



PRESS RELEASE



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October Housing Starts Down But Remain High

OTTAWA, Ontario, November 8, 2004 — The seasonally adjusted annual rate¹ of housing starts was 225,000 in October, down from 237,900 in September, according to Canada Mortgage and Housing Corporation (CMHC).

Strong housing starts reflect high levels of new home construction across the country. Favourable economic factors such as, recent growth in full-time employment and low mortgage rates, continue to stimulate residential construction activity, said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre. Housing starts continue on pace to reach a 17-year high this year.

October housing starts in Canada's urban centres decreased 4.0 per cent to a seasonally adjusted annual rate of 196,500 units as both single and multi-family sectors moved lower. Urban single detached starts fell by 4.2 per cent to 102,200 in October while urban multiple starts decreased 3.8 per cent to 94,300.

Urban housing starts in October declined in every region except Quebec and the Prairies where seasonally adjusted annual rates increased 5.4 per cent and 1.8 per cent, respectively. The majority of the decrease, in seasonally adjusted annual urban housing starts, occurred in British Columbia with a 21.2 per cent decline in starts, and the Atlantic region where urban housing starts decreased 13.7 per cent. In both British Columbia and the Atlantic region, the decline was mainly due to multiples. Urban starts declined by 3.8 per cent in Ontario.

The estimated number of seasonally adjusted annualized starts in Canada's rural areas was 28,500 units.

For the first ten months of this year, actual urban starts increased 5.3 per cent compared with the same period last year (from 160,905 to 169,446 starts). Single starts rose 4.6 per cent while multiple starts are up 6.1 per cent.

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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