



PRESS RELEASE



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Housing Activity Stronger in 2010

OTTAWA, Ontario, March 02, 2010 — Housing starts rebounded in the second half of 2009 and will strengthen in 2010, according to Canada Mortgage and Housing Corporation's first quarter Housing Market Outlook, Canada Edition*.

Following a total of 149,081 units in 2009, housing starts are expected to be in the range of 152,000 to 189,300 units in 2010, with a point forecast of 171,250 units. In 2011, housing starts will be in the range of 156,400 to 205,600 units, with a point forecast of 175,150 units.

"Canadian housing markets will benefit from improving economic conditions and low mortgage rates," said Bob Dugan, Chief Economist for CMHC. "As well, measures recently announced by the Government of Canada to support the long-term stability of Canada's housing market will help moderate housing activity as some potential buyers will have to save a larger down payment or consider a less expensive home."

Mr. Dugan also noted that the existing home market has shifted from a buyers' market, at the beginning of 2009, to a sellers' market. The relative lack of new listings for existing homes has pushed some of the demand into the new home market, which helps explain the forecast for higher housing starts activity in 2010.

The strong pace of MLS^{®1} sales seen in the second to fourth quarters of 2009 reflects, in part, activity that was delayed in the previous two quarters. The pace is not likely to be sustained as pent-up demand is exhausted and financing costs increase with anticipated higher interest rates later in 2010. As a result, existing home sales will be in the range of 455,350 to 509,900 units in 2010, with a point forecast of 486,700 units, and then move slightly lower in 2011 to be in the range of 426,300 to 494,600 units, with a point forecast of 469,950 units.

With an improved balance between demand and supply, the average MLS[®] price is expected to remain close to the average in the last quarter of 2009, for most of 2010, and then rise modestly in 2011.

As Canada's national housing agency, CMHC draws on more than 60 years of experience to help Canadians access a variety of quality, environmentally sustainable and affordable homes. CMHC also provides reliable, impartial and up-to-date housing market reports, analysis and knowledge to support and assist consumers and the housing industry in making vital decisions.

* The forecasts included in the Housing Market Outlook are based on information available as of February 16, 2010. Where applicable, forecast ranges are also presented in order to reflect economic uncertainty.