

## Housing starts fall in July

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The annual rate of housing starts in Canada fell 1.6% in July to a seasonally adjusted 189,200 units from an upwardly revised 192,300 units in June, Canada Mortgage and Housing Corp. said Tuesday.

“Housing starts moved lower in July, largely due to a decrease in urban single starts and a reduction in rural starts,” Bob Dugan, chief economist at CMHC’s market analysis centre said in the report. “Multiple starts partially offset this moderation.”

The number of starts is higher than the 185,000 economists polled by Bloomberg had called for.

David Tulk, senior macro strategist at TD Securities, said, “The decline in total starts can be traced to a resumption in the decline of single-unit starts, which fell by 11.4%. By comparison, the always-volatile multiples component rebounded by 13.4% following a revised 5.1% decline in June. Regionally, starts were weaker in British Columbia (-14.8%), Ontario (-2.6%), and Quebec (-0.4%) while the Atlantic Canada (+37.7%) and the Prairie Region (+14.4%) both posted outsized gains.”

Meanwhile, in a separate report, new home prices in Canada rose 0.1% in June following a 0.3% increase in May, Statistics Canada reported Tuesday.

The New Housing Price Index was boosted by monthly increases in Toronto and Oshawa, which were up 0.3%, followed by Ottawa-Gatineau, up 0.5%, and Montreal, up 0.2%. The index was offset by a 0.2% decline in Vancouver.