

starts increased in both cases by 26%, the rates of increase in all other provinces except Prince Edward Island were below the national average.

In British Columbia, housing starts rose from 17,969 in 1985 to 20,687 in 1986, a 15% increase. Expo '86 and more favourable inter-provincial migration flows contributed to the growth, which was spread evenly across single-detached and multiple-unit starts. For the second year in a row, condominium starts jumped by approximately 80%.

A weak provincial economy limited house-building activity in Alberta. Overall, starts rose marginally from 8,337 in 1985 to 8,462 in 1986 on the strength of a modest recovery in multiple-unit starts, which nevertheless remained extremely depressed because of high vacancy rates dating back to 1982. Despite two consecutive years of increase, total starts were only 16% above the 30-year low recorded in 1984.

In response to continued sluggish economic performance, dwelling starts in Saskatchewan remained virtually unchanged for the second successive year, totalling 5,510 units in 1986, compared to 5,354 in 1985. Multiple-unit starts fell for the third year in a row, but the 19% drop was more than compensated for by a 17% increase in single-detached starts, partly a result of provincial assistance to first-time home-buyers.

Above-average economic growth and below-average unemployment rates contributed to the best year for residential construction in Manitoba since 1978. Dwelling starts increased by 17% to a total of 7,699. Single-detached starts increased 20% to 4,791, the highest output since 1974. Multiple-unit starts were also strong, rising 14%.

In Ontario, the continuation of strong economic growth, job creation, and substantial migration inflows supported a 26% increase in housing starts from 64,871 in 1985 to 81,470 in 1986, a 10-year high. Single-detached starts totalled a record 56,448, increasing 30%, but multiple-unit starts also rose, increasing 17%, as a result of an active condominium market.

The 26% jump in housing starts in Quebec matched the rate of increase for Ontario, as starts rose for the fourth consecutive year to a 10-year high of 60,348. Multiple-unit starts grew by 24%, reaching 36,656, a record level. Strength came from continued interest among investors in small-scale walk-up rental projects, along with a moderate expansion in condominium activity. Single-detached starts increased 28%.

New Brunswick was the only province in which starts fell in 1986, dropping 2% to 4,045. Multiple-unit starts were wholly responsible for the weakness, slipping 10%, in response to high

vacancy rates, from the nine-year high established in 1985. Single-detached starts were unchanged from the 1985 level.

In Nova Scotia, dwelling starts increased 9%, from 6,923 to 7,571 in 1986; the best year for residential construction since 1973. Strength was concentrated in single-detached starts, which increased 14% and accounted for 85% of the overall increase.

Prince Edward Island led all provinces in 1986 with a 41% increase in dwelling starts. The 1,110 starts reported was the highest output since 1978. The expansion was broadly based — single-detached starts and multiple-unit starts grew at similar rates.

As a result of weak economic growth, chronically high unemployment, and continued outflows of migrants, starts in Newfoundland were flat for the second consecutive year. The 1% rise in starts, from 2,854 in 1985 to 2,883 in 1986, was the second lowest rate of increase among the provinces. Multiple-unit starts recovered enough to compensate for a marginal decrease in single-detached starts.

7.2.2 Lending statistics

The relative importance of National Housing Act (NHA) lending activities has varied over the years. In 1986, NHA financing accounted for about one-fifth of the total lending. The characteristics of borrowers which follow are therefore based on about one-fifth of all borrowers' characteristics.

In the new-housing market, the average family income of purchasers of single-detached dwellings stood at \$46,234 in 1986, a rise of 6.0% from 1985. The average age of borrowers remained virtually unchanged in 1986 at 32.6 years, compared to 32.7 years in 1985. The average sale price of a new single-detached house was \$85,327 in 1986, up 6.1% from 1985.

In the existing-housing market, the income of the typical buyer of a single-detached dwelling was significantly lower (13.2%), at \$40,114, than that of the new-house buyer; the buyer was slightly older (33.1 years compared to 32.6 years); and the average purchase price of \$65,388 was 23.4% lower than the new-house price. In a year-to-year comparison, the purchase price of a typical NHA-financed existing dwelling had risen by 8.7% since 1985. The average family income of a typical buyer rose by 5.4%. The average age of the borrower remained virtually unchanged (33.1 years in 1986 and 33 years in 1985), and the average floor area of the dwelling was marginally smaller in 1986 (at 104.3 m²) than in 1985.

Unlike in past years when condominium housing was the lowest-priced home-ownership unit