



PRESS RELEASE



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Housing Starts in 2006 Reach Their Second Highest Level in Nearly Two Decades Despite Cooling in December

OTTAWA, Ontario, January 09, 2007 — New home starts are estimated at 227,400 in 2006, surpassing the level in 2005, reaching their second highest level in nearly two decades. However, the seasonally adjusted annual rate¹ of housing starts decreased to 211,500 units in December from November's 229,300 units, according to Canada Mortgage and Housing Corporation (CMHC).

“Growth in 2006 housing starts was driven by low mortgage rates, solid employment and income growth, and a high level of consumer confidence. Even with the slowing trend in residential construction in recent months, new home starts estimated at 227,400 units in 2006 surpassed the level reached in 2005,” said Bob Dugan, Chief Economist at CMHC’s Market Analysis Centre.

“After two strong months in October and November, the volatile multiples segment fell in December and single-detached starts continued to trend downward, reaching their lowest level of the year. Housing starts are expected to remain strong in 2007, but are forecast to decrease to 210,900 units.”

December’s seasonally adjusted annual rate of urban starts declined 9.0 per cent from November to 180,000 units. Urban multiples fell 13.9 per cent to 93,400 units in December, while singles decreased 3.0 per cent to 86,600 units.

All regions saw urban starts fall in December compared to a month earlier. The largest declines were in the Prairie region and the Atlantic region where urban starts fell by 20.5 per cent and 17.9 per cent, respectively. Weaker activity in the urban multiples sector drove the decreases registered in both of these regions. British Columbia, Ontario and Quebec recorded smaller declines of 7.1 per cent, 3.6 per cent, and 1.5 per cent, respectively.

Rural starts in December were estimated at a seasonally adjusted annual rate of 31,500 units.

For the year 2006, total actual starts in Canada increased by an estimated 0.9 per cent compared to 2005. Actual starts in urban areas in 2006 rose at a slightly slower rate of 0.7 per cent. Both actual urban single starts and actual urban multiple starts were up in 2006, by 0.1 per cent and 1.3 per cent, respectively.

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.

Information on this release:

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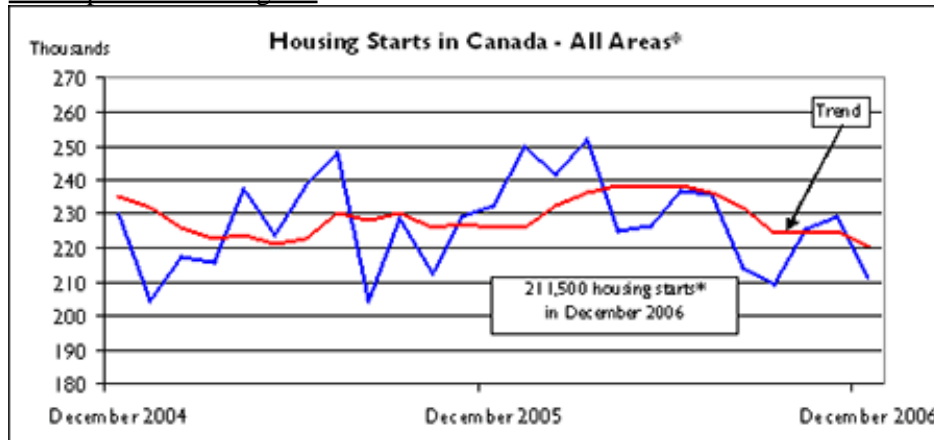
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Housing Starts, Actual and SAAR*

	Actual		SAAR	
	December 2005	December 2006	November 2006	December 2006
	Final	Preliminary	Final	Preliminary
Canada, all areas	18,220	16,574	229,300	211,500
Canada, rural areas	2,860	2,676	31,500	31,500
Canada, urban centres**	15,360	13,898	197,800	180,000
Canada, singles, urban centres	7,265	6,351	89,300	86,600
	8,095	7,547	108,500	93,400

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Canada, multiples, urban centres				
Atlantic region, urban centres	619	572	8,400	6,900
Quebec, urban centres	3,434	3,548	40,800	40,200
Ontario, urban centres	5,811	4,531	63,200	60,900
Prairie region, urban centres	2,917	3,113	54,600	43,400
British Columbia, urban centres	2,579	2,134	30,800	28,600

Source: CMHC

*Seasonally adjusted annual rates

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

Detailed data available upon request.