

Housing Starts Move Higher in May

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OTTAWA, Ontario, June 09, 2008 — The seasonally adjusted annual rate¹ of housing starts was 221,300 units in May, up from 213,900 units in April, according to Canada Mortgage and Housing Corporation (CMHC).

“Housing starts in May moved up from the strong level posted in April. Most of the increase reflected a rise in single starts, which in April had reached their lowest level since May 2001,” said Bob Dugan, Chief Economist at CMHC’s Market Analysis Centre.

In May the seasonally adjusted annual rate of urban starts edged up by 4.0 per cent to 192,800 units compared to April. Urban multiples rose 1.9 per cent to 116,100 in May, while singles increased 7.3 per cent to 76,700 units.

The seasonally adjusted annual rate of urban starts went up in all regions of Canada, except Ontario, which saw a decrease of 7.4 per cent to 67,600 in May. Urban starts increased to 8,900 units in Atlantic Canada, 44,100 units in Quebec, 36,800 units in the Prairies, and 35,400 units in British Columbia. In terms of single urban starts, all regions were up in May.

Rural starts were estimated at a seasonally adjusted annual rate of 28,500 units in May².

For the first five months of 2008, actual starts in rural and urban areas combined were up an estimated 0.7 per cent compared to the same period last year. Year-to-date actual starts in urban areas have increased by an estimated 5.6 per cent over the same period in 2007. Actual urban single starts for the five months of this year were 14.8 per cent lower than they were a year earlier, while multiple starts increased by 22.7 per cent over the same period.

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.

2. CMHC estimates the level of rural starts for each of the three months of the quarter, at the beginning of each quarter. During the last month of the quarter, CMHC conducts the survey in rural areas and revises the estimate.

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.