

Housing Starts Continued to Gain Momentum in Canada and Québec in June

According to the Canada Mortgage and Housing Corporation (CMHC), housing starts in Canadian centres with 10,000 or more inhabitants increased by 31 per cent in June 2010 (unadjusted data) compared to the same period last year, when Canada was being hit hard by the recession and housing starts were down 36 per cent. In total, there were 15,345 housing starts in Canadian urban centres in June 2010. June is the eighth 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 June, as 4,223 housing constructions were undertaken, a 41 per cent increase compared to June 2009. This is the seventh consecutive month that housing starts are up in the province. All of the province's metropolitan areas registered an increase in housing starts in June with the exception of the Sherbrooke Metropolitan Area, which remained unchanged. The Saguenay Metropolitan Area really stood out, as its housing starts more than doubled in June (+162 per cent).

Total housing starts for the second quarter of 2010 increased by 50 per cent in Canada compared to the same period in 2009. In Québec, the increase was 28 per cent, with 12,658 housing starts undertaken.

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

HOUSING STARTS (UNADJUSTED PRELIMINARY DATA)				
	JUNE 2010		SECOND QUARTER 2010	
Metropolitan Areas	Housing Starts (number of dwellings)	Annual Change	Housing Starts (number of dwellings)	Annual Change
Canada (10,000 inhab. and more)	15,345	31% ↑	46,039	50% ↑
Province of Québec (10,000 inhab. and more)	4,223	41% ↑	12,658	28% ↑
Montréal	2,035	44% ↑	6,285	29% ↑
Gatineau	292	62% ↑	948	15% ↑
Québec	645	29% ↑	2,050	23% ↑
Saguenay	113	** ↑	302	92% ↑
Sherbrooke	177	0% ↔	641	31% ↑
Trois-Rivières	189	20% ↑	416	29% ↑

Source: Canadian Mortgage and Housing Corporation (CMHC)

** Percentage change superior to 100 %

HOUSING STARTS - SECOND QUARTER 2010 (UNADJUSTED PRELIMINARY DATA)

Centres 50,000 - 99,999	Housing Starts (number of dwellings)	Annual Change
Drummondville	97	** ↑
Granby	135	98 % ↑
Saint-Hyacinthe	17	61 % ↑
Shawinigan	9	100 % ↑
Saint-Jean-sur-Richelieu	73	-9 % ↓

Source: Canadian Mortgage and Housing Corporation (CMHC)

** Percentage change superior to 100 %

HOUSING STARTS - SECOND 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	46	-6 % ↓	Rivière-du-Loup	55	96 % ↑
Amos	19	90 % ↑	Roberval	16	+100 % ↑
Baie-Comeau	31	72 % ↑	Rouyn-Noranda	49	29 % ↑
Cowansville	29	53 % ↑	Sainte-Adèle	35	25 % ↑
Dolbeau-Mistassini	6	-14 % ↓	Sainte-Marie	36	-3 % ↓
Gaspé	12	-60 % ↓	Sainte-Sophie	110	** ↑
Joliette	155	32 % ↑	Saint-Félicien	6	0 % ↔
La Tuque	9	** ↑	Saint-Georges	87	5 % ↑
Lachute	19	-14 % ↓	Saint-Lin-Laurentides	34	-28 % ↓
Les Îles-de-la-Madeleine	14	-66 % ↓	Salaberry-de-Valleyfield	130	** ↑
Matane	18	50 % ↑	Sept-Îles	34	** ↑
Mont-Laurier	23	** ↑	Sorel-Tracy	91	** ↑
Montmagny	11	10 % ↑	Thetford Mines	38	** ↑
Prévost	81	13 % ↑	Val-d'Or	98	** ↑
Rawdon	34	17 % ↑	Victoriaville	137	21 % ↑
Rimouski	112	87 % ↑			

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.