



PRESS RELEASE



Canadian Mortgage News - National Archive 2005

Multiple Construction Pushes Housing Starts Higher in July

OTTAWA, Ontario, August 9, 2005 — The seasonally adjusted annual rate¹ of housing starts was 242,300 units in July, up 0.4 per cent from 241,300 units in June, according to Canada Mortgage and Housing Corporation (CMHC).

"Low mortgage rates and favourable labour market conditions have boosted new home construction to its highest level of the year," said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre.

The seasonally adjusted annual rate of urban starts rose 2.1 per cent to 211,600 units in July, due solely to a surge in multiple starts. Single starts declined 9.0 per cent to 89,500 units, while multiple starts were up 12.2 per cent to 122,100 units in July compared to June. The stronger performance of multiple starts compared to single starts is consistent with the expectation that rising house prices will result in a shift in demand toward less expensive multi-family homes.

Urban housing starts were up in all regions except for Ontario in July. Housing starts were up 17.1 per cent to 32,800 units in BC, 15.3 per cent to 45,300 units in Quebec, 4.0 per cent to 7,800 units in the Atlantic and 2.5 per cent to 36,600 units in the Prairies. In Ontario, the seasonally adjusted annual rate of urban starts in July fell 7.9 per cent to 89,100 units, despite the near record activity in the Toronto market, where monthly starts posted their second highest showing on record.

Rural starts in July were estimated at a seasonally adjusted annual rate of 30,700 units.

For the first seven months of 2005, actual urban starts were 2.6 per cent lower than in the same period in 2004. Year-to-date single starts decreased 9.8 per cent, while multiple starts increased 5.5 per cent compared to the same period last year.

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.

Information on this release:

Bob Dugan
CMHC
(613) 748-4009
bdugan@cmhc-schl.gc.ca

For regional starts information contact:

Atlantic provinces
Alex MacDonald
CMHC

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(902) 426-8964

amacdona@cmhc-schl.gc.ca

Quebec

Kevin Hughes

CMHC

(514) 283-4488

khughes@cmhc-schl.gc.ca

Ontario

Ted Tsiakopoulos

CMHC

(416) 218-3407

ttsiakop@cmhc-schl.gc.ca

Prairie provinces

Vinay Bhardwaj

CMHC

(403) 515-3004

vbhardwa@cmhc-schl.gc.ca

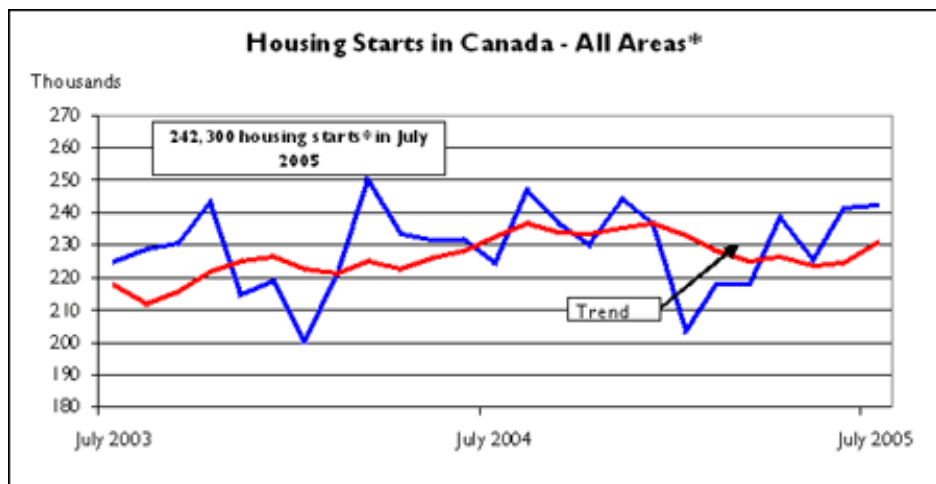
British Columbia

Carol Frketich

CMHC

(604) 737-4067

cfrketic@cmhc-schl.gc.ca



Housing Starts, Actual and SAAR*

| | June 2005 Final | | July 2005 Preliminary | |
|--------------------------|--------------------|---------|--------------------------|---------|
| | Actual | SAAR | Actual | SAAR |
| Canada, all areas | 22,852 | 241,300 | 23,335 | 242,300 |
| Canada, rural areas | 3,398 | 34,100 | 3,425 | 30,700 |

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|----------------------------------|--------|---------|--------|---------|
| Canada, urban centres** | 19,454 | 207,200 | 19,910 | 211,600 |
| Canada, singles, urban centres | 10,108 | 98,400 | 8,947 | 89,500 |
| Canada, multiples, urban centres | 9,346 | 108,800 | 10,963 | 122,100 |
| Atlantic region, urban centres | 962 | 7,500 | 875 | 7,800 |
| Quebec, urban centres | 3,520 | 39,300 | 3,836 | 45,300 |
| Ontario, urban centres | 9,167 | 96,700 | 8,902 | 89,100 |
| Prairie region, urban centres | 3,324 | 35,700 | 3,323 | 36,600 |
| British Columbia, urban centres | 2,481 | 28,000 | 2,974 | 32,800 |

Source: CMHC

*Seasonally adjusted annual rates

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

Detailed data available upon request.