



PRESS RELEASE



Canadian Mortgage News - National Archive 2003

Housing Starts will Surpass 200,000 Units in 2003

OTTAWA, Ontario, February 21, 2003 — Housing starts in Canada are expected to reach 205,500 units this year, according to Canada Mortgage and Housing Corporation's (CMHC) first quarter **CMHC Housing Outlook**, National Edition report.

"Low mortgage rates, continued employment and income growth and rising migration, will support a vibrant housing market again this year", said David Weingarden, Senior Economist at CMHC. "Construction will remain robust in 2004, with housing starts reaching 195,100 units. The slight decline in housing starts in 2004 will be due primarily to expected increases in mortgage rates.

"A steady economy will mean only a slight dip from last year's record high sales of existing homes as measured by MLS™. Rising mortgage rates later this year and next and higher house prices will mean fewer sales in 2004. As sales moderate, relative to the number of listings on the market, average resale price growth is expected to slow to 5.3 per cent this year and 3.8 per cent in 2004."

"The active market for existing homes and growth in disposable income will support continued increases in renovation spending. Spending will rise from an estimated \$24.8 billion last year to \$26.0 billion this year."

Housing starts in British Columbia will rise again this year as market conditions improve. This will continue in 2004 with the province expected to have the highest percentage growth in housing starts in the nation in 2003-2004.

Housing starts in Quebec and Ontario will be higher this year due to strong economic growth and continued strength in the labour market, but rising mortgage rates will dampen starts in 2004.

In the Prairies, weaker employment prospects, combined with lower migration, will cause starts to fall this year after solid growth in 2002. Rising mortgage rates next year will mean slightly fewer starts. Manitoba starts will remain stable, however.

Following large gains in much of the Atlantic region, over the past two years, starts will fall this year and stay lower in 2004, due to weaker employment conditions and rising mortgage rates.

Information on this release:

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National Housing Outlook			
Key Housing Market Indicators			
	2002 Actual	2003 Forecasts	2004 Forecasts
Total housing starts (units)	205,034	*205,500	*195,100
Total single-detached houses	125,374	*124,100	*117,900
Total multiple housing units	79,660	*81,400	*77,300
Total MLS™ sales**	420,676	*401,900	*385,500
Average MLS™ selling price (\$)	188,168	*198,100	*205,600
Provincial Housing Outlook			
Total Housing Starts			
	2002 Actual	2003 Forecasts	2004 Forecasts
Newfoundland and Labrador	2,419	2,250	2,000
Prince Edward Island	775	675	610
Nova Scotia	4,970	4,575	4,300
New Brunswick	3,862	3,750	3,400
Quebec	42,452	44,000	41,000
Ontario	83,597	86,000	82,500
Manitoba	3,617	3,200	3,200
Saskatchewan	2,963	2,925	2,900
Alberta	38,754	35,100	31,200
British Columbia	21,625	23,000	24,000

SOURCE: CMHC Housing Outlook, National Edition, First Quarter 2003.

* Rounded off to the nearest hundred.

** The term MLS™ stands for Multiple Listing Service and is a registered trademark of the Canadian Real Estate Association (CREA). 2002 data is for 10 provinces.