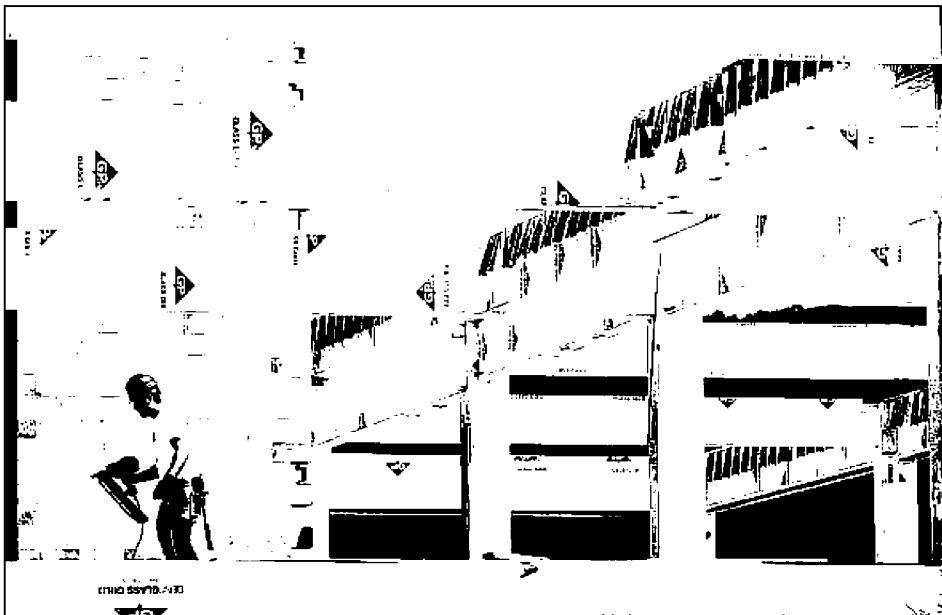


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CONSTRUCTION TO PAUSE? Canada Mortgage and Housing Corp said yesterday it expects housing starts to tumble this year.

Home starts level off

It will likely be at least four years before home construction in Canada returns to the level experienced earlier this decade during the boom, a federal housing agency says.

Canada Mortgage and Housing Corp. said yesterday it expects housing starts will tumble to 141,900 this year from last year's 211,056, the last of several years of 200,000-plus starts.

And while the CMHC expects starts to rise moderately to 150,300 next year, it doesn't see a return to the 200,000-level over the years covered by its forecast.

The agency predicts starts to be 162,650 in 2011, 163,450 in 2012 and 176,800 in 2013.

"As the economy picks up, so will starts," says the market outlook report.

"(But) given the short-lived nature of the housing market slowdown, we do not expect a significant build-up of pent-up demand. Because of this, we do not expect housing starts to return to the 200,000-plus unit pace of recent years."

While indicative of an economic slowdown, Canada's housing market has not experienced the kind of collapse that has characterized

the U.S. market, which has seen starts fall to about a quarter of previous levels.

There was more indication that the U.S. housing market remains stalled yesterday with a U.S. Commerce Department report showing construction plunged to a record low in April, falling 12.8% from the previous month and the lowest pace in at least 50 years.

Applications for new building permits also dropped 3.3% to an annual rate of 494,000, also a record low.

— THE CANADIAN PRESS

