



## PRESS RELEASE



*Canadian Mortgage News - National Archive 2004*

### **CMHC Releases Report on the State of Canada's Housing**

**OTTAWA, Ontario, September 8, 2004** — Over the last year, housing continued to be one of the faster growing sectors of the economy, supported by high levels of new construction, renovation and sales of existing homes according to the 2004 edition of the Canadian Housing Observer.

The second edition of the Observer, an annual review of the state of Canadian Housing, was released today by Canada Mortgage and Housing Corporation (CMHC). It provides a comprehensive statistical portrait of how well Canadians are housed and charts the key developments affecting this important sector of Canada's economy. This edition features updates on affordability, the mortgage market, and housing market data, all in one publication.

"Housing is important to individual Canadians, to their communities, to the environment and to the economy," said Karen Kinsley, President of CMHC. "The Observer offers important insights into the changing housing needs of Canadians and helps our housing partners identify, address and monitor current housing trends and issues."

The statistical information assembled in the 2004 Observer underscores both the economic vitality of the housing sector in recent years as well as ongoing challenges in the area of affordable housing. While broad improvements in housing affordability have been recorded since the mid-1990s, 1.7 million households continue to face challenges in obtaining acceptable housing that meets their needs.

The analysis contained in the Observer is backed by a series of statistical tables, which provide detailed information on housing conditions and trends in Canada, provinces and territories, and major urban centres. The publication and related housing statistics are available on CMHC's Web site ([www.cmhc.ca](http://www.cmhc.ca)).

Key highlights follow.

#### **For more information:**

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#### **2004 Canadian Housing Observer — Key Findings**

##### **Portrait of Canada's Housing**

- Approximately two-thirds of all Canadian households are homeowners. Homeownership rates have been increasing in Canada in recent years, rising from 63.6 per cent to 65.8 per cent between 1996 and 2001.

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- While Canadian homes are getting larger, the average number of people per household is getting progressively smaller, shrinking from 3.9 persons in 1961 to 2.6 persons in 2001.
- Total residential energy use increased by 3.7 per cent between 1990 and 2001.
- One in eight workers travelled more than 25 km to get to work in 2001.

### Demographic and Socio-Economic Influences on Housing Demand

- International migration has become the dominant source of population growth in Canada in recent years.
- With the aging of the population, the number of seniors is growing roughly twice as fast as the general population.
- Canada's Aboriginal population has also experienced rapid growth
- One-person households were the fastest growing household types between 1971 and 2001, followed by lone-parent families and couples without children.
- Home equity is a major component of the wealth of homeowner households, accounting for about 36 per cent of their average net worth in 1999.

### Current Housing Market Developments

- Spending on residential investment and home repairs contributed \$73.3 billion to the Canadian economy in 2002, with new construction and related costs accounting for almost half of this total.
- Existing home sales set a new record in 2003, as 439,000 dwellings were sold through the Canadian Real Estate Association's Multiple Listing Service (MLS®). The average MLS® sales price increased by 9.7 per cent in 2003, slightly greater than the previous year's increase and double the increase recorded in 2001.
- New housing starts reached a 15-year high of 218,400 units in 2003.
- The availability of rental housing improved somewhat in 2003 as the average vacancy rate in Canada's larger urban centres areas increased from 1.7 per cent to 2.2 per cent.
- Growth in condominium starts accelerated by 33.7 per cent in 2003 to reach a new record level of 49,200.

### Trends in Housing Finance

- Competition amongst lenders for a share of the mortgage market has resulted in an increasingly diverse range of product offerings, customized services, flexible loan terms and conditions, and mortgage rate discounts.
- Homeowners are taking advantage of increased equity in their homes and low interest rates to finance additional investments in their home and other purchases.
- NHA and conventional mortgages totaling \$138 billion were approved in 2003 to finance 1,110,000 units of new or existing housing across the country. Total residential mortgage credit outstanding grew by 8 per cent in 2003, reaching a total of \$518.9 billion.

### Housing Affordability

- 2001 Census results confirm that the majority of Canadian households lived in housing that is affordable, uncrowded and in a good state of repair.
- Fewer households were in core housing need in 2001 than in 1996. The percentage of Canadian households in core need fell from 17.9 per cent to 15.8 per cent.
- The incidence of core housing need remains high among seniors aged 65 or over living alone, lone parents with children under 18 living at home, recent immigrants and Aboriginal households.