



## PRESS RELEASE



*Canadian Mortgage News - National Archive 2005*

### **New Home Construction off to a Strong Start in 2005**

**OTTAWA, Ontario, February 8, 2005** — The seasonally adjusted annual rate<sup>1</sup> of housing starts was 203,700 in January, down from 236,300 in December, according to Canada Mortgage and Housing Corporation (CMHC).

"Despite the decrease in housing starts in January, the level of activity remains strong and the seasonally adjusted annual rate of starts is higher than it was in January 2004," said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre. "This high level of activity in the housing market is consistent with low mortgage rates and a tight labour market. As 2005 unfolds, we expect these favourable conditions to bring about continued strength in the housing market with starts reaching over 215,000 units, following a 17-year high of 233,431 units last year."

The seasonally adjusted annual rate of urban starts fell 14.9 per cent to 175,300 units, with most of the decline coming from multiples. Multiple starts decreased 21.5 per cent in January to 81,400 while single starts declined 8.1 per cent to 93,900 on a seasonally adjusted annual basis.

The seasonally adjusted annual rate of urban starts declined in all regions across Canada. The largest decreases were in British Columbia and the Prairies, both falling 21.5 per cent. Starts dropped 11.9 per cent in Ontario, 10.8 per cent in the Atlantic region, and 10.3 per cent in Quebec. In all provinces except Quebec, both single and multiple starts decreased in January. In Quebec, however, a 22.1 per cent decrease in urban multiple starts was partially offset by a 9.9 per cent increase in urban single starts.

Rural starts in January were estimated at a seasonally adjusted annual rate of 28,400 units, a 6.6 per cent decrease from December 2004.

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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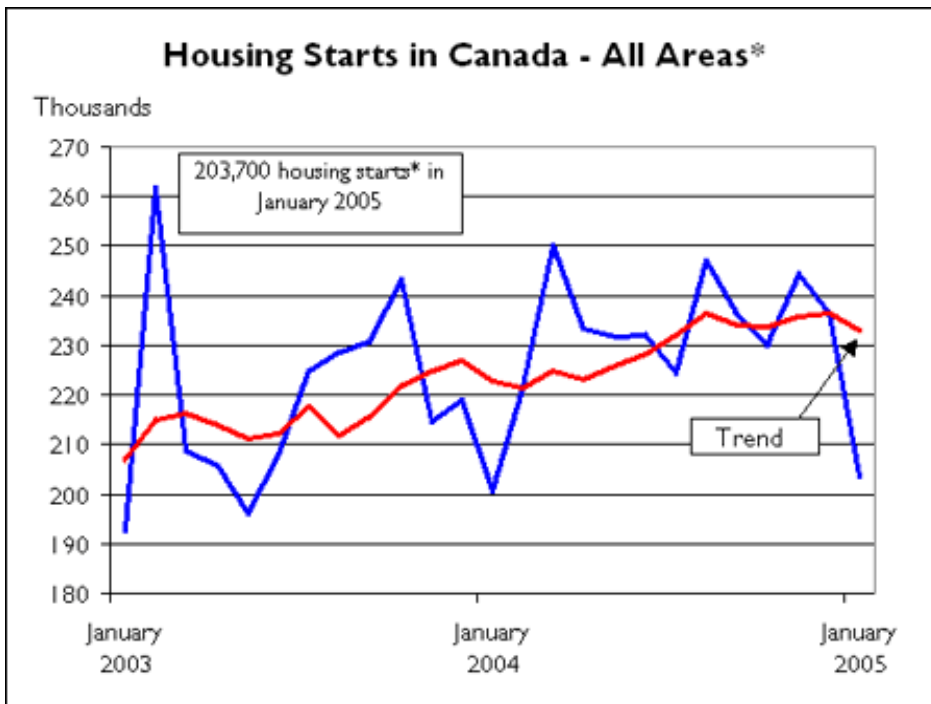
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<b>Housing Starts, Actual and SAAR*</b>				
	<b>December 2004 Final</b>		<b>January 2005 Preliminary</b>	
	Actual	SAAR	Actual	SAAR
Canada, all areas	17,773	236,300	10,639	203,700
Canada, rural areas	2,236	30,400	1,027	28,400
Canada, urban centres**	15,537	205,900	9,612	175,300

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Canada, singles, urban centres	7,332	102,200	4,565	93,900
Canada, multiples, urban centres	8,205	103,700	5,047	81,400
Atlantic region, urban centres	907	9,300	310	8,300
Quebec, urban centres	3,988	49,400	2,239	44,300
Ontario, urban centres	5,264	74,100	3,167	65,300
Prairie region, urban centres	3,016	40,000	2,005	31,400
British Columbia, urban centres	2,362	33,100	1,891	26,000

Source: CMHC

\*Seasonally adjusted annual rates

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

Detailed data available upon request.