



## Lower Mainland Housing Starts Bounce Back With Surrey Leads The Way



*Construction of new homes rebounded strongly in the first half of 2010.*

### *Summer 2010 Market Updates*

Thousands of construction workers are back on the job thanks to a major rebound in new home construction so far this year.

The almost 6,900 housing starts in Metro Vancouver for the first six months of the year are more than double the number in the same period of 2009, according to the Canada Mortgage and Housing Corp.

Builders have been particularly busy in Surrey, which leads the region with 1,877 new home starts, nearly three times as many as in the first half of 2009.

The boom in Surrey is mainly being driven by single-family houses, which accounted for 1,113 of the starts there and almost half of the single-family house starts across the region.

Vancouver had 1,678 new starts, most of them multi-family units.

Burnaby rang up 635 housing starts (up 30 per cent) , Richmond had 595 (up 63 per cent).

But Coquitlam and New Westminster had the most dramatic gains.

Coquitlam recorded a six-fold increase from 89 starts in the first half of 2009 to 538 so far this year. New West starts soared from just 16 to 213 so far.

"Surrey is by far the runaway leader for single family housing starts and has taken over the lead from Vancouver in terms of total housing starts," said Peter Simpson, president and CEO of the Greater Vancouver Home Builders' Association.

The starts were responsible for the creation of 19,267 jobs in Metro Vancouver in 2010's first six months, a gain of 10,000 from a year ago, Simpson said.

Surrey's home construction starts alone represent 5,256 new jobs, he said.

"When you've got job growth like this it definitely impacts positively on the overall economy," he said. "Those folks are working, they're spending money in retail outlets and maybe buying cars and houses."

He said it's too early to quantify the impact of the new harmonized sales tax, which increases the amount of tax collected on pricier new homes and was expected to accelerate some construction to beat the July 1 deadline.

It's also difficult to draw comparisons to the 2009 recession year, he said.

CMHC analyst Robin Adamache said that while starts are up sharply and Lower Mainland housing starts are on track to top 10,000, they are still below pre-recession levels.

"The current rate still suggests that we are likely to remain under the 10-year average level of 15,360 units."

She noted 475 rental housing units have been started – a higher level than has been seen over the past five years.

"Given the steady pace of immigration adding to the region's population, builders are responding to demand for this type of housing."

Real Estate Reports & Analysis Courtesy of Robert Pybus & The Mermaid Group of Companies

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