

Housing Starts Continue to Rise in Canada and Québec in July

According to the Canada Mortgage and Housing Corporation (CMHC), housing starts in Canadian centres with 10,000 or more inhabitants increased by 34 per cent in July 2010 (unadjusted data) compared to the same period last year. In total, there were 15,195 housing starts in Canadian urban centres in July 2010. July is the ninth 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 July, as 3,860 housing constructions were undertaken, a 12 per cent increase compared to July 2009. This is the eighth consecutive month that housing starts are up in the province. The metropolitan areas (CMAs) of Québec (+14 per cent), Montréal (+32 per cent) and Sherbrooke (+58 per cent) were the three Québec CMAs that registered an increase in housing starts compared to July 2009. However, the areas of Gatineau, Saguenay and Trois-Rivières posted a decrease in housing starts in July, with respective decreases of 7, 41 and 53 per cent.

| Housing Starts - July 2010 (Unadjusted Preliminary Data) | | |
|---|---|---------------|
| Metropolitan Areas | Housing Starts (number of dwellings) | Annual Change |
| Canada (10,000 inhab. and more) | 15,195 | 34% ↑ |
| Province de Québec (10,000 inhab. and more) | 3,860 | 12 % ↑ |
| Montréal | 1,985 | 32 % ↑ |
| Gatineau | 304 | -7 % ↓ |
| Québec | 672 | 14 % ↑ |
| Saguenay | 44 | -41 % ↓ |
| Sherbrooke | 213 | 58 % ↑ |
| Trois-Rivières | 80 | -53 % ↓ |

Source: Canada Mortgage and Housing Corporation (CMHC)

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.