



PRESS RELEASE



Canadian Mortgage News - National Archive 2002

Housing Activity Will Slow in 2002 But Pick Up in 2003

OTTAWA, Ontario, March 12, 2002 — Housing starts in Canada are expected to reach 156,100 units this year and 159,200 in 2003, compared with 162,733 in 2001, according to Canada Mortgage and Housing Corporation's (CMHC) first quarter **CMHC Housing Outlook, National Edition** report.

"2002's small decline in housing starts, will be tied to weak job growth in 2001 and this year," said Michel Laurence, Senior Advisor of Economic and Housing Analysis at CMHC. "Construction will remain robust however, due to high migration, continued low mortgage rates and higher house prices. 2003 will see more starts due to a stronger economy."

"Weak job growth will mean fewer MLS sales this year but, an improving economy will nudge sales higher in 2003. Average resale price growth is expected to slow to about two or three per cent over the next two years as sales moderate relative to the number of listings on the market."

Housing starts will fall in Ontario and Quebec this year due mainly to slower economic growth. Low rental vacancy rates however, combined with a limited number of properties for resale, will help keep housing starts in 2002 close to 2000's levels.

British Columbia housing starts will increase, relative to a low level in 2001, as housing market conditions improve. Low interest and mortgage rates are stimulating demand and supply, particularly in Vancouver's multiple sector.

With the Alberta job market performing better than the national average, that province will remain the destination of choice for interprovincial migrants with housing demand remaining high over the forecast period. Housing construction in Manitoba and Saskatchewan will be sustained in part by tight resale markets.

Following large gains over the past two years, starts in the Atlantic provinces will drop this year and remain low in 2003, in line with a weak job market.

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National Housing Outlook

Key Housing Market Indicators

2001	2002	2003
Actual	Forecasts*	Forecasts*

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Total housing starts (units)	162,733	*156,100	*159,200
Total single-detached houses	96,026	*91,100	*91,700
Total multiple housing units	66,707	*65,100	*67,500
Total MLS sales**	379,859	*368,500	*370,100
Average MLS selling price (\$)	171,968	*176,400	*180,400

Provincial Housing Outlook

	Total Housing Starts		
	2001 Actual	2002 Forecasts	2003 Forecasts
Newfoundland	1,788	1,750	1,825
Prince Edward Island	675	660	640
Nova Scotia	4,092	3,950	3,750
New Brunswick	3,462	3,050	2,900
Quebec	27,682	25,000	25,000
Ontario	73,282	70,500	72,000
Manitoba	2,963	2,800	2,800
Saskatchewan	2,381	2,525	2,620
Alberta	29,174	27,500	27,700
British Columbia	17,234	18,400	20,000

SOURCE: CMHC Housing Outlook, National Edition, First Quarter 2002.

* Rounded off to the nearest hundred.

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