



PRESS RELEASE



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Housing Starts Remain High in May

OTTAWA, Ontario, June 9, 2003 — The seasonally adjusted annual rate¹ of housing starts was 197,900 in May, reflecting robust construction activity in the residential sector, reports Canada Mortgage and Housing Corporation (CMHC).

"Last month's slight decline in the housing starts trend is consistent with the expected moderation in the level of activity later this year and in 2004", said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre.

"Low mortgage rates, favourable labour market conditions and consumer confidence continue to support healthy levels of activity in the housing market. Rising house prices also yielded higher returns on residential real estate than on bonds and equities, further boosting demand for housing.

"Sales of new homes have stimulated construction activity given the low inventories of completed units available for sale. Year-to-date, actual starts have exceeded last year's level by 2.4 per cent."

While the seasonally adjusted annual rate of urban multiple starts decreased 9.1 per cent to 74,500 units in May 2003 compared with 82,000 units in April, the rate is in line with the average of 76,000 in 2002. Year-to-date actual urban multiple starts having increased 12.5 per cent, remain high compared with the same period in 2002.

The seasonally adjusted annual rate of urban single starts edged down 2.4 per cent to 94,100 units in May from 96,400 the previous month. This was reflected in all regions of the country except Ontario where urban single starts increased 3.1 per cent. In terms of actual starts, urban single starts year-to-date are 5.3 per cent lower than for the same period of 2002.

Rural starts in May were estimated at a seasonally adjusted annual rate of 29,300 units.

1. All starts figures in this release, other than actual starts, are seasonally adjusted annual rates (SAAR) that are monthly figures adjusted to remove normal seasonal variation and multiplied by 12 to reflect annual levels.
2. Figures for the most recent month are preliminary and subject to revisions due to corrections or updates from quarterly enumeration or sampling results.

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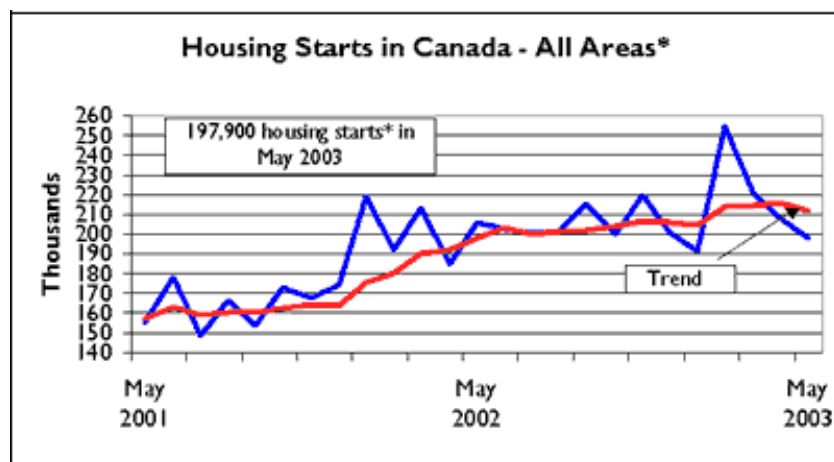
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Housing Starts, Actual and SAAR*				
	April 2003 Final		May 2003 Preliminary	
	Actual	SAAR	Actual	SAAR
Canada, all areas	19,450	207,700	19,943	197,900
Canada, rural areas	2,818	29,300	3,321	29,300
Canada, urban centres**	16,632	178,400	16,622	168,600
Canada, singles, urban centres	9,274	96,400	9,761	94,100
Canada, multiples, urban centres	7,358	82,000	6,861	74,500
Atlantic region, urban centres	597	9,000	818	9,000
Quebec, urban centres	4,077	33,900	3,958	34,400
Ontario, urban centres	6,379	71,100	6,872	71,600
Prairie region, urban centres	3,294	39,100	3,052	33,100
British Columbia, urban centres	2,285	25,300	1,922	20,500

Source: CMHC

*Seasonally adjusted annual rates

** Urban centres with a population of 10,000 persons and over.

Detailed data available upon request.