



PRESS RELEASE



Canadian Mortgage News - National Archive 2006

Housing Starts Decreased in August as Expected

OTTAWA, Ontario, September 11, 2006 — The seasonally adjusted annual rate¹ of housing starts was 213,700 units in August, down from 236,500 units in July, according to Canada Mortgage and Housing Corporation (CMHC).

“Housing starts decreased in August solely due to a decline in the multiple starts segment. After three consecutive months of increases, the volatile multiple starts segment dropped to its lowest level of the year in August.” said Bob Dugan, Chief Economist at CMHC’s Market Analysis Centre. “Single-detached starts moved higher from their lackluster performance in July, but not markedly so.”

The seasonally adjusted annual rate of urban starts declined 11.3 per cent to 179,300 units in August compared to July. Urban multiples decreased 22.2 per cent to 87,800 units in August, while singles were up 2.6 per cent to 91,500 units.

Urban housing starts decreased in four out of five regions in August compared to July. Double digit declines were recorded in British Columbia, Ontario, the Atlantic region, and the Prairie region where urban starts were down 21.2, 19.8, 18.0, and 10.0 per cent respectively. Urban starts were up 19.6 per cent in Quebec.

Rural starts in August were estimated at a seasonally adjusted annual rate of 34,400 units.

“Total starts for the first eight months of this year remained ahead of last year’s pace. However, strong house price gains will continue to dampen demand for new homes in the latter part of this year,” Dugan said.

For the first eight months of 2006, all areas’ actual starts increased 2.7 per cent compared to a year ago, which compares to 2.0 per cent growth in actual urban starts over the same period. Year-to-date actual urban multiple starts rose 2.8 per cent and urban singles were up 1.1 per cent compared to the same period in 2005.

Canada Mortgage and Housing Corporation (CMHC) has been Canada’s national housing agency for more than 60 years. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country. For more information, call 1 800 668-2642.

¹All 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.

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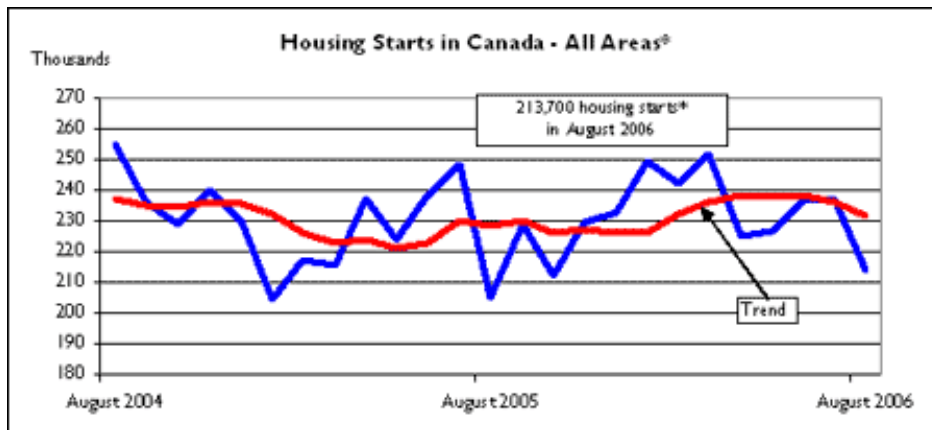
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Housing Starts, Actual and SAAR*

| | Actual | | SAAR | |
|----------------------------------|-------------|-------------|-----------|-------------|
| | August 2005 | August 2006 | July 2006 | August 2006 |
| | Final | Preliminary | Final | Preliminary |
| Canada, all areas | 18,554 | 18,560 | 236,500 | 213,700 |
| Canada, rural areas | 2,783 | 3,179 | 34,400 | 34,400 |
| Canada, urban centres** | 15,771 | 15,381 | 202,100 | 179,300 |
| Canada, singles, urban centres | 7,759 | 7,951 | 89,200 | 91,500 |
| Canada, multiples, urban centres | 8,012 | 7,430 | 112,900 | 87,800 |
| Atlantic region, urban centres | 971 | 718 | 8,900 | 7,300 |

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|---------------------------------|-------|-------|--------|--------|
| Quebec, urban centres | 2,832 | 3,011 | 33,100 | 39,600 |
| Ontario, urban centres | 5,736 | 5,430 | 76,100 | 61,000 |
| Prairie region, urban centres | 3,566 | 3,774 | 46,200 | 41,600 |
| British Columbia, urban centres | 2,666 | 2,448 | 37,800 | 29,800 |

Source: CMHC

*Seasonally adjusted annual rates

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

Detailed data available upon request.