HOUSING MARKET INFORMATION

Housing Supply Report

CANADIAN METROPOLITAN AREAS

Fall 2024

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Housing Supply Report in select Census Metropolitan Areas (CMAs)

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HIGHLIGHTS

- Total housing starts in the 6 largest census metropolitan areas (CMAs) rose by 4% in the first half of 2024 compared to the same period in 2023. The level of new construction (68,639 units) was the second strongest since 1990. However, when adjusted for population size, combined housing starts were close to the historical average and weren't enough to meet growing demographic demand.
- Calgary and Edmonton led the growth in housing starts due to record interprovincial migration in recent years, driven by their lower cost for housing and favourable economic conditions. In contrast, housing starts decreased in Toronto, Vancouver and Ottawa.
- Apartment starts in the 6 CMAs increased slightly, driven by rental construction. Nearly half of the apartments started in the first half of 2024 were purpose-built rentals – the highest share on record. This trend aligns with demographic changes and declining homeownership affordability.
- Except for Calgary and Edmonton, condominium apartment starts fell in the first 6 months of 2024 – a trend we expect will continue as developers struggle to reach the minimum pre-construction sales needed to start construction. Both investors and end users have significantly reduced their purchases of new condominiums because of the impact of higher interest rates.
- Developers prioritized clearing backlogs of projects under construction. As a result, apartment completions increased across the 6 CMAs, setting new records in each one except Montréal and Vancouver.
- Municipalities and provinces are working actively to increase housing supply and variety, with policies aimed at better meeting the needs of a broad range of buyers and renters.

National Overview

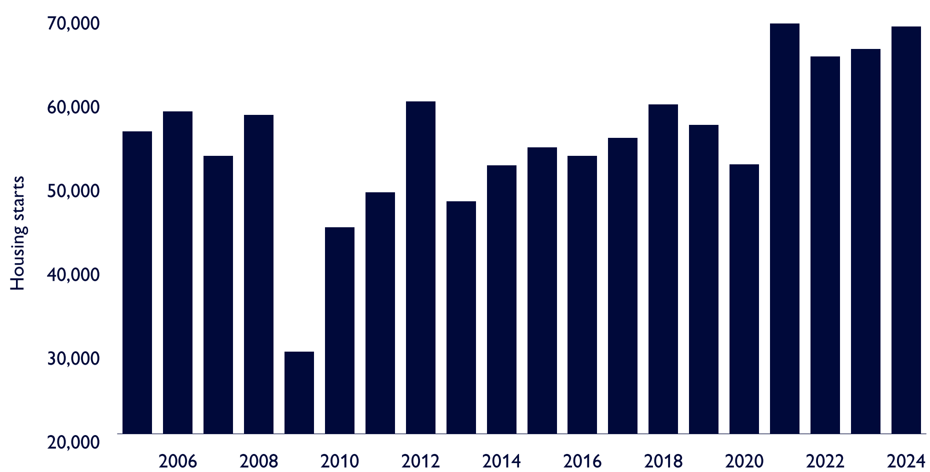
While combined housing starts increased in the 6 largest CMAs, significant regional differences were clear

In the first half of 2024, combined new home starts in Canada's 6 largest CMAs reached 68,639 units. This is a 4% increase from the same period in 2023 and the second highest first-half-year activity since the 1990s.

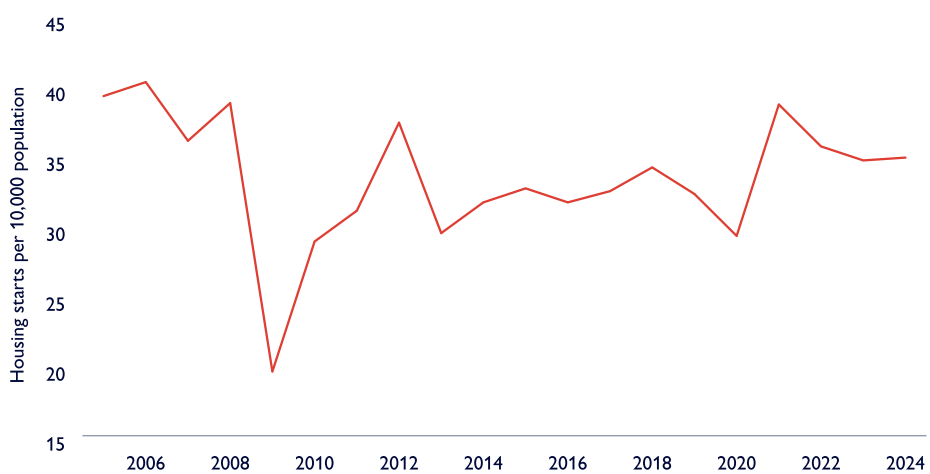
However, when we account for increases in population (by looking at housing starts per 10,000 population), we see that activity was around the historical average (figure 1). Given the long history of supply not keeping up with demographic demand, this level of activity isn't enough to reduce the existing supply gap and improve affordability for Canadians.

Figure 1: New home construction in the first half of 2024 neared record high—but not when adjusted for population size

Total housing starts and starts per 10,000 population in Canada's 6 largest CMAs, January to June*



*Vancouver, Calgary, Edmonton, Toronto, Ottawa and Montréal.
Sources: CMHC, Conference Board of Canada; CMHC calculations.



*Vancouver, Calgary, Edmonton, Toronto, Ottawa and Montréal.
Sources: CMHC, Conference Board of Canada; CMHC calculations.

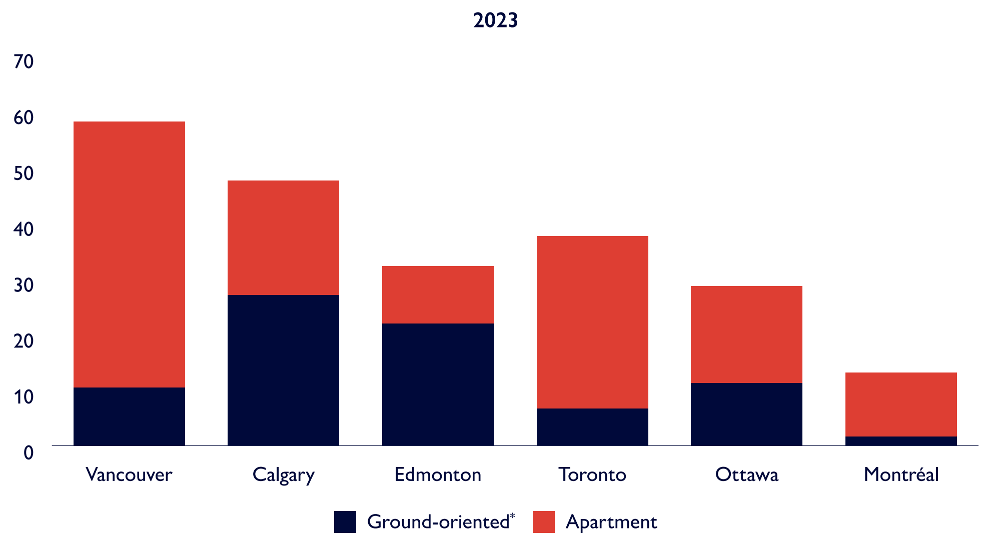
New home construction trends varied significantly across markets, showing greater differences than previously reported in our *Housing Supply Report*. Calgary, Edmonton and Montréal saw big increases in total housing starts ranging from 40% to 70%. In contrast, Toronto, Vancouver and Ottawa saw declines ranging from 10% to 20%.

We use a housing starts measure adjusted for population size (starts per 10,000 population) to compare the rates of new construction across markets (figure 2).

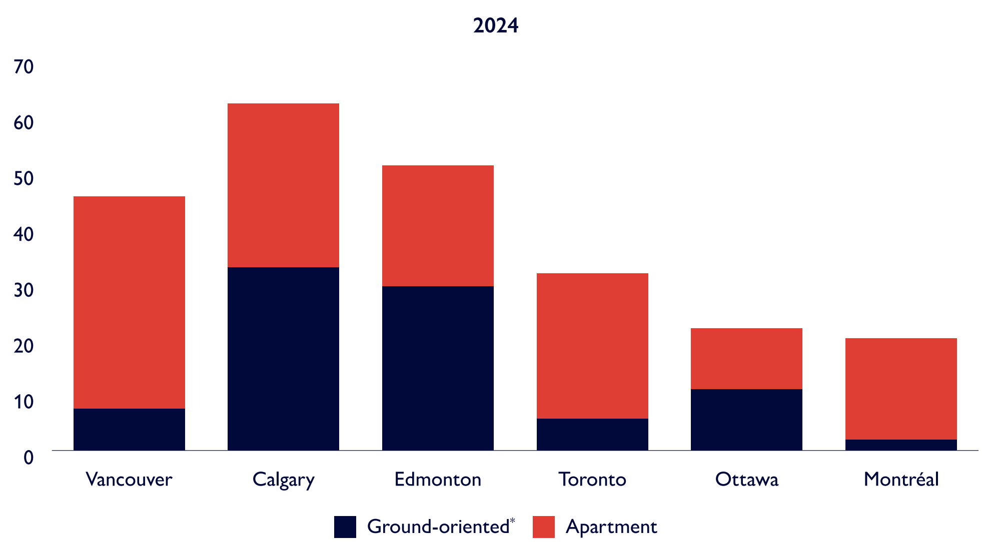
In recent history, this measure in Montréal has been significantly below that of other large CMAs. Toronto fell further below the cross-CMA average. Vancouver, which led for most of the decade, is now outpaced by Calgary and Edmonton. The 2 Alberta CMAs have taken advantage of stronger economic growth and made better use of construction labour.

Figure 2: CMAs in western provinces lead in starts per 10,000 population

Housing starts per 10,000 population, January to June, select CMAs



*Single-detached, semi-detached and rows.
Sources: CMHC, Conference Board of Canada; CMHC calculations.



*Single-detached, semi-detached and rows.
Sources: CMHC, Conference Board of Canada; CMHC calculations.

Differences in housing starts trends across the country reflect different levels of affordability and economic conditions

Homebuyers in more affordable markets like **Calgary** and **Edmonton** have been more resilient to housing cost increases. Affordability indicators show that homeownership costs relative to incomes in these CMAs have remained about half those in Toronto and Vancouver.

Alberta has also seen stronger economic growth, with real gross domestic product (GDP) per capita outpacing Quebec, Ontario and British Columbia by about 30% in recent years. This, along with growing remote work opportunities and a more affordable housing system, has led to significantly higher migration to Alberta from other provinces since 2022.

The influx has created demand for new home construction, with housing starts reaching record highs in Calgary and the second-highest level in Edmonton during the first half of 2024. The construction industry has been able to quickly meet demand in these CMAs partly due to a lower regulatory burden[1]. Along with strong economic conditions, this has significantly slowed the decline in homeownership affordability compared to other large CMAs.

In **Montréal**, housing starts of all dwelling types increased, but remained below the 10-year average, with most starts geared toward the rental market. Meeting strong rental demand in the region remained a challenge in an environment of high financing and construction costs.

In the least affordable markets, **Toronto** and **Vancouver**, and the less expensive **Ottawa** market, ground-oriented (single-detached, semi-detached and row) starts have fallen further below historical averages. Lower prices in the resale market made it more difficult for developers to compete for homebuyers, as the high cost of land limited their ability to reduce their prices.

The Toronto and Vancouver markets have a stronger investor presence than others because of the importance of the secondary rental market (condominium rental apartments). For these investors, pre-construction apartments have become less appealing because of high interest rates, declining asking rents and softening resale markets.

Therefore, although apartment starts in these CMAs have declined only modestly and remain historically strong, we expect activity to slow further. With limited investor support, developers will likely struggle to meet sales thresholds for financing, resulting in slower supply growth in the future.

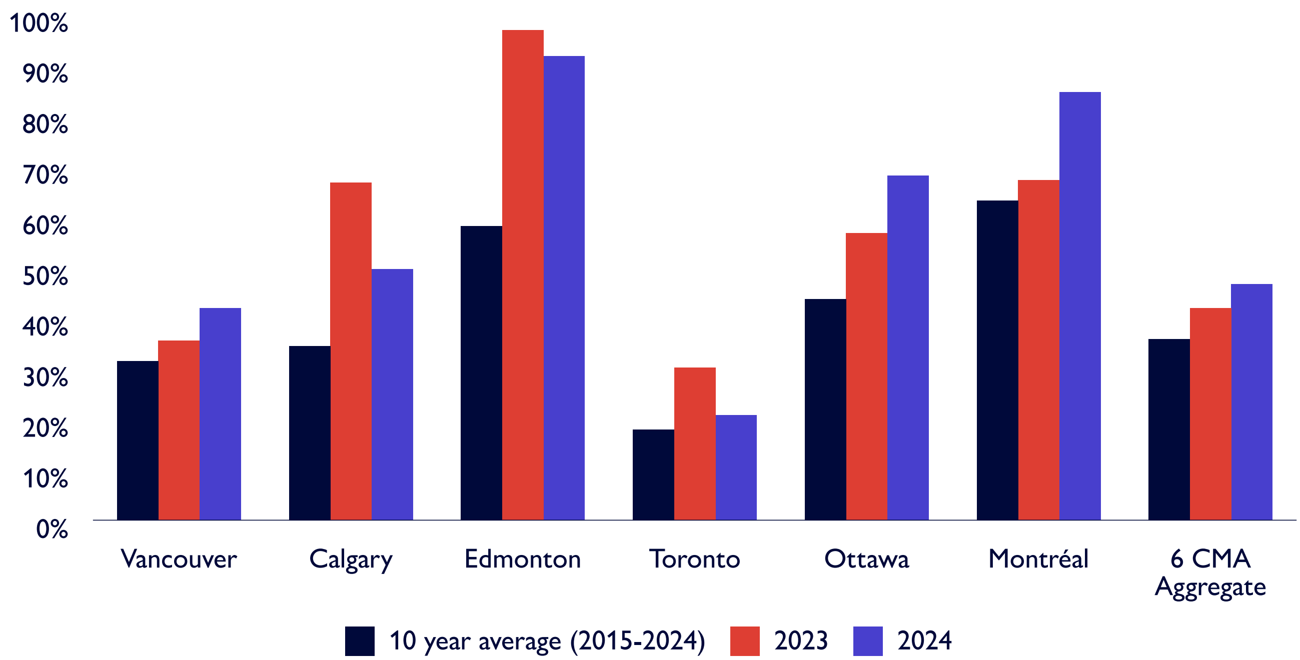
[1] https://www.cmhc-schl.gc.ca/blog/2023/approval-delays-linked-lower-housing-affordability

Apartment starts were down outside of Alberta CMAs, except for increased purpose-built rental construction in Montréal

Combined apartment starts in the 6 CMAs increased only marginally so far this year. A decline in condominium apartment starts in these centres was offset by a rise in purpose-built rental apartment construction, which reached 47% of all apartment units started (figure 3).

Figure 3: Close to half of the apartments started in the first half of 2024 were rentals—near a 30-year high

Purpose-built rentals share of overall apartment starts, January to June, select CMAs



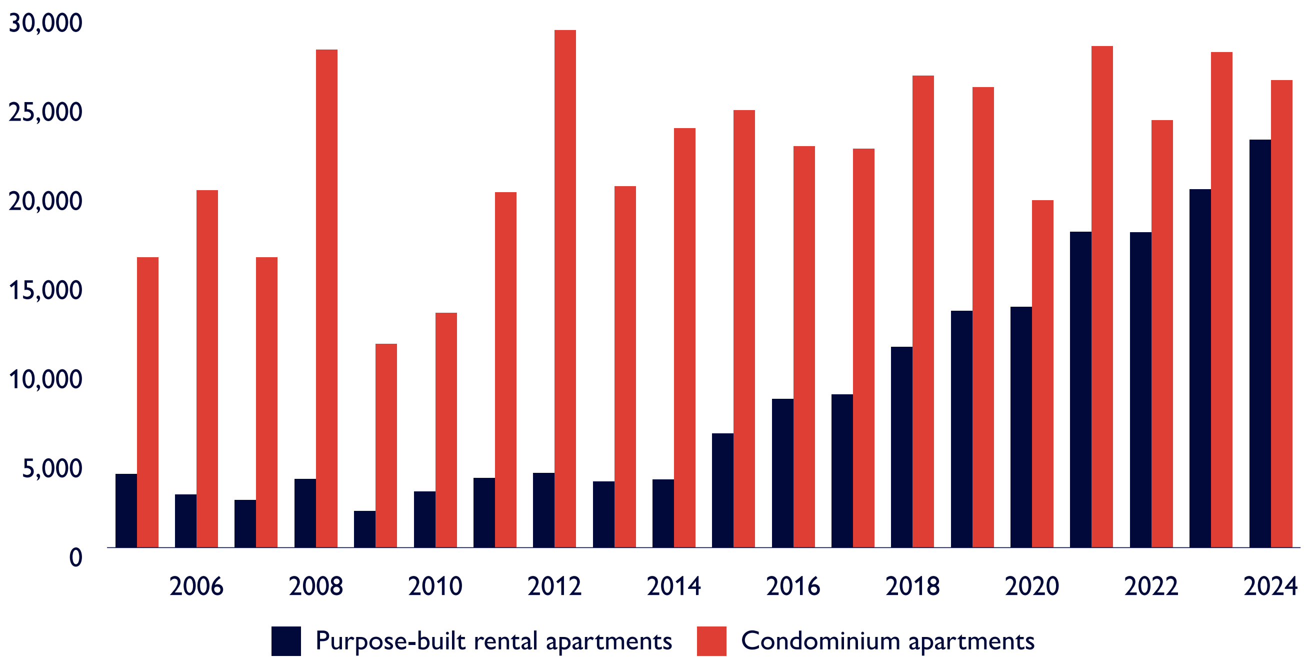
Source: CMHC.

There were varying patterns in apartment construction across different tenures and urban areas in Canada.

- After reaching record levels in 2023, purpose-built rental apartment construction slowed in Toronto and Ottawa and slightly declined in Vancouver. In contrast, it continued to grow in Edmonton. The combined level of rental construction for the 6 CMAs in the first half of 2024 was the highest since the 1990s (figure 4).

Figure 4: Highest rental apartment construction on record

Purpose-built rental and condominium apartment starts in Canada's 6 largest CMAs, January to June*

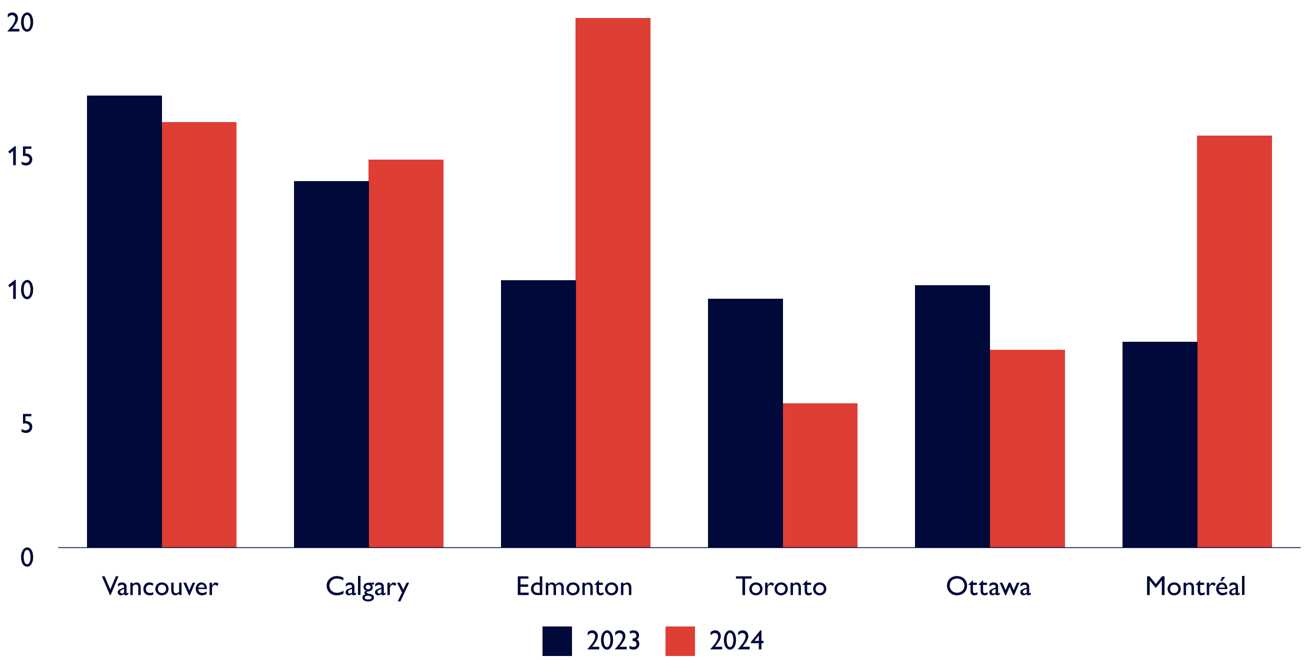


*Vancouver, Calgary, Edmonton, Toronto, Ottawa, and Montréal.
Source: CMHC.

- When adjusting for population, Edmonton had the highest rate of purpose-built rental construction, with 20 rental apartments started per 10,000 population (figure 5). In Edmonton, rental supply is catching up with demand as developers respond to rapid rent increases driven by favourable economic and demographic conditions.
- While Calgary and Edmonton saw increases in condominium apartment starts, other large markets experienced declines during the first 6 months of 2024.

Figure 5: Edmonton led population-adjusted rental apartment starts in the first half of 2024

Purpose-built rental apartment starts per 10,000 population, January to June, select CMAs



Sources: CMHC, Conference Board of Canada; CMHC calculations.

Apartment developers face challenges in some markets

Despite tight rental market conditions, some developers in Toronto and Ottawa had to reassess their plans because certain projects became financially unviable.

Purpose-built rentals in Toronto face increased competition from condominium apartments. Condominium completions and rental listings have risen, with investors choosing to rent out their units because of a soft resale market. In recent months, industry sources have reported a decline in asking rents for condominium units, with newly built purpose-built apartments tending to be priced similarly. Slower rent growth could make more purpose-built developments financially unfeasible.

In the condominium segment of most CMAs (except for Calgary and Edmonton), developers have struggled to meet minimum sales thresholds for financing, especially for large projects. This led to delays and cancellations of new project launches. Our data suggests that projects that secured enough sales to proceed were, on average, smaller in size (fewer units and storeys) than those in the first half of 2023. They were also likely less costly.

Concern over the cost of housing in a slowing economy has shifted demand for new condominiums to lower price points in markets where prices were already high (Toronto) or have risen quickly (Calgary). In these markets, developers have been starting projects in less expensive areas (for instance, outside city centres) to address affordability needs and manage expenses. Factors like land prices, approval times, municipal policies and labour availability have become key considerations.

Industry sources indicate that developers have been hesitant to lower prices for unsold units in existing projects, instead offering substantial incentives like free parking, waived maintenance fees and upgrades. To maintain acceptable profit margins, developers may face longer pre-sales phases, extended development times and potential project cancellations, leading to lower starts numbers in the future.

Developers completing construction of apartment buildings rather than starting new projects

Condominium apartments have faced growing backlogs and longer construction times since the pandemic because of a tight labour market, rising construction costs and supply shortages. By the end of 2023, many large CMAs reached record highs in the number of apartment units under construction; they'd been started, but not completed.

In the first half of 2024, some limitations eased. The average cross-market Building Construction Price Index (BCPI) for apartments, reported by Statistics Canada, rose by 4%, compared to 8% in the previous year. In Toronto, the index growth slowed the most, dropping from 15% to 5%.

Developers were better able to manage completions, particularly in markets where starts were delayed. Apartment completions increased in all CMAs, reaching record levels in Toronto, Ottawa, Calgary and Edmonton.

Provincial and municipal policies addressing housing supply and variety

Up to this point, we've highlighted differences in housing starts across Canada's largest urban centres. Despite these differences, there's been alignment across regions on the need to increase housing supply and variety. Below are some examples of measures recently pursued by provinces and municipalities for this reason:

- **"As-of-right" development, Bill 23, Ontario (2022):** allows up to 3 units per lot in many residential areas without requiring rezoning.
- **Bill 44, British Columbia (2023):** mandates municipalities to permit 3 to 4 housing units per single-family lot and up to 6 units on larger lots near public transit.
- **Bill 31, Quebec (2024):** allows municipalities to bypass local bylaws, such as height restrictions or property lines.
- **Official Plan amendment, City of Toronto (2023):** allows the development of multiplexes – low-rise buildings with 2 to 4 units – in all neighbourhoods across Toronto.
- **Blanket rezoning, Calgary (2024):** allows single-family homeowners to redevelop their properties into duplexes, fourplexes and row houses without requiring a land-use redesignation.
- **The Downtown Calgary Incentive Program (2021):** supports office space conversions to residential units, co-living developments, hotels, schools and performing arts centres.

The impact of the above initiatives will be felt in time and, in some cases, has already started to appear in our data. For instance, in the City of Calgary, we've seen considerable office-to-residential conversions activity.

A desire to increase density may also, in part, explain the increased provision of secondary suites in the Edmonton and Calgary CMAs. For further insights on policy developments at the regional level, please see the CMA sections of this report.

We'll continue to monitor housing policy outcomes closely using our starts and completions data[2], as well as our data on residential conversions and demolitions[3], given an increased emphasis on densifying existing neighbourhoods.

[2] https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/monthly-housing-starts-construction-data-tables

[3] https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/residential-conversions-demolitions-statistics

VANCOUVER

HIGHLIGHTS

- Housing starts fell in the first half of 2024 as slow sales and high financing costs reduced profitability and increased risks.
- Rental construction continued to make up a growing share of new apartment builds, supported by government policies and incentives.
- Changes to provincial and municipal zoning policies aim to increase density, creating more opportunities for future housing supply.

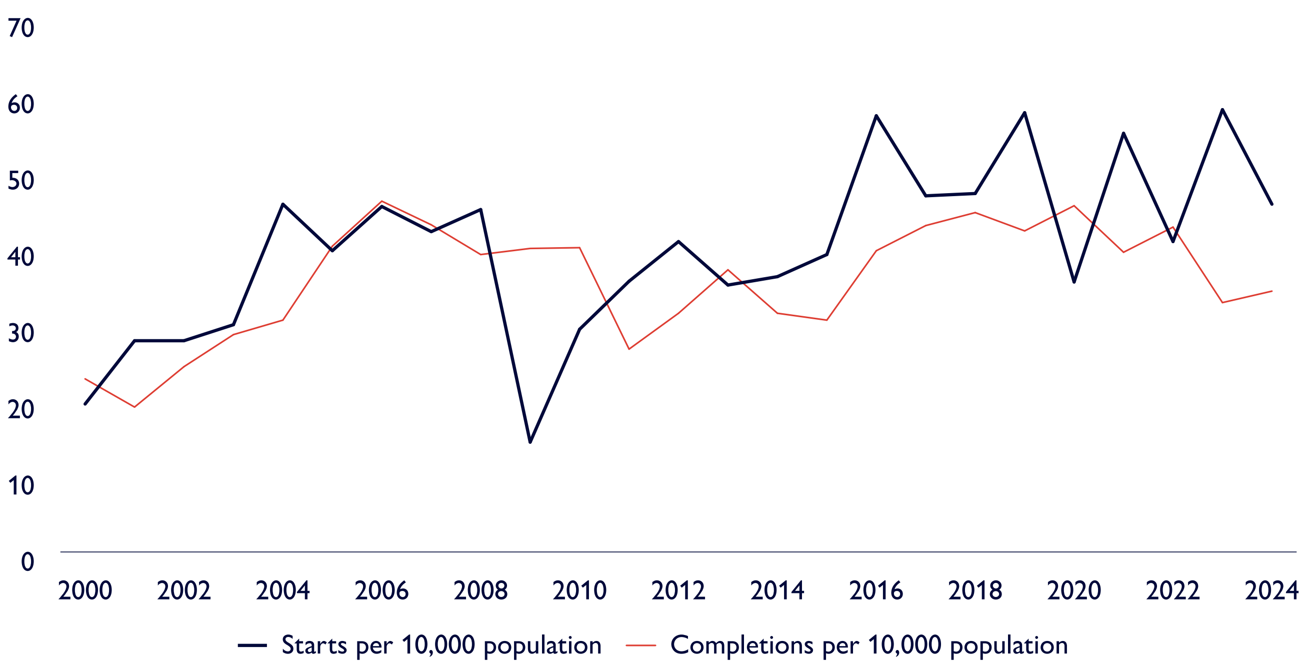
Starts fell as high costs and a weak presale market put pressure on supply and demand

Multi-unit housing starts fell in the first half of 2024 as development, land, and financing costs negatively impacted project profitability. Weaker demand for new homes also limited new construction activity. Most of the loss in multi-unit starts was due to a decrease in apartment condominium construction. The decline in rental apartment construction was relatively marginal.

When adjusted for population size, the number of housing starts fell from last year's peak of 46 starts per 10,000 population which is below the average of the past decade. While the total number of housing starts remained near historic highs, rapid population growth in Metro Vancouver contributed to the overall decline in population-adjusted starts.

Figure 1: The full effect of recent growth in starts has yet to be realized in completions

Starts and completions per 10,000 population, January to June, Vancouver CMA



Sources: CMHC, Conference Board of Canada; CMHC calculations.

Record past housing starts have yet to lead to record completions, as projects are often spread out over time. The average construction time for both rental and condominium apartments has increased steadily in recent years, reaching an all-time high of 20.4 months for apartments in the first half of 2024.

While larger developments usually mean longer construction times, the average number of storeys and units per building built in the first half of 2024 wasn't significantly different from the 5-year average.

Some developers said changing zoning regulations were a reason for longer construction periods. At the same time, others opted to extend the length of their land loans as projects didn't meet sales targets. Additionally, rising costs and challenging financing conditions have pushed some smaller operators to sell their planned projects.

Rental construction continued to be preferred in the City of Vancouver, while condominium projects featured prominently in the suburbs

The City of Vancouver continued to lead in apartment starts, with two thirds of these units intended for the rental market. Developers cited profitability as the main factor for prioritizing rental over condominium apartments in the City of Vancouver.

Further away from the City, lower land costs made condominium construction easier. This trend was clear in Surrey, Coquitlam and Richmond, the cities with the next most apartment starts in the first half of 2024. Apartment starts in these cities were mostly intended for the condominium market.

In the first half of 2024, developers in Metro Vancouver chose to build low- and mid-rise buildings: over half of apartments units started during this period were in buildings of 4-6 storeys. This preference for smaller structures may be due to various factors limiting apartment height, including higher development cost levies for some higher-density projects (see textbox for more details).

Recently, the City of Surrey announced incentives for developers meeting certain criteria to boost development. The Rapid Transit Development Incentive offers a 50% fee rebate for developments near certain transit hubs. The Non-Market Rental Housing Development Incentive waives these fees entirely if the development meets certain affordable housing criteria.

How development cost levies can encourage specific types of development:

Development cost levies are a fee charged by municipalities for new developments to fund infrastructure. Here, we compare hypothetical levy-only costs for an apartment unit in the cities of Vancouver and Surrey, the 2 most populous cities in Metro Vancouver.

Based on dollar-per-square-foot costs, a 550-square-foot apartment in the City of Vancouver could cost:

- $9,700 in a medium-density project
- $19,500 in a high-density project

A unit of the same size in Surrey City Centre could cost:

- $13,400 in a medium-density project
- $11,700 in a high-density project

The City of Vancouver has waivers for rental apartments, which could bring costs down to:

- $4,600 in a medium-density project
- $9,200 in a high-density project

Affordable housing projects are also eligible for the entire fee to be waived. These waivers aim to encourage rental development in the City.

These fees and waivers don't include all costs and subsidies involved in apartment construction in these cities.

Source: City of Vancouver Development Cost Levies Bulletin, City of Surrey Bylaw 21174

New zoning policies aim to increase housing supply, density and sustainability in Vancouver

The City of Vancouver has voted to amend its view cone policies to increase housing. These view cones were originally meant to protect views of the North Shore mountains. City staff estimate up to 75,000 additional homes could be built over the next 30 years from the freed-up space.

The province, along with the City of Vancouver, also increased the height limit of mass-timber buildings from 12 to 18 storeys. This change supports denser and taller developments while limiting carbon and environmental impacts. Allowing developments with a greater diversity of building materials will help ease supply chain constraints.

EDMONTON

HIGHLIGHTS

- After a decline in 2023, housing starts in Edmonton grew by 67% in the first half of 2024, as housing market sentiment remained positive.
- Rental apartment construction increased in the first half of 2024, making up 92% of all new apartment starts. This increase was driven by high demand and supported by government incentives.
- Municipal policies in Edmonton aimed at boosting housing supply and densifying construction have supported secondary units. These units have been increasingly contributing to new rental supply.

Housing starts in Edmonton rebounded as sentiment in the housing market remained positive

Housing starts in the first half of 2024 increased by 67%, rebounding from the decline in the same period in 2023. This pace of growth had not been seen since 2015. While new home construction grew across all dwelling types, it was most notable in multi-unit housing, especially apartments in almost all submarkets of the city.

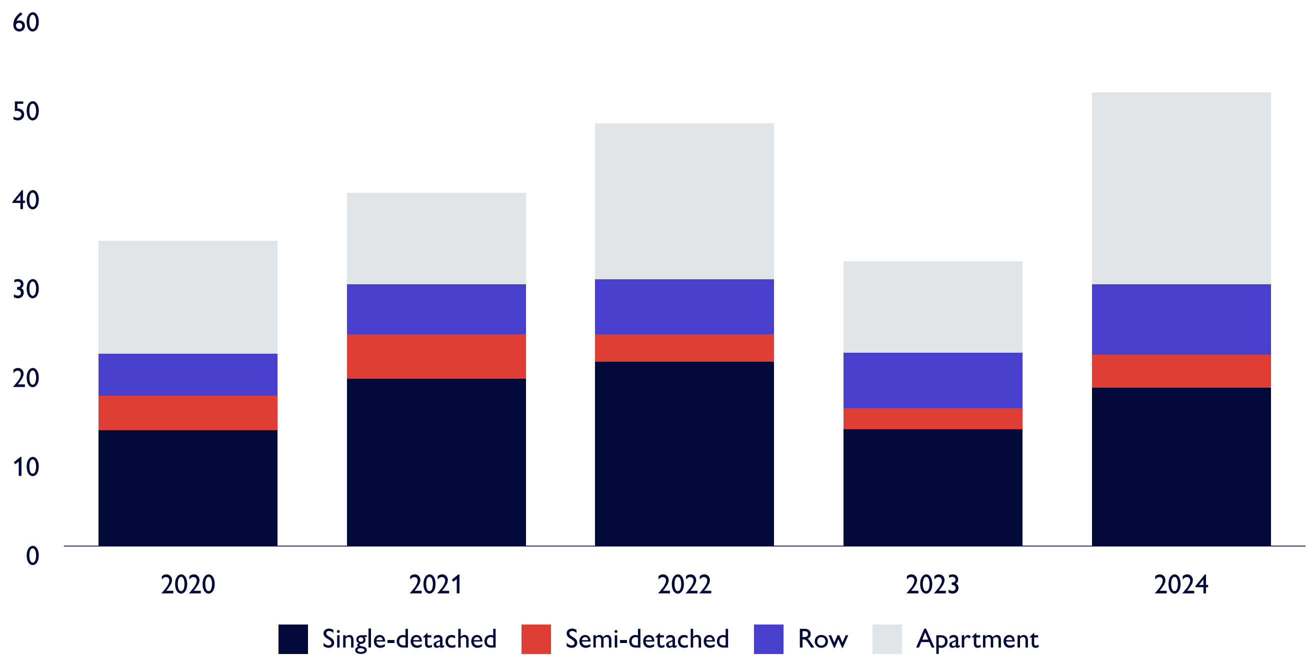
Developers in Edmonton responded to strong housing demand driven by migration-led population growth, employment opportunities, a positive economic outlook and favourable regulatory changes. According to industry sources, a strong push to develop infrastructure and amenities in new residential areas made these regions more attractive to builders and potential homeowners. This increased appeal boosted new home construction activities.

In the first half of 2024, about 51 units were started per 10,000 population compared to the 10-year average of 41 units. This highlights ongoing efforts to support demographic growth (figure 1). Apartments accounted for a significant portion of these starts.

In the first half of 2024, Edmonton had a 17% decline in the inventory of completed and unsold homes due to rising housing demand. The largest decrease was in apartment units, which saw a 42% drop compared to the same period in 2023. As supply struggles to keep up with demand, inventory levels have been falling, gradually impacting housing affordability in the census metropolitan area.

Figure 1: Housing starts per 10,000 population rebounded following a decline in 2023, with apartment units accounting for a higher share

Housing starts per 10,000 population by dwelling type, January to June, Edmonton CMA



Sources: CMHC, Conference Board of Canada; CMHC calculations.

Rental apartment construction increased in response to tight market conditions

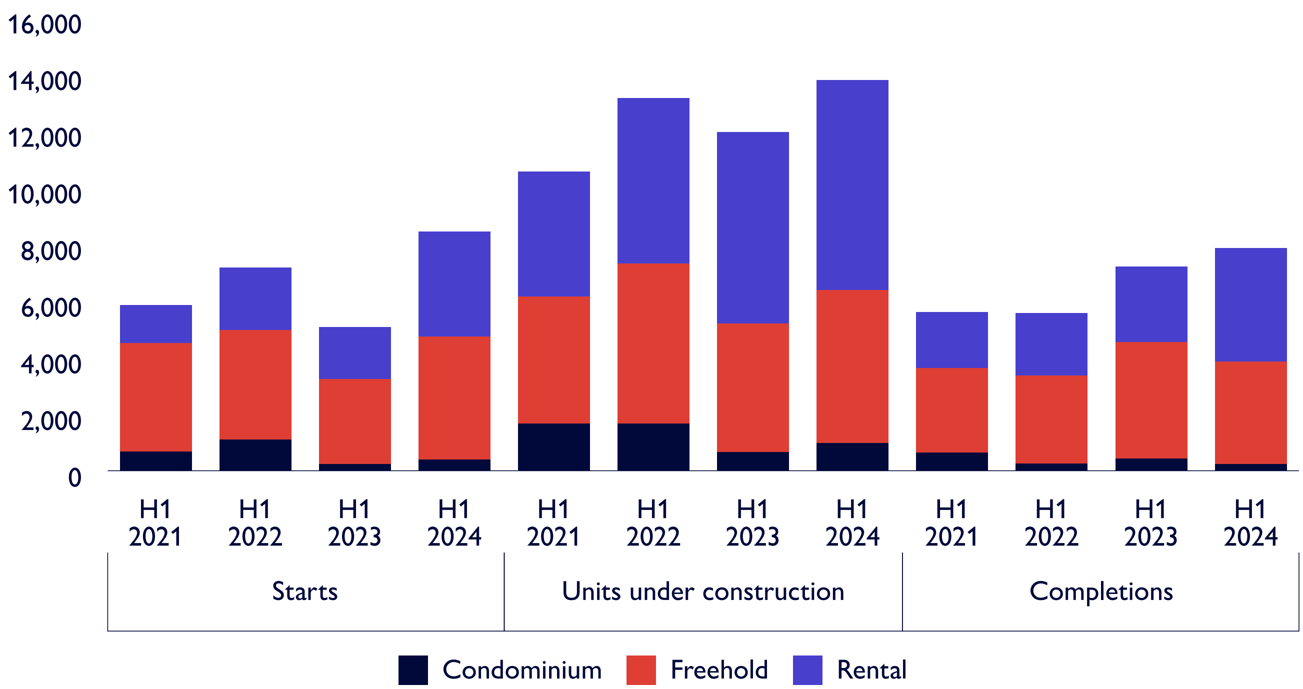
Apartment starts increased significantly in the first half of 2024, driven by growth in both rental and condominium apartment construction. Most of this increase came from new rental apartment projects in the Southwest, Northeast, Millwoods and Castledown submarkets. About 92% of all the apartments started were purpose-built rental units. This construction type reached a new high, accounting for about 40% of total starts in this period (figure 2).

Rental growth is struggling to keep up with demand from the city's growing population. Developers and investors are addressing this by breaking ground on more rental units to close the supply gap. Even though construction costs have increased, industry sources indicate rental projects are still financially viable due to higher average rents and government incentive programs.

Condominium apartment starts were nearly 6 times higher relative to the same period in 2023, driven by interest from investors and potential homeowners. This growth followed a 42% drop in existing inventories over the same period. However, condominium housing starts were still below their 10-year average, as developers prioritized purpose-built rentals.

Figure 2: Rental construction grew in the first half of 2024 as developers reacted to low vacancy rates and higher rents

Housing starts, units under construction and completions by tenure, January to June, Edmonton CMA



Source: CMHC.

Municipal policies aim to densify construction and boost rental supply

Regulatory changes made through the Zoning Bylaw Renewal Initiative, which came into effect in January 2024, have expanded multi-unit housing in the City of Edmonton's mature neighbourhoods. It allows building heights up to 16 metres in some areas, promoting higher density and mixed-use development. This initiative aims to facilitate the construction of multi-unit housing projects like apartments and townhouses.

Since implementation of the bylaw, the average number of units per building in the City of Edmonton increased slightly from 33.4 to 34.5 units. Low-rise buildings (3 to 5 units) still accounted for the largest share, making up 47.6% of new construction projects. A goal of this initiative is to gradually increase urban density and optimize land use.

To increase rental supply, the Secondary Suite Development Incentive Program previously provided grants to homeowners to create or upgrade secondary suites. This program helped homeowners convert underused spaces into rental housing, expanding the role of secondary suites in the rental market. With the implementation of zoning changes as of Jan 1st, more properties will be opened up to secondary suite development in Edmonton potentially adding to their popularity. In the first half of 2024, 498 secondary units were started, making up 15% of rental apartment starts.

Other policies supporting new developments include lower development fees and faster approval processes for affordable housing projects. Changes to Edmonton and Calgary's city charters aim to limit potential housing cost increases while meeting housing needs. With a focus on increasing affordable housing supply and promoting housing diversity, these policies will continue to shape Edmonton's housing landscape for years to come.

CALGARY

HIGHLIGHTS

- New home construction in Calgary saw a 38% increase in the first half of 2024, driven by multi-unit housing developments.
- Apartment starts increased, with a near even split between purpose-built rental and condominium units. This growth was fuelled by increased demand from various demographic groups and a tight rental market.
- Municipal policies and incentive programs significantly boosted office-to-residential conversions and secondary suites, which accounted for about 28% of rental apartment starts in the first half of 2024.

New home construction increased in response to strong demand and low inventory

New home construction in Calgary continued to increase in the first half of 2024. This growth was driven by multi-unit housing developments. About 11,178 units were started, a 38% increase over the same period in 2023.

Despite financing challenges, labour shortages and supply chain disruptions, the industry remained resilient. This resilience was driven by robust demand from population growth, a strong labour market and favourable economic conditions. Strong housing demand offset the negative effects of these construction challenges.

When adjusted for population, about 62 units were started per 10,000 population in the first half of 2024, with half of these being apartment units. This was significantly higher than the 10-year average, showing that Calgary developers have been responding to the increased demand.

The large share of apartments breaking ground was in response to low housing inventory and demand for lower-priced housing options. The increase in multi-unit construction was especially noticeable in the Southwest, Southeast and Northwest areas of the census metropolitan area.

Apartment construction trended higher amid increasing rents and low vacancy rates

In the first half of 2024, apartment starts increased by 50%, with a near even split between purpose-built rental and condominium units. This was a shift from the previous year, when more rental construction was built. Condominium construction had the highest year-over-year growth, due to low housing inventory and renewed interest from investors.

The increase in purpose-built rental apartment construction was due to rising demand for rental housing from various demographic groups. These groups include young professionals, students and newcomers. Condominiums also continued to attract buyers, particularly those looking for lower-cost homeownership options or investment properties.

As tight market conditions persisted, builders prioritized rental projects and broke ground faster on rental units. This, in addition to smaller project sizes, resulted in a decrease in overall construction time for this dwelling type.

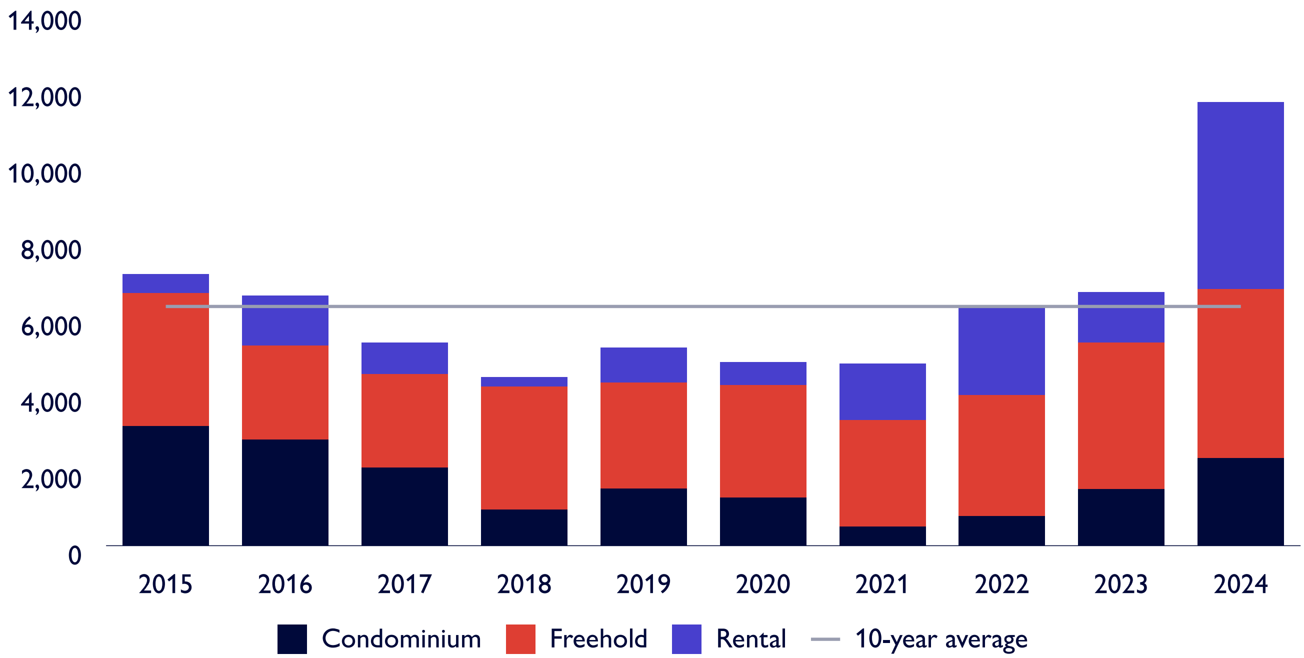
Housing completions were equally strong, leading to a rise in inventories

Given the large volume of housing starts in Calgary over the past year, most of which were multi-unit developments, there was a large number of completions in the first half of 2024 (figure 1). About half of these units, located mostly outside the downtown core, were geared toward the rental market.

Increased completions drove up the number of completed and unsold homes by 79% in the first half of 2024 compared to the same period in 2023. While the inventory of multi-unit housing (semi-detached, rows and condominium apartments) increased, the number of single-detached homes available declined by 16%. Developers were not worried by unsold inventory in the short term, saying they have confidence in the homeownership market.

Figure 1: A record number of new housing units were added to the housing stock in the first half of 2024, many of which were rentals

Housing completions by tenure, January to June, Calgary CMA



Source: CMHC.

Municipal policies and incentive programs support new home construction in Calgary

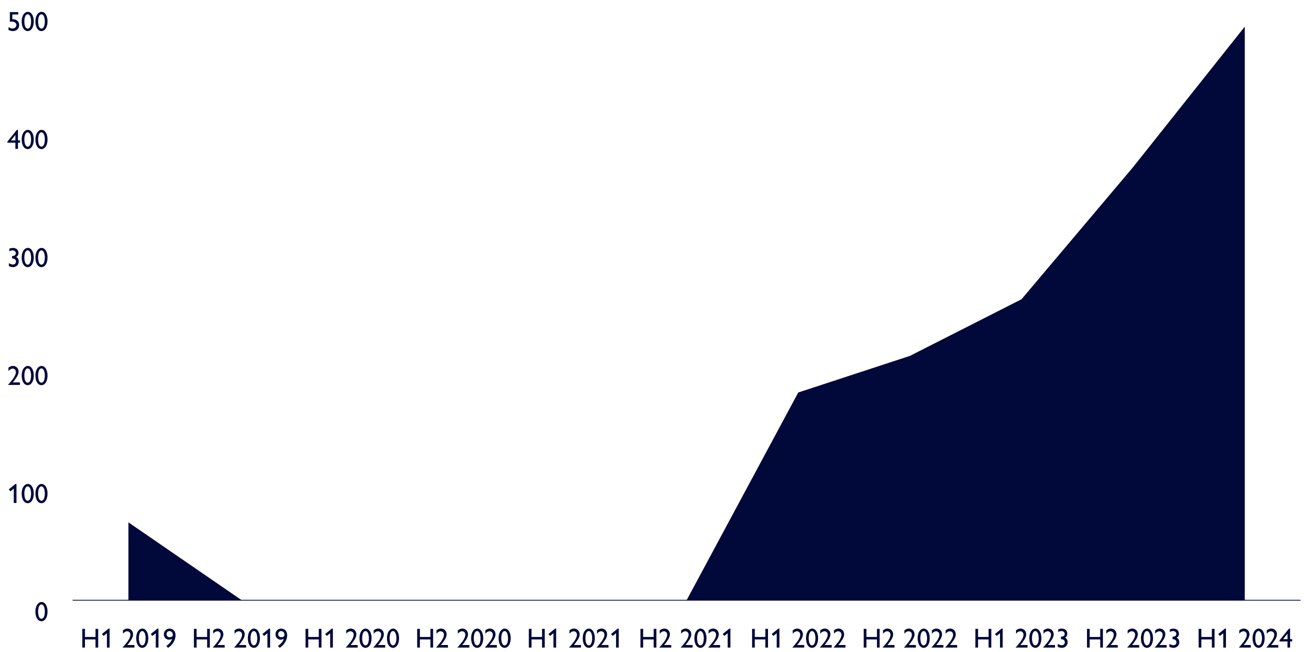
Recent government policies have significantly influenced construction in Calgary's housing market. The City of Calgary implemented policies and incentive programs to address the housing supply gap. These policies aim to streamline approvals, fund affordable housing developments and promote more flexible development options.

Initiatives like the Secondary Suites Amnesty Program waived development permit and registration fees for homeowners building legal secondary suites. This program has been popular for both new builds and existing homes, increasing the supply of secondary suites used as rentals. These units accounted for about 28% of rental apartment starts in the first half of 2024. This was a significant increase from the 8% share seen the previous year.

The Downtown Calgary Development Incentive Program has successfully funded office-to-residential conversions, repurposing vacant office spaces into mostly rental units. With many ongoing conversion projects (figure 2), including affordable housing units, the program is positively impacting the supply of rental units. The program's scope is set to expand, with a recently updated terms of reference and expected additional funding.

Figure 2: Ongoing office-to-residential conversion projects to boost the supply of apartment units within Calgary's downtown core

Non-residential to residential conversions (units under construction), H1-2019 to H1-2024, City of Calgary



Source: CMHC.

Blanket rezoning policy expected to drive interest in higher-density construction

While several high-rise apartment buildings are under construction in the City of Calgary's downtown core and beltline areas, developers and end users still prefer low- and mid-rise buildings. The average number of units started per structure in the first 6 month of 2024 decreased compared to the same period in 2023 and remained below the 10-year average at about 40 units.

However, Calgary's density could change in the coming years: the city-wide blanket rezoning policy, effective August 6, 2024, will facilitate higher-density developments with secondary and backyard suites as alternative rental housing options. This policy encourages multi-unit construction in areas previously zoned for single-family homes only. This change should allow developers to be more responsive to demand in the coming years.

TORONTO

HIGHLIGHTS

- Housing starts during the first 6 months of 2024 declined compared to the same period in 2023. The decrease was led by a sharp pullback in purpose-built rental construction. High financing costs and, according to industry sources, declining asking rents impacted the profitability of new rental developments.
- Condominium apartment starts were stable, but plummeting pre-construction sales, amid higher interest rates and rising unemployment, indicate activity in this segment will likely slow.
- A turnaround in housing starts will require improved financial and macroeconomic conditions to encourage renewed confidence in consumers and developers.

Total starts declined in the first half of 2024, led by purpose-built rental apartments

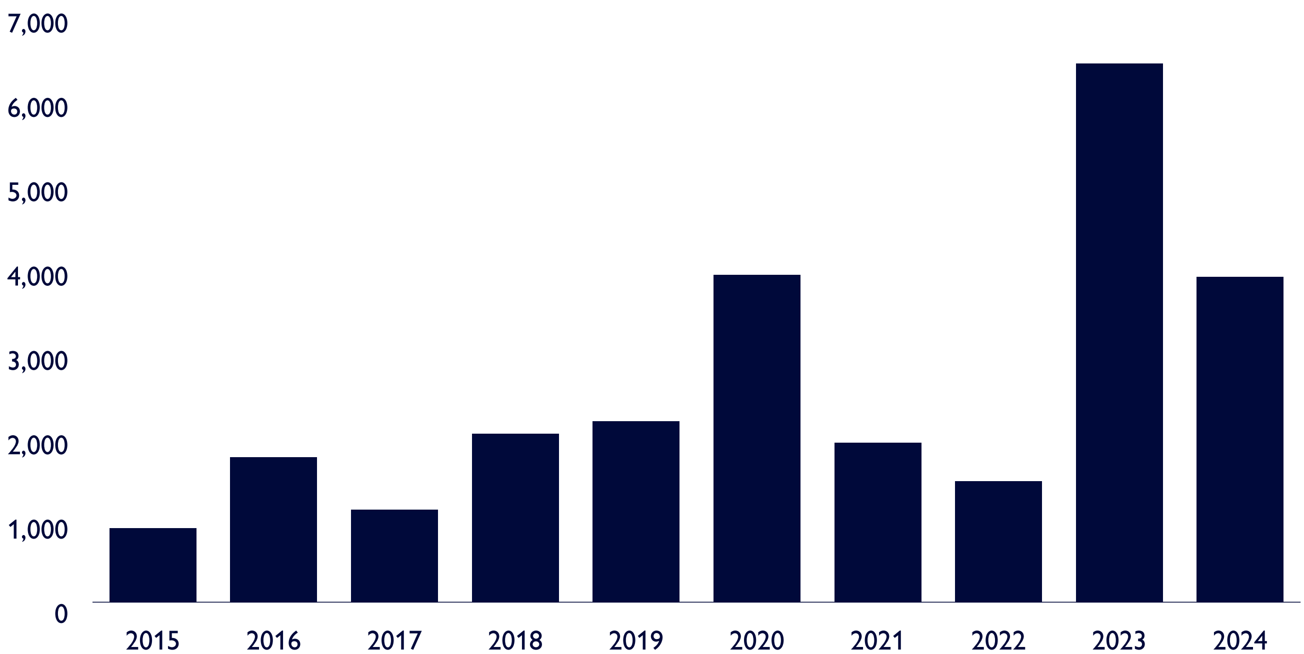
Total housing starts in the Toronto census metropolitan area (CMA) declined 13% in the first half of 2024 compared to the same period in 2023. This decrease was felt most sharply in the purpose-built rental apartment segment, where starts fell 40% from last year's multi-decade high (figure 1). The City of Toronto, where most of the region's rental development is built, saw rental apartment starts fall by half. Meanwhile, apart from Ajax, no new rental projects broke ground in the CMA's suburban municipalities.

The high cost of financing new projects negatively impacted the profitability of rental development. This type of development already faced many long-term challenges in the region (many of which were outlined in our spring 2024 *Housing Supply Report*). In addition, industry sources reported consecutive months of declining asking rents. This was likely another challenge to project viability in an environment where input costs, like those for materials and labour, remained high.

When adjusted for population size, purpose-built rental apartment starts in the Toronto CMA were the lowest among Canada's largest urban centres in the first half of 2024 (see figure 5 of the National Overview). This, in part, reflects the difficulties getting rental developments started in the region.

Figure 1: Purpose-built rental apartment starts fall as feasibility challenges increase

Purpose-built rental apartment starts, January to June, Toronto CMA



Source: CMHC.

Condominium apartment construction stable but likely to weaken

Compared to purpose-built rental starts, condominium apartment starts – the most-built housing type in the CMA – saw only a small annual decline over the first half of 2024 (-1%). There were notable differences by location, however. In the City of Toronto, condominium development fell 33%, while it more than doubled in the region's suburban areas, led by Pickering, Oakville, Mississauga and Vaughan.

Weak investor demand explained the slowdown in the City of Toronto. According to our Rental Market Survey data[4], this is the area of the CMA that has the highest investor ownership of condominiums. Potential investors were discouraged by the higher prices for new units in the urban core in a higher interest rate environment (the combination of high prices and rates has limited profitability). Decreased demand from investors suggests there may be fewer rental options in the future, as investor-owned condominiums are an important source of rental supply for the region.

Meanwhile, developers continued to take advantage of lower land costs to offer more cost-effective ownership options, supporting the increase in activity in the suburban municipalities.

Despite the stability in condominium construction, there are strong indications it will soon slow down:

- According to Altus Group, new condominium sales were 59% lower in the first 6 months of 2024 than in the same period in the previous year. Sales were hindered by higher interest rates and rising unemployment. The decline was seen across the CMA, suggesting even the region's suburban municipalities will eventually see a pullback in starts.
- Weak demand has prevented developers from getting the construction financing needed to start new projects (a 70% sales threshold is usually targeted by lenders).
- According to CREA data, condominium inventories on the resale market were at a record high in June 2024. Lower-priced resale condominiums compete with new units, which can't be significantly discounted without lowering developer profit margins.
- According to Urbanation data, inventories of unsold new condominiums were also high in June 2024.

[4] https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/housing-data-tables/rental-market/rental-market-report-data-tables/2023/rmr-toronto-2023-en.xlsx?rev=e162ae8a-6793-4f7c-9ff3-1d4a1f925db4&_gl=1*do6jwi*_gcl_au*MTg1NzgyNzEwNS4xNzE4OTA2Njc2*_ga*MjEyNjYyMDA5NS4xNzE4OTA2Njc3*_ga_CY7T7RT5C4*MTcyNDc2Njg3Ny4xNDMuMS4xNzI0NzY5ODMxLjU5LjAuMA..

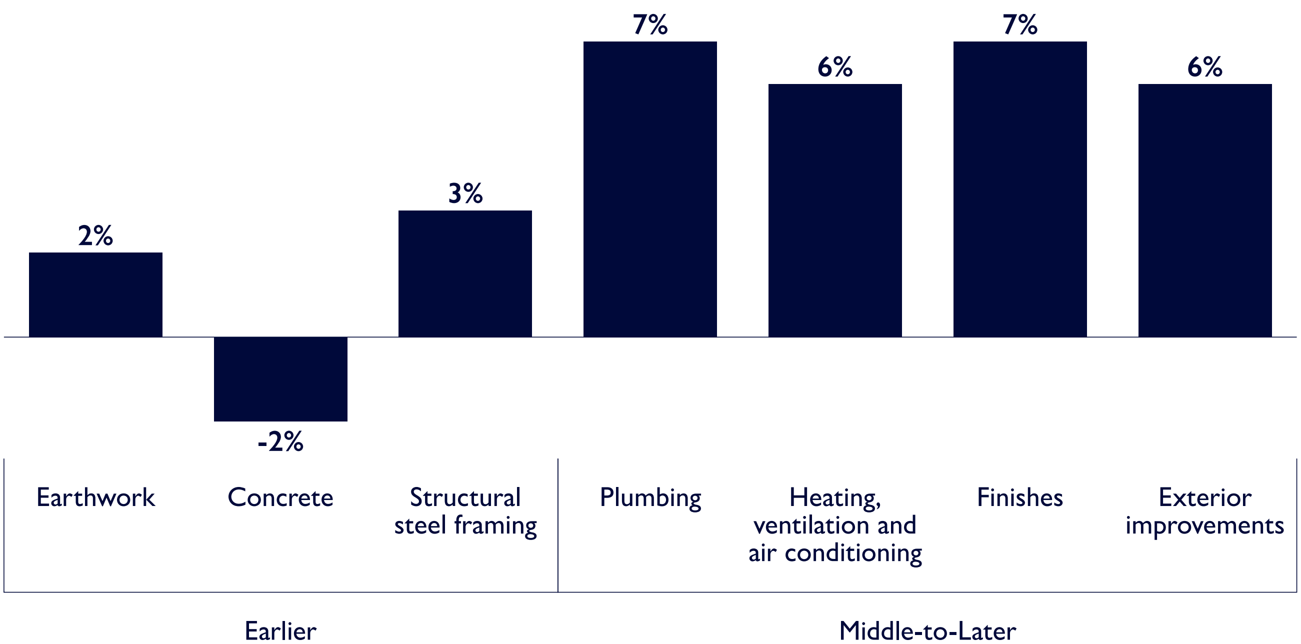
Ongoing shift from condominium apartment starts to completions

Weakening demand for new condominiums poses a challenge to future starts as developers prioritize selling off existing projects and completing those already under construction. The data appeared to suggest this was already happening, with condominium completions over the January-to-June-2024 period outpacing starts for the first time in 3 years.

Also, the pace of cost growth observed for material and labour components commonly associated with early-stage construction was weaker. This may signal a broad slowdown at this stage of the development process and a pivot away from starts and toward completions (figure 2).

Figure 2: Early-stage construction costs rising at a slower pace or declining

Annual percent change in select construction cost components for apartment buildings, Q2 2024, Toronto CMA



Source: Statistics Canada (Table 18-10-0276-01); CMHC calculations.

Decrease in housing starts a precursor to worsening affordability

Fewer housing starts along with a growing population and an existing supply shortage are troubling signs for housing affordability in Toronto, which has already long been strained.

Improvements in financial and macroeconomic conditions, fewer regulatory burdens and productivity growth in the construction sector are needed to increase housing starts at scale. Fortunately, there's been progress made on addressing the last 2 items through recent government initiatives at various levels to:

- adapt building codes to support factory-built housing
- support standardized building designs
- remove zoning barriers and parking minimums
- provide needed infrastructure funding
- grow and train the construction workforce

OTTAWA

HIGHLIGHTS

- Housing starts continue to decline, and population-adjusted construction is at its lowest level in nearly 10 years.
- Apartment construction is mainly supported by the rental market. Despite declining activity and unfavourable financial conditions, the rental market is proving more resilient than the condominium market, which is in strong decline. The rental market is being supported by demand factors (such as increased migration) and various government measures.
- Changes to zoning regulations coming in 2025 should encourage densification in Ottawa. These changes include allowing up to 4 units per lot.

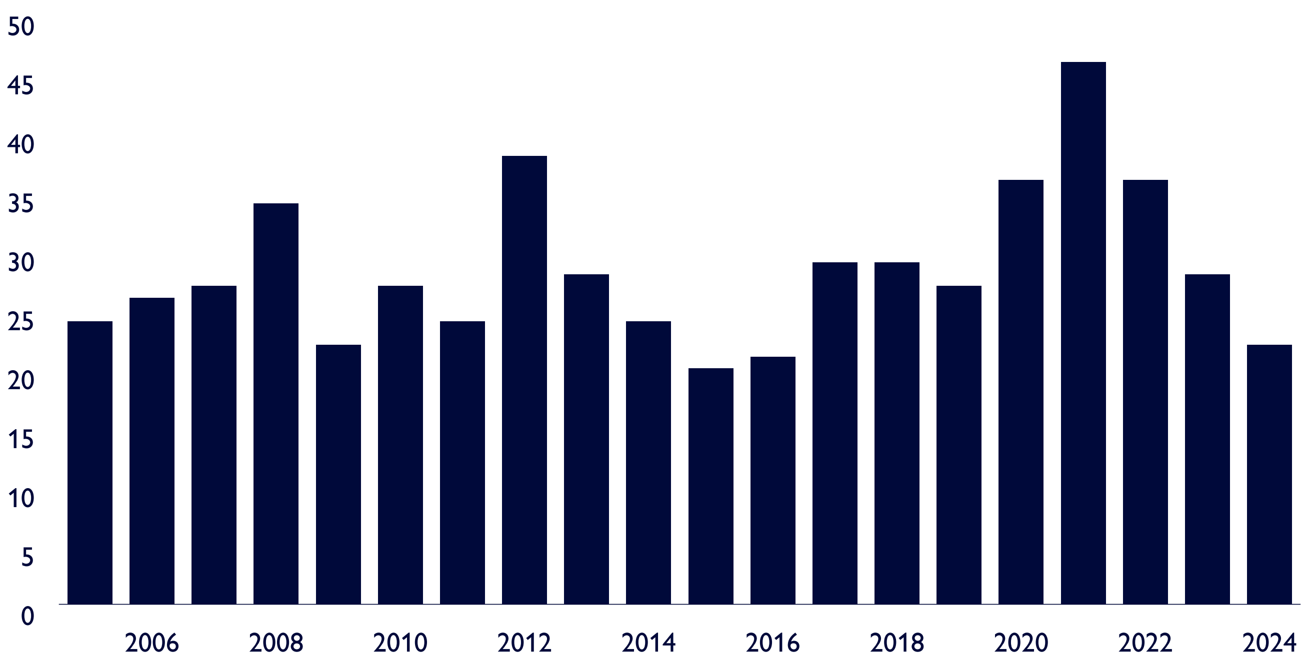
Population-adjusted housing starts hit their lowest level in nearly 10 years

In the first half of 2024, housing starts fell by 21% in the Ontario portion of the Ottawa-Gatineau census metropolitan area (hereafter referred to as the Ottawa area). Starts therefore reached a level corresponding to 22 housing starts per 10,000 population, the lowest level in nearly 10 years (figure 1).

This is due to unfavourable economic conditions for construction growth. The rise in interest rates and construction costs over the past 2 years has negatively affected the profitability of residential investments. Low demand for new homes and condominiums has also contributed to the decline in housing starts.

Figure 1: The number of housing starts per 10,000 population is at its lowest level in nearly 10 years

Housing starts per 10,000 population, January to June, Ottawa CMA



Sources: CMHC and the Conference Board of Canada; CMHC calculations.

Rental apartment starts are down, but demand factors are still encouraging construction

Despite the decline in apartment starts, the rental market is proving more resilient than the condominium market. It's the rental market that's the main driver of apartment construction. Rental apartments now account for one third of all housing starts, at least twice the share accounted for by condominium apartments (figure 2).

Although financial conditions are unfavourable, demand factors are encouraging rental construction:

- A record number of immigrants and non-permanent residents have settled in the area.
- Fewer households have transitioned to homeownership because of the high cost of buying a home.

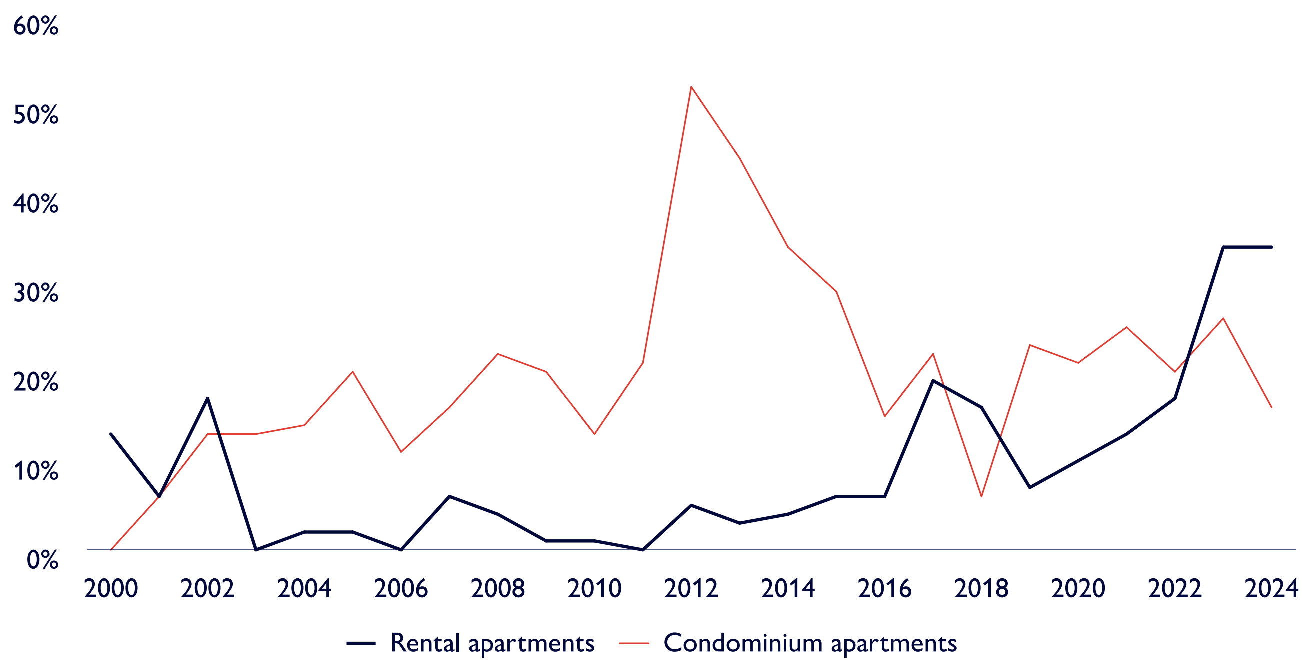
In addition, the government has taken various measures that have helped encourage rental housing development.

Housing starts on the rental market didn't decrease as much as for other housing types. However, they're definitely down since the beginning of the year, a sign that the industry is taking a cautious approach. Some market stakeholders have told us that absorption rates have fallen for new income properties. As such, tenants are sometimes offered incentives to increase occupancy (for example, the first month's rent free).

There are currently few sales of large existing rental properties and therefore few performance indicators (such as the capitalization rate) for this asset class on the market. This makes it harder for developers to decide whether or not to build new rental properties.

Figure 2: The share of housing starts accounted for by rental apartments remains high

Rental and condominium apartment starts as a share of total housing starts, January to June, Ottawa CMA



Source: CMHC.

With demand for condominiums declining, high-rises in central neighbourhoods are no longer a priority

Condominium starts fell by 51%. Builders are finding it harder to make condominium projects profitable, especially large buildings in central neighbourhoods.

Demand is falling because of high prices and the smaller size of units in this area. New condominiums that are being sold are therefore mainly outside the city centre, in smaller buildings. Buyers can find larger units there at better prices.

As a result, large apartment buildings have been neglected since the beginning of the year. In fact, starts of buildings with more than 100 apartments fell from an average of 17% over the past 5 years to 7% in 2024.

Regulatory changes should encourage densification in Ottawa and increase supply

The first draft of the City of Ottawa's new zoning by-law contains a number of proposals to increase housing supply, for example:

- Allow at least 4 units per lot throughout the municipality
- Remove the obligation to provide a minimum number of parking spaces for new buildings
- Increase the height of buildings authorized as of right near public transit stations, to avoid the lengthy process of zoning changes

These measures should encourage supply growth through greater densification of the city of Ottawa.

Higher development charges rates add to costs

Current development charges rates (fees levied on new construction) will be increased on October 1, 2024.

This increase in development charges could cancel out some of the cost savings from the sales tax exemption for rental projects.

MONTRÉAL

HIGHLIGHTS

- The pace of housing starts picked up this year, but wasn't enough to effectively address the increase in housing needs. The population increased significantly, and only 20 units per 10,000 population were started.
- More than ever, residential construction is concentrated in the rental apartment market. This trend should continue this year, thanks to continuing strong demand.
- Ongoing changes in municipal and provincial regulations may help to increase the density and speed of housing starts over the longer term.

Housing starts rebounded in the first half of the year, but are still below average

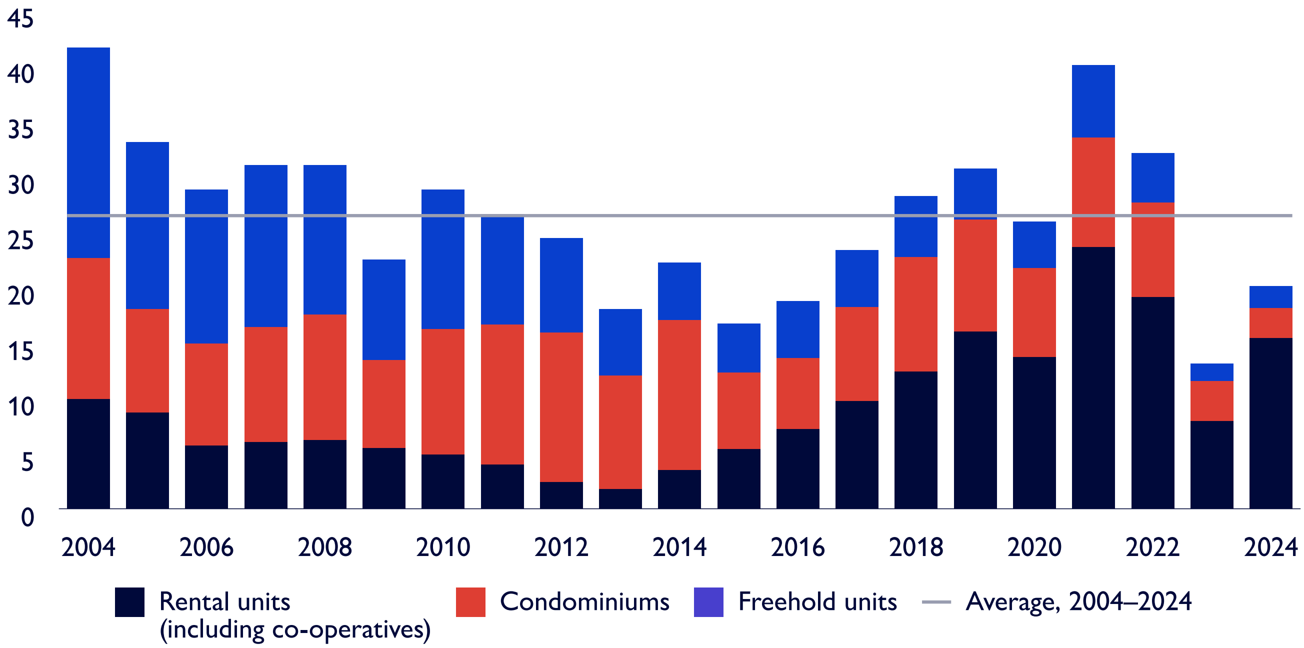
After a sharp decline in 2022 and 2023, housing starts in the Greater Montréal area have strengthened in recent months. From January to June 2024, the foundations were poured for 58% more homes than during the same period last year. Increased activity was observed in the west part of the Island of Montréal with the start of construction of several large rental apartment buildings.

Despite this encouraging turnaround, residential construction hasn't returned to its previous pace. Conditions are improving gradually, but high financing and construction costs remain a significant barrier to starting new projects.

Looking at starts figures adjusted for population size, only 20 units per 10,000 population were started in the first half of the year, which is below the historical average (figure 1). With the population increasing significantly over the past 2 years, the pace of construction is barely keeping up with the growth in housing needs.

Figure 1: Housing starts rebounded but remain below the historical average

Housing starts per 10,000 population by intended market, January to June, Montréal CMA



Sources: CMHC and the Conference Board of Canada; CMHC calculations.

More than ever, residential construction is concentrated in the rental apartment market

The rental market continues to drive residential construction in the metropolitan area. In the first half of the year, 3 out of 4 units started were purpose-built rental apartments, a record proportion. In June, nearly 60% of all dwellings under construction on the Island of Montréal and the South Shore were rental units. On the North Shore and in Laval, the proportion was over 80%.

Condominium and new home sales are still being weakened by high prices and financing costs. Rental demand, however, remains strong. The housing sector is therefore depending mainly on rental property construction to sustain activity.

The pace of housing starts could remain stable in the short term

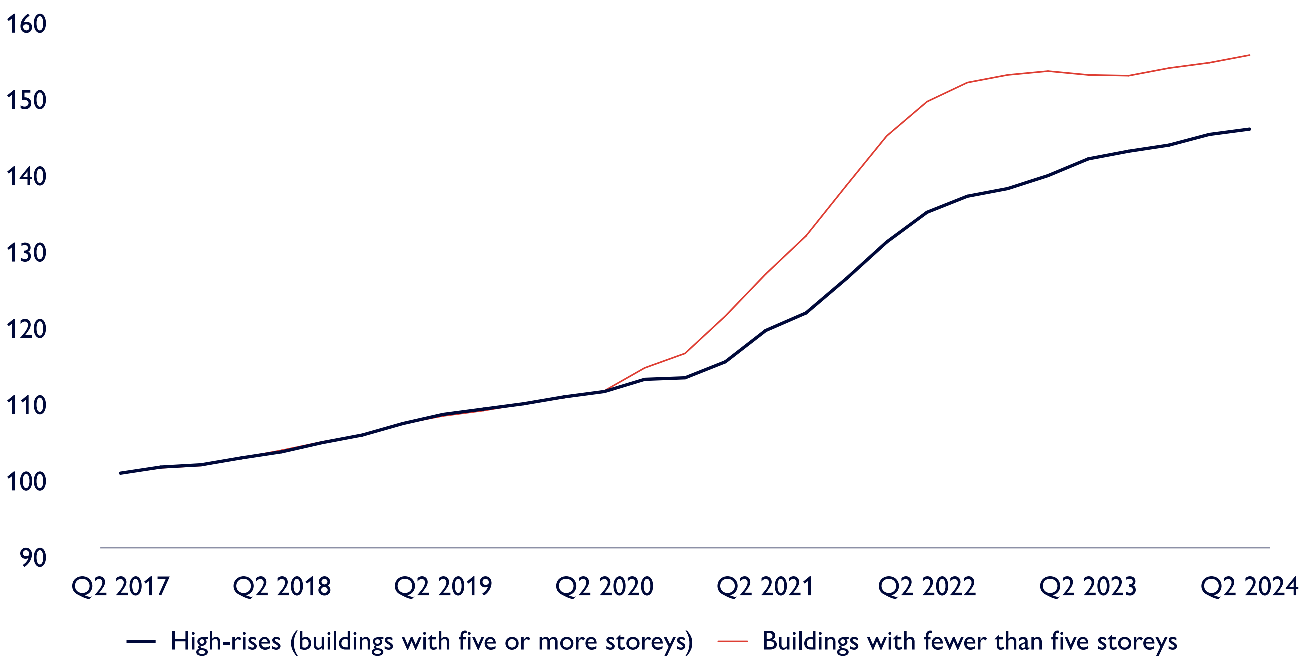
Despite the strength of the rental market, it's still difficult to finance residential building projects and make them profitable. Construction costs have stabilized, but remain high (figure 2). This is the case for buildings with fewer than 5 storeys, the most common type of apartment building built in Montréal. In addition, the gradual decrease in interest rates hasn't yet improved financing conditions significantly.

In recent months, the number of new projects announced and building permits issued in the area for apartments has remained fairly stable. This suggests that housing starts won't increase significantly in the short term.

The construction sector continues to seek business opportunities, particularly in certain suburban areas where the cost of land makes it easier to develop new projects. According to the information we've obtained, consulting firms are receiving more requests for market research. Developers are preparing to launch their housing projects as soon as conditions are more favourable.

Figure 2: Construction costs have stabilized but remain high

Building construction price indexes for residential construction, apartment buildings (2017 = 100), Montréal CMA



Source: Statistics Canada (Table 18-10-0276-01).

A number of municipalities are implementing strategies to encourage supply growth through increased density

With the cost and scarcity of vacant land, building size has increased over time. In the first half of 2024, the average size of apartment buildings started was about 26 units, nearly double that of 10 years ago.

New development plans in several cities in the metropolitan area are also likely to increase this density. For example, the City of Montréal's 2050 Land Use and Mobility Plan proposes more residential density around public transit. In its new housing strategy launched this year, the City of Longueuil plans to use incentive zoning to increase density in certain strategic areas.

These types of measures can, over the longer term, help accelerate the pace of housing starts. This densification also makes it possible to house more households within the urban perimeter, close to amenities.

The share of secondary units in the growth of Montréal's housing supply is fairly low, but could increase

Other, less visible densification may come from secondary units. On average, the number of secondary units created in Greater Montréal each year represents less than 2% of rental housing starts.

Recent changes in provincial legislation now allow for secondary units to be developed, under certain conditions, throughout the territory. They could encourage the creation of more secondary units in the area. In other metropolitan areas with favourable regulations, such as Vancouver, Calgary and Edmonton, these units account for a significant share of the new rental supply.

Glossary: Important Definitions

Historical residential construction activity data are collected through CMHC's monthly **Starts and Completions Survey (SCS)**. Building permits are used to determine construction sites and visits confirm construction stages.

A **start** is defined as the beginning of construction on a building, usually when concrete has been poured for the whole of the structure's footing or an equivalent stage where a basement will not be part of the structure.

A **completion** is defined as the stage at which all proposed construction work on the building has been performed and is suitable for occupancy, although under some circumstances, a building may be counted as completed where up to 10% of the proposed work remains to be done.

Construction time is the amount of time (in months) elapsed between the start and completion of a structure. Note that construction time includes only the physical construction of the dwelling as defined above; additional steps in the development process, such as planning, obtaining permits, and site preparation, are not included.

Dwelling type

The definitions of types of dwellings (built form) used in the SCS are as follows:

A **single-detached** dwelling is a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure.

A **semi-detached** dwelling is one of two dwellings located side-by-side in a building, adjoining no other structure and separated by a common or party wall extending from ground to roof.

A **row** dwelling is a ground-oriented dwelling attached to two or more similar units so that the resulting row structure contains three or more units.

An **apartment and other** dwelling includes all dwellings other than those described above, including structures commonly referred to as duplexes, triplexes, double duplexes and row duplexes. In order to capture what constitutes apartment buildings, the analysis of apartment dwellings in this report is restricted to those having three or more units.

Additional definitions of types of dwellings (built form) used in the **Housing Supply Report**:

A **garden suite** or **laneway home** is a small detached dwelling usually located in the rear yard and is separate from the main house. In the case of a laneway home, the entrance will typically face the back lane behind the property.

A **self-contained** unit (or dwelling) refers to a residential unit (or dwelling) that contains a private kitchen, bath and living area.

A **secondary suite** is a self-contained dwelling located within the principal dwelling (such as in the basement) with a private entrance.

Tenure type (intended market)

The "intended market" is the tenure in which the unit is being marketed. This includes the following major categories:

A **freehold** unit is a residence where the owner owns the dwelling and lot outright.

A **condominium** (including Strata-Titled) is an individual dwelling unit which is privately owned, but where the building and/or the land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of house.

A **rental** unit is a dwelling constructed for rental purposes, regardless of who finances the structure.

Mixed forms of tenure within a given structure are also possible.

Other Concepts

For the purposes of this report, the following concepts have specific definitions:

A development's **intensity** is defined as the number of units per structure. A single-detached house with one unit would therefore have an intensity of one, while an apartment building with five units would represent a more intense form of development.

A related concept is **density**, which takes into consideration the amount of living space per lot area. Building height is simply the number of above-ground storeys in the structure.

Building height is measured differently by individual municipalities in terms of meeting zoning restrictions. These often involve considerations such as the average height of a pitched roof, the inclusion of different roof structures in the calculations, and shadows created by the structure.

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Alternative text and data for figures

National Overview

Figure 1: New home construction in the first half of 2024 neared record high—but not when adjusted for population size
Total housing starts and starts per 10,000 population in Canada's 6 largest CMAs, January to June*

Year (January to June)	Housing starts	Housing starts per 10,000 population
2005	56,111	39.3
2006	58,464	40.3
2007	53,185	36.1
2008	58,065	38.8
2009	29,820	19.6
2010	44,666	28.9
2011	48,793	31.1
2012	59,645	37.4
2013	47,742	29.5
2014	52,015	31.7
2015	54,180	32.7
2016	53,155	31.7
2017	55,317	32.5
2018	59,336	34.2
2019	56,876	32.3
2020	52,140	29.3
2021	68,979	38.7
2022	65,020	35.7
2023	65,905	34.7
2024	68,639	34.9

*Vancouver, Calgary, Edmonton, Toronto, Ottawa and Montréal.
Sources: CMHC, Conference Board of Canada; CMHC calculations.

Figure 2: CMAs in western provinces lead in starts per 10,000 population
Housing starts per 10,000 population, January to June, select CMAs

Census Metropolitan Area	2023		2024	
	Ground-oriented*	Apartment	Ground-oriented*	Apartment
Vancouver	10.4	47.6	7.5	38.0
Calgary	26.9	20.5	32.8	29.3
Edmonton	21.8	10.3	29.4	21.6
Toronto	6.6	30.9	5.7	26.0
Ottawa	11.2	17.3	11.0	10.9
Montréal	1.6	11.5	1.9	18.2

*Single-detached, semi-detached and rows.
Sources: CMHC, Conference Board of Canada; CMHC calculations.

Figure 3: Close to half of the apartments started in the first half of 2024 were rentals—near a 30-year high
Purpose-built rentals share of overall apartment starts, January to June, select CMAs

Period (January to June)	Census Metropolitan Area						
	Vancouver	Calgary	Edmonton	Toronto	Ottawa	Montréal	6 CMA Aggregate
10 year average (2015-2024)	31.4%	34.4%	58.1%	17.9%	43.7%	63.1%	35.8%
2023	35.5%	66.7%	96.8%	30.1%	56.7%	67.2%	41.9%
2024	41.9%	49.6%	91.7%	20.8%	68.1%	84.6%	46.6%

Source: CMHC.

Figure 4: Highest rental apartment construction on record

Purpose-built rental and condominium apartment starts in Canada's 6 largest CMAs, January to June*

Year (January to June)	Purpose-built rental apartments	Condominium apartments
2005	4,125	16,301
2006	2,984	20,046
2007	2,685	16,307
2008	3,862	27,944
2009	2,060	11,448
2010	3,149	13,166
2011	3,907	19,937
2012	4,191	29,028
2013	3,706	20,275
2014	3,827	23,535
2015	6,406	24,541
2016	8,351	22,532
2017	8,604	22,387
2018	11,258	26,485
2019	13,289	25,827
2020	13,516	19,498
2021	17,716	28,155
2022	17,708	23,976
2023	20,117	27,818
2024	22,891	26,226

*Vancouver, Calgary, Edmonton, Toronto, Ottawa, and Montréal.
Source: CMHC.

Figure 5: Edmonton led population-adjusted rental apartment starts in the first half of 2024

Purpose-built rental apartment starts per 10,000 population, January to June, select CMAs

Census Metropolitan Area	2023	2024
Vancouver	16.9	15.9
Calgary	13.7	14.5
Edmonton	10.0	19.8
Toronto	9.3	5.4
Ottawa	9.8	7.4
Montréal	7.7	15.4

Sources: CMHC, Conference Board of Canada; CMHC calculations.

Vancouver

Figure 1: The full effect of recent growth in starts has yet to be realized in completions

Starts and completions per 10,000 population, January to June, Vancouver CMA

Year (January to June)	Starts per 10,000 population	Completions per 10,000 population
2000	19.4	22.7
2001	27.7	19.0
2002	27.7	24.3
2003	29.8	28.5
2004	45.6	30.4
2005	39.5	40.1
2006	45.3	46.0
2007	42.0	42.9
2008	44.9	39.0
2009	14.4	39.8
2010	29.2	39.9
2011	35.5	26.6
2012	40.7	31.3
2013	35.0	37.0
2014	36.1	31.3
2015	39.0	30.4
2016	57.2	39.5
2017	46.7	42.8
2018	47.0	44.5
2019	57.6	42.1
2020	35.4	45.4
2021	54.9	39.3
2022	40.7	42.6
2023	58.0	32.7
2024	45.6	34.2

Sources: CMHC, Conference Board of Canada; CMHC calculations.

Edmonton

Figure 1: Housing starts per 10,000 population rebounded following a decline in 2023, with apartment units accounting for a higher share

Housing starts per 10,000 population by dwelling type, January to June, Edmonton CMA

Dwelling type	2020	2021	2022	2023	2024
Single-detached	13.0	18.8	20.7	13.1	17.8
Semi-detached	3.9	5.0	3.1	2.4	3.7
Row	4.7	5.6	6.2	6.2	7.9
Apartment	12.7	10.3	17.5	10.3	21.6

Sources: CMHC, Conference Board of Canada; CMHC calculations.

Figure 2: Rental construction grew in the first half of 2024 as developers reacted to low vacancy rates and higher rents

Housing starts, units under construction and completions by tenure, January to June, Edmonton CMA

Indicator	Period	Condominium	Freehold	Rental
Starts	H1 2021	673	3,825	1,357
	H1 2022	1,103	3,855	2,222
	H1 2023	233	3,002	1,837
	H1 2024	389	4,353	3,706
Units under construction	H1 2021	1,659	4,495	4,408
	H1 2022	1,659	5,662	5,834
	H1 2023	657	4,543	6,751
	H1 2024	984	5,396	7,411
Completions	H1 2021	645	2,967	1,980
	H1 2022	255	3,107	2,189
	H1 2023	433	4,110	2,650
	H1 2024	237	3,614	4,004

Source: CMHC.

Calgary

Figure 1: A record number of new housing units were added to the housing stock in the first half of 2024, many of which were rentals

Housing completions by tenure, January to June, Calgary CMA

Tenure	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Condominium	3,136	2,785	2,042	946	1,500	1,259	497	782	1,484	2,294
Freehold	3,474	2,454	2,457	3,218	2,773	2,946	2,794	3,165	3,833	4,426
Rental	501	1,313	822	252	911	603	1,477	2,276	1,325	4,886
10-year average	6,263	6,263	6,263	6,263	6,263	6,263	6,263	6,263	6,263	6,263

Source: CMHC.

Figure 2: Ongoing office-to-residential conversion projects to boost the supply of apartment units within Calgary's downtown core

Non-residential to residential conversions (units under construction), H1-2019 to H1-2024, City of Calgary

Period	Non-residential to residential conversions - Units under construction
H1 2019	66
H2 2019	1
H1 2020	1
H2 2020	0
H1 2021	1
H2 2021	0
H1 2022	176
H2 2022	207
H1 2023	255
H2 2023	367
H1 2024	486

Source: CMHC.

Toronto

Figure 1: Purpose-built rental apartment starts fall as feasibility challenges increase
Purpose-built rental apartment starts, January to June, Toronto CMA

Year (first six months)	Purpose-built rental apartment starts
2015	875
2016	1,719
2017	1,097
2018	1,999
2019	2,144
2020	3,878
2021	1,892
2022	1,436
2023	6,387
2024	3,854

Source: CMHC.

Figure 2: Early-stage construction costs rising at a slower pace or declining
Annual percent change in select construction cost components for apartment buildings, Q2 2024, Toronto CMA

	Earlier			Middle-to-Later			
Quarter	Earthwork	Concrete	Structural steel framing	Plumbing	Heating, ventilation and air conditioning	Finishes	Exterior improvements
Q2-2024	2%	-2%	3%	7%	6%	7%	6%

Source: Statistics Canada (Table 18-10-0276-01); CMHC calculations.

Ottawa

Figure 1: The number of housing starts per 10,000 population is at its lowest level in nearly 10 years
Housing starts per 10,000 population, January to June, Ottawa CMA

Year (January to June)	Housing starts per 10,000 population
2005	24
2006	26
2007	27
2008	34
2009	22
2010	27
2011	24
2012	38
2013	28
2014	24
2015	20
2016	21
2017	29
2018	29
2019	27
2020	36
2021	46
2022	36
2023	28
2024	22

Sources: CMHC and the Conference Board of Canada. CMHC calculations.

Figure 2: The share of housing starts accounted for by rental apartments remains high

Rental and condominium apartment starts as a share of total housing starts, January to June, Ottawa CMA

	Share of housing starts, Ottawa CMA	
Year (January to June)	Rental apartments	Condominium apartments
2000	13%	0%
2001	6%	6%
2002	17%	13%
2003	0%	13%
2004	2%	14%
2005	2%	20%
2006	0%	11%
2007	6%	16%
2008	4%	22%
2009	1%	20%
2010	1%	13%
2011	0%	21%
2012	5%	52%
2013	3%	44%
2014	4%	34%
2015	6%	29%
2016	6%	15%
2017	19%	22%
2018	16%	6%
2019	7%	23%
2020	10%	21%
2021	13%	25%
2022	17%	20%
2023	34%	26%
2024	34%	16%

Source: CMHC.

Montréal

Figure 1: Housing starts rebounded but remain below the historical average

Housing starts per 10,000 population by intended market, January to June, Montréal CMA

Year (January to June)	Rental units (including co-operatives)	Condominiums	Freehold units	Average, 2004–2024
2004	9.9	12.7	19.0	26.5
2005	8.7	9.3	15.1	26.5
2006	5.7	9.2	13.9	26.5
2007	6.0	10.4	14.6	26.5
2008	6.2	11.3	13.5	26.5
2009	5.5	7.9	9.1	26.5
2010	4.9	11.3	12.6	26.5
2011	4.0	12.6	10.0	26.5
2012	2.4	13.5	8.5	26.5
2013	1.8	10.2	6.0	26.5
2014	3.5	13.5	5.2	26.5
2015	5.4	6.9	4.4	26.5
2016	7.2	6.4	5.1	26.5
2017	9.7	8.5	5.1	26.5
2018	12.4	10.3	5.5	26.5
2019	16.0	10.1	4.6	26.5
2020	13.7	8.0	4.2	26.5
2021	23.6	9.9	6.5	26.5
2022	19.1	8.5	4.5	26.5
2023	7.9	3.6	1.6	26.5
2024	15.4	2.7	2.0	26.5

Sources: CMHC and the Conference Board of Canada; CMHC calculations.

Figure 2: Construction costs have stabilized but remain high

Building construction price indexes for residential construction, apartment buildings (2017 = 100), Montréal CMA

Quarter	High-rises (buildings with five or more storeys)	Buildings with fewer than five storeys
Q2 2017	99.8	99.8
Q3 2017	100.6	100.5
Q4 2017	100.9	100.8
Q1 2018	101.8	101.8
Q2 2018	102.6	102.8
Q3 2018	103.8	103.9
Q4 2018	104.8	104.8
Q1 2019	106.3	106.3
Q2 2019	107.5	107.3
Q3 2019	108.2	108.0
Q4 2019	108.9	108.9
Q1 2020	109.8	109.7
Q2 2020	110.5	110.6
Q3 2020	112.1	113.6
Q4 2020	112.3	115.5
Q1 2021	114.4	120.4
Q2 2021	118.5	125.9
Q3 2021	120.8	130.9
Q4 2021	125.3	137.5
Q1 2022	130.1	144.0
Q2 2022	134.0	148.5
Q3 2022	136.1	151.0
Q4 2022	137.1	152.0
Q1 2023	138.8	152.5
Q2 2023	141.0	152.0
Q3 2023	142.0	151.9
Q4 2023	142.8	152.9
Q1 2024	144.2	153.6
Q2 2024	144.9	154.6

Source: Statistics Canada (Table 18-10-0276-01).