



PRESS RELEASE



Canadian Mortgage News - National Archive 2006

Residential Construction Off to a Great Start in 2006

OTTAWA, Ontario, February 8, 2006 — The seasonally adjusted annual rate¹ of housing starts was 247,900 units in January, up from 232,600 units in December, according to Canada Mortgage and Housing Corporation (CMHC).

"The high number of housing starts in January is consistent with the strong level of existing home sales over the latter half of 2005. Single home starts were particularly strong, as they registered their highest level since January 1990," said Brent Weimer, Senior Economist at CMHC's Market Analysis Centre. "Despite this strong opening, we expect the level of activity to moderate in 2006 compared to 2005, as higher mortgage carrying costs due to strong house price growth and modest increases in mortgage rates will contribute to ease the demand for both existing and new homes," according to Bertrand Recher, Senior Economist at CMHC's Market Analysis Centre.

The seasonally adjusted annual rate of urban starts rose 8.2 per cent to 215,300 units with increases in both single and multiple starts. Multiple starts increased by 2.4 per cent to 103,500 units and single starts jumped 14.3 per cent to 111,800 units in January compared to December.

Urban housing starts were up across all regions except for British Columbia in January. In the Atlantic region, unseasonably warm weather and a high level of activity in the volatile multiple segment have pushed the seasonally adjusted annual rate of urban starts to an impressive 79.5 per cent increase to 13,100 units, while it rose 9.9 per cent to 86,800 units in Ontario, 6.2 per cent to 43,000 units in Quebec, and 5.5 per cent to 40,500 units in the Prairies. Urban starts were down 5.3 per cent to 31,900 units in British Columbia.

Rural starts in January were estimated at a seasonally adjusted annual rate of 32,600 units.

For the first month of the year, actual urban starts were 23.2 per cent higher than in the same period in 2005. Single starts increased 26.7 per cent and multiple starts rose 19.9 per cent compared to the same period last year.

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years. CMHC contributes to improving the living conditions and the well-being of Canadians through four areas of housing activities — housing finance, assisted housing, research and information transfer, and export promotion. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, and making vibrant and sustainable communities and cities a reality across the country. For more information, call 1 800 668-2642.

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:

Brent Weimer
CMHC

Canadian Mortgage News - Residential Construction Off to a Great Start in 2006

Canada, singles, urban centres	7,265	97,800	5,900	111,800
Canada, multiples, urban centres	8,095	101,100	6,062	103,500
Atlantic region, urban centres	619	7,300	537	13,100
Quebec, urban centres	3,434	40,500	2,220	43,000
Ontario, urban centres	5,811	79,000	4,409	86,800
Prairie region, urban centres	2,917	38,400	2,558	40,500
British Columbia, urban centres	2,579	33,700	2,238	31,900

Source: CMHC

*Seasonally adjusted annual rates

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

Detailed data available upon request.