

Housing Starts in Canada and Québec Hold Strong in May

According to the Canada Mortgage and Housing Corporation (CMHC), housing starts in Canadian centres with 10,000 or more inhabitants increased by 46 per cent in May 2010 (unadjusted data) compared to the same period last year, when Canada was being hit hard by the recession and housing starts were down 45 per cent. In total, there were 15,527 housing starts in Canadian urban centres in May 2010. May is the seventh consecutive month in which there has been an increase in housing starts in Canada.

The number of housing starts also continued to increase in Québec in May, as 4,052 housing constructions were undertaken, a 10 per cent increase compared to May 2009. This is the sixth consecutive month that housing starts are up in the province. All of the province's metropolitan areas registered an increase in housing starts in May with the exception of the Québec City Metropolitan Area, which posted a decrease of 8 per cent, putting an end to a series of six consecutive increases. The Gatineau CMA, on the other hand, registered an 11 per cent increase in housing starts, which followed nine consecutive monthly decreases. Finally, the Trois-Rivières Metropolitan Area really stood out, as its housing starts more than doubled in May (+171 per cent).

Housing Starts - May 2010 (Unadjusted Preliminary Data)		
Metropolitan Areas	Housing Starts (number of dwellings)	Annual Change
Canada (10,000 inhab. and more)	15,527	46% ↑
Province de Québec (10,000 inhab. and more)	4,052	10 % ↑
Montréal	1,929	10 % ↑
Gatineau	318	11 % ↑
Québec	639	-8 % ↓
Saguenay	88	28 % ↑
Sherbrooke	238	9 % ↑
Trois-Rivières	133	** ↑

Source: Canadian Mortgage and Housing Corporation (CMHC)

** Percentage change superior to 100 %



Details About Housing Starts

Preliminary housing start data are published by the Canada Mortgage and Housing Corporation (CMHC) on the sixth working day of every month. The data released by the CMHC account for the number of dwellings for which construction has started during the month in question. Data are issued monthly for the six Census Metropolitan Areas and for urban centres with a population of 50,000 to 99,999 inhabitants (Drummondville, Granby, Saint-Hyacinthe, Shawinigan and Saint-Jean-sur-Richelieu), and they distinguish between single-detached houses and multiple dwelling units (semi-detached or townhouses and apartments). Housing start data for urban centres with 10,000 to 49,999 inhabitants are issued on a quarterly basis.

Housing Starts and the Existing-Home Market in Québec

Housing starts, as an indicator of the residential construction market, provide valuable information on the vitality of the real estate industry in general. However, if the increase in the number of new dwellings is greater than the long-term household formation trend, this situation would lead to an increase in the inventory of new, unsold homes, and could compete with the market of existing homes.