



PRESS RELEASE



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Housing Starts Reach Their Second Highest Level in Nearly Two Decades Despite Cooling in December

OTTAWA, Ontario, January 09, 2008 — Housing starts in 2007 are estimated at 229,600, surpassing 2006 starts, and reaching their second highest level in nearly two decades. However, the seasonally adjusted annual rate¹ of housing starts in December decreased to 187,500 units from November's 233,300 units, according to Canada Mortgage and Housing Corporation (CMHC).

“Growth in 2007 housing starts was driven by low mortgage rates, solid employment, income growth and a high level of consumer confidence, said Bob Dugan, Chief Economist at CMHC’s Market Analysis Centre. “Even with the weakness in residential construction in December, new home starts are estimated at 229,600 units in 2007, surpassing 2006 levels.”

After two strong months in October and November, the volatile multiples segment and single-detached starts fell in December mainly due to harsh winter weather. Also, the seasonally adjusted annual rate of urban starts decreased 23.2 per cent to 151,600 units in December, compared to November. Urban singles were down 12.6 per cent to 85,600 units in December, while multiple starts decreased 33.7 per cent to 66,000 units.

In December, the seasonally adjusted annual rate of urban starts increased in two of Canada’s five regions. Urban starts registered an increase of 3.4 per cent in Quebec and 1.2 per cent in the Atlantic region. British Columbia, Ontario and the Prairies all recorded a decline in activity for December (-36.7 per cent, -33.1 per cent, and -17.1 per cent respectively). Urban single starts were down in all regions except the Atlantic and British Columbia, while only Quebec saw an increase in urban multiple starts.

Rural starts were estimated at a seasonally adjusted annual rate of 35,900 units in December.

For the year 2007, actual starts, in rural and urban areas combined, increased by an estimated 1.0 per cent compared to 2006. In urban areas, actual total starts in 2007 decreased by an estimated 0.6 per cent. Actual urban single starts for 2007 were down 3.5 per cent compared to 2006, while multiple starts grew an estimated 2.1 per cent in 2007 compared to 2006.

Housing starts are expected to remain strong in 2008, but are forecast to decrease to 214,300 units.

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.

As Canada’s national housing agency, CMHC draws on over 60 years of experience to help Canadians access a variety of quality, environmentally sustainable, and affordable homes — homes that will continue to create vibrant and healthy communities and cities across the country.

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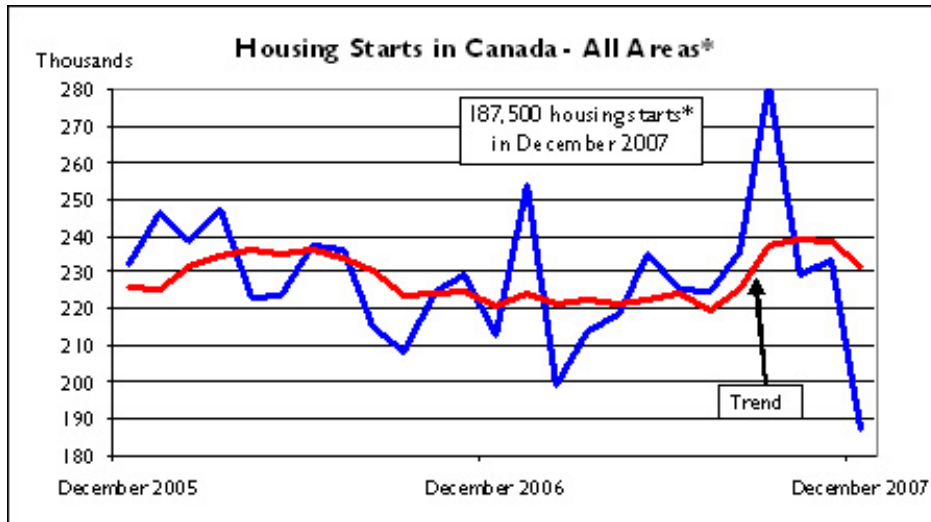
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Housing Starts, Actual and SAAR*				
	Actual		SAAR	
	December 2006	December 2007	November 2007	December 2007
	Final	Preliminary	Final	Preliminary
Canada, all areas	16,454	13,985	233,300	187,500
Canada, rural areas	2,435	2,809	35,900	35,900
Canada, urban centres**	14,019	11,176	197,400	151,600
Canada, singles, urban centres	6,369	6,098	97,900	85,600
Canada, multiples, urban centres	7,650	5,078	99,500	66,000
Atlantic region, urban centres	572	651	8,500	8,600
Quebec, urban centres	3,548	2,668	32,000	33,100
Ontario, urban centres	4,535	3,502	70,700	47,300
Prairie region, urban centres	3,113	2,238	41,000	34,000
British Columbia, urban centres	2,251	2,117	45,200	28,600

Source: CMHC

*Seasonally adjusted annual rates

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

Detailed data available upon request.