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Canadian Housing Starts Trend Decreases in July

OTTAWA, August 9, 2018 — The trend in housing starts was 219,988 units in July 2018, compared to 221,738 units in June 2018, according to Canada Mortgage and Housing Corporation (CMHC). This trend measure is a six-month moving average of the monthly seasonally adjusted annual rates (SAAR) of housing starts.

"The national trend in housing starts decreased in July, reflecting a decline in the SAAR of multi-unit dwellings in urban centres from the near-historical high registered in June," said Bob Dugan, CMHC's chief economist. "Despite decreasing in July, the trend remains well-above historical averages, reflecting elevated levels of multi-unit starts in most major markets that has more-than-offset declining single starts."

Monthly Highlights

Vancouver

Housing starts trended lower in July 2018 as fewer projects in both the single-detached and multi-family segments got underway. The densifying cities of Vancouver, Burnaby, and North Vancouver were focal points for new multi-family construction during the month. Despite the generally weak response of housing supply to changes in prices in Vancouver, particularly large increases in home prices and strong demand from a growing population in the Vancouver Census Metropolitan Area (CMA) have resulted in an elevated level of new home construction so far in 2018, equaling levels recorded in the first seven months of 2017.

Victoria

The trend for housing starts moved higher in July 2018, continuing strong construction activity in the first half of the year for the Victoria CMA. While the number of multi-family projects getting underway declined relative to the same month last year, single-detached starts expanded, particularly in the West Shore municipalities of Langford and Colwood. With strong demand for all types of housing in the region, builders have responded by starting 14% more units in 2018 compared with the same period last year.

Lethbridge

The housing starts trend in Lethbridge CMA declined slightly in July compared to the previous month. Actual housing starts were down 19% in July compared to the corresponding period in 2017, with both single-detached and multi-family homes contributing to the decline. Elevated inventories and an easing of demand continue to assert downward pressure on housing starts in the Lethbridge area.

Saskatoon

Total housing starts trended lower in July as fewer multi-family projects got underway in the month. Homebuilding activity during the first seven months of 2018 has been characterized by a mixed performance, with single-detached starts down by 31% and multi-family starts up by just under 1%, compared with the previous year. So far in 2018, modest economic growth has kept residential construction below the levels seen during the same period of 2017.

Toronto

The total housing starts trend in the Toronto CMA was virtually unchanged in July. The decline in the single-detached starts trend was matched by rising apartment starts. High house prices continued to shift buyers from purchasing low-rise units towards relatively more affordable condominium apartments. Consequently, condominium apartment starts were the highest for the month since 2005. The majority of condominium apartment starts took place in the City of Toronto (60%), with the remainder taking place in Mississauga (19%), Vaughan (11%), and Oakville (10%).

Oshawa
Total housing starts trended lower in the Oshawa CMA, as both single-detached and apartment unit construction declined. In fact, July saw the lowest number of single-detached starts for the month since 1992. While demographic and economic conditions remain favourable, the number of units under construction is the highest it has been in over 25 years, which slowed the pace of new projects.

Peterborough
The overall trend for total housing starts in the Peterborough CMA remained relatively unchanged into July, remaining close to the high levels witnessed over the last 19 months. This strength comes off the heels of a strong year for housing starts in 2017 and robust single-detached starts in the first seven months of 2018. Demand has been driven by the relative affordability of single-detached homes compared to other Ontario CMAs.

Québec CMA
In the Quebec region, year-to-date housing starts decreased by 10% compared to the same period in 2017. This decrease was due to the condominium and freehold (single-detached, semi-detached and row) housing segment. However, the rental housing segment continued to stand out. In fact, conventional rental or seniors' housing units saw an increase of 48% over the same period last year.

New Brunswick
The first seven months of 2018 has seen total housing starts increase by 8% compared to the same period last year. Construction of multi-family projects continues to drive this growth, with an increase of 13% compared to 3% in single-family housing starts. The increase in multi-family construction projects are a response to a 7-year low in New Brunswick's apartment vacancy rates.

CMHC uses the trend measure as a complement to the monthly SAAR of housing starts to account for considerable swings in monthly estimates and obtain a more complete picture of Canada's housing market. In some situations analyzing only SAAR data can be misleading, as they are largely driven by the multi-unit segment of the market which can vary significantly from one month to the next.

The standalone monthly SAAR of housing starts for all areas in Canada was 206,314 units in July, down from 246,200 units in June. The SAAR of urban starts decreased by 16.2% in July to 190,093 units. Multiple urban starts decreased by 20.3% to 136,231 units in July while single-detached urban starts decreased by 3.6% to 53,862 units.

Rural starts were estimated at a seasonally adjusted annual rate of 16,221 units.

Preliminary Housing Starts data are also available in English and French through our website and through CMHC's Housing Market Information Portal. Our analysts are also available to provide further insight into their respective markets.

As Canada's authority on housing, CMHC contributes to the stability of the housing market and financial system, provides support for Canadians in housing need, and offers objective housing research and information to Canadian governments, consumers and the housing industry.

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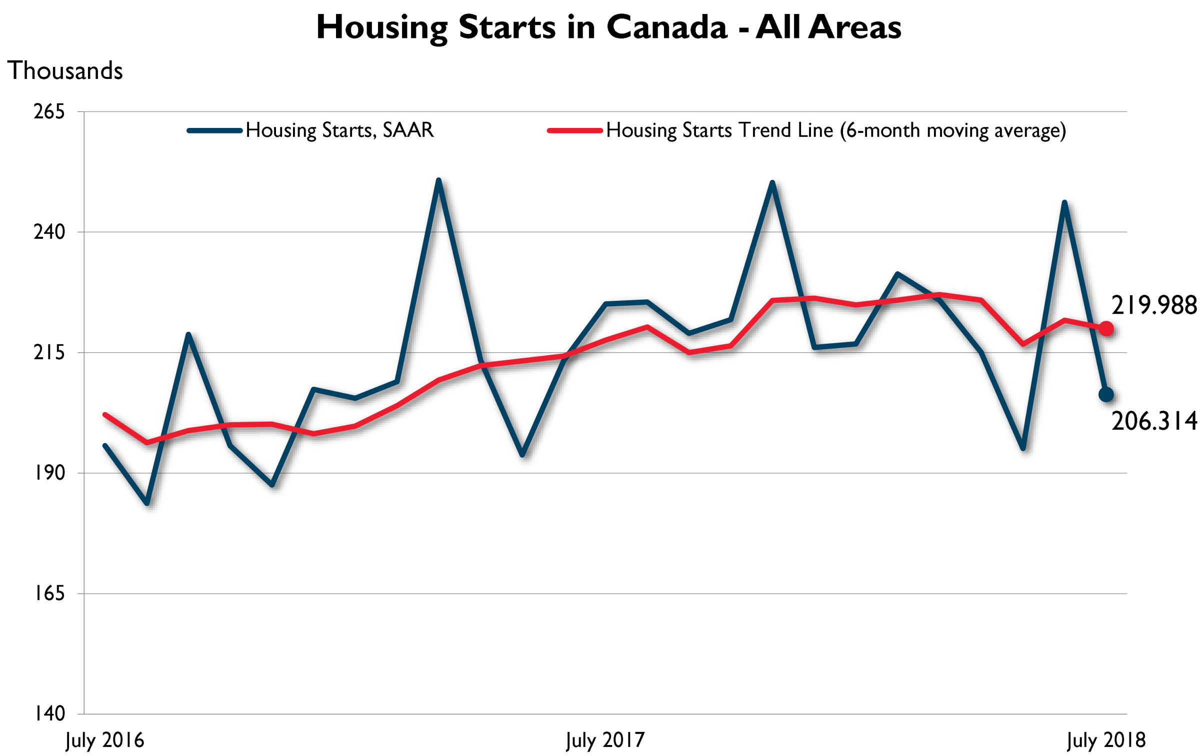

Preliminary Housing Start Data in Centres 10,000 Population and Over									
	Single-Detached			All Others			Total		
	July 2017	July 2018	%	July 2017	July 2018	%	July 2017	July 2018	%
Provinces (10,000+)									
N.-L.	97	68	-30	64	28	-56	161	96	-40
P.E.I.	31	31	-	47	5	-89	78	36	-54
N.S.	145	125	-14	224	358	60	369	483	31
N.B.	119	113	-5	78	111	42	197	224	14
Atlantic	392	337	-14	413	502	22	805	839	4
Qc	694	597	-14	2,709	2,199	-19	3,403	2,796	-18
Ont.	2,644	2,048	-23	4,510	3,901	-14	7,154	5,949	-17
Man.	266	223	-16	134	500	273	400	723	81
Sask.	219	156	-29	206	75	-64	425	231	-46
Alta.	1,291	1,092	-15	1,567	1,451	-7	2,858	2,543	-11
Prairies	1,776	1,471	-17	1,907	2,026	6	3,683	3,497	-5
B.C.	1,000	888	-11	2,929	2,772	-5	3,929	3,660	-7
Canada (10,000+)	**6,506**	**5,341**	**-18**	**12,468**	**11,400**	**-9**	**18,974**	**16,741**	**-12**
Metropolitan Areas									
Abbotsford-Mission	24	42	75	157	111	-29	181	153	-15
Barrie	101	169	67	1	0	-100	102	169	66
Belleville	39	47	21	36	9	-75	75	56	-25
Brantford	31	37	19	63	21	-67	94	58	-38
Calgary	430	301	-30	716	709	-1	1,146	1,010	-12

Edmonton	498	563	13	716	518	-28	1,214	1,081	-11
Greater Sudbury	28	22	-21	2	8	300	30	30	-
Guelph	18	10	-44	8	81	##	26	91	250
Halifax	83	74	-11	194	330	70	277	404	46
Hamilton	52	76	46	204	226	11	256	302	18
Kelowna	87	46	-47	41	112	173	128	158	23
Kingston	42	37	-12	18	26	44	60	63	5
Kitchener-Cambridge-Waterloo	69	49	-29	299	62	-79	368	111	-70
Lethbridge	45	43	-4	18	8	-56	63	51	-19
London	197	156	-21	38	92	142	235	248	6
Moncton	37	44	19	17	20	18	54	64	19
Montréal	275	253	-8	1,553	1,287	-17	1,828	1,540	-16
Oshawa	100	51	-49	9	68	##	109	119	9
Ottawa-Gatineau	276	339	23	1,015	514	-49	1,291	853	-34
Gatineau	62	38	-39	427	247	-42	489	285	-42
Ottawa	214	301	41	588	267	-55	802	568	-29
Peterborough	32	64	100	15	0	-100	47	64	36
Québec	118	70	-41	364	266	-27	482	336	-30
Regina	84	29	-65	105	38	-64	189	67	-65
Saguenay	16	32	100	10	16	60	26	48	85
St. Catharines-Niagara	155	53	-66	94	12	-87	249	65	-74
Saint John	26	19	-27	1	52	##	27	71	163
St. John's	79	46	-42	60	24	-60	139	70	-50
Saskatoon	111	111	-	89	27	-70	200	138	-31
Sherbrooke	12	19	58	36	36	-	48	55	15
Thunder Bay	16	28	75	2	0	-100	18	28	56
Toronto	928	491	-47	2,864	2,872	0	3,792	3,363	-11
Trois-Rivières	27	13	-52	34	44	29	61	57	-7
Vancouver	492	411	-16	1,906	1,746	-8	2,398	2,157	-10
Victoria	84	97	15	611	320	-48	695	417	-40
Windsor	81	59	-27	41	24	-41	122	83	-32
Winnipeg	207	173	-16	83	474	471	290	647	123
Total	**4,900**	**4,074**	**-17**	**11,420**	**10,153**	**-11**	**16,320**	**14,227**	**-13**

Data for 2017 based on 2016 Census Definitions.

Data for 2018 based on 2016 Census Definitions.

Source: Market Analysis Centre, CMHC

not calculable / extreme value

Preliminary Housing Start Data - Seasonally Adjusted at Annual Rates (SAAR)									
	Single-Detached			All Others			Total		
	June 2018	July 2018	%	June 2018	July 2018	%	June 2018	July 2018	%
Provinces (10,000+)									
N.L.	643	600	-7	119	286	140	762	886	16
P.E.I.	266	244	-8	504	60	-88	770	304	-61
N.S.	1,501	1,116	-26	3,904	4,233	8	5,405	5,349	-1
N.B.	809	787	-3	1,879	1,222	-35	2,688	2,009	-25

Qc	6,616	6,081	-8	42,358	27,771	-34	48,974	33,852	-31
Ont.	21,394	20,577	-4	79,370	45,165	-43	100,764	65,742	-35
Man.	2,308	2,229	-3	3,384	6,000	77	5,692	8,229	45
Sask.	1,280	1,458	14	1,224	900	-26	2,504	2,358	-6
Alta.	11,288	11,397	1	13,548	17,409	28	24,836	28,806	16
B.C.	9,765	9,373	-4	24,553	33,185	35	34,318	42,558	24
Canada (10,000+)	**55,870**	**53,862**	**-4**	**170,843**	**136,231**	**-20**	**226,713**	**190,093**	**-16**
Canada (All Areas)	**68,734**	**66,382**	**-3**	**177,463**	**139,931**	**-21**	**246,200**	**206,314**	**-16**
Metropolitan Areas									
Abbotsford-Mission	357	424	19	192	1,332	##	549	1,756	220
Barrie	242	1,062	339	3,048	0	-100	3,290	1,062	-68
Belleville	458	409	-11	72	108	50	530	517	-2
Brantford	764	502	-34	48	252	425	812	754	-7
Calgary	3,827	3,380	-12	8,484	8,508	0	12,311	11,888	-3
Edmonton	5,241	5,933	13	4,644	6,216	34	9,885	12,149	23
Greater Sudbury	167	124	-26	132	96	-27	299	220	-26
Guelph	181	95	-48	936	972	4	1,117	1,067	-4
Halifax	909	667	-27	3,372	3,960	17	4,281	4,627	8
Hamilton	465	671	44	5,976	2,712	-55	6,441	3,383	-47
Kelowna	1,107	585	-47	2,520	1,344	-47	3,627	1,929	-47
Kingston	347	318	-8	2,160	312	-86	2,507	630	-75
Kitchener-Cambridge-Waterloo	824	595	-28	2,436	744	-69	3,260	1,339	-59
Lethbridge	393	451	15	156	96	-38	549	547	0
London	1,027	1,596	55	5,760	1,104	-81	6,787	2,700	-60
Moncton	236	277	17	696	240	-66	932	517	-45
Montréal	2,800	2,592	-7	29,553	15,475	-48	32,353	18,067	-44
Oshawa	1,448	474	-67	1,548	816	-47	2,996	1,290	-57
Ottawa-Gatineau	2,966	3,365	13	9,744	6,168	-37	12,710	9,533	-25
Gatineau	279	340	22	2,448	2,964	21	2,727	3,304	21
Ottawa	2,687	3,025	13	7,296	3,204	-56	9,983	6,229	-38
Peterborough	364	482	32	60	0	-100	424	482	14
Québec	790	819	4	9,744	3,192	-67	10,534	4,011	-62
Regina	320	302	-6	492	456	-7	812	758	-7
Saguenay	251	263	5	264	192	-27	515	455	-12
St. Catharines-Niagara	614	434	-29	1,044	144	-86	1,658	578	-65
Saint John	204	150	-26	0	624	##	204	774	279
St. John's	528	439	-17	84	288	243	612	727	19
Saskatoon	816	952	17	516	324	-37	1,332	1,276	-4
Sherbrooke	263	262	0	1,368	432	-68	1,631	694	-57
Thunder Bay	118	163	38	96	0	-100	214	163	-24
Toronto	6,231	5,444	-13	49,392	34,464	-30	55,623	39,908	-28
Trois-Rivières	159	163	3	504	528	5	663	691	4
Vancouver	4,462	4,282	-4	12,540	20,952	67	17,002	25,234	48
Victoria	958	1,039	8	5,016	3,840	-23	5,974	4,879	-18
Windsor	537	560	4	276	288	4	813	848	4
Winnipeg	1,767	1,769	0	2,868	5,688	98	4,635	7,457	61

Data based on 2016 Census Definitions.

Source: Market Analysis Centre, CMHC

not calculable / extreme value