

Pace of Canadian housing starts slowed in September but less than expected; Housing starts slow in September: CMHC

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OTTAWA - The pace of Canadian housing **starts slowed in** September compared with August, but still came **in** better than expected.

Canada Mortgage and Housing Corp. said Tuesday the seasonally adjusted annual rate fell 2.5 per cent month-over-month to 221,202 units **in** September compared with 226,871 **in** August.

However, economists on average had expected an annual pace of 214,500 for September, according to financial markets data firm Refinitiv.

"This continues to reflect strong demographic demand, both from international inflows and new households created within Canada," said Robert Kavcic, a senior economist at Bank of Montreal.

"There's a lot of homebuilding activity going on across the vast majority of Canada."

The overall decrease **in** the rate of housings **starts** last month came as the pace of urban **starts** fell 2.4 per cent to 208,503 units.

Urban **starts** of apartment, condo and other types of multiple-unit housing projects dipped 0.2 per cent to 159,742, while **starts** of single-detached urban homes fell 9.2 per cent to 48,761 units.

Rural **starts** were estimated at a seasonally adjusted annual rate of 12,699 units.

The six-month moving average of the monthly seasonally adjusted annual rates of housing **starts** was 223,507 **in** September, up from 218,782 **in** August.

The CMHC's monthly report follows industry figures that show home sales have been stronger than last year and stronger than the early months of 2019.

Last month, the Canadian Real Estate Association raised its 2019 forecast sales of existing homes to 482,000 units, up five per cent from 2018.

"Canada's housing sector is back on the front foot with resales picking up as the year progresses and homebuilding activity clearly displaying some momentum," Josh Nye, a senior economist at Royal Bank, said Tuesday.

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"Ontario, the Prairies and Atlantic Canada are on the rebound while the trend in B.C. and Quebec remains strong despite slower starts in the last month or two."

In a separate report, Statistics Canada said Tuesday the value of building permits issued by Canadian municipalities rose 6.1 per cent to nearly \$9.0 billion in August.

The value of permits for multi-family dwellings increased 18.8 per cent to \$3.3 billion in August, while the value of permits for single-family homes rose 3.2 per cent to \$2.4 billion.

Industrial permits rose 18.9 per cent to \$675 million, while commercial permits fell 5.9 per cent to \$1.9 billion. Institutional permits slipped 10.7 per cent to \$651 million.

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