



PRESS RELEASE



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Housing Starts Up in August

OTTAWA, Ontario, September 9, 2003 — New home construction continued to rally in August as the seasonally adjusted annual rate¹ of housing starts increased to 233,900 from 223,500 in July, reports Canada Mortgage and Housing Corporation (CMHC).

"Low mortgage rates and the belief that today is a good time to buy a house contributed to the strength in housing markets," said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre. "Mortgage rates are near 50 year lows, keeping the carrying costs of mortgages down. This encourages move-up buying by existing homeowners and attracts renter households into the home ownership market. Year-to-date, actual starts have exceeded last year's level by 4.7 per cent."

The seasonally adjusted annual rate of urban multiple starts was up 16.2 per cent to 105,500 units in August compared with 90,800 units in July. Nationally, year-to-date actual urban multiple starts increased 16.1 per cent compared with the same period in 2002.

After rising to 103,100 units in July, the seasonally adjusted annual rate of urban single starts fell to 98,800 units in August, down 4.2 per cent, reversing most of the previous month's gains. The largest decrease was in Ontario, where a state of emergency brought on by electrical power shortages during the week following the power blackout likely slowed single home construction starts. Canada-wide, year-to-date actual urban single starts are down 3.6 per cent compared to the same period in 2002.

Rural starts in August were estimated at a seasonally adjusted annual rate of 29,600 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.

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