



## PRESS RELEASE



*Canadian Mortgage News - National Archive 2006*

### **2005 Housing Starts Rank Second Highest Since 1988**

**OTTAWA, Ontario, January 10, 2006** — The seasonally adjusted annual rate<sup>1</sup> of housing starts was 227,700 units in December, up slightly from 225,000 units in November, according to Canada Mortgage and Housing Corporation (CMHC).

"2005 was another excellent year for residential construction. Thanks to low mortgage rates, healthy labour markets and steady income growth, housing starts in 2005 posted their second highest level since 1988," said Bob Dugan, Chief Economist at CMHC's Market Analysis Centre. "Total housing starts for 2005 were estimated at 223,900 units, a decrease of 4.1 per cent, compared to 2004. Starts will continue to ease to 207,200 units this year due to a slight rise in mortgage rates and more balanced conditions in the existing home market. Still, 2006 will be the fifth consecutive year in which housing starts exceed the 200,000 unit threshold."

The seasonally adjusted annual rate of urban starts rose 1.4 per cent to 198,100 units in December compared to the previous month, due to a 3.5 per cent increase in single starts to 97,800 units. Multiple starts were down 0.6 per cent to 100,300 units in December compared to November.

Lower multiple starts were behind the decline in the seasonally adjusted annual rate of total urban starts in three out of five regions across Canada. Urban housing starts eased in the Atlantic (-8.8 per cent), the Prairies (-7.0 per cent), and Quebec (-0.5 per cent). Urban housing starts were up 4.4 per cent in Ontario and 10.8 per cent in British Columbia during the last month of the year.

Rural starts in December were estimated at a seasonally adjusted annual rate of 29,600 units.

For the year 2005, the decrease in actual urban starts (5.4 per cent) more than offset the increase in rural starts. Hence, actual total starts decreased (4.1 per cent) compared with 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.*

#### **Information on this release:**

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#### **For regional starts information contact:**

**Atlantic provinces:**

**Prairie provinces:**



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Ontario, urban centres	6,927	75,700	5,811	79,000
Prairie region, urban centres	3,467	41,300	2,917	38,400
British Columbia, urban centres	2,507	29,700	2,502	32,900

Source: CMHC

\*Seasonally adjusted annual rates

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

Detailed data available upon request.