

HOUSING MARKET
INFORMATION

HOUSING SUPPLY REPORT

CANADIAN METROPOLITAN AREAS

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WELCOME

to the Housing Supply Report (HSR)

This report positions housing supply as an important element in efforts to advance housing affordability. It supports CMHC's aspiration that everyone in Canada has a home that they can afford and that meets their needs.

What is the Housing Supply Report?

The Housing Supply report provides regular insights on new housing supply in Canada's major cities and urban areas. These insights can help us understand the supply responsiveness that we know contributes to price escalation and housing affordability challenges.

What you'll find in this report

In this edition, we examine new housing construction trends in Canada's 6 largest Census Metropolitan Areas (CMAs) — Vancouver, Calgary, Edmonton, Toronto, Ottawa and Montréal. We examine trends within and across markets using analysis themes such as:

- relative growth in the housing supply per capita, both across centres and over time
- intensity of development (units per structure) and building height
- diversity of new housing, like apartments, condominiums and rentals versus single-detached
- spatial distribution of new housing supply within CMAs, such as centre/suburbs and nearby transit routes

The primary data source for this work is CMHC's Starts and Completions Survey, which collects data on monthly residential construction activity. In this edition we discuss housing supply in terms of new construction, as this is necessary to expand the housing stock.

Understanding the gaps between housing supply trends and future needs

We believe this analysis will help identify characteristics, approaches and innovations in new housing supply that will best contribute to a diverse, abundant, and affordable supply of housing.

More homes and a diversity of housing options to meet current and future households needs (size, amenities, style, etc.) are key elements to reduce the upward pressures on prices and rents.

These insights will allow industry participants to better understand the gaps between housing supply trends and future needs. This will help make precise decisions to help improve housing affordability.

Providing useful insights to the housing industry

The Housing Supply Report is designed to provide useful insights to various audiences:

- Policymakers at different levels of government will find the comparison across CMAs useful in enhancing their perspective on the different ways housing supply is delivered across Canada.
- Builders and developers will find these topics of interest in identifying current housing needs and future opportunities.

Link to ongoing work on housing supply

The Housing Supply Report aims to increase understanding on the state of housing supply before providing insights on the gaps and opportunities. We'll continue to share new data, indicators and insights exploring different aspects of the provision of housing supply in Canada.

Look for a report on supply gaps — a concurrent CMHC project launching later this year. This report will provide a dynamic analysis estimating the magnitude of supply gaps today and going forward to 2030 for Canada and provinces.

Your feedback

We want this publication to be a critical tool in providing data and analysis to support a diverse and abundant supply of housing in Canada. This can't be done without your feedback.

Let us know what you want to see. Please email the authors.





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Overview of new construction in Canada's largest CMAs



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The number of housing starts was high in several census metropolitan areas (CMAs) in 2021, compared to the average of recent years. Despite this, the types of structures built and the target market for the new units they contained varied from one area to another. Exploring the different realities of these CMAs helps us better understand why some markets are more affordable than others.”

HIGHLIGHTS



Housing starts have struggled to keep up with population growth in some CMAs, especially Toronto. This can adversely affect centres such as Toronto and Vancouver, where affordability challenges are significant.



Apartments (includes units for rent or for ownership) dominate construction in large urban centres, such as Montréal, Toronto and Vancouver. In these CMAs, the various constraints (land, bylaws, etc.) may be more significant. In Calgary, Edmonton and Ottawa, meanwhile, starts of houses (includes single, semi-detached, and row) remain strong.



The proportion of rental housing starts increased in several CMAs under review, including Montréal and Vancouver. However, they remain low in Toronto.



Toronto prevails in the construction of high-rise apartment buildings with hundreds of units (includes units for rent or for ownership). For many other CMAs, a multitude of buildings with fewer units and floors dominate the urban landscape.



These different types of buildings can have different construction times and costs. Some CMAs may therefore be able to deliver new units more quickly and at a different cost, thereby influencing market affordability.

New housing construction accelerates across major cities in 2021

Residential construction expanded in Canada's 6 largest CMAs in 2021 compared to 2020. Rising prices, declining inventories and strong housing demand sustained by low interest rates provided confidence to developers and homebuilders to move ahead with new projects. As shown in Table 1, the amount of new supply started differed by centre and dwelling type:

- The strongest expansion for housing starts was in Calgary — up 63% from 2020. This was driven by a surge in construction of both single-detached homes (up by 58%) and apartments (up by 91%). Some of this increase is attributable to slower construction during the pandemic in 2020. Declining inventories and strong demand also played a role in the expansion.

- Vancouver was the only centre to see single-detached construction decline. It was down by 2.3%. This is an ongoing trend that developed over the past decade due to high land prices rendering new single-detached development largely uneconomical. Overall, housing starts in Vancouver expanded 16% due to higher apartment construction.
- Apartment construction expanded robustly in Montréal, which set its highest pace of housing starts in over three decades as prices (or rents) and demand both accelerated.
- In absolute terms, Toronto, Canada's largest metropolitan area, started the most housing units in 2021. It also recorded a 9 % increase in housing starts compared to 2020, fueled by more apartment and single-detached home construction. However, it didn't start the most units relative to its population.

Table 1: Housing starts by dwelling type, select CMAs, 2021

Region	Single-detached		Semi-detached		Row		Apartment		Total	
	Units	% change vs. 2020	Units	% change vs. 2020	Units	% change vs. 2020	Units	% change vs. 2020	Units	% change vs. 2020
Vancouver	3,015	-2.3	648	1.9	2,903	10.5	19,447	21.4	26,013	16.3
Calgary	5,512	58.1	1,360	33.3	1,831	28.1	6,314	91.4	15,017	62.6
Edmonton	5,701	37.8	1,264	1.1	1,671	32.9	3,910	-19.7	12,546	9.0
Toronto	6,920	18.3	786	-2.1	3,955	2.1	30,237	7.7	41,898	8.6
Ottawa	3,276	14.3	255	-24.3	2,824	-2.6	3,866	0.5	10,221	2.7
Montréal	2,901	16.4	756	-4.7	1,388	19.7	27,298	19.6	32,343	18.6

Source: CMHC

Housing starts in Toronto have not kept pace with population growth in recent years

Along with economic variables such as income and interest rates, demographics are an important component of housing demand. Generally, as the population or the number of households increases, the need for new housing units (new supply) also becomes greater.

Some regions are able to add more new housing in relation to their population size than others. They can thus create conditions to limit upward pressure on housing prices and rents.

Work is currently underway at CMHC to estimate the number of housing units needed in many parts of the country in order to make the real estate market more affordable. In addition to demographics, several economic factors are considered in this analysis, such as the effect of household income on housing demand.

As a starting point in this report, we first examine a relatively simple indicator. This indicator is the number of housing starts per 10,000 population (figure 1).

This makes it possible to quickly compare which CMAs have been able to add more supply relative to their population base since the early 2000s.

The Montréal, Toronto and Ottawa (to some extent) areas stand out as having generally the lowest levels of residential construction per capita.

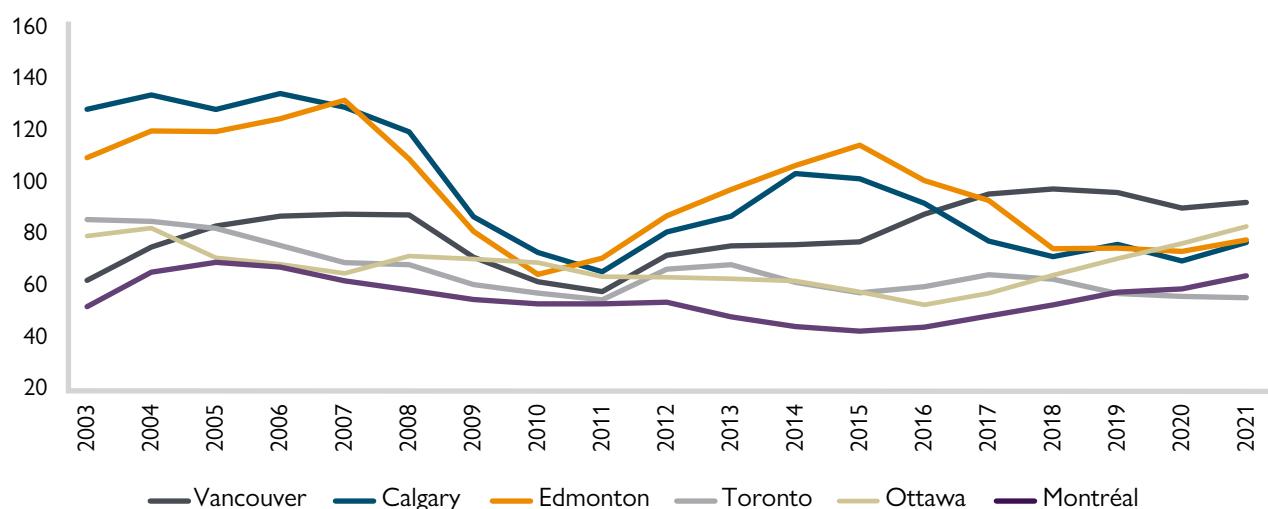
Toronto, contrary to the other two CMAs, has even shown a slight downward trend in this ratio for the past few years. This indicates that, despite a high number of housing starts, construction has not been sufficient to keep pace with population growth; a situation that has certainly not helped reduce affordability problems in this CMA.

The affordability challenges of Toronto, Ottawa and Montréal are not of the same scale. This suggests that factors other than the volume of housing starts must also be considered. Examples include regulations (processes for obtaining permits, for example) and the type of housing being built (for example, low or high density).

In Calgary and Edmonton, with the exception of recent years, the starts-to-population ratio has often been higher than elsewhere. These are the only two CMAs where more than 100 housing starts per 10,000 population were recorded over a certain period. This high level of construction relative to the population base has contributed to limiting pressure on prices.

The greater volatility of this indicator in Calgary and Edmonton may also be attributable to the significant variations in population and housing starts in these areas, which tend to mirror changes in economic and oil-industry conditions.

Figure 1: Annual housing starts per 10,000 population*, select CMAs, 2003–2021



Source: CMHC, Statistics Canada

*Three-year moving average

Finally, Vancouver's situation was, for a long time, about halfway between those of the Ontario and Alberta CMAs. However, in recent years, Vancouver has been the CMA with the highest ratio, at close to 100 starts per 10,000 population.

The slowdown in population growth in recent years, combined with a high volume of housing starts, has contributed to this result. With the high price increases over the past few decades in Vancouver, this area probably has a larger supply gap to fill than other CMAs in order to have a sufficient number of affordable housing units for the households that live there.

Diversity of new housing important to meet a range of housing needs

Beyond increasing the supply of housing, the diversity of new housing constructed is an important element to meet the current and future housing needs of Canadians. Choices in dwelling type, tenure type and location are needed to provide housing options for households of different sizes, ages, and compositions.

Housing diversity, however, needs to take land and construction costs into account. With land costs so high, only higher-density structures will be financially feasible. It will not be financially feasible to build new single-detached homes in our cities.

More choice is better. A greater diversity of new housing:

- improves the match between household and home
- makes any given housing type more affordable due to increased supply

This section examines the diversity of housing constructed in Canada's 6 largest CMAs. There are similarities and differences in how our cities are growing:

- In Toronto, Montréal and Vancouver, apartments now represent 3 out of every 4 new housing units started. This shift results from higher land prices and the need to build up on a limited land base compared to cities that generally grow out via lower density development. Multi-family development will also be increasingly important as cities look to grow more sustainably to help address the challenges of climate change.
- Rental apartment construction in 2021 was particularly strong. This builds on a shift towards rental construction over the past 5 years due to rising rents, falling vacancy rates, and government policies to encourage renewal of the country's rental stock. In some markets, like Calgary and Edmonton, high condominium inventories also shifted activity towards rental construction.
- There are opportunities to increase housing choices by pursuing forms of intensification across a greater variety of locations within cities — particularly, through constructing a greater share of row homes.

Diversity of new housing could be enhanced with more row homes

Table 2 shows the share of housing starts by dwelling type in Canada's largest cities in 2021 and in the most recent 5-year period. Different patterns of growth are immediately apparent:

- Single-detached starts are most common in Calgary, Edmonton and Ottawa. These are cities that generally have high availability of developable land and choose to expand their urban periphery.
- Only 1 in 10 housing starts were single-detached homes in Vancouver and Montréal. In these cities, plus Toronto, apartments were the dominant housing form started. This was due to a need to intensify the use of the more limited land available (due to both regulatory and geographic constraints).

Table 2: Percentage of housing starts by dwelling type, select CMAs, 2021 and most recent 5 year period

Region	Single-detached		Semi-detached		Row		Apartment	
	2021	Average 2016-2020	2021	Average 2016-2020	2021	Average 2016-2020	2021	Average 2016-2020
Vancouver	11.6	16.5	2.5	1.9	11.2	11.5	74.8	70.0
Calgary	36.7	35.4	9.1	10.7	12.2	14.2	42.0	39.7
Edmonton	45.4	41.8	10.1	15.0	13.3	12.7	31.2	30.5
Toronto	16.5	20.5	1.9	2.4	9.4	12.7	72.2	64.4
Ottawa	32.1	32.9	2.5	4.1	27.6	29.3	37.8	33.7
Montréal	9.0	10.7	2.3	3.3	4.3	5.3	84.4	80.6

Source: CMHC

In terms of new housing diversity, Ottawa has the greatest variety of dwelling types, with approximately equal shares of single-detached, apartments and row homes being constructed. These shares have each generally been stable at one-third of new construction over the previous 5 years, suggesting that this is not a new phenomenon.

In contrast, the share for row homes was below 15% of new starts in the other cities examined. There's a variety of factors contributing to this difference, including the structure of the land market (lot sizes) and municipal zoning and planning policies.

Row homes provide larger living spaces than apartments and ground-oriented access similar to single-detached homes. They also split the land cost over multiple units to make more affordable home prices possible. There is an opportunity to pursue this built form in cities across Canada to provide more choices for households with different needs.

Apartment construction increasingly targeting the rental market

The share of apartment construction increased in 2021 compared to the past 5 years in all cities examined (Table 2).

With home prices increasing over this period across Canada, land prices have also increased. This lends support to more intense forms of development. Apartments now represent 3 out of every 4 new housing units started in Toronto, Montréal and Vancouver.

The tenure type of apartment dwellings is another dimension of housing diversity. The share of ownership condominiums and purpose-built rental varies considerably across major urban centres. Table 3 separates new apartment construction by tenure type in 2021 and the most recent 5-year period, revealing the following findings:

- Condominiums have represented a strong majority of new apartment construction over the past 5 years in most cities examined. Montréal is the exception. A long-standing and large rental market has ensured continued rental development despite changing conditions in the condominium market.
- The share of rental apartment construction increased in 2021 compared to the average of the most recent 5-year period in most of the CMAs studied.
- Edmonton was an outlier in 2021, with 91% of apartments started as purpose-built rental. The industry's focus on this tenure type results from years of high inventories of condominium apartments that have only started being drawn down more recently.

Table 3: Percentage of apartment housing starts by tenure type, select CMAs, 2021 and most recent 5 year period

Region	Condominium		Rental	
	Average 2016– 2020	2021	Average 2016– 2020	2021
Vancouver	67.8	69.6	32.2	30.2
Calgary	59.3	81.9	40.7	18.1
Edmonton	9.2	62.9	90.8	37.1
Toronto	83.9	82.6	16.1	14.8
Ottawa	69.5	51.8	30.3	46.9
Montréal	26.6	39.6	72.8	58.9

Source: CMHC

These differences in market share by tenure type reflect local planning policies, regulations surrounding condominiums, and housing market conditions.

In general, building condominium units provide a faster return on investment for developers compared with building rental apartments, all else being equal. Condominium development is particularly preferred in centres that have high housing and land costs (like Vancouver and Toronto) or have a higher-than-average home ownership rate (like Calgary).

In many locations, condominium apartments have lower prices than single-detached houses and represent a more affordable ownership housing option for many households.

With rising rents and falling vacancy rates in many of the country's rental markets, there is also demand for new rental apartments that present opportunities for developers in this segment. Incentives from different levels of government designed to encourage renewal of the country's purpose-built rental stock have also been cited by industry participants as contributing to their decision to develop more rental.

The result has been that in most of the CMAs studied, the share of rental apartments started has increased in a meaningful way in the past 5 years (Figure 2):

- Vancouver's rental apartment construction has risen to nearly a third of all apartment starts in response to low rental vacancies and favourable development policies.
- Montréal developers have cycled between condominium and rental construction according to the unsold inventory levels in the condominium market and rental market conditions.
- Toronto's rental apartment construction remains lowest in comparison to other large centres due to the excess profitability of condo development.

Diversity of housing types across locations important for balanced growth

Location is an important element of housing diversity to ensure the balanced growth of cities.

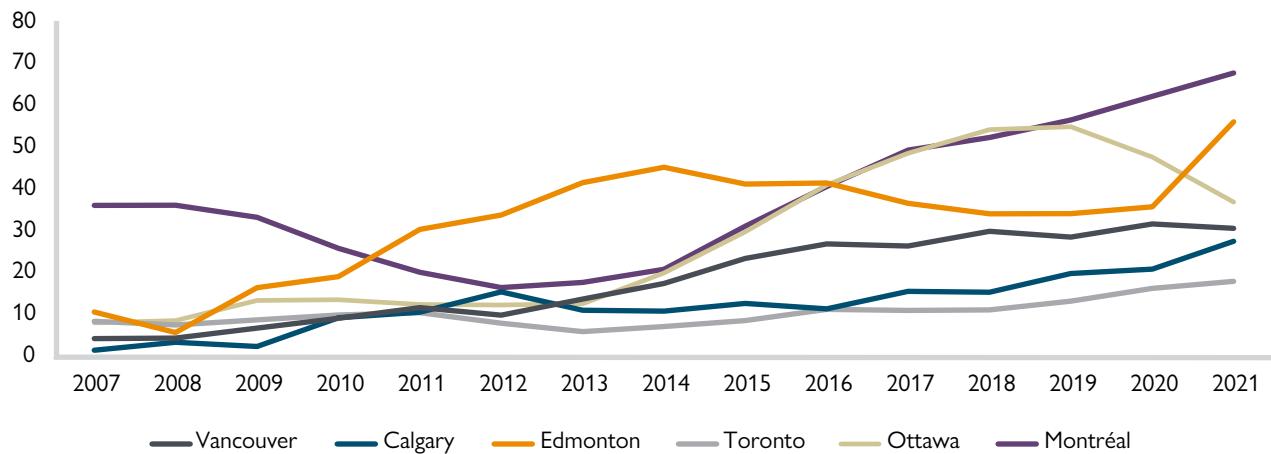
Are apartment structures constructed throughout the region and not just in the city centre where land costs are high? Are rental structures available near transit? These are just a few questions and these outcomes involve providing a choice of dwelling and tenure types across locations such as:

- city centre versus suburbs
- proximity to transit
- educational institutions and job centres

The location of recent housing starts and patterns of growth within each city are examined in greater detail in the individual CMA sections.

Location and planning considerations also help determine building size and height are two other dimensions of housing diversity that we can examine.

Figure 2: Proportion (%) of apartment units started that were purpose-built rental*, three-year moving average, selected Canadian CMAs, 2007-2021



Source: CMHC, Statistics Canada

*Three-year moving average

Apartment structure size and height vary considerably across CMAs

We have seen that the proportion of apartment building starts versus house starts can vary greatly from one CMA to another. Another difference between CMAs is the type of apartment buildings that are built.

For example, in some centres, there are a multitude of apartment building starts, each containing a relatively small number of apartments. Elsewhere, large buildings with several dozen units dominate the landscape.

The number of industry players in these regions may also differ, thereby affecting the level of competition in the market.

In CMAs where the primary type of apartment buildings built are smaller ones, the construction time is likely to be shorter. Construction time may be longer in centres where there is a predominance of buildings with several dozens (or even hundreds) of units.

As a result, the supply of new housing for households can arrive more quickly in some urban areas than in others. This takes pressure off the real estate market more quickly.

In addition to the number of units per building, the number of storeys is also a feature of interest. Above a certain number of storeys, the elements required in the construction of a building (elevator, stairwell, sprinkler system, etc.) differ. These factors influence the total construction cost of apartments and, ultimately, their affordability.

A five-storey, 150-unit wood/brick apartment building will not have the same construction cost as a 20-storey concrete building with the same number of units. In addition to the different sizes and the cost of land (which depends on availability), the cost of materials and labour between these two types of buildings will also be different, not to mention the construction time.

At this stage, the objective of this report is to gain a clear understanding of the types of apartment buildings being built across the CMAs under review. These results will be useful for future analyses that will seek to better understand how the construction costs and times associated with these different types of buildings may influence affordability on the markets.

Tables 4 and 5 show the proportions of apartment buildings started in 2021 by number of units and number of storeys, respectively. With nearly half of apartment buildings containing more than 100 units, Toronto is by far the CMA where this type of structure is most common (table 4).

Around 25% of buildings in Toronto are also more than 20 storeys high, a sign that tower construction is prevalent there (table 5). Buildings up to six storeys, generally the maximum threshold for wood/brick construction, account for only 48% of structures in Toronto, by far the lowest percentage of all CMAs analyzed.

Table 4: Average number of units per building and distribution of apartment structures started by building size, select CMAs, 2021

Region	Share of apartment structures started by building size (%), 2021					Average number of units
	3 to 5 units	6 to 20 units	21 to 60 units	61 to 100 units	More than 100 units	
Vancouver	3.1	26.3	25.8	16.5	28.4	90.4
Calgary	14.8	36.5	10.4	21.7	16.5	53.7
Edmonton	41.6	24.7	10.1	11.2	12.4	35.2
Toronto	3.4	23.7	21.5	4.5	46.9	170.8
Ottawa	11.3	53.8	15.0	5.0	15.0	47.6
Montréal	11.1	55.2	15.0	5.7	13.0	44.0

Source: CMHC

Table 5: Average number of stories per building and distribution of apartment structures started by building height, select CMAs, 2021

Region	Share of apartment structures started by building height (%), 2021					Average number of stories
	3 or fewer stories	4 to 6 stories	7 to 20 stories	21 to 30 stories	More than 30 stories	
Vancouver	17.0	53.6	13.9	5.7	9.8	10.3
Calgary	47.8	48.7	1.7	0.9	0.9	4.2
Edmonton	66.3	29.2	3.4	1.1	0.0	2.8
Toronto	28.8	19.2	26.0	9.0	16.9	14.6
Ottawa	67.5	15.0	13.8	3.8	0.0	5.5
Montréal	68.9	16.2	12.6	0.3	2.0	4.9

Source: CMHC

Conversely, Montréal, Ottawa, Calgary and Edmonton had the highest proportions of buildings with fewer than 20 units, ranging from 51% to 66%.

Edmonton was in first place for the smallest structures, that is, those with three to five units, although 2021 was exceptional in this regard.

Not surprisingly, the vast majority of buildings in these CMAs were also six or fewer storeys.

However, while the percentage of large buildings (100 or more units) for these four CMAs hovered around 15%, there was only a tiny proportion of structures with more than 20 storeys.

In other words, there was a greater propensity to build buildings with more than 100 units lengthwise rather than as towers in:

- Montréal
- Ottawa
- Calgary
- Edmonton

The opposite was true in Toronto.

These four markets are also more affordable than Toronto. This confirms the need for further analysis of the types of buildings being built and the possible impacts on affordability.

Finally, Vancouver was midway between Toronto and the other CMAs in terms of the characteristics of buildings under construction. A large proportion of structures had between 21 and 100 units (mostly 21 to 60). Consequently, the distribution by number of storeys was also affected. There was a greater percentage of buildings with six or fewer storeys in Vancouver than in Toronto, but the opposite was true for structures with 20 or more storeys.

These results suggest that the characteristics of new supply are also factors that can influence market affordability (as are regulations, land availability, etc.).

Thus, it seems important that future analyses examine how the following characteristics can influence apartment building construction times and costs:

- Number of units
- Number of storeys per building

This will help us better understand why some regions are able to provide new housing more quickly and at a lower cost than others.



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Vancouver



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Multi-family construction and further increasing and diversifying its housing supply offer Metro Vancouver ways to address its housing affordability challenges.”

Multi-family development accelerates in 2021, but it isn't evenly distributed

Multi-family development in Metro Vancouver reached an all-time high in 2021 after following an upward trend over the past several years. Planning policies and high land prices have combined to yield this result, but construction activity was not evenly distributed across the region.

In 2021, apartment starts were concentrated in the City of Vancouver, Surrey, and Burnaby. Condominium development was favoured in Burnaby, while rental apartments accounted for over half of apartment starts in the City of Vancouver. Important shares of rental construction were also observed in Surrey and Coquitlam.

Rental apartment construction was generally concentrated around transit corridors and specific development areas within municipalities, meaning further opportunities for diversification exist in terms of location. (Figure 1)

HIGHLIGHTS

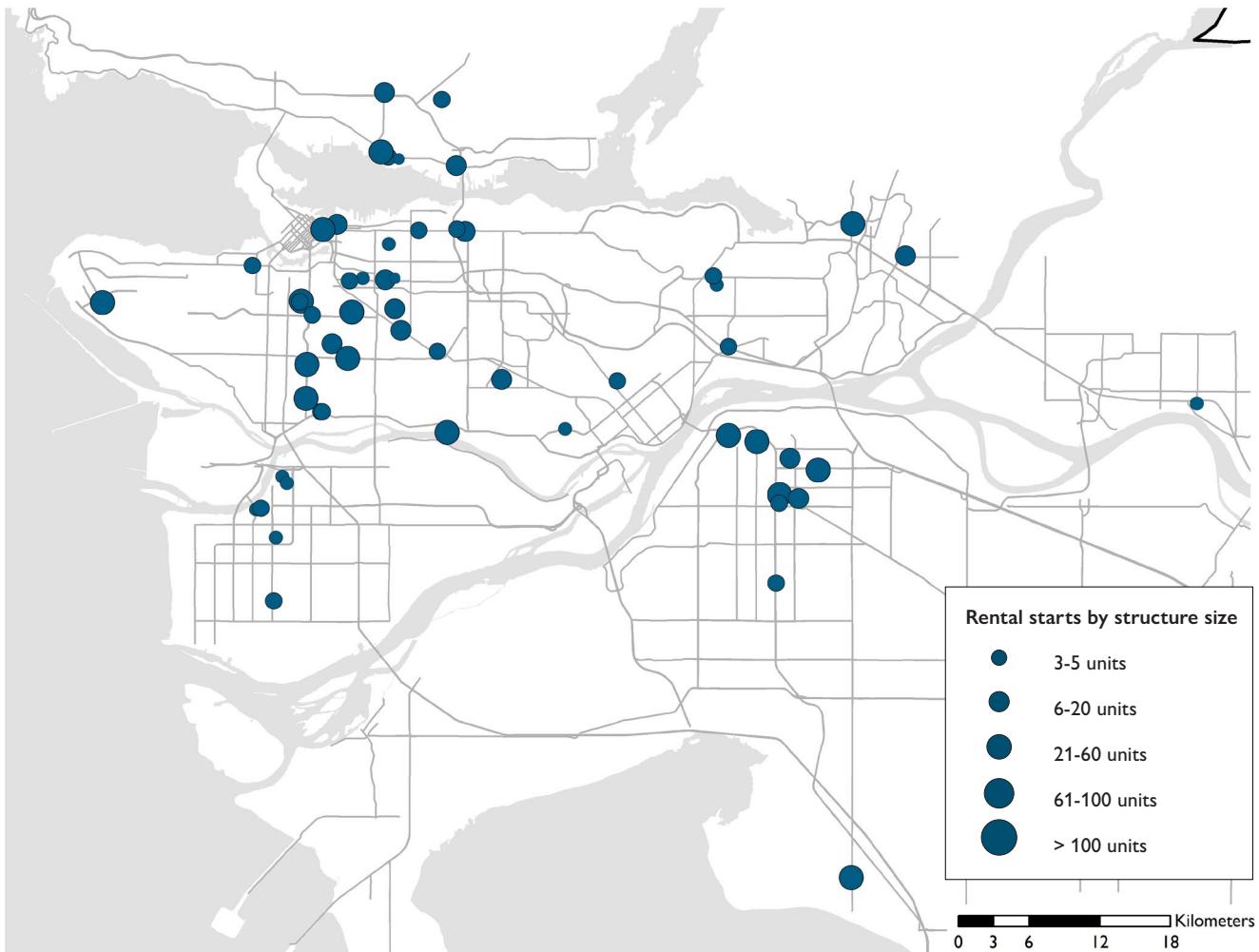
- Multi-family development accounted for over 85% of new construction in Metro Vancouver in 2021. Much of this construction was concentrated in specific areas near transit.
- The Vancouver region continues to experiment with innovative alternate housing forms to intensify the use of its limited and expensive land area. These innovations, along with further densification, are much needed given the significant supply gaps that Vancouver faces now and in the future.
- Secondary suites and laneway homes are examples of housing forms built in Vancouver that could be replicated in other Canadian cities to diversify their supply of rental housing.

Single-detached construction not a major mechanism to expand the housing stock

Single-detached construction in Metro Vancouver is in long-term decline.

The starts observed are nearly always infill development (tearing down an existing home to build a new one on the same lot) in municipalities closer to the core with the highest land values. This means there is no net expansion of the housing stock.

It's often more viable to develop row homes than single-detached homes in outlying areas where new subdivisions are created. In many locations, new single-detached homes often include accessory rental dwellings that intensify the use of the property.

Figure 1: Rental Apartment Housing Starts, Greater Than 3 Units, 2021 - Vancouver CMA

Source: Starts and Completions Survey, CMHC

Secondary suites and laneway homes add diversity to rental supply

Over the past decade, municipalities in Metro Vancouver have started responding to a need for more rental supply. One innovation has been to permit secondary suites (self-contained rental apartments) to be constructed within single-detached homes. These suites provide:

- rental income to offset high housing costs for the property owner
- new rental supply in a variety of neighbourhoods without modifying the streetscape

Laneway homes have also been introduced as a new form of new rental supply, accounting for 13% of single-detached housing starts in the region in 2021. Laneway homes are separate single-detached rental dwellings typically created in the backyard of a property.

The number of suitable lots and participating municipalities for laneway units are smaller. Despite that, they are still an important source of new rental supply that allows for gentle intensification in existing neighbourhoods.

The number of secondary suites and laneway homes constructed in Metro Vancouver is significant. They combined to total 2,236 units in 2021. This represents a third of new rental units started during the year (Figure 2).

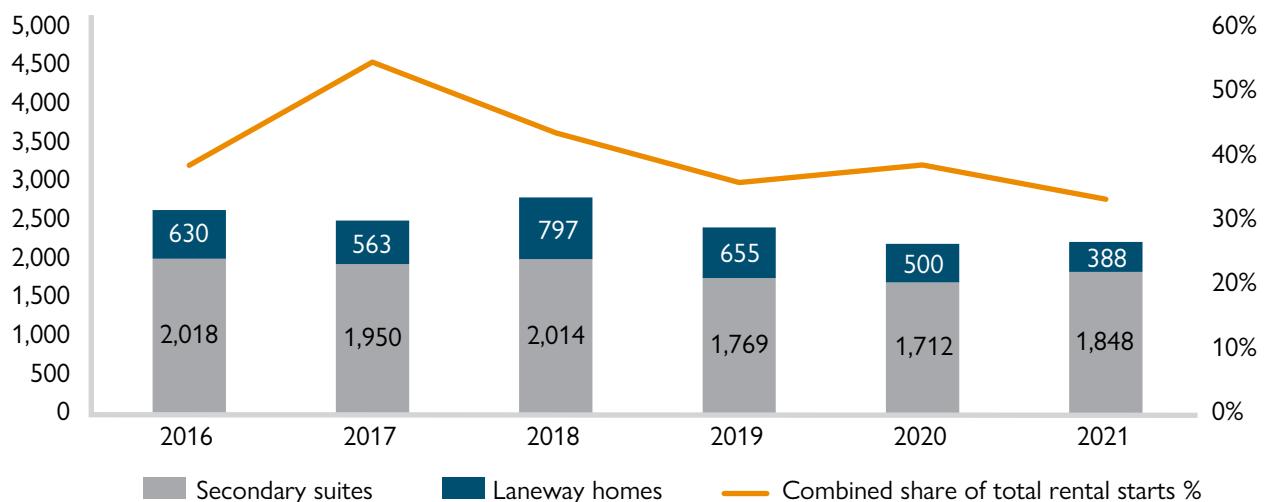
The City of Vancouver was the location of most new laneway homes, while secondary suites were more widely distributed across the region. New single-detached homes in the suburban municipalities of Surrey and Langley were most likely to contain secondary suites.

Secondary suites and laneway homes have so far not been commonly built outside of British Columbia, unlike the extensive number constructed in Metro Vancouver over the last 10 years.

There could be an opportunity to diversify the housing stock through the construction of secondary suites and laneway homes in cities across Canada — especially as home prices have increased and rental markets have tightened.

However, given the scale of additional housing supply required in Vancouver estimated in our forthcoming report on supply gaps, this form of densification is unlikely to be sufficient to attain housing affordability. Additional redevelopment, densification and innovation will be needed to meet this goal.

Figure 2: Number of secondary suite and laneway home starts as a share of total rental starts, Vancouver CMA, 2016-2021



Source: CMHC

Forthcoming policies suggest further innovation in the built-form of new housing

Various municipalities in Metro Vancouver are considering additional innovations in the built-form of new housing. These efforts are driven by:

- continued housing affordability pressures
- the desire to offer housing forms between single-detached homes and high-rise apartments in terms of intensity

A recent example would be a decision by the City of Vancouver to develop the specifics of a policy that would allow up to 6 units — ownership and rental — in one structure to be constructed on existing single-detached lots.

Separately, Vancouver and other municipalities are considering measures that would allow low-rise rental structures to be constructed in more areas. There is a focus on areas near transit and employment centres.

If successful, all of these policies would encourage experimentation to improve the diversity of new housing in the region. However, there are questions about whether these initiatives will provide sufficient housing supply.

Metro Vancouver's single largest challenge is inclusive access to housing that is affordable to a wide range of households. A diverse supply of new housing — in terms of tenure type, built-form, and geography — is a necessary component of any solution.

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Edmonton



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“ Significant improvements in economic conditions and population growth contributed to a strong increase in housing starts in 2021, particularly for rental apartments.”

HIGHLIGHTS

- Improvements in economic conditions and population growth increased construction activity for second year in a row since the onset of the pandemic.
- Rental apartment construction reached new highs in 2021 with significant diversity in the locations where structures broke ground as well as the size of projects.
- Greater flexibility in permitted uses for single-detached lots in Edmonton holds promise for future infill development.

New construction activity picks up with improving economic conditions

The overall number of housing starts in the Edmonton CMA increased significantly in 2021. We saw a 9% increase in activity relative to 2020 with 12,546 units.

The initial impact of the COVID-19 pandemic on the new home market was short lived. The increase in housing starts in 2021 represents the second consecutive year of gains.

Notably, the last time housing starts was over 12,000 units was in 2012 when population growth was quite strong.

As the pandemic progresses, continued improvements will be key to supporting building activity going forward. These include:

- economic conditions
- full-time employment
- drivers of population growth

Key concerns in the industry are pandemic-related challenges like:

- supply chain bottlenecks
- input cost inflation
- increasing need for trades labour

Single-detached starts increased by 38%, relative to 2020, as demand for ground-oriented units increased significantly. Unsold inventories of new units were drawn down in conjunction with increased resale market activity and lower active listings.

In contrast, apartment starts declined by 19% in 2021 due to the apartment condo segment. There was a marked decline in apartment condo construction as inventories of completed and unsold units remained relatively high with lower demand for this dwelling type in the first year of the pandemic.

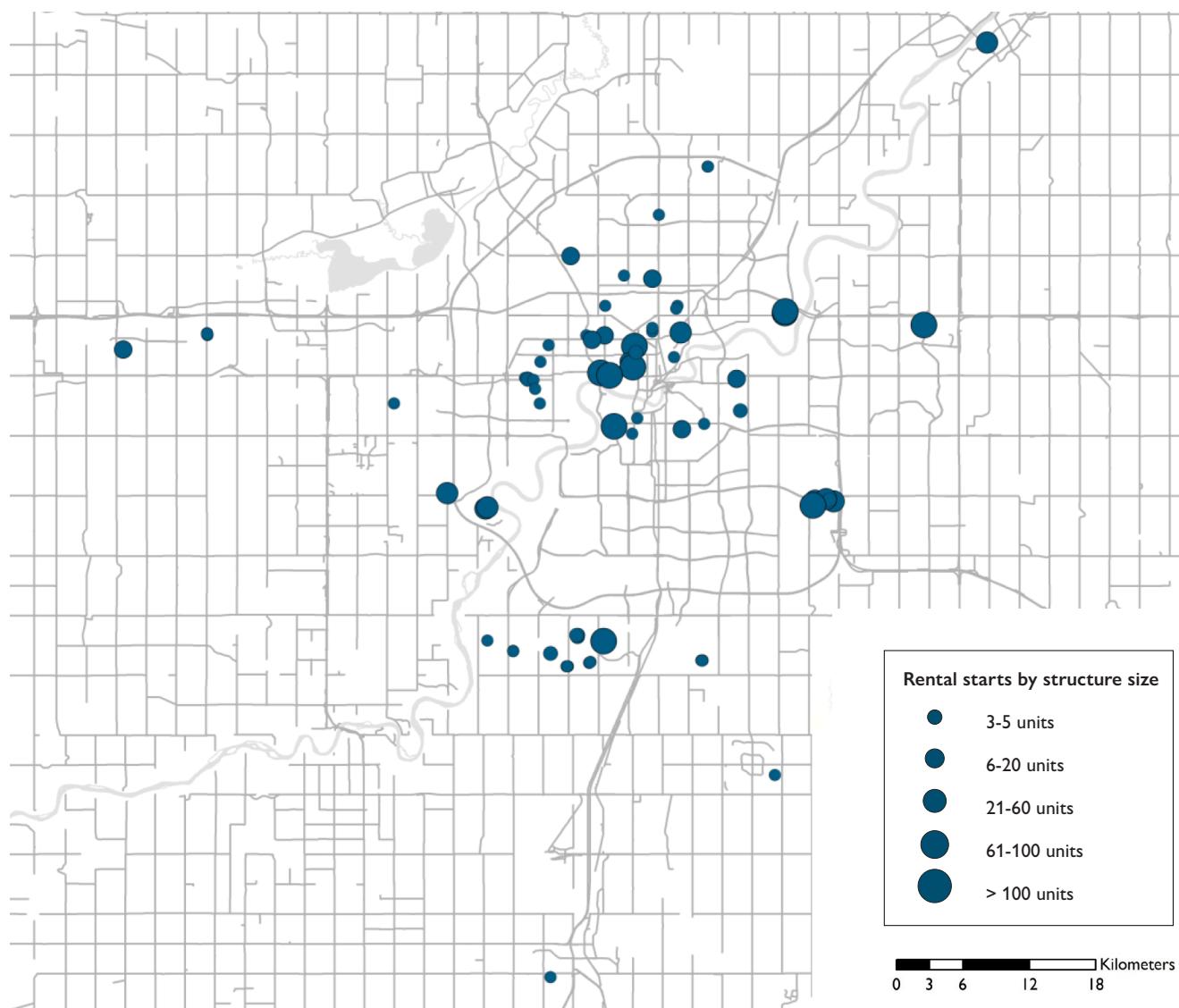
This trend appears to have reversed in the latter half of 2021 with demand recovering.

Rental apartment starts increased by 90% relative to the previous year, reaching a new record based on data going back to 1990.

Rental apartment starts have been increasing each year since 2018 as annual growth in demand for new rental remains robust, as noted in the most recent Rental Market Report for Edmonton.¹

The diversity in location of this record amount of new rental apartment construction was particularly notable in 2021. We saw a large number of projects in and around the core area of the city and in newly developing neighbourhoods surrounding the city (see Figure 1).

Figure 1: Rental Apartment Housing Starts, Greater Than 3 Units, 2021 - Edmonton CMA



Source: Starts and Completions Survey, CMHC

¹ CMHC Rental Market Report — February 2022 Release: <https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/rental-market-report/rental-market-report-2021-en.pdf?rev=a5a0eaac-6f70-4058-8aa3-e6d307685910>

Pattern of growth shifting with diminishing focus on single-detached dwellings

Building activity in 2021 followed a similar pattern to the past decade with greater focus on multi-unit dwelling types versus single-detached dwellings.

The evolution of development since 1990 has meant a significant reduction in the share of development that is single-detached housing. These tend to be concentrated in newly developing neighbourhoods surrounding the city.

This reduction in the share of single-detached construction is generally expected as a city expands over time and land prices closer to core employment areas rises. This necessitates densification near these core areas to maintain affordability of the units developed to better align with the income distribution.

The share of single-detached development has reduced from an average of 56% in the 2000s to 41% in the past few years (see Table 1).

Consequently, the share of both ground-oriented multi-unit dwellings and apartment dwellings increased over time. We saw notable increases in demand for these unit types in:

- newly developing neighbourhoods surrounding the city
- in existing neighbourhoods near the Downtown Core
- close to post-secondary institutions

Table 1: Share of Development by Decade, Edmonton CMA

Decade	Single-Detached Dwellings	Ground-Oriented Multi-Unit Dwellings	Apartment Dwellings
1990s	70%	14%	16%
2000s	56%	16%	28%
2010s	46%	27%	28%
2020s	41%	23%	37%

Source: CMHC

Note: Ground-oriented multi-unit dwellings refer to semi-detached/duplex and townhome units.

Intensification efforts to promote density and affordability on the part of the City of Edmonton are being driven by more flexible approaches to zoning. Some of these changes have been implemented relatively recently.

While most development in the Edmonton CMA is still concentrated in newly developing neighbourhoods surrounding the city, changes to Edmonton's RF1 zoning (Single Detached Residential Zone) in 2019 allowed for duplex and semi-detached housing as a permitted use while previous changes had already allowed for secondary suites/garden suites.²

Greater flexibility in permitted uses for all single-detached lots contributes to a greater ability for the market to respond to the needs of a growing population. This densifies high-demand areas of the city and will help maintain alignment of price points of units to a greater share of the income distribution.

As affordability remains top of mind to many Canadians, policies like these that are implemented prior to large increases in land values will be worth paying attention to — particularly in larger metros across the country.



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² While the RF1 Zone is still referred to as "Single Detached Residential Zone" the expansion of permitted uses to include duplexes and semi-detached units on top of pre-existing allowances for secondary suites or garden suites (laneway homes), which can still be built in conjunction with duplexes or semi-detached units, effectively ended single-detached only zoning in Edmonton. As the majority of housing development in the Edmonton CMA takes place within City of Edmonton boundaries, the impact of this policy change will be interesting to watch as it relates to development/growth prospects. Source: <https://edmontonjournal.com/news/local-news/elise-stolte-pushing-beyond-an-ugly-history-there-is-now-no-single-family-zone-in-edmonton>

Calgary



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Record low inventory of homes in 2021 has led to a resurgence in construction activity following strong overall housing demand.”

Pace of construction picks up amidst economic recovery

Overall annual construction starts in Calgary have trended higher since 2016. We have seen an abrupt drop in 2020 due to general economic instability and COVID related measures that slowed down planned projects.

New apartment construction in 2021 rebounded to levels last seen in 2015. This is supported by:

- an accommodative monetary policy
- a return of economic certainty as the pandemic progresses

Single-detached starts also rebounded to the highest annual level since 2014. Demand for these homes was pronounced and reflected in the resale market.

Approximately 40% of new apartment construction was targeted towards rental use. Between 2011 to 2020, only an average of 15% of new apartment starts were intended for use in the primary rental market.

HIGHLIGHTS

- Starts in 2021 rise to highest levels in half a decade, supported by positive economic and demand outlook.
- Calgary continues to expand both north and south through undeveloped land.
- Single-detached homes and apartment units under construction trend higher after a brief pause in 2020.

Calgary continues to push outwards with strong single-detached home development

Single-detached construction increased in 2021, with levels of activity last seen in 2014 comprised of new developments on previously unused land. These developments have led to further expansion of the suburbs:

- in the North near the Evanston neighbourhood
- in the South near Walden, Legacy, Seton, and Mahogany
- in the Northeast by Saddle Ridge and Skyview Ranch

Close to half of Calgary's 4,300 single-detached starts in 2021 can be found in these suburbs.

Townhouse/Row developments can also be seen in these areas, along with commercial developments of shopping centres and office space.

These further out developments are supported by lower costs for developers compared to redeveloping existing inner-city land. This means more affordable housing supply.

Most of the city's semi-detached construction is also located near the North and South city limits. Calgary's R-2 and R-C2 zoning has allowed for easier redevelopment of single-detached homes into semi-detached homes near the inner city, in neighbourhoods such as:

- South Calgary
- Killarney
- Mount Pleasant

Apartment construction reaches highest levels since 2014

Apartment or Condo construction is concentrated near city boundaries in the Northwest, Northeast and South zones. We saw 42% of the 6,000 apartment starts located in those outer areas.

Starts in and around inner-city areas like the Beltline, Downtown, North Hill and the University of Calgary made up a third of the total.

Apartment construction in the city periphery is mostly low-rise developments. There continues to be larger developments and redevelopments occurring in the Downtown core and Beltline area. These larger structures in the inner city are likely to be higher priced and offer various amenities like gyms and community spaces.

Rental apartment construction was also significant in 2021 as demand for rental units returned to the city. There was concentration:

- in the Beltline
- in the Auburn Bay-Seton-Mahogany expansions to the Southeast

Half of Calgary's rental starts occurred in these 2 areas. The city continues to revitalize its downtown core and expand outwards. In addition, several of the larger developments were located near existing Red Line stations and planned Green Line stations.

Calgary now has 8,700 apartment units under construction, approaching highs that were last seen in 2015. Of these 8,700 units, 4,200 are considered primary rental — the largest number of rentals units the city has ever had under construction at one time.

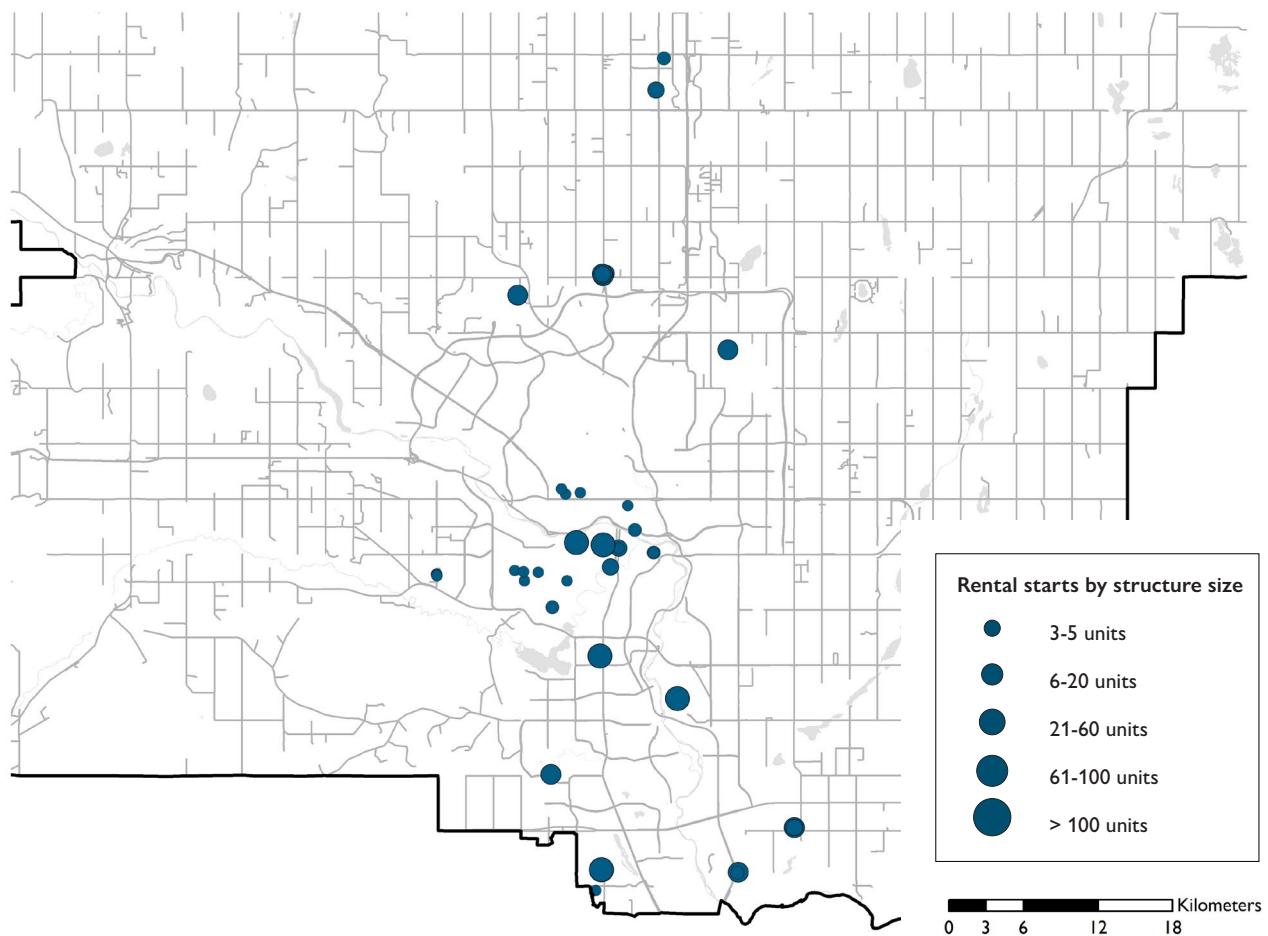
The inventory of completed and unsold homes decreased as demand for housing picked up in 2020 and 2021. After 2014, apartment condos that were completed were not readily absorbed as demand weakened. This led to a peak in unsold apartment inventory in 2017.

The fall in inventory was most prominent in 2021 with less than 400 apartment units remaining that are considered complete and unsold, compared to 3 times that amount in 2017 (Figure 2).

Medium rise buildings continue to be the most popular structure size

Apartment starts in 2021 were most likely to be mid-rise. Almost half — 49% — of structures started were between 4 to 6 stories tall. This is a continuation of a trend that started in 2014, when the average number of stories built per structure began to approach 4. Before 2014, between 70 and 90% of apartment structure starts were low-rise buildings, at a height of 3 stories or less.

Figure 1: Rental Apartment Housing Starts, Greater Than 3 Units, 2021 - Calgary CMA



Source: Starts and Completions Survey, CMHC

Figure 2: Complete and unsold inventory at lowest levels since 2015



Source: CMHC



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Toronto



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New home inventories have been traditionally low in Toronto and contribute significantly to a lack of supply in the region, thus adding to price pressures.”

The inventory of completed and unsold homes near historic lows in 2021

Housing starts and completions are byproducts of pre-construction unit sales that occur as far back as 5 years, depending on the type of structure and its stage of construction.

Based on CMHC research,¹ most projects (over 80%) sell their units prior to commencing construction. Many of these units are purchased by end-users and some investors.

HIGHLIGHTS

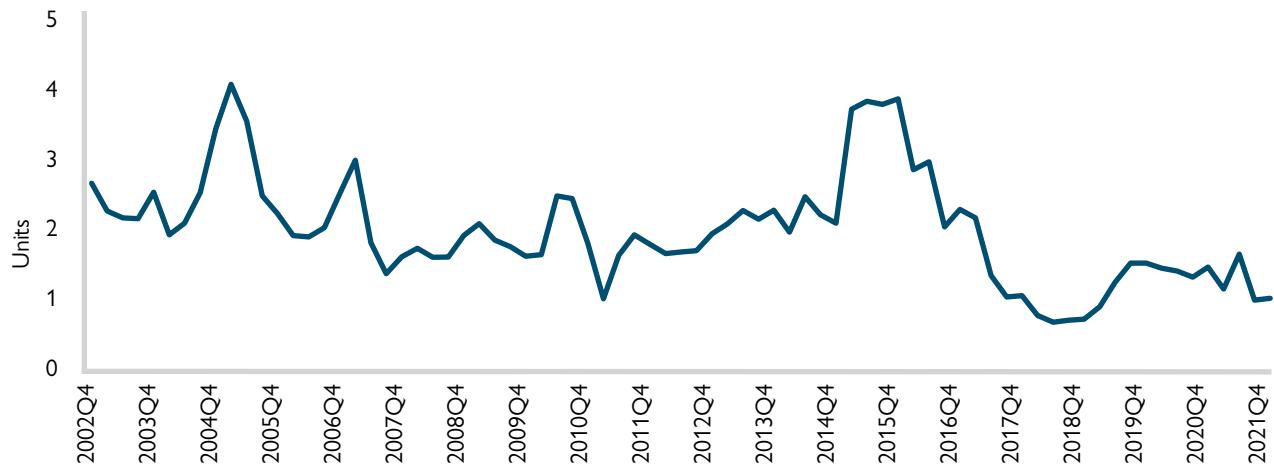
- The inventory of completed and unsold new homes concluded 2021 near historic lows.
- Total housing starts were above trend in 2021, with ground-oriented starts comprising most activity in suburban areas and apartment starts more prevalent in the urban core.
- Purpose-built rental construction increased in recent years, but condominium apartments remained the dominant built form in 2021.

Those units that remain unsold following completion are captured in the inventory of completed and unsold new homes. This indicator reached near historic lows at the end of 2021 (Figure 1), which contributed to house price pressures across markets.

Quite simply, demand was well ahead of supply and more supply will be required to address the mismatch. This will be especially important as population growth through immigration resumes post-pandemic.

¹ https://assets.cmhc-schl.gc.ca/sf/project/cmhc/pubsandreports/esub/_all_esub_pdfs/68701_2016_m07.pdf

Figure 1: The inventory of newly completed and unsold units per 10,000 population tracking near historic lows



Source: CMHC, Statistics Canada
Data is for the Toronto Census Metropolitan Area. Last data point is 2021Q4.

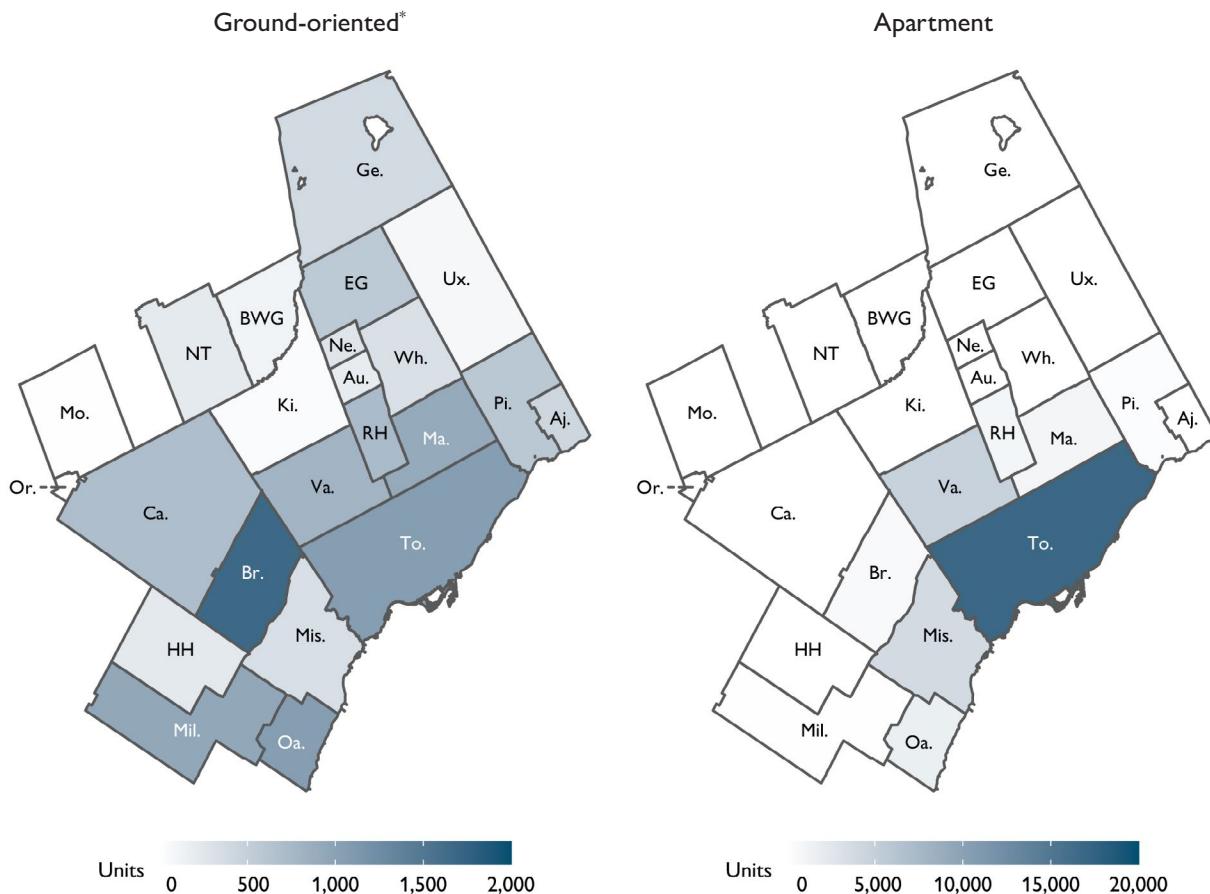
Housing completions were in line with historical average while starts were above

Total housing completions in 2021 increased by 19% to 36,723 units and were in line with their historical average of 20 years (35,336 units). This followed a below average 30,841 units in 2020, owing to logistical constraints imposed upon builders following the onset of the COVID-19 pandemic.

Total housing starts in 2021 increased above their 20-year historical average (38,158 units) to 41,898 units. The geographic distribution of new units that broke ground last year closely mirrored the region's historical pattern of development (Figure 2).

Apartment starts were concentrated within the City of Toronto, where land scarcity, land-use planning measures and inflated costs necessitated building taller. Meanwhile, ground-oriented starts were concentrated outside of the urban core.

Figure 2: Distribution of housing starts by municipality in 2021



Source: Starts and Completions Survey, CMHC and Statistics Canada, 2021 Boundary Files, 92-160-X

*Ground-oriented refers to the combined total for the single-detached, semi-detached, and row dwelling types.

Map displays the Toronto Census Metropolitan Area and the municipalities within it (Census 2021 boundaries).

Note: The full expansion of abbreviated municipality names may be found in the "Alternative text and data for figures" section at the end of this report.

Rental apartment completions at multi-decade highs

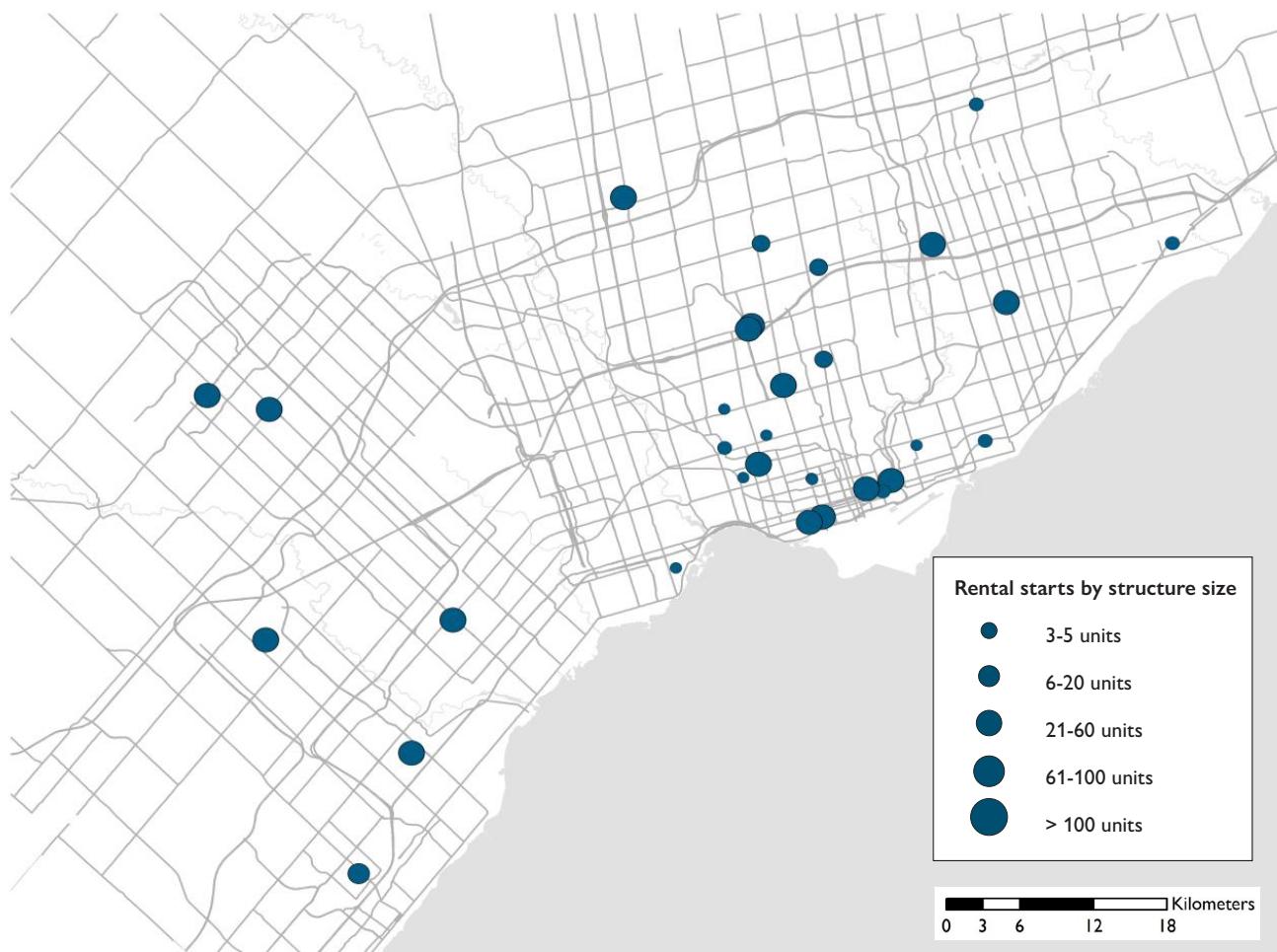
Purpose-built rental completions in 2021 (4,370 units) were at a multi-decade high, continuing an upward trend which began in 2019. Some developers were encouraged to enter rental construction because of:

- low vacancy rates over much of the last decade
- favourable lending conditions

Still, condominium apartments remained the dominant built form in the Toronto CMA. They accounted for 61% of completions in 2021, while rental apartments accounted for 12%.

Rental apartment construction (and apartment construction, more generally) has historically been concentrated within its most populous municipality, the City of Toronto. Two-thirds of the CMA's rental apartment starts were in the City of Toronto last year (Figure 3). These developments largely occurred along or adjacent to transit corridors, consistent with municipal and provincial planning objectives.

Figure 3: Rental Apartment Housing Starts, Greater Than 3 Units, 2021 - Toronto CMA



Source: Starts and Completions Survey, CMHC

A record high number of units under construction in 2021

The total stock of units under construction was at an all-time high with 86,163 units at the end of 2021. Over 85% of these units were apartments and specifically condominium apartments located within the City of Toronto and its downtown core.

Supply chain delays, labour and heavy equipment shortages (exacerbated by the pandemic) were major causes of this backlog. Anecdotal evidence from builders and developers

suggested concerns about competing for resources and infrastructure (particularly in the downtown core where water and sewer networks need to be able to accommodate growth). This inevitably delayed the start of new projects.

Strong pre-construction sales that occurred within the past 5 years suggest that there are many units currently in the development pipeline.

EXPANDING THE EXISTING HOUSING SUPPLY ACROSS THE GREATER TORONTO AREA (GTA)

The Ontario Housing Affordability Task Force report² indicated that Ontario must build 1.5 million homes over the next 10 years to address the province's supply shortage. This ambitious target needs to be met with innovative means of encouraging new supply — for both the ownership and rental tenures.

Across the GTA, municipalities are putting in place methods to make use of existing spaces to increase housing supply. For instance, the City of Toronto recently expanded permissions to allow residents to build garden suites on residential properties.

Plans are also underway to:

- build condominium and rental communities above major shopping malls
- convert existing parking lots in Toronto, Mississauga, Scarborough, and Etobicoke

These mixed-use developments will employ existing infrastructure and mitigate the need for new land.

It will be important for industry stakeholders to ensure newly built units accommodate the needs of a range of households, especially families. Our research,³ for instance, shows that larger renter households in Toronto are more likely to find themselves in overcrowded housing.



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² Released February 8, 2022 (<https://files.ontario.ca/mmah-housing-affordability-task-force-report-en-2022-02-07-v2.pdf>)

³ <https://assets.cmhc-schl.gc.ca/sites/cmhc/data-research/publications-reports/housing-market-insight/2020/housing-market-insight-ontario-68865-2020-m01-en.pdf>

Ottawa



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In 2021, housing starts in the Ottawa area reached their highest level in nearly 50 years.”

New construction peak reached in 2021

In 2021, there were more than 10,000 housing starts, the highest level in nearly 50 years. This is a 3% increase over the previous year. Already in 2020, new construction was at a historically high level, with 28% growth. By comparison, the average number of housing starts for the previous five years was 6,600.

In 2021, two thirds of housing starts were in the suburbs. There was a high concentration in urban areas just outside the greenbelt. In these areas, the municipality has designated zones for encouraging new residential development. Most of the construction is of single-detached homes and row houses.

Row houses account for nearly a third of all new construction, a larger proportion than in Canada's other major CMAs.

Row houses remain popular in Ottawa, partly because of their greater relative affordability. Their price compared to condominiums is lower than in other large Canadian CMAs.

HIGHLIGHTS

- In 2021, new construction activity rose by 3% to over 10,000 starts. This is the highest level in nearly 50 years.
- More than two thirds of housing starts were in the suburbs outside the greenbelt. A large portion were just beyond the greenbelt. Most of this construction is of single-detached homes and row houses.
- Freehold homes still account for the majority of housing starts. However, nearly 40% of housing starts were apartments. This proportion is growing.

In addition, regulations limit the number of single-detached homes to 55% of new residential developments. This leaves the row house as a potential alternative for the construction of freehold units.

Areas with significant construction of these types of units in 2021 were:

- Barrhaven
- Gloucester (outside the greenbelt, particularly Leitrim)
- West Orleans
- Stittsville

These expansions continue to follow a trend established before the pandemic. Single-detached and row homes remain the most common type of unit built in the Ottawa area.

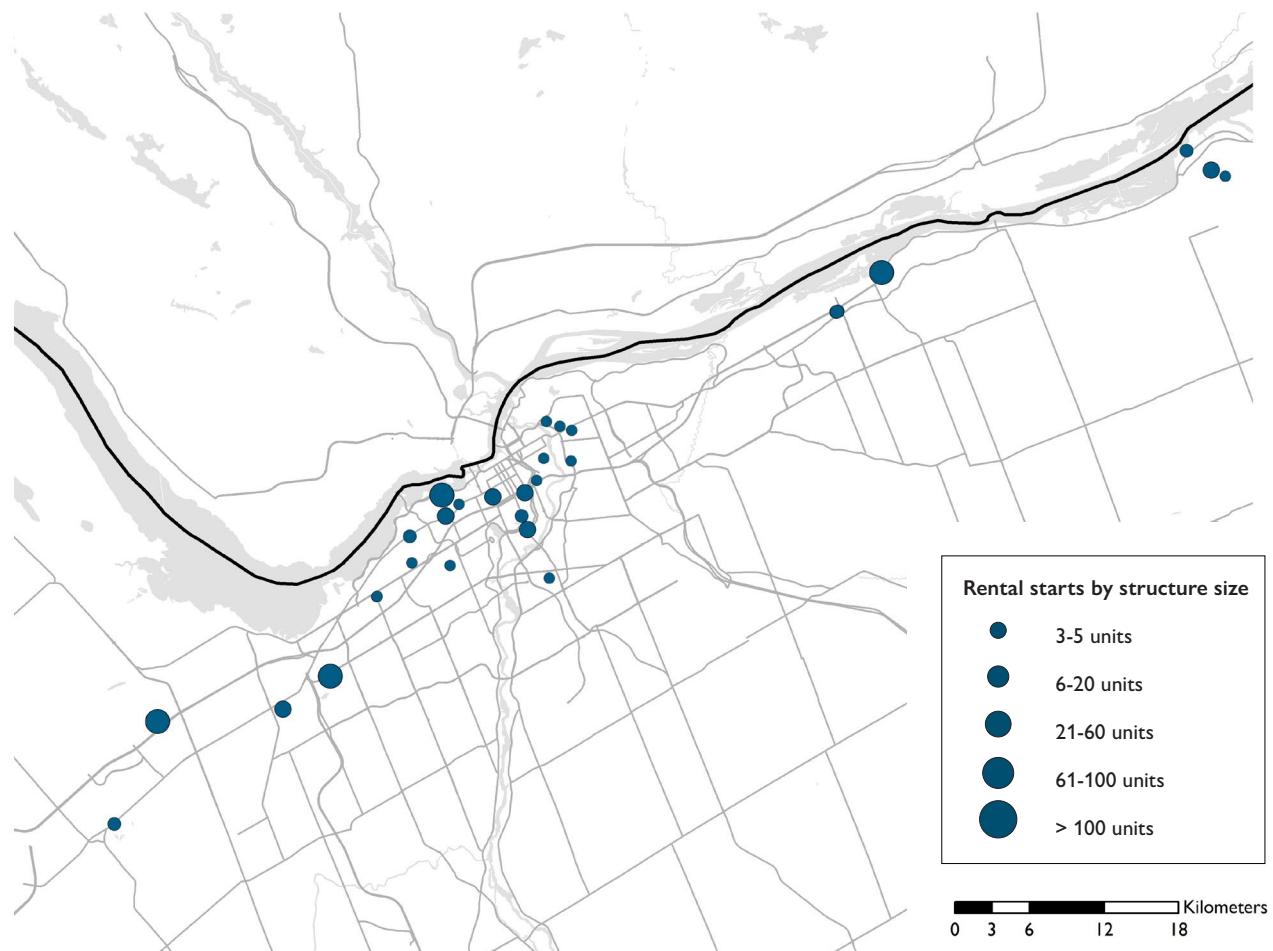
Apartments continue to grow in popularity

In the case of apartments, their numbers remained essentially the same in 2021, after having increased significantly in 2020. Most were located within the greenbelt in the neighbourhoods adjacent to downtown. A quarter of apartment starts were concentrated in only four census tracts near the O-Train extension, located in the following neighbourhoods:

- Hunt Club/South Keys
- Westboro North
- Hampton Park
- Little Italy

In the past year, 2,702 condominiums were started, compared to 1,196 rental units. The majority of these starts (54%) were in buildings with 6 to 20 units. The geographic distribution of rental units by building size is shown on map below.

Figure 1: Rental Apartment Housing Starts, Greater Than 3 Units, 2021- Ottawa CMA



Source: Starts and Completions Survey, CMHC

Freehold homes still account for the majority of housing starts. Despite this, nearly 40% of housing starts in 2021

were apartments. This proportion has been rising for more than 20 years (see figure 2).

Figure 2: Apartment Starts as a Share of Total Housing Starts (%)



Source: CMHC

The municipality's official plan adopted in 2003 included strategic directions in favour of urban densification, which may have encouraged this change. In 2021, a new development plan was adopted, one of the objectives of which is to increase supply and accelerate densification.

The population is growing faster than the number of new homes

Since the early 2000s, total housing starts in relation to population size have been on a slight downward trend. This means that population growth is outpacing the growth in new housing. This may have contributed to the upward pressure on average home prices seen on the resale market.

This decline was particularly notable for freehold units. However, the number of rental apartment starts relative to population size is on the rise. Overall, this drop could put pressure on the housing market, making it more difficult for households to find affordable housing.

This pressure also resulted in a decrease in the number of completed and unsold units. Despite the increase in new construction, only 200 new units had not found buyers in 2021. This is a nearly 20-year low.

These units were mainly located in areas of high single-detached and row home construction, namely:

- Barrhaven
- Gloucester (outside the greenbelt, particularly Leitrim)
- West Orleans
- Stittsville

However, the high level of new construction activity over the last two years has resulted in an increase in the number of housing starts relative to the size of the population. A significant number of units started in 2021 will likely be added to the market in 2022 and 2023.

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Montréal



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The geography of housing starts in Greater Montréal in 2021 can be summed up as follows: rental housing throughout the metropolitan area, condominiums in the central areas and freehold in the outlying suburbs.”

Rental apartments throughout the CMA in 2021

In 2021, there were nearly 20,000 rental apartment starts, a multi-decade high. As shown in figure 1, these dwellings were located throughout the CMA. There was also a wide variety of buildings, some of which had only a few units. Others contained several dozen units.

There is a diversity in the geographic distribution and types of buildings constructed that is not necessarily found across the country. This probably makes it easier for Montréal renter households to find a rental apartment that meets their needs.

On the Island of Montréal, there were about 8,400 such units, or just over 40% of all units. A high concentration of these new units were in high-rises in the boroughs of Ville-Marie and Le Sud-Ouest (which includes Griffintown).

Prior to the pandemic, these areas had significant demand from international students and/or migrants. This has stimulated the emergence and development of several new projects in recent years. Some of them were finally started last year.

HIGHLIGHTS

- Sustained construction of rental apartments in several suburban sectors, driven by very low vacancy rates.
- The central sectors are full of large rental towers and condominiums.
- Significant freehold houses starts in the outlying suburbs. These suburbs are benefiting from new remote work opportunities as a result of the pandemic and a greater amount of available land.

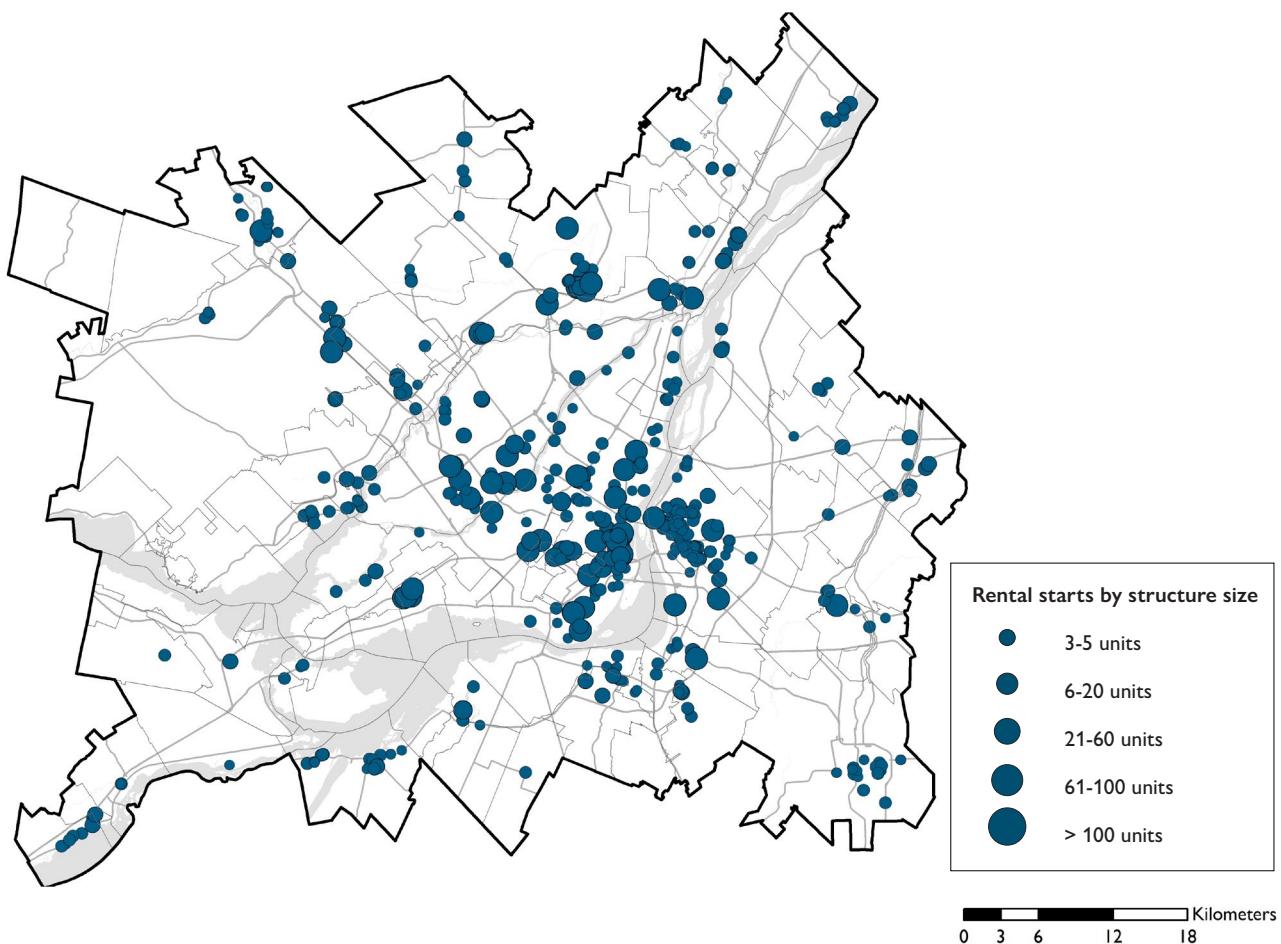
Other areas where rental construction was significant in 2021 are:

- Lasalle
- Côte-des-Neiges
- Saint-Michel
- Pointe-Claire
- Mont-Royal

In the suburbs, around 30% of rental apartment starts were on the North Shore,¹ and 20% on the South Shore. It should be recalled that our 2021 Rental Market Survey showed the scarcity of rental units in several suburban sectors, with vacancy rates ranging between 0% and 1%. This undoubtedly stimulated housing starts in this market segment.

¹ In Laval, which is not considered here a part of the North Shore, this proportion was 10%.

Figure 1: Rental Apartment Housing Starts, Greater Than 3 Units, 2021 — Montréal CMA



Source: Starts and Completions Survey, CMHC

North of the river, activity was concentrated in a few municipalities close to each other, namely:

- Repentigny
- Mascouche
- Terrebonne
- Blainville

For the last three, the construction of apartments in seniors' residences did, however, inflate the 2021 figures. Mirabel also counted a number of new units last year.

In the southern portion, Longueuil, Brossard and Beauharnois were the municipalities with the most rental apartment construction.

Condominium construction concentrated in the city of Montréal

For condominiums, 2021 was another year with few starts in the CMA (7,250), and 75% of them were in the city of Montréal. Given that nearly all condominium starts in the province were in Greater Montréal last year, the story of new condominium construction in Quebec in 2021 essentially boils down to the city of Montréal.

Within the city, and as with rental housing, a high concentration of these condominiums was found in large buildings in the boroughs of:

- Ville-Marie
- Le Sud-Ouest

As previously mentioned, demand from international students and migrants has supported the emergence of new projects in recent years. Investors who purchase these new units for rental purposes have also contributed to this demand. In downtown Montréal, it should be recalled that about 30% of condominiums are available on the rental market.

A few kilometres away, Pointe-Claire once again stood out, with approximately 250 new condominiums. Construction may have picked up because the new public transit system, the Réseau Express Métropolitain (REM), will have stations there. This is also the case for other municipalities in the CMA.

Montréal's North Shore: The kingdom of freehold housing starts

Despite a slight rebound, freehold (single-detached, semi-detached and row) homes remained the least-built housing type (5,050 homes).

The North Shore accounted for nearly half of these housing starts. The greater availability and lower cost of land help explain this lower-density residential development. A *Housing Market Insight*² showed that the North Shore had the most vacant space for residential development in all of Greater Montréal.

These starts got underway in several municipalities located on the fringes of Greater Montréal, such as:

- Mirabel
- Saint-Colomban
- Saint-Jérôme
- Saint-Lin-Laurentides
- Lavaltrie

Some of them have seen a significant jump in home construction in the past year. This is a sign that the new opportunities for remote work as a result of the pandemic probably played a role.

On the South Shore and in Vaudreuil-Soulanges, the municipalities where residential activity has been strongest for houses are:

- Longueuil
- Saint-Constant
- Candiac
- Sainte-Julie
- Vaudreuil-Dorion

Residential activity was generally lower than that of their counterparts on the North Shore.



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² <https://assets.cmhc-schl.gc.ca/sf/project/cmhc/pubsandreports/housing-market-insight/housing-market-insight-montreal-68724-201805-en.pdf?rev=e2feb377-3a86-4a6e-a454-f8e66bb7b131>

Appendix: Important Definitions

Historical residential construction activity data are collected through CMHC's monthly **Starts and Completions Survey (SCS)**.

Survey (SCS). Building permits are used to determine construction sites and visits confirm construction stages.

A **start** is defined as the beginning of construction on a building, usually when concrete has been poured for the whole of the structure's footing or an equivalent stage where a basement will not be part of the structure.

A **completion** is defined as the stage at which all proposed construction work on the building has been performed and is suitable for occupancy, although under some circumstances, a building may be counted as completed where up to 10% of the proposed work remains to be done.

Construction time is the amount of time (in months) elapsed between the start and completion of a structure. Note that construction time includes only the physical construction of the dwelling as defined above; additional steps in the development process, such as planning, obtaining permits, and site preparation, are not included.

Dwelling type

The definitions of types of dwellings (built form) used in the SCS are as follows:

A **single-detached** dwelling is a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure.

A **semi-detached** dwelling is one of two dwellings located side-by-side in a building, adjoining no other structure and separated by a common or party wall extending from ground to roof.

A **row** dwelling is a ground-oriented dwelling attached to two or more similar units so that the resulting row structure contains three or more units.

An **apartment and other dwelling** includes all dwellings other than those described above, including structures commonly referred to as duplexes, triplexes, double duplexes and row duplexes. In order to capture what constitutes apartment buildings, the analysis of apartment dwellings in this report is restricted to those having three or more units.

Additional definitions of types of dwellings (built form) used in the **Housing Supply Report**:

A **garden suite** or **laneway home** is a small detached dwelling usually located in the rear yard and is separate from the main house. In the case of a laneway home, the entrance will typically face the back lane behind the property.

A **self-contained unit** (or dwelling) refers to a residential unit (or dwelling) that contains a private kitchen, bath and living area.

A **secondary suite** is a self-contained dwelling located within the principal dwelling (such as in the basement) with a private entrance.

Tenure type (intended market)

The “intended market” is the tenure in which the unit is being marketed. This includes the following major categories:

A **freehold** unit is a residence where the owner owns the dwelling and lot outright.

A **condominium** (including Strata-Titled) is an individual dwelling unit which is privately owned, but where the building and/or the land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of house.

A **rental** unit is a dwelling constructed for rental purposes, regardless of who finances the structure.

Mixed forms of tenure within a given structure are also possible.

Other Concepts

For the purposes of this report, the following concepts have specific definitions:

A development's **intensity** is defined as the number of units per structure. A single-detached house with one unit would therefore have an intensity of one, while an apartment building with five units would represent a more intense form of development. A related concept is **density**, which takes into consideration the amount of living space per lot area.

Building height is simply the number of above-ground stories in the structure. Building height is measured differently by individual municipalities in terms of meeting zoning restrictions. These often involve considerations such as the average height of a pitched roof, the inclusion of different roof structures in the calculations, and shadows created by the structure.



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Alternative text and data for figures

Overview

Figure 1: Annual housing starts per 10,000 population*, select CMAs, 2003–2021

Year	Vancouver	Calgary	Edmonton	Toronto	Ottawa	Montréal
2003	63	129	110	86	80	53
2004	76	135	121	86	83	66
2005	84	129	120	83	72	70
2006	88	135	125	76	69	68
2007	88	130	133	70	66	63
2008	88	120	110	69	72	59
2009	72	87	82	61	71	55
2010	62	74	65	58	70	54
2011	58	66	71	55	64	54
2012	72	82	88	67	64	54
2013	76	88	98	69	63	49
2014	77	104	107	62	63	45
2015	78	102	115	58	58	43
2016	88	93	101	60	53	45
2017	96	78	94	65	58	49
2018	98	72	75	63	65	53
2019	97	77	75	58	71	58
2020	91	70	74	57	77	59
2021	93	78	78	56	84	65

*Three-year moving average

Source: CMHC, Statistics Canada

Figure 2: Proportion (%) of apartment units started that were purpose-built rental, three-year moving average, selected Canadian CMAs, 2007-2021

Year	Montréal	Ottawa	Toronto	Edmonton	Calgary	Vancouver
2007	36.6	8.4	8.8	11.0	1.9	4.7
2008	36.6	9.0	7.9	6.1	3.8	4.8
2009	33.7	13.8	9.1	16.9	2.8	7.2
2010	26.3	13.9	10.3	19.5	9.6	9.5
2011	20.5	12.8	10.9	30.8	11.0	12.1
2012	16.9	12.7	8.3	34.2	15.8	10.3
2013	18.1	13.0	6.3	42.0	11.5	14.1
2014	21.2	20.4	7.5	45.7	11.2	17.8
2015	31.5	30.2	8.9	41.6	13.1	23.8
2016	41.1	41.4	11.7	41.9	11.8	27.3
2017	49.8	49.0	11.4	37.1	16.0	26.8
2018	52.8	54.7	11.5	34.5	15.7	30.3
2019	57.0	55.4	13.6	34.6	20.3	28.9
2020	62.7	48.1	16.7	36.2	21.3	32.1
2021	68.2	37.3	18.4	56.6	28.0	31.1

Source: CMHC

Vancouver

Figure 2: Number of secondary suite and laneway home starts as a share of total rental starts, Vancouver CMA, 2016-2021

Year	Laneway homes	Secondary suites	Combined share of total rental starts
2016	630	2018	39%
2017	563	1950	55%
2018	797	2014	44%
2019	655	1769	36%
2020	500	1712	39%
2021	388	1848	33%

Source: CMHC

Calgary

Figure 2: Complete and unsold inventory at lowest levels since 2015

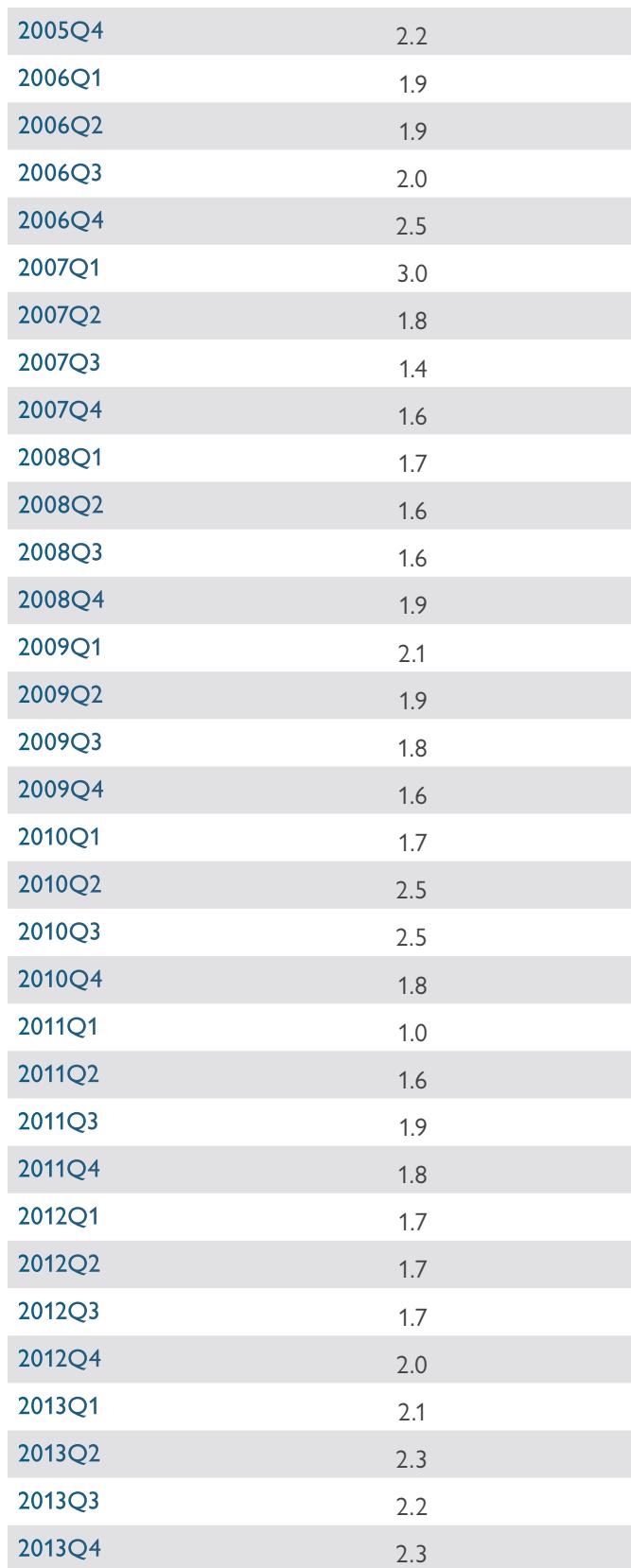
Year	Apartment	Row
2012	254	82
2013	28	25
2014	1	24
2015	220	102
2016	804	171
2017	1,208	187
2018	915	288
2019	801	433
2020	911	346
2021	386	169

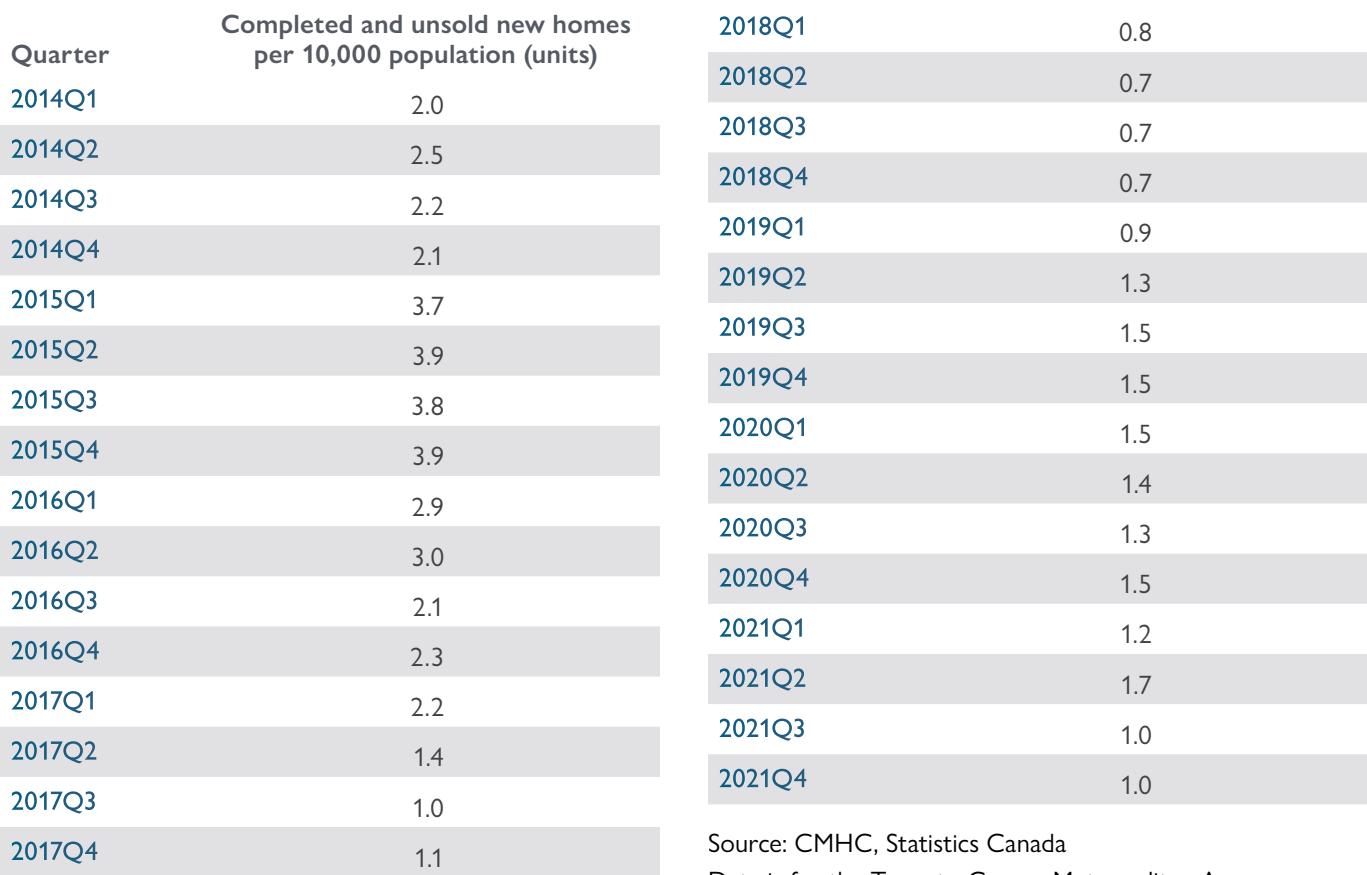
Source: CMHC

Toronto

Figure 1: The inventory of newly completed and unsold units per 10,000 population tracking near historic lows

Quarter	Completed and unsold new homes per 10,000 population (units)
2002Q4	2.7
2003Q1	2.3
2003Q2	2.2
2003Q3	2.2
2003Q4	2.6
2004Q1	1.9
2004Q2	2.1
2004Q3	2.5
2004Q4	3.5
2005Q1	4.1
2005Q2	3.6
2005Q3	2.5



**Figure 2: Distribution of housing starts by municipality in 2021**

Municipality	Abbreviation	Ground-oriented* starts (single-detached, semi-detached, row)	Apartment starts
Ajax	AJ.	424	-
Aurora	AU.	196	-
Bradford West Gwillimbury	BWG	123	-
Brampton	BR.	1,671	607
Caledon	CA.	697	-
East Gwillimbury	EG	570	-
Georgina	GE.	394	-
Halton Hills	HH	235	-
King	KI.	41	-
Markham	MA.	915	1,053
Milton	MIL.	941	132
Mississauga	MIS.	341	3,761

Municipality	Abbreviation	Ground-oriented* starts (single-detached, semi-detached, row)	Apartment starts
Mono	MO.	7	-
New Tecumseth	NT	222	-
Newmarket	NE.	273	-
Oakville	OA.	1,048	1,701
Orangeville	OR.	2	-
Pickering	PI.	588	324
Richmond Hill	RH	723	986
Toronto	TO.	1,047	16,912
Uxbridge	UX.	76	-
Vaughan	VA.	803	4,761
Whitchurch-Stouffville	WH.	324	-

*Ground-oriented refers to the combined total for the single-detached, semi-detached, and row dwelling types.

Source: CMHC, Statistics Canada

Map displays the Toronto Census Metropolitan Area and the municipalities within it (Census 2021 boundaries).

Ottawa

Figure 2: Apartment Starts as a Share of Total Housing Starts (%)

Years	Proportion
2000	10
2001	11
2002	22
2003	11
2004	17
2005	15
2006	21
2007	20
2008	24
2009	20

Years	Proportion
2010	29
2011	25
2012	46
2013	42
2014	35
2015	29
2016	24
2017	39
2018	33
2019	30
2020	39
2021	38

Source: CMHC