



**PRESS RELEASE**



*Canadian Mortgage News - National Archive 2006*

## **CMHC Predicts Ongoing Strength in Housing Sector**

**VANCOUVER, British Columbia, November 14, 2006** — British Columbia's housing sector will exhibit ongoing strength according to Canada Mortgage and Housing Corporation (CMHC). Six hundred housing industry professionals including, lenders, appraisers, planners, housing suppliers, builders, developers and government officials attended CMHC's sold-out Housing Market Outlook Conference today in Vancouver. In the conference theme of "Shifting Gears: Housing Market to 2010", CMHC housing market experts presented on recent trends in housing markets as well as the outlook at this annual event.

"The low inflation and interest rate environment, gains in employment and incomes, and continued above average economic growth bode well for the province's housing sector," stated Carol Frketich, CMHC BC Regional Economist during her presentation on the economic and interest rate outlook. The housing market outlook for 2007 calls for continued high levels of resale activity and new home construction in British Columbia, although below this year's projected totals. While some moderation is anticipated in the level of existing home sales, the average resale price will continue to rise but at a slower pace than in 2006.

Charles King, CMHC's BC Regional Manager of Business Development, presented the Vancouver housing market outlook. "The long term outlook is for the Vancouver housing market to remain strong, reflecting positive consumer confidence to 2010," noted King. "The resale market will benefit from an increase in supply. Home buyers will have more options as they look to become first time buyers or choose that home close to the amenities, job centres or transit and transportation routes they access on a regular basis," he added.

According to CMHC's Market Analysis Centre, the main challenges for BC's housing industry in the coming years will be to find development sites in the right location and at the right cost, securing both labour and materials costs and keeping to project time lines. For home buyers, the main challenge will be housing affordability as both new and resale house prices are forecast to continue to increase, but at a slower pace than in previous years.

David Baxter, Executive Director, Urban Futures Institute, presented the findings of a recently completed CMHC study on The Impact of the 2010 Olympics on the Vancouver and Sea-to-Sky housing markets.

Delegates attending the Conference also learned that the housing industry, consumers and policy makers will benefit from a new suite of enhanced surveys and analytical reports to be introduced by CMHC's Market Analysis Centre.

CMHC will now cover the secondary rental market, which includes apartment condominiums, single, semi-detached and duplex units in its fall Rental Market Reports for selected centres in Canada. In addition, market participants will now benefit from updates on the rental market twice a year as a new rental market survey will be conducted in April.

A new Renovation Expenditure Survey will also be introduced by CMHC to collect information on this important market in 10 major centres.

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As well, over the next year, CMHC will expand its suite of Market Analysis publications to cover additional centers including Abbotsford in BC and Kingston, Peterborough, Barrie, Guelph and Brantford in Ontario.

To find out more about these and other several other enhancements to come, visit our website regularly and subscribe to CMHC's Free Market Analysis electronic products at [www.cmhc.ca/housingmarketinformation](http://www.cmhc.ca/housingmarketinformation).

CMHC's Rental Market Survey reports will be available December 14, 2006. Users may sign up for free electronic subscriptions to the survey reports. Electronic versions will be forwarded directly to subscribers on the day of release.

Alternatively, users may download electronic reports on the day of release. Visit [www.cmhc.ca/housingmarketinformation](http://www.cmhc.ca/housingmarketinformation), click on the Statistics and Data menu, then select Rental Market Reports, Major Centres or Provincial Highlights.

The attached backgrounder includes details of the forecast announced at today's Housing Outlook Conference, Shifting Gears: Housing Market to 2010.

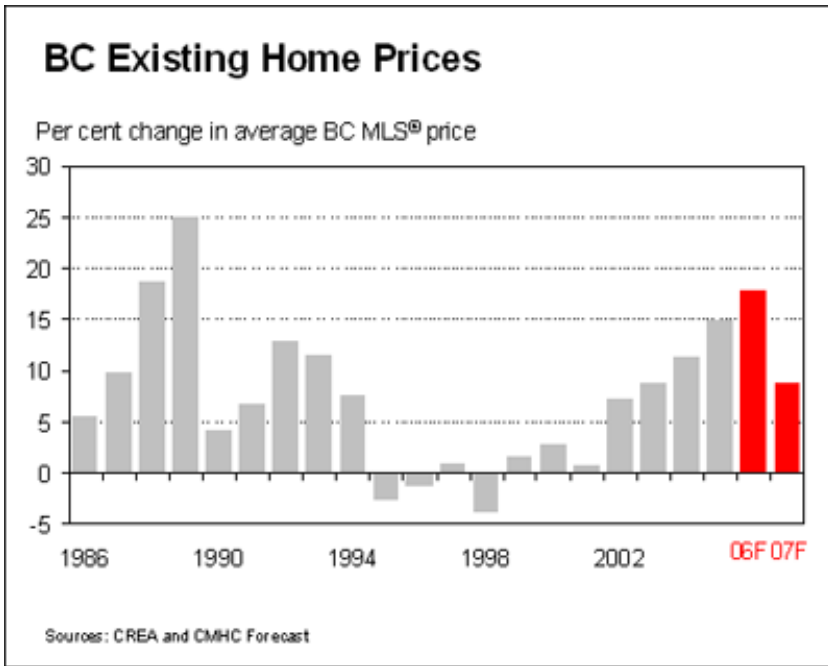
Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, and making vibrant and sustainable communities and cities a reality across the country. For more information call 1-800-668-2642.

### **For further information on this release contact:**

Tracy Wells  
Senior Marketing and Communications Consultant  
CMHC  
Telephone: 604-737-4162  
Cel: 604-329-4133 (morning of November 14, 2006)  
Email: [twells@cmhc.ca](mailto:twells@cmhc.ca)

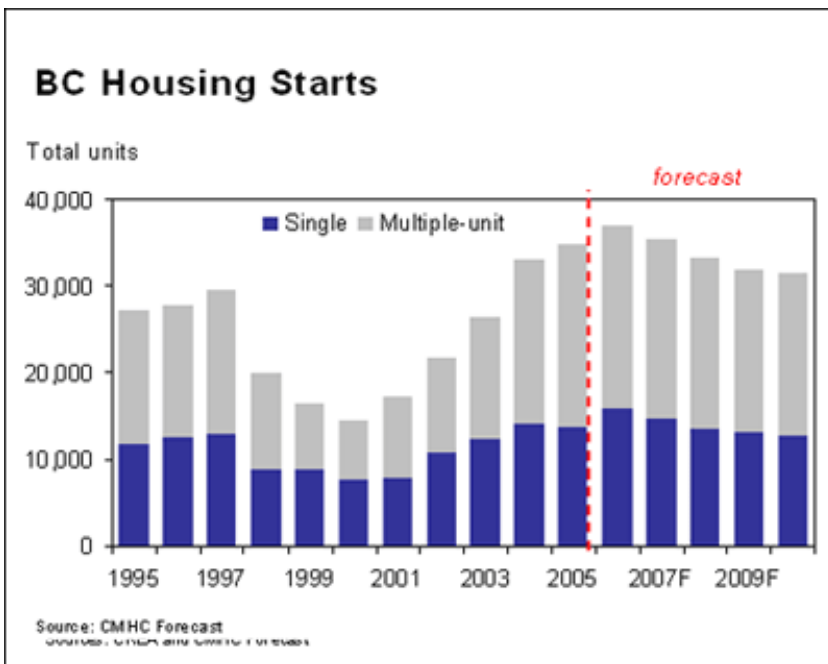
### **Backgrounder**

<b>BC Housing Price</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
BC MLS® average price	\$332,224	\$389,500	\$419,400
% change	14.9%	17.2%	7.7%
Source : Historical CREA, Forecast CMHC			



BC Housing Starts	2005	2006	2007
BC Starts	34,667	36,900	35,300
% change	5.3%	6.4%	-4.3%
Single-detached	13,719	15,700	14,600
% change	-2.4%	14.4%	-7.0%
Multi-unit	20,948	21,200	20,700
% change	11.0%	1.2%	-2.4%

Source: CMHC



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<b>Vancouver Housing Starts</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Vancouver Starts	18,914	21,000	20,300
% change	-2.7%	11.0%	-3.3%
Single-detached	4,935	6,000	5,800
% change	-12.1%	21.6%	-3.3%
Multi-unit	13,979	15,000	14,500
% change	1.2%	7.3%	-3.3%

Source: CMHC

