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## Regional gain in new housing construction in 2024 amid declines in major cities

Alberta, Quebec and the Atlantic provinces saw a rise in new home construction last year

Berly Thomas || January 16, 2025



Condos are pictured in Vancouver. Canada's housing market saw a two per cent increase in the number of new homes constructed in 2024. (Ben Nelms/CBC)

Canada's housing market saw a modest increase in the number of housing starts, or new home construction, in 2024.

Canada Mortgage and Housing Corporation (CMHC) says housing starts totalled 245,120 last year, up from 240,267 a year earlier. The number of starts rose two per cent compared to 2023.

"Canada's urban centres saw an uptick in housing starts in 2024 compared to last year, marking the third-highest year on record," said CMHC chief economist Mathieu Laberge in a news release.

While the two per cent increase shows some progress, it falls significantly short of the level needed to address Canada's housing affordability challenges and meet the estimated construction capacity, according to Laberge.

The increase is primarily driven by rental construction and growth in specific provinces, suggesting that other housing types and regions are not keeping pace with demand.

In centres with a population of 10,000 and over, Alberta saw a 32 per cent and Quebec a 26 per cent increase, while Ontario is down by 16 per cent and British Columbia by nine per cent.

Six largest census metropolitan areas saw a combined drop of three per cent in 2024 as starts in Vancouver, Toronto and Ottawa moved lower. Calgary, Edmonton and Montreal saw an increase in starts last year.

### **Canada needs 3.5 million more housing units by 2030: CMHC**

Last spring, the national housing agency estimated that Canada could potentially build up to 400,000 new housing units annually. Laberge said that "Canada still needs significantly higher supply growth to restore affordability in urban centres."

CMHC says Canada will require an additional 3.5 million housing units by 2030, on top of the 2.3 million already projected to be built, to restore affordability to levels seen in 2004.

"While we expect building to increase ahead in line with falling interest rates, the acceleration in starts will be limited by the weakness in condo pre-sales," CIBC economist Katherine Judge said in a note.

The annual pace of urban starts in December fell 14 per cent to 214,000 units. The pace of starts of multi-unit urban homes such as apartments, condominiums and townhouses dropped 15 per cent to 168,515, while the rate of urban single-detached home starts fell 10 per cent to 45,485.