

Sharp Increase in Housing Starts in Canada and Québec

According to the Canada Mortgage and Housing Corporation (CMHC), housing starts in Canadian centres with 10,000 or more inhabitants increased by 32 per cent in March 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 11,371 housing starts in Canadian urban centres in March 2010. March is the fifth 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 March, as 3,424 housing constructions were undertaken, a 34 per cent increase compared to March 2009. This is the fourth consecutive month that housing starts are up in the province. All of the province's metropolitan areas registered an increase in housing starts with the exception of the Gatineau Metropolitan Area, which posted its eighth consecutive decrease in March 2010 (-23 per cent). The Québec and Trois-Rivières Metropolitan Areas really stood out, as their housing starts more than doubled in March.

Total housing starts for the first quarter of 2010 increased by 50 per cent in Canada compared to the first three months of 2009. In Québec, the increase was 40 per cent, with 8,364 housing starts undertaken.

The chart below provides an overview of the housing starts in March and in the first quarter of 2010 in the province's urban centres.

HOUSING STARTS (UNADJUSTED PRELIMINARY DATA)				
Metropolitan Areas	MARCH 2010		FIRST QUARTER 2010	
	Housing Starts (number of dwellings)	Annual Change	Housing Starts (number of dwellings)	Annual Change
Canada (10,000 inhab. and more)	11 371	32% ↑	32 446	50 % ↑
Province of Québec (10,000 inhab. and more)	3 424	34 % ↑	8 364	40 % ↑
Montréal	1 939	7 % ↑	4 907	31 % ↑
Gatineau	137	-23 % ↓	371	-40 % ↓
Québec	458	** ↑	1 125	** ↑
Saguenay	27	** ↑	56	75 % ↑
Sherbrooke	92	31 % ↑	334	29 % ↑
Trois-Rivières	358	** ↑	463	** ↑

Source: Canadian Mortgage and Housing Corporation (CMHC)

** Percentage change superior to 100 %

HOUSING STARTS - FIRST QUARTER 2010 (UNADJUSTED PRELIMINARY DATA)

Centres 50,000 - 99,999	Housing Starts (number of dwellings)	Annual Change
Drummondville	97	29 % ↑
Granby	135	11 % ↑
Saint-Hyacinthe	17	-48 % ↓
Shawinigan	9	0 % ⇄
Saint-Jean-sur-Richelieu	73	0 % ⇄

Source: Canadian Mortgage and Housing Corporation (CMHC)

HOUSING STARTS - FIRST QUARTER 2010 (UNADJUSTED PRELIMINARY DATA)

Centres 10,000 - 49,999	Housing Starts (number of dwellings)	Annual Change	Centres 10,000 - 49,999	Housing Starts (number of dwellings)	Annual Change
Alma	128	** ↑	Rivière-du-Loup	11	-15 % ↓
Amos	2	NA ↑	Roberval	2	+100 % ↑
Baie-Comeau	0	-100 % ↓	Rouyn-Noranda	13	NA ↑
Cowansville	6	-76 % ↓	Sainte-Adèle	24	41 % ↑
Dolbeau-Mistassini	1	0 % ⇄	Sainte-Marie	2	NA ↑
Gaspé	3	-40 % ↓	Sainte-Sophie	31	0 % ⇄
Joliette	75	-5 % ↓	Saint-Félicien	1	0 % ⇄
La Tuque	1	NA ↑	Saint-Georges	31	** ↑
Lachute	20	** ↑	Saint-Lin-Laurentides	48	** ↑
Les Îles-de-la-Madeleine	0	0 % ⇄	Salaberry-de-Valleyfield	18	-25 % ↓
Matane	2	NA ↑	Sept-Îles	0	-100 % ↓
Mont-Laurier	72	** ↑	Sorel-Tracy	92	** ↑
Montmagny	2	-67 % ↓	Thetford Mines	14	** ↑
Prévost	40	** ↑	Val-d'Or	4	33 % ↑
Rawdon	9	-50 % ↓	Victoriaville	65	12 % ↑
Rimouski	58	-6 % ↓			

Source: Canadian Mortgage and Housing Corporation (CMHC)

** Percentage change superior to 100 %

NA: Not applicable



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.