

Construction starts on new housing up by more than 50% in Metro Vancouver this year

Kenneth Chan



Residential tower construction in Richmond City Centre. (Shutterstock)

Heightened market demand for housing in Metro Vancouver has led to strong new construction activity in residential real estate over the first half of 2021.

According to a new mid-year update by Canada Mortgage and Housing Corporation (CMHC), housing starts in the region are up by more than 50% in the first six months of the year, compared to the same period in 2020 during the onset of the pandemic.

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Approximately 15,300 units began construction between January and June of 2021, with this increase driven by new multi-family residential construction, which increased by 65% year-over-year to just under 13,800 units — accounting for 90% of the total.

CMHC attributes this activity to renewed developer confidence from higher home prices, low interest rates, and continued confidence in the long-term growth of the region's economy and population. Up until earlier in the year, developers were putting their new projects on a holding pattern, awaiting improved market conditions.

With higher land prices, multi-family construction is expected to continue to represent the vast majority of the new homes created in Metro Vancouver.

The leading sub-regions for housing starts during this six-month period were Surrey, the Tri-Cities, and North Burnaby:

- **Surrey:** 3,727 units, including 2,824 apartments
- **Tri-Cities (Coquitlam, Port Coquitlam, Port Moody):** 1,704 units, including 1,425 apartments, 146 row houses, and 119 single-family detached
- **North Burnaby:** 2,220 units, including 2,171 apartments
- **Southeast Vancouver:** 1,196 units, including 1,029 apartments
- **Langley City/Langley Township:** 1,134 units, including 557 apartments, 403 row houses, and 160 single-family detached
- **Richmond:** 1,077 units, including 858 apartments
- **New Westminster:** 891 units, including 779 apartments

All but one of the other sub-regions amongst two dozen sub-regions had more housing starts than the three sub-regions that form the downtown Vancouver peninsula, where there were zero housing starts.

Only 112 housing starts (110 as apartments) were recorded in the University Endowment Lands, while the Metrotown area in Burnaby saw 20 starts.

The total housing starts within the city of Vancouver reached 2,623 units, accounting for only 17% of the region total — behind Surrey's share of 24%.

Of the nearly 15,300 housing starts across the region, 3,347 were secure purpose-built rental units. The leading sub-markets for rentals are Surrey with 1,294 units (all apartments), Southeast Vancouver with 269 units, Mount Pleasant/Renfrew Heights with 239 units, North Vancouver City with 229 units, Marpole and the Tri-Cities each with 177 units, and East Hastings with 158 units.

A total of 1,002 housing starts within the city of Vancouver were rental homes, which represents 30% of the regional total. Surrey on the other hand accounts for 39%.

Across Canada, housing starts reached 293,567 units in June 2021, up from 284,837 units in May 2021.