



## PRESS RELEASE



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### **Housing Starts Up This Year and Strong in 2002, Renovation Spending Continues to Rise**

**OTTAWA, Ontario, August 14, 2001** — Housing starts in Canada are expected to reach 158,000 units this year and 156,600 in 2002, compared to 151,653 in 2000, according to Canada Mortgage and Housing Corporation's (CMHC) third quarter CMHC Housing Outlook report.

"Despite the cooling of the North American economy, residential construction will benefit from favourable mortgage rates, job gains in the last two years, tax cuts and income growth, rising migration, and stronger house prices," said Michel Laurence, Chief Economist at CMHC. "Given these positive factors, starts should rise this year and remain strong in 2002."

"Increased listings, robust demand, and favourable mortgage rates will push sales of existing homes to a record this year. Sales will remain brisk next year. The strongest resale price gains will occur in Saskatchewan, Quebec, and Ontario."

The active market for existing homes and growth in disposable income will support continued increases in renovation spending. Spending will rise from \$22.0 billion last year to \$23.2 billion in 2001 and \$24.1 billion in 2002.

Starts in Ontario will continue to show resilience thanks to tight resale markets and rising migration. Residential construction in Toronto will increase in 2001 but decline in 2002, while starts in Ottawa will see growth this year and next.

After large gains in the past two years, starts in the Atlantic provinces will drop this year. Next year, construction will rise moderately as the economy strengthens.

Low inventories of homes for sale and low vacancy rates will help raise starts in Quebec this year and next. Construction in Montreal will increase in 2001 but drop slightly in 2002.

In Alberta, a robust economy, continued high levels of migration, and increases in disposable income will maintain strong demand for new housing. Starts in Manitoba will bounce back over the next two years, but builders in Saskatchewan will have to wait until 2002 to see construction increase.

With demand picking up, housing starts in British Columbia will rise this year and next after hitting bottom in 2000. Construction will be up in Vancouver and Victoria.

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## National Housing Outlook

### Key Housing Market Indicators

	2000 Actual	2001 Forecasts*	2002 Forecasts*
Total housing starts (units)	151,653	*158,000	*156,600
Total single-detached houses	92,184	*91,800	*90,900
Total multiple housing units	59,469	*66,200	*65,800
Total MLS sales**	333,197	*352,500	*349,900
Average MLS selling price (\$)	164,135	*170,700	*176,400

## Provincial Housing Outlook

### Total Housing Starts

	2000 Actual	2001 Forecasts	2002 Forecasts
Newfoundland	1,459	1,400	1,500
Prince Edward Island	710	595	645
Nova Scotia	4,432	3,800	3,800
New Brunswick	3,079	2,900	3,000
Quebec	24,695	26,400	26,500
Ontario	71,521	73,900	71,500
Manitoba	2,560	2,820	3,000
Saskatchewan	2,513	2,120	2,700
Alberta	26,266	26,750	26,000
British Columbia	14,418	17,300	18,000

SOURCE: CMHC

\* Rounded off to the nearest hundred.

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

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