



PRESS RELEASE



Canadian Mortgage News - National Archive 2005

2004 Housing Starts Post 17 Year High

OTTAWA, Ontario, January 11, 2005 — The seasonally adjusted annual rate¹ of housing starts was 234,400 in December, down from 242,600 in November, according to Canada Mortgage and Housing Corporation (CMHC).

New construction finished 2004 on a strong note, however, sales of existing homes through MLS[®] have been trending lower since March 2004. This trend supports our view that the level of activity in the housing market will begin to slow in 2005. Housing starts will decrease 9.8 per cent to reach a robust 210,200 units in 2005. Sales of existing homes will also fall, nevertheless, 2005 will be the second most active year on record for MLS[®] sales.

"New home construction posted a 17-year high in 2004 with an estimated 233,000 starts representing 6.7 per cent growth over 2003," said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre. "The home building industry responded to strong demand for housing which resulted from low mortgage rates and tight labour markets."

Residential construction activity ended 2004 with December housing starts in Canada's urban centres decreasing 3.8 per cent to a seasonally adjusted annual rate of 205,900 units. Urban single detached starts inched higher by 0.9 per cent to 102,200 units in December while urban multiple starts declined 8.1 per cent to 103,700.

Urban housing starts in December eased in Quebec, Ontario and the Prairies where the seasonally adjusted annual rate of starts fell 5.0 per cent, 4.8 per cent and 8.3 per cent respectively. Urban housing starts in December increased in the Atlantic by 22.4 per cent, while British Columbia recorded no change.

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

For the year 2004, actual urban starts increased 6.5 per cent compared with the same period last year. Single starts rose 3.6 per cent and multiple starts were up 9.7 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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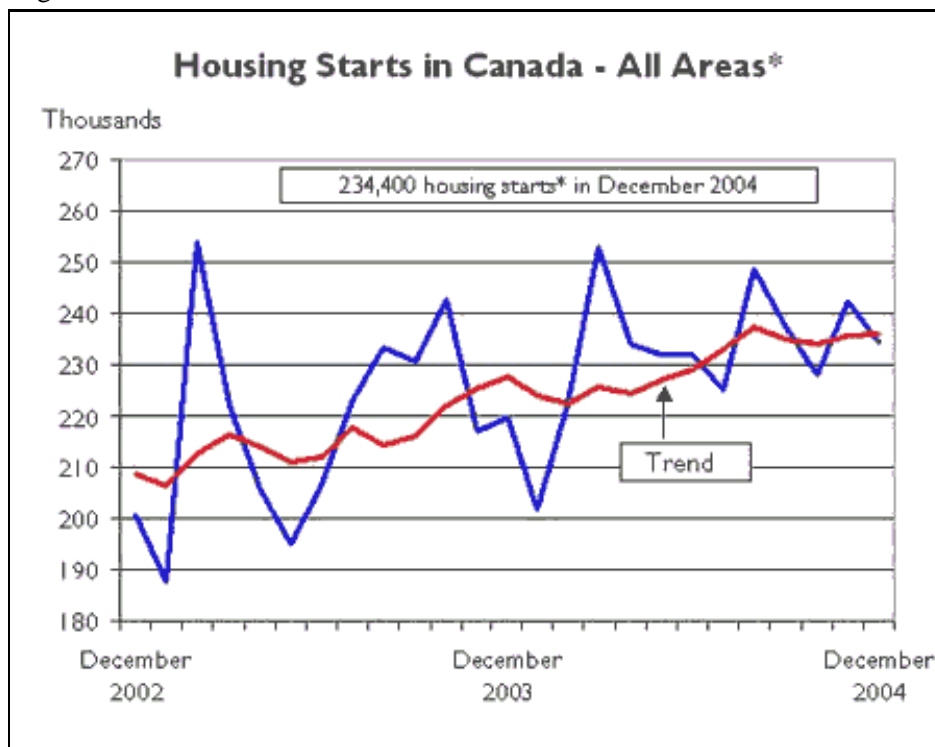
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Housing Starts, Actual and SAAR*

	November 2004		December 2004	
	Final		Preliminary	
	Actual	SAAR	Actual	SAAR
Canada, all areas	21,527	242,600	17,357	234,400
Canada, rural areas	2,557	28,500	1,820	28,500
Canada, urban centres**	18,970	214,100	15,537	205,900
Canada, singles, urban centres	8,550	101,300	7,332	102,200
	10,420	112,800	8,205	103,700

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Canada, multiples, urban centres				
Atlantic region, urban centres	715	7,600	907	9,300
Quebec, urban centres	4,770	52,000	3,988	49,400
Ontario, urban centres	6,923	77,800	5,264	74,100
Prairie region, urban centres	3,773	43,600	3,016	40,000
British Columbia, urban centres	2,789	33,100	2,362	33,100

Source: CMHC

*Seasonally adjusted annual rates

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

Detailed data available upon request.