



## PRESS RELEASE



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### **Housing Starts Decrease but Remain Strong in May**

**OTTAWA, Ontario, June 8, 2005** — The seasonally adjusted annual rate<sup>1</sup> of housing starts was 218,800 units in May, down 5.0 per cent from 230,400 units in April, according to Canada Mortgage and Housing Corporation (CMHC).

Housing starts remained strong in May and are in line with our expectations for the year, said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre. Employment growth, particularly in full-time jobs, in recent years and very low mortgage rates continue to fuel high levels of housing starts. Mortgage rates, which have edged lower in recent weeks, should continue to support residential construction over the coming months.

The seasonally adjusted annual rate of urban starts fell by 5.8 per cent to 188,800 units in May, due to a decrease in multiple starts. Single starts edged up by 0.2 per cent to 96,200 units, building on April's gain. Multiple starts, on the other hand, were down 11.3 per cent to 92,600 units in May.

In May, the seasonally adjusted annual rate of urban starts increased by 18.6 per cent in British Columbia, 11.2 per cent in the Atlantic Provinces, and 8.8 per cent in the Prairies. However, a 23.2 per cent decrease in starts in Quebec and 14.4 per cent decrease in Ontario more than offset the gains in the rest of the country.

Rural starts in May were estimated at a seasonally adjusted annual rate of 30,000 units.

For the first five months of 2005, actual urban starts were 7.0 per cent lower than in the same period in 2004. Year-to-date single starts fell 10.4 per cent, and multiple starts eased 3.5 per cent compared to the same period last year.

<sup>1</sup>. 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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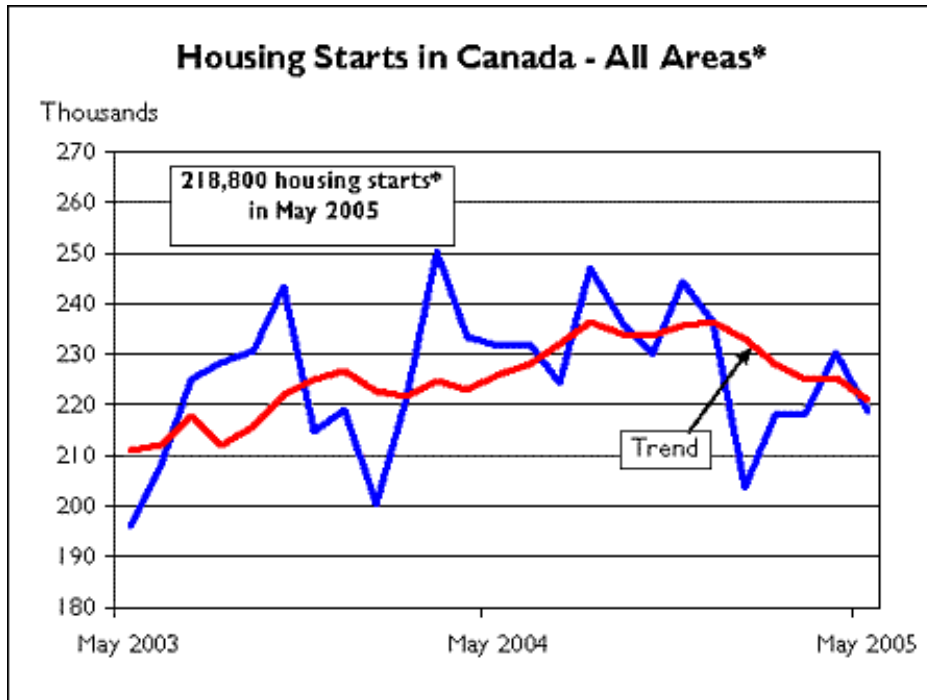
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### Housing Starts, Actual and SAAR\*

	April 2005 Final		May 2005 Preliminary	
	Actual	SAAR	Actual	SAAR
<b>Canada, all areas</b>	21,818	230,400	21,256	218,800
Canada, rural areas	2,865	30,000	3,206	30,000
Canada, urban centres**	18,953	200,400	18,050	188,800
Canada, singles, urban centres	8,958	96,000	9,782	96,200
Canada, multiples, urban centres	9,995	104,400	8,268	92,600
Atlantic region, urban centres	636	8,900	1,020	9,900
Quebec, urban centres	5,164	44,900	3,708	34,500
Ontario, urban centres	6,914	77,200	6,297	66,100
Prairie region, urban centres	3,533	40,900	3,977	44,500
British Columbia, urban centres	2,706	28,500	3,048	33,800

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Source: CMHC

\*Seasonally adjusted annual rates

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

Detailed data available upon request.