748-2737
mLaurenc@cmhc-schl.gc.ca

National Housing Outlook

Key Housing Market Indicators

	2000 Actual	2001 Forecasts*	2002 Forecasts*
Total housing starts (units)	151,653	*158,400	*164,300
Total single-detached houses	92,184	*95,200	*98,100
Total multiple housing units	59,469	*63,100	*66,200
Total MLS sales**	333,198	*344,400	*345,800
Average MLS selling price (\$)	164,135	*171,100	*176,100

Provincial Housing Outlook

Total Housing Starts

	2000 Actual	2001 Forecasts	2002 Forecasts
Newfoundland	1,459	1,550	1,575
Prince Edward Island	710	700	625
Nova Scotia	4,432	4,000	4,000
New Brunswick	3,079	3,000	2,975
Quebec	24,695	26,000	26,500
Ontario	71,521	76,000	80,000
Manitoba	2,560	2,635	2,900
Saskatchewan	2,513	2,850	3,000
Alberta	26,266	26,150	25,775
British Columbia	14,418	15,500	16,900

SOURCE: CMHC

* Rounded off to the nearest hundred.

** Multiple Listing Service (MLS) is a registered certification mark owned by the Canadian Real Estate Association.

first QUARTER — 2001