

Steadier housing market seen ahead

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OTTAWA — Housing starts are expected to stabilize this year and next, after slowing in the second half of 2010, Canada Mortgage and Housing Corp. said Thursday.

Construction will total between 157,300 and 192,900 units in 2011 and range from 154,600 to 211,200 units in 2012, the federal agency said.

“Modest economic growth will continue to push employment levels higher this year and next,” said CMHC chief economist Bob Dugan.

“This, in conjunction with relatively low mortgage rates, will continue to support demand for new homes. Housing starts will remain in line with long term demographic fundamentals over the course of 2011 and 2012.”

CMHC said existing home sales will be between 398,500 and 485,500 units this year, and increase to between 406,300 and 519,700 units in 2012.

Mr. Dugan added that the market will “remain in the balanced to sellers’ market range in 2011 and 2012,” the average price is expected to “remain in line with economy-wide inflation in 2011 and 2012.”