

## **Canadian Housing Starts Trend Increases in June**

**OTTAWA, July 10, 2018** — The trend in housing starts was 222,041 units in June 2018, compared to 216,701 units in May 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 increased in June, reflecting a jump in the SAAR of multi-unit dwellings in urban centres in June to a historical high," said Bob Dugan, CMHC's chief economist. "Notably, the national inventory of newly completed and unabsorbed multi-unit dwellings has remained below its 10-year historical average so far in 2018, indicating that demand for this type of unit has absorbed increased supply."

### **Monthly Highlights**

#### **Vancouver**

Housing starts trended lower in June 2018 as fewer multi-family projects got underway during the month. For the first half of 2018, total housing starts matched the level of activity in the same period in 2017. Particularly high home prices and strong demand from a growing population so far in 2018 have incentivized some new supply, maintaining an elevated pace of new home construction in the Vancouver Census Metropolitan Area (CMA).

#### **Victoria**

Metro Victoria housing starts reached mid-year 45% ahead of 2017 levels, driven by substantially higher multi starts. Rental starts were double the rate seen in the first half of 2017 in response to low vacancy rates. Elsewhere, relatively more affordable housing types dominated construction. Condo construction was nearly 60% higher due to the relative affordability of condos over single detached units, which were down 15%. The generally lower average prices in Langford coincided with 44% of all construction in the metro area. Ground-oriented, freehold multi-unit construction was also up 41%, pointing to densification.

#### **Calgary**

June housing starts were down in Calgary year-over-year, but year-to-date (YTD) there has been 8% growth over 2017. Single-detached units were on par with the previous year, while there were roughly half as many rental units initiated. The growth in total housing starts has been driven by the condo market. Condo starts grew 36% YTD over 2017.

#### **Winnipeg**

The trend measure of housing starts declined further in June after the pace of both single-detached and multi-family starts slowed from the previous month. Following a strong performance in 2017, total housing starts in the Winnipeg CMA continued to moderate during the first half of 2018, down 32% from a year earlier. The decline was most pronounced in the multiples sector where production through June 2018 declined by 38% from the same period of 2017.

#### **Province of Québec**

For the first six months of the year, the relatively strong rate of residential construction in Quebec is attributable to the apartment market segment, including rental and condominium. Favourable economic conditions, decreasing supply in the resale market and population aging have all contributed to increased housing starts.

#### **Kingston**

Housing starts in Kingston trended higher in June as more multi-unit housing starts, including starts of rental apartments, got underway. Builders have started rental projects in four out of the last six months reflecting a very low vacancy rate, which stood at 0.7% in fall 2017, the lowest among 16 Ontario CMAs.

## **Toronto**

Primarily led by apartment starts, the total number of housing starts in the Toronto CMA trended up to reach a near two year high in June. Driven by condominium apartment starts which recorded a 30 year high for the month. The majority of these apartment starts were spread evenly across the City of Toronto, Mississauga, and Vaughan, highlighting the broad spread of high rise construction in the Toronto CMA.

## **Hamilton**

Apartment starts increased in June, causing overall housing starts to trend up. Apartment starts have reached a very high level in Hamilton due to strong demand from first-time buyers, downsizers, and rental property investors. Faced with fewer options in the resale market at their price point, more first-time buyers and downsizers have purchased new condominium apartments. Rental property investors are looking to take advantage of the extremely low vacancy rates in the region.

## **St. Catharines**

Total housing starts in the St. Catharines CMA trended slightly lower in June. Nevertheless, they were nearly 50% above the ten year average. The mild slowdown was generated by the single-detached sector, while all multi-family housing types saw increases this month. Stronger migration flows from other parts of Ontario continue to fuel demand for new homes in the area.

## **Kitchener-Cambridge-Waterloo**

Total housing starts trended upwards in the Kitchener-Cambridge-Waterloo CMA for the first time in the past five months. While row starts continued trending downwards, marginal increase in single-detached starts was able to pull total starts higher. The slight pickup in full-time employment and tightening resale market conditions during late 2017 supported spillover demand for single-detached units from the resale market to the new construction market.

## **Halifax**

After a slow start to 2018, multiples construction in Halifax picked up pace in June, the strongest month so far this year. While levels of construction remain strong on the Halifax Peninsula, the majority of new apartments starts this year have been located in the suburban market. Construction on the single-detached market remains elevated, recording a year-to-date growth of 10% compared to the same period last year.

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 248,138 units in June, up from 193,902 units in May. The SAAR of urban starts increased by 29.9% in June to 228,844 units. Multiple urban starts increased by 46.4% to 172,845 units in June while single-detached urban starts decreased by 3.5% to 55,999 units.

Rural starts were estimated at a seasonally adjusted annual rate of 19,294 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.

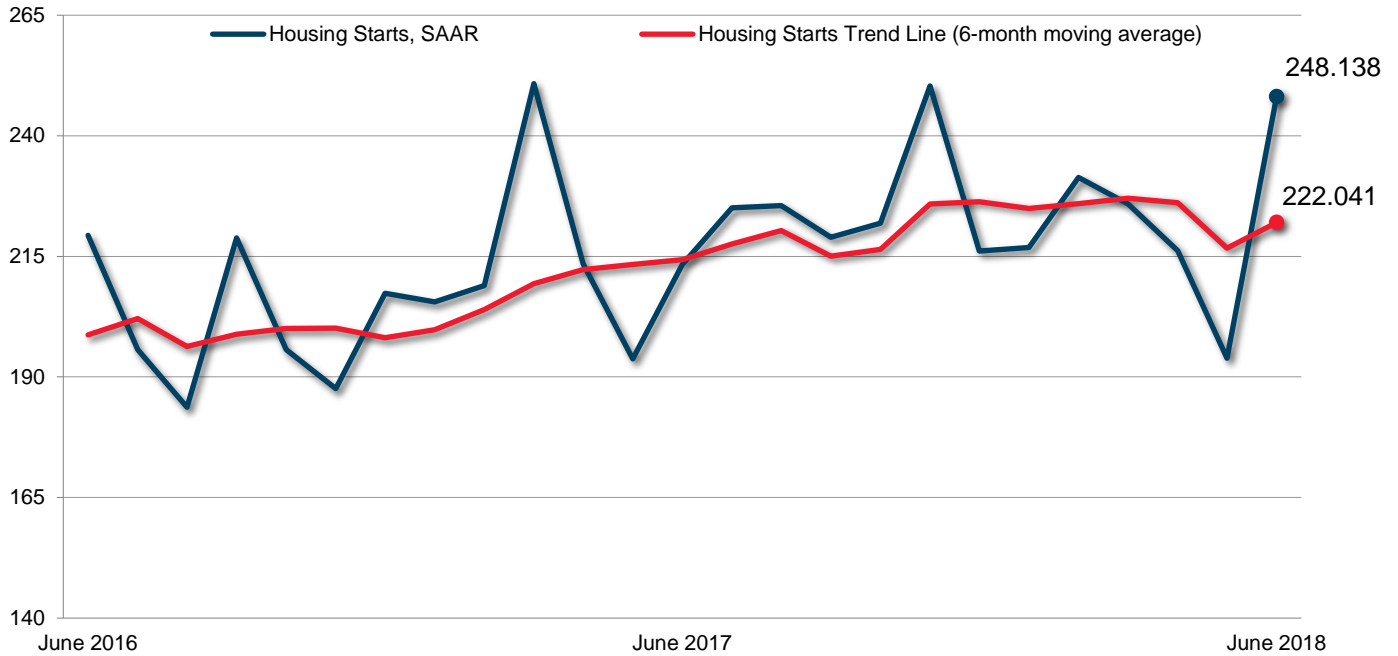
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**Housing Starts in Canada - All Areas**

Thousands



**Preliminary Housing Start Data in Centres 10,000 Population and Over**

	Single-Detached			All Others			Total		
	June 2017	June 2018	%	June 2017	June 2018	%	June 2017	June 2018	%
<b>Provinces (10,000+)</b>									
N.-L.	71	82	15	43	10	-77	114	92	-19
P.E.I.	29	31	7	77	42	-45	106	73	-31
N.S.	147	184	25	53	324	##	200	508	154
N.B.	106	121	14	63	170	170	169	291	72
Atlantic	353	418	18	236	546	131	589	964	64
Qc	740	804	9	2,708	4,061	50	3,448	4,865	41
Ont.	3,115	2,355	-24	4,173	6,871	65	7,288	9,226	27
Man.	259	209	-19	271	282	4	530	491	-7
Sask.	204	134	-34	210	102	-51	414	236	-43
Alta.	1,277	1,032	-19	1,336	1,176	-12	2,613	2,208	-15
Prairies	1,740	1,375	-21	1,817	1,560	-14	3,557	2,935	-17
B.C.	1,004	908	-10	2,274	2,055	-10	3,278	2,963	-10
<b>Canada (10,000+)</b>	<b>6,952</b>	<b>5,860</b>	<b>-16</b>	<b>11,208</b>	<b>15,093</b>	<b>35</b>	<b>18,160</b>	<b>20,953</b>	<b>15</b>
<b>Metropolitan Areas</b>									

Abbotsford-Mission	34	31	-9	233	16	-93	267	47	-82
Barrie	125	40	-68	86	254	195	211	294	39
Belleville	48	51	6	2	6	200	50	57	14
Brantford	4	58	##	45	4	-91	49	62	27
Calgary	445	360	-19	945	707	-25	1,390	1,067	-23
Edmonton	570	475	-17	261	387	48	831	862	4
Greater Sudbury	17	26	53	14	11	-21	31	37	19
Guelph	31	29	-6	29	78	169	60	107	78
Halifax	98	110	12	12	281	##	110	391	255
Hamilton	101	48	-52	105	498	374	206	546	165
Kelowna	77	91	18	134	210	57	211	301	43
Kingston	39	47	21	201	180	-10	240	227	-5
Kitchener-Cambridge-Waterloo	93	94	1	134	203	51	227	297	31
Lethbridge	41	33	-20	17	13	-24	58	46	-21
London	229	130	-43	336	480	43	565	610	8
Moncton	42	37	-12	30	58	93	72	95	32
Montréal	314	328	4	1,121	2,484	122	1,435	2,812	96
Oshawa	160	214	34	438	129	-71	598	343	-43
Ottawa-Gatineau	319	367	15	400	812	103	719	1,179	64
Gatineau	8	25	213	73	204	179	81	229	183
Ottawa	311	342	10	327	608	86	638	950	49
Peterborough	43	54	26	11	5	-55	54	59	9
Québec	107	95	-11	1,118	812	-27	1,225	907	-26
Regina	68	37	-46	117	41	-65	185	78	-58
Saguenay	18	37	106	8	22	175	26	59	127
St. Catharines-Niagara	124	60	-52	84	87	4	208	147	-29
Saint John	20	33	65	0	0	-	20	33	65
St. John's	51	66	29	39	7	-82	90	73	-19
Saskatoon	119	88	-26	79	43	-46	198	131	-34
Sherbrooke	59	51	-14	46	114	148	105	165	57
Thunder Bay	21	22	5	24	8	-67	45	30	-33
Toronto	1,059	600	-43	2,108	4,116	95	3,167	4,716	49
Trois-Rivières	31	25	-19	31	42	35	62	67	8
Vancouver	457	422	-8	1,585	1,045	-34	2,042	1,467	-28
Victoria	85	94	11	194	418	115	279	512	84
Windsor	108	73	-32	50	23	-54	158	96	-39
Winnipeg	231	167	-28	265	239	-10	496	406	-18
<b>Total</b>	<b>5,388</b>	<b>4,493</b>	<b>-17</b>	<b>10,302</b>	<b>13,833</b>	<b>34</b>	<b>15,690</b>	<b>18,326</b>	<b>17</b>

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		
	May 2018	June 2018	%	May 2018	June 2018	%	May 2018	June 2018	%
<b>Provinces (10,000+)</b>									
N.L.	374	659	76	138	120	-13	512	779	52
P.E.I.	277	274	-1	216	504	133	493	778	58
N.S.	1,302	1,534	18	2,032	3,917	93	3,334	5,451	63
N.B.	729	802	10	879	1,879	114	1,608	2,681	67
Qc	6,448	6,672	3	27,338	44,299	62	33,786	50,971	51
Ont.	23,145	21,455	-7	29,201	79,361	172	52,346	100,816	93
Man.	2,627	2,318	-12	2,580	3,384	31	5,207	5,702	10
Sask.	1,204	1,252	4	2,676	1,224	-54	3,880	2,476	-36
Alta.	12,627	11,313	-10	21,765	13,594	-38	34,392	24,907	-28
B.C.	9,314	9,720	4	31,270	24,563	-21	40,584	34,283	-16
<b>Canada (10,000+)</b>	<b>58,047</b>	<b>55,999</b>	<b>-4</b>	<b>118,095</b>	<b>172,845</b>	<b>46</b>	<b>176,142</b>	<b>228,844</b>	<b>30</b>
<b>Canada (All Areas)</b>	<b>70,389</b>	<b>69,082</b>	<b>-2</b>	<b>123,514</b>	<b>179,057</b>	<b>45</b>	<b>193,902</b>	<b>248,138</b>	<b>28</b>
<b>Metropolitan Areas</b>									
Abbotsford-Mission	253	323	28	288	192	-33	541	515	-5
Barrie	458	249	-46	1,692	3,048	80	2,150	3,297	53
Belleville	310	452	46	636	72	-89	946	524	-45
Brantford	442	757	71	720	48	-93	1,162	805	-31
Calgary	4,790	4,079	-15	15,180	8,484	-44	19,970	12,563	-37
Edmonton	5,739	5,093	-11	5,424	4,644	-14	11,163	9,737	-13
Greater Sudbury	41	177	332	96	132	38	137	309	126
Guelph	155	188	21	96	936	##	251	1,124	348
Halifax	487	897	84	1,644	3,372	105	2,131	4,269	100
Hamilton	478	444	-7	4,284	5,976	39	4,762	6,420	35
Kelowna	844	1,074	27	2,964	2,520	-15	3,808	3,594	-6
Kingston	313	351	12	240	2,160	##	553	2,511	354
Kitchener-Cambridge-Waterloo	1,021	871	-15	1,044	2,436	133	2,065	3,307	60
Lethbridge	450	389	-14	288	156	-46	738	545	-26
London	1,526	1,033	-32	516	5,760	##	2,042	6,793	233
Moncton	160	232	45	324	696	115	484	928	92
Montréal	2,815	2,832	1	17,583	29,594	68	20,398	32,426	59
Oshawa	1,583	1,513	-4	696	1,548	122	2,279	3,061	34
Ottawa-Gatineau	2,986	2,913	-2	5,832	9,744	67	8,818	12,657	44
Gatineau	460	275	-40	2,148	2,448	14	2,608	2,723	4
Ottawa	2,526	2,638	4	3,684	7,296	98	6,210	9,934	60
Peterborough	379	362	-4	288	60	-79	667	422	-37
Québec	691	791	14	5,364	9,744	82	6,055	10,535	74
Regina	421	321	-24	828	492	-41	1,249	813	-35
Saguenay	176	247	40	240	264	10	416	511	23
St. Catharines-Niagara	655	631	-4	720	1,044	45	1,375	1,675	22
Saint John	168	206	23	0	0	-	168	206	23
St. John's	249	538	116	108	84	-22	357	622	74
Saskatoon	643	785	22	1,728	516	-70	2,371	1,301	-45
Sherbrooke	256	266	4	1,512	1,368	-10	1,768	1,634	-8
Thunder Bay	59	114	93	0	96	##	59	210	256
Toronto	8,507	6,274	-26	14,904	49,392	231	23,411	55,666	138
Trois-Rivières	304	165	-46	360	504	40	664	669	1
Vancouver	4,288	4,450	4	22,272	12,540	-44	26,560	16,990	-36
Victoria	1,097	956	-13	2,124	5,016	136	3,221	5,972	85
Windsor	586	531	-9	432	276	-36	1,018	807	-21
Winnipeg	1,994	1,773	-11	2,484	2,868	15	4,478	4,641	4

Data based on 2016 Census Definitions.

Source: Market Analysis Centre, CMHC

## not calculable / extreme value

