



PRESS RELEASE



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Home Construction Robust in August

OTTAWA, Ontario, September 9, 2004 — The seasonally adjusted annual rate¹ of housing starts was 241,500 in August, up from 218,600 in July, according to Canada Mortgage and Housing Corporation (CMHC).

"Nationally, the housing market continues to benefit from positive economic factors," said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre. "Strong consumer confidence and continued growth in employment combined with low mortgage rates continue to support a buoyant new housing market. High activity in the resale market also confirms that demand for homeownership remains strong while creating spill-over demand in the new home market. Next year, as mortgage rates begin to rise, we expect the pace of new construction to moderate."

The seasonally adjusted annual rate of urban starts was up 11.9 per cent to 214,700 units in August. This is mainly due to the high level of urban multiple starts, which have increased 35.9 per cent to 114,600 in August while urban single starts declined 6.9 per cent to 100,100 on a seasonally adjusted annual basis.

In all regions of Canada, except Quebec, the seasonally adjusted annual rate of urban starts rose in August: 7.4 per cent in the Atlantic; 14.9 per cent in Ontario and; 13.8 per cent in the Prairies. Urban starts in British Columbia rose 33.8 per cent, which was due entirely to the rise in multiple starts. In Quebec, the seasonally adjusted annual rate of urban starts decreased 6.4 per cent.

Rural starts in August were estimated at a seasonally adjusted annual rate of 26,800 units.

Year to date actual urban starts were 8.2 per cent higher through August than for the same period last year. Single starts were up 4.2 per cent while multiple starts were up 12.9 per cent. The relatively strong growth in multiples is consistent with the upward trend in the share of multiple starts observed since the late 1990s.

1. All starts figures in this release, other than actual starts, are seasonally adjusted annual rates (SAAR), that is, monthly figures adjusted to remove normal seasonal variation and multiplied by 12 to reflect annual levels.

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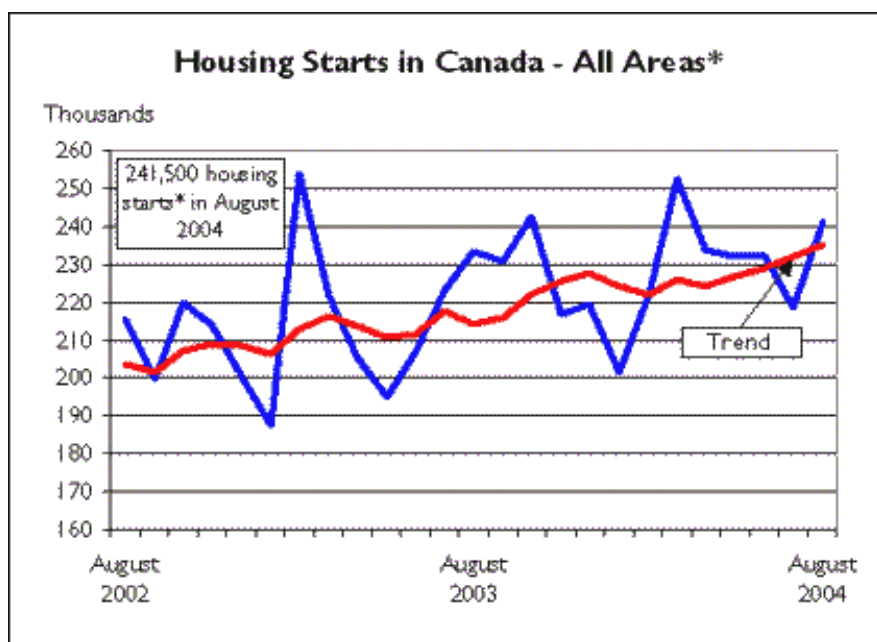
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Housing Starts, Actual and SAAR*				
	July 2004 Final		August 2004 Preliminary	
	Actual	SAAR	Actual	SAAR
Canada, all areas	20,214	218,600	22,589	241,500
Canada, rural areas	2,639	26,800	2,597	26,800

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Canada, urban centres**	17,575	191,800	19,992	214,700
Canada, singles, urban centres	10,692	107,500	9,141	100,100
Canada, multiples, urban centres	6,883	84,300	10,851	114,600
Atlantic region, urban centres	965	8,100	859	8,700
Quebec, urban centres	3,720	46,700	3,281	43,700
Ontario, urban centres	7,265	75,900	8,889	87,200
Prairie region, urban centres	3,056	33,300	3,579	37,900
British Columbia, urban centres	2,569	27,800	3,384	37,200

Source: CMHC

*Seasonally adjusted annual rates

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

Detailed data available upon request