



PRESS RELEASE



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Strong Year Forecast For Housing In 2002

OTTAWA, Ontario, August 19, 2002 — Housing starts in Canada are expected to reach a 13 year high of 182,200 units this year, according to Canada Mortgage and Housing Corporation's (CMHC) second quarter **CMHC Housing Outlook, National Edition** report.

"This year's increase in housing starts, is primarily due to very strong job growth," said Michel Laurence, Chief Economist at CMHC. "Construction will remain robust in 2003, with housing starts reaching 174,000 units. This slight decline is due primarily to a modest rise in mortgage rates."

"A strong economy will mean a record level of MLS sales this year, but rising mortgage rates in 2003, will nudge sales lower. As sales moderate relative to the number of listings on the market, average resale price growth is expected to slow from about seven per cent in 2002 to about three per cent next year."

Housing starts in Quebec and Ontario will be higher this year due mainly to stronger economic growth. Low rental vacancy rates, combined with a limited number of properties for resale, will help keep 2003 housing starts close to 2002 levels in these provinces.

Housing starts in British Columbia will increase this year as housing market conditions improve. The recovery will continue in 2003 with British Columbia forecast to have the highest percentage growth in housing starts nationwide.

In Alberta, a strong economy will continue to draw large numbers of interprovincial migrants, keeping housing demand high in 2002. 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 taper off this year and remain lower in 2003, except for Newfoundland and Labrador which will see a modest increase.

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National Housing Outlook			
Key Housing Market Indicators			
	2001 Actual	2002 Forecasts*	2003 Forecasts*
Total housing starts (units)	162,733	*182,200	*174,000

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Total single-detached houses	96,026	*104,800	*97,300
Total multiple housing units	66,707	*77,300	*76,700
Total MLS sales**	379,981	*401,400	*389,700
Average MLS selling price (\$)	171,955	*183,600	*189,700
Provincial Housing Outlook			
Total Housing Starts			
	2001 Actual	2002 Forecasts	2003 Forecasts
Newfoundland and Labrador	1,788	1,750	1,825
Prince Edward Island	675	670	640
Nova Scotia	4,092	3,950	3,750
New Brunswick	3,462	3,350	3,300
Quebec	27,682	36,600	33,000
Ontario	73,282	79,600	74,800
Manitoba	2,963	2,850	2,750
Saskatchewan	2,381	2,500	2,550
Alberta	29,174	32,100	30,350
British Columbia	17,234	18,800	21,000
<p>SOURCE: CMHC Housing Outlook, National Edition, First Quarter 2002.</p> <p style="text-align: right;">* Rounded off to the nearest hundred.</p> <p>** Multiple Listing Service (MLS) is a registered certification mark owned by the Canadian Real Estate Association.</p>			