

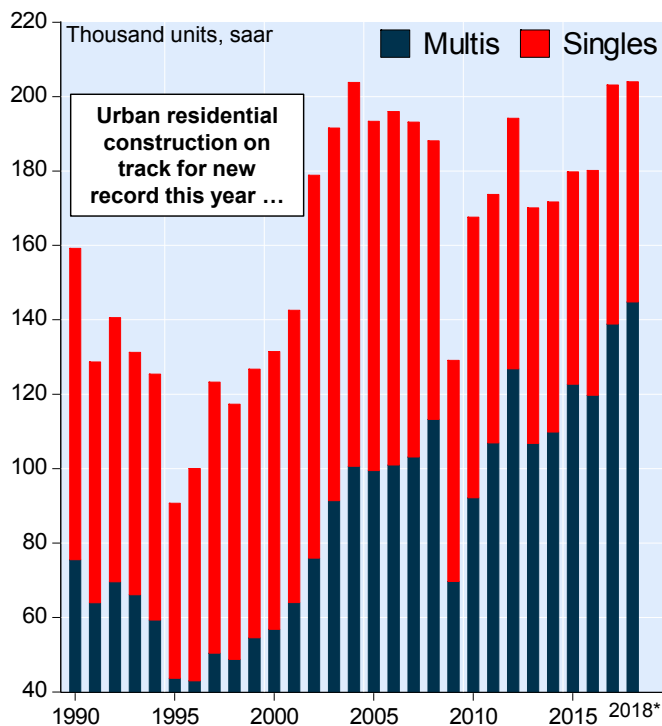
Canada Watch

Canada's residential construction is on track for another record year. At least that's the message from CMHC whose data shows urban housing starts averaging a massive 204K at seasonally adjusted annual rates in the first half of 2018. As today's *Hot Charts* show, multiple units (e.g. condos) now account for more than 70% of urban starts, with builders seemingly responding to land constraints and demand for affordable housing. Changing demographics also seem to be a factor in the trend towards the construction of multis. In Quebec for instance multis now account for 86% of urban starts, with construction tilting towards rental units which include housing for seniors. Considering that multis contribute less per unit to GDP than say single family homes, one can expect residential construction to contribute less and less to Canada's economic growth going forward as the share of multis in urban starts continues to rise.

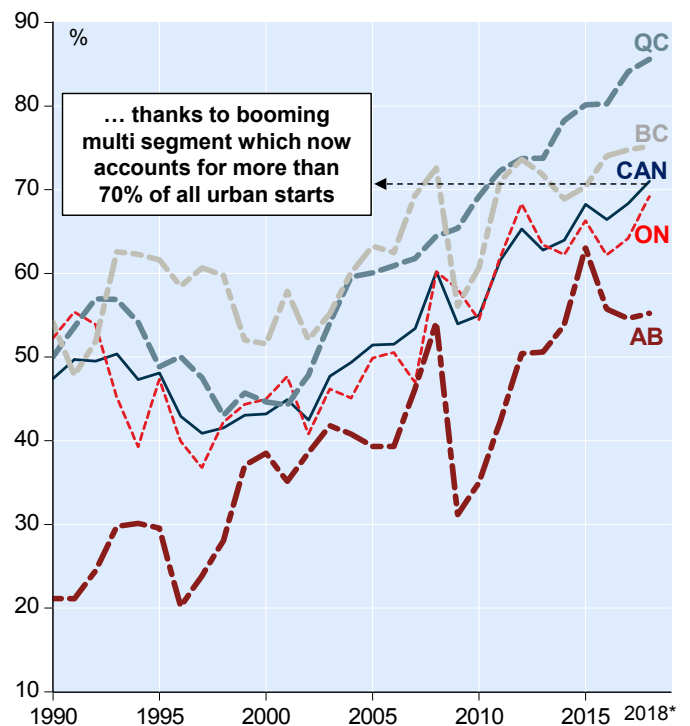
Krishen Rangasamy

Canada: Condo boom extends to 2018

Urban housing starts



Share of multis in urban housing starts



*2018 average is based on first six months of the year
NBF Economics and Strategy (data via CMHC)

Economics and Strategy

Montreal Office

514-879-2529

Stéfane Marion

Chief Economist and Strategist
stefane.marion@nbc.ca

Matthieu Arseneau

Deputy Chief Economist
matthieu.arseneau@nbc.ca

Krishen Rangasamy

Senior Economist
krishen.rangasamy@nbc.ca

Paul-André Pinsonnault

Senior Fixed Income Economist
paulandre.pinsonnault@nbc.ca

Marc Pinsonneault

Senior Economist
marc.pinsonneault@nbc.ca

Kyle Dahms

Economist
kyle.dahms@nbc.ca

Jocelyn Paquet

Economist
jocelyn.paquet@nbc.ca

Angelo Katsoras

Geopolitical Analyst
angelo.katsoras@nbc.ca

Toronto Office

416-869-8598

Warren Lovely

MD & Head of Public Sector Strategy
warren.lovely@nbc.ca

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