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## Ottawa sees fewest housing starts in more than 25 years, CMHC says



Josh Pringle || October 5, 2023



Carpenters work on new home in a newly constructed subdivision in Ottawa on Wednesday, Oct. 20, 2021. (Sean Kilpatrick/THE CANADIAN PRESS)

Ottawa saw the fewest freehold housing starts in 25 years during the first half of 2023, as price increases and high mortgage rates reduced demand for freehold housing, according to a new report.

The Canada Mortgage and Housing Corporation says housing starts were down 18 per cent in the first six months of 2023 compared to the same period in 2022. There were 3,574 housing starts in Ottawa in the first half of 2023, including 2,164 apartments. The purpose-build rental starts posted a record first-half gain, according to CMHC.

"However, the number of starts remains high because the decrease follows 3 years of record-setting levels of activity," CMHC said.

"For example, the number of housing starts in the first half of 2023 (nearly 3,600) outpaced starts from the same period in most years before the pandemic."

Statistics released by the Canada Mortgage and Housing Corporation looks at the housing starts by dwelling type in Ottawa during the first half of 2023:

- Single-detached: 663 units (down 45 per cent from 2022)
- Semi-detached: 72 units (down 45 per cent from 2022)
- Row: 675 units (down 45 per cent from 2022)
- Apartment: 2,164 units (up 38 per cent)

The Canada Mortgage and Housing Corporation says the decline in housing starts is concentrated in the single-detached, semi-detached and row houses, which were down 49 per cent from 2022.

"In fact, the first half of 2023 had the fewest (freehold housing) starts in more than 25 years for this segment," CMHC said in a report released Thursday.

"Price increases, followed by high mortgage rates, reduced demand for these types of new dwellings. As a result, construction continued its sharp slowdown. The uncertainty surrounding rapidly rising financing costs also tempered builders' willingness to start freehold units."

CMHC says condominium starts increased seven per cent in Ottawa, while rental starts jumped 61 per cent.

"Some condominium projects that hadn't been started due to a lack of demand were replaced by purpose-built rental projects," CMHC says. "Still, the expected impact of rising interest rates on housing starts should be felt over the course of the year."

The majority of apartment construction was concentrated in downtown, Alta Vista, Beacon Hill/Cyrville and Vanier. When it comes to housing starts, 37 per cent of new home construction was located in Orleans East and Kanata/Stittsville areas.