

# Metro Vancouver housing starts rise sharply over 2009, CMHC says

BY BRIAN MORTON, VANCOUVER SUN DECEMBER 8, 2010



Housing starts in Metro Vancouver have nearly doubled this year compared to 2009, according to a Canada Mortgage and Housing Corp. survey released Wednesday.

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Housing starts in Metro Vancouver have nearly doubled this year compared to 2009, according to a Canada Mortgage and Housing Corp. survey released Wednesday.

And that's good news for the construction industry, says Greater Vancouver Home Builders' Association president and CEO Peter Simpson.

"Last year we had a hard year for housing starts and came within a whisker of the worst year since the '60s," Simpson said in an interview. "This year, there's been a steady improvement. It's a good result. Consumers got more confident and builders decided to go ahead with their plans."

According to the survey, starts in the Vancouver census metropolitan area rose 84 per cent from January to November compared to the same period in 2009, from 7,329 starts to 13,502 starts. Of that, there were 4,295 single family and 9,207 multiple unit starts so far this year.

The biggest increase was in the city of Vancouver, which saw a 197-per-cent increase in total starts, from 1,233 in 2009 to 3,665 in 2010.

“This has resulted in generating more than 17,000 direct and indirect full-time jobs in the home building industry [in Metro Vancouver],” Simpson added.

Simpson noted that the HST did not have the expected impact, largely because the government increased the threshold for applying the controversial tax from \$400,000 to \$525,000.

“We thought the HST would play a part. It did, but more people decided they’d go ahead [and buy]. And the market dropped, so prices were lower.”

CMHC senior market analyst Robyn Adamache said in an interview that home builders were busy constructing single-family homes in Metro Vancouver over the past 11 months. “Active areas include Vancouver City, Surrey, and Coquitlam, pushing single family starts in the Vancouver CMA to exceed the 10-year average level for this period.”

She said while 2010’s numbers are far greater than last year, “2009 was an unusually low year for starts because of the financial crisis.”

She said CMHC predicted at the beginning of the year that 2010 would see about 14,000 total starts, including single family and multiple units, but the final count may be higher.

“But the end of the year, I suspect we’ll probably come in between 14,000 and 15,000, which is barely below the 10-year average, [which is] 15,360.”

She said there were 19,591 starts in Metro Vancouver in 2008 and a record 20,736 in 2007.

In Metro Vancouver November saw a 16-per-cent increase over the same month in 2009 – 793 to 918. The city of Vancouver saw a whopping increase for the same month over November 2009 rising from 60 to 256.

Meanwhile, for urban B.C. as a whole, housing starts increased 74 per cent for the year compared to 2009, from 12,332 to 21,436.

However, there were wide discrepancies among the areas, with starts in Victoria increasing 116 per cent this year from 905 to 1,957 and the Abbotsford census metropolitan area, which includes Mission, up 42 per cent from 334 to 474.

In the Okanagan, Kelowna's starts rose 57 per cent over the 11-month period, from 2009's 585 to 2010/s 917, while Vernon's starts declined 16.5 per cent, from 242 to 202.

For all of urban B.C., November starts increased 8.3 per cent compared to November 2009, from 1,481 to 1,604.

Nationally, the seasonally adjusted annual rate of total housing starts grew to 187,200 units in November.

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