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Canada Mortgage and Housing Corporation

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RESIDENTIAL CONSTRUCTION THRIVES IN AUGUST IN GREATER MONTREAL

Residential construction posted a major boom in August in the Montréal area. In fact, housing starts jumped up by 54 per cent over the same period last year. New job sites comprising a total of 2,293 units (805 more than last year) were awaiting construction workers on their return from vacation.

The spectacular results recorded in August confirmed that consumers remain firmly convinced that now is a good time to buy a property, whether new or existing. At seasonally adjusted rates, this was the best month for residential construction in Montréal in the last 14 years. As well, it was recently revealed that existing home sales were extremely vigorous in August.

Cranes multiplied across the Montréal area landscape, as construction just got under way on several highrise apartment buildings. In fact, multiple housing took the spotlight this past month. In particular, rental housing starts more than doubled, reaching 831 units. These new constructions include two major retirement homes located in Saint-Jérôme (339 units) and Sainte-Julie (118 units). The condominium segment also posted a spectacular gain of 136 per cent over August 2002. In all, 731 such units were started in Greater Montréal.

The vigour in the condominium segment continues to amaze, such that the level of activity observed so far this year is on the way to exceeding even the most optimistic forecasts. In fact, condominium construction is up by 30 per cent since January. Of course, the Island of Montréal garnered over half of these new job sites, but there were still some significant hikes in the suburbs, where this type of housing is more and more in demand. It should also be noted that the northern suburbs have been posting considerable renewed growth in condominium construction since the start of the new millennium. The level of activity in these suburbs now clearly surpasses that on the South Shore.

Single-detached home starts, for their part, weakened slightly in August (-8 per cent), thereby consolidating the downward trend observed since the beginning of the year. Only the Laval and North Shore sector resisted this slowdown (+5 per cent).

Elsewhere across Quebec, the news is generally excellent. Residential construction had the wind in its sails this past month in the areas of Québec (+54 per cent), Sherbrooke (+105 per cent), Trois-Rivières (+239 per cent) and Saguenay (+83 per cent). Only the Gatineau area went against the current, with a small decrease in activity (-5 per cent).

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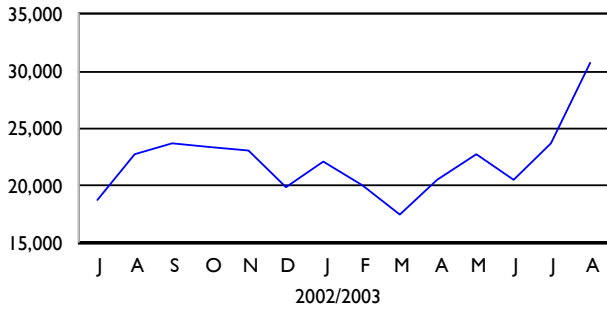


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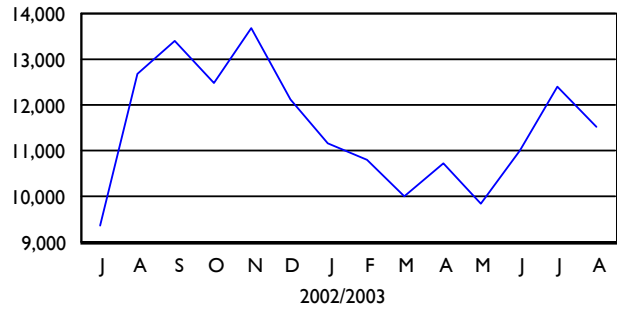
Housing Starts - July 2002 to August 2003

Seasonally Adjusted Data at Annual Rate

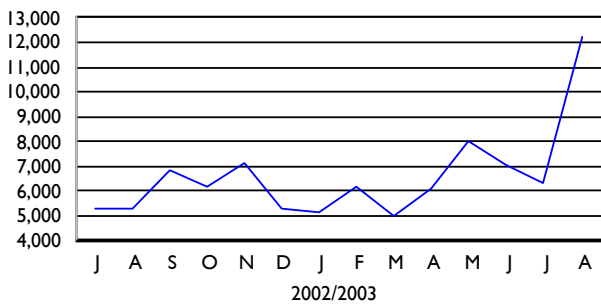
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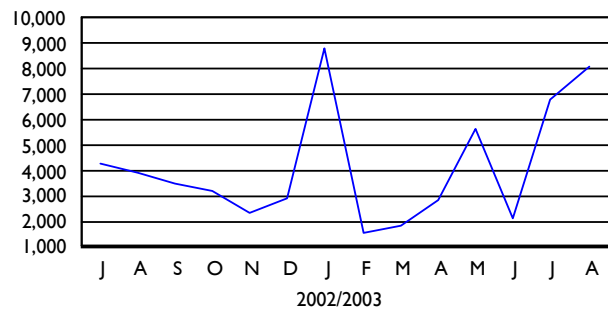
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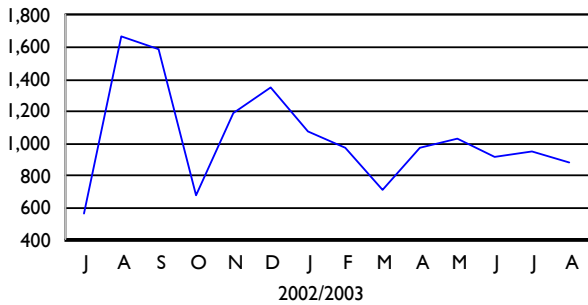
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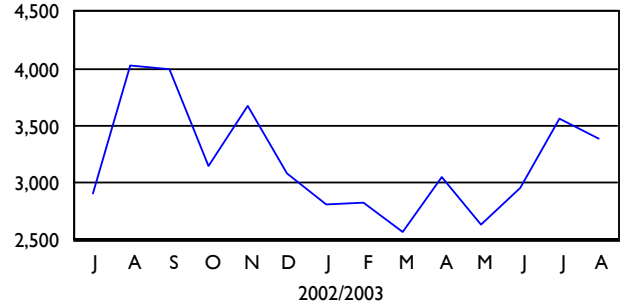
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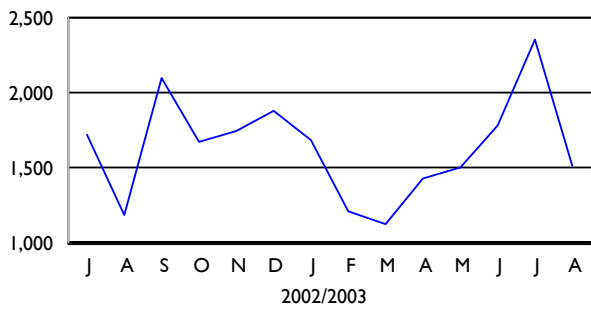
Single-Family - Montreal Island



Single-Family - South-Shore



Single-Family - Laval



Single-Family - North-Shore

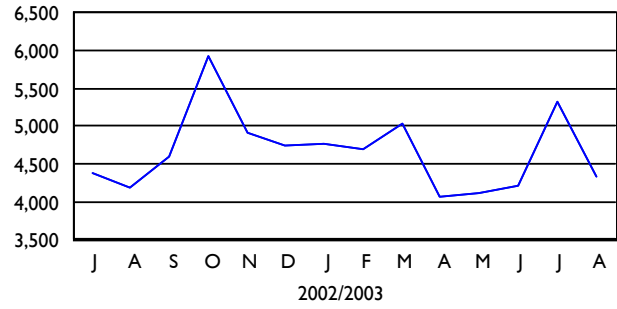


Table I
Summary of Activity by Intended Market
Montréal Metropolitan Area

<i>Activity / Period</i>	<i>Freehold (Single-Family)</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Housing Starts				
August 2003	731	731	831	2,293
August 2002	801	309	378	1,488
Cumulative 2003	7,756	4,612	2,682	15,050
Cumulative 2002	7,943	3,568	1,865	13,376
Under Construction*				
August 2003	4,026	4,734	3,252	12,012
August 2002	3,589	2,912	1,776	8,277
Completions				
August 2003	711	680	380	1,771
August 2002	1,621	616	332	2,569
Cumulative 2003	7,485	3,763	1,848	13,096
Cumulative 2002	6,682	2,812	1,142	10,636
Unoccupied*				
August 2003	527	662	268	1,457
August 2002	419	517	330	1,266
Absorption				
August 2003	712	646	344	1,702
August 2002	1,802	679	262	2,743
Cumulative 2003	7,514	3,619	1,907	13,040
Cumulative 2002	7,006	2,972	1,137	11,115
Duration of Inventory (in months)				
August 2003	0.6	1.7	1.2	1.0
August 2002	0.6	1.4	2.1	1.0

* As at the end of the period shown

Source: CMHC

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Table 2
Housing Starts by Zone and by Intended Market
Montréal Metropolitan Area

<i>Zone / Period</i>	<i>Freehold (Single-Family)</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Zone 1: West Island				
August 2003	26	36	7	69
August 2002	60	10	0	70
Cumulative 2003	303	221	28	552
Cumulative 2002	519	67	234	820
Zone 2: West-Centre				
August 2003	19	33	0	52
August 2002	24	83	6	113
Cumulative 2003	105	903	3	1,011
Cumulative 2002	120	973	196	1,289
Zone 3: East-Center				
August 2003	11	376	245	632
August 2002	9	49	30	88
Cumulative 2003	85	1,294	865	2,244
Cumulative 2002	108	876	175	1,159
Zone 4: East-End				
August 2003	6	12	43	61
August 2002	23	14	22	59
Cumulative 2003	148	88	303	539
Cumulative 2002	155	77	28	260
Zone 5: South-Laval				
August 2003	39	26	0	65
August 2002	15	6	4	25
Cumulative 2003	265	347	64	676
Cumulative 2002	310	264	17	591
Zone 6: North-Laval				
August 2003	49	13	4	66
August 2002	56	34	27	117
Cumulative 2003	826	204	50	1,080
Cumulative 2002	838	212	79	1,129
Zone 7: MRC Deux-Montagnes				
August 2003	94	0	0	94
August 2002	97	16	15	128
Cumulative 2003	895	112	159	1,166
Cumulative 2002	865	80	87	1,032
Zone 8: MRC Ste-Thérèse-de-Blainville				
August 2003	32	15	0	47
August 2002	58	27	9	94
Cumulative 2003	582	88	42	712
Cumulative 2002	696	151	158	1,005

Table 2 (Cont'd)
Housing Starts by Zone and by Intended Market
Montréal Metropolitan Area

Zone / Period	Freehold (Single-Family)	Condominium	Rental	Total
Zone 9: MRC des Moulins				
August 2003	82	14	26	122
August 2002	46	0	0	46
Cumulative 2003	1,029	201	54	1,284
Cumulative 2002	760	62	16	838
Zone 10: MRC L'Assomption				
August 2003	24	0	0	24
August 2002	34	0	82	116
Cumulative 2003	414	92	12	518
Cumulative 2002	376	13	136	525
Zone 11: South-Shore Centre				
August 2003	39	90	0	129
August 2002	51	44	6	101
Cumulative 2003	547	536	373	1,456
Cumulative 2002	527	554	276	1,357
Zone 12: East South-Shore				
August 2003	82	69	124	275
August 2002	72	12	0	84
Cumulative 2003	529	254	153	936
Cumulative 2002	604	88	47	739
Zone 13: South South-Shore				
August 2003	22	12	6	40
August 2002	48	0	3	51
Cumulative 2003	358	42	57	457
Cumulative 2002	325	6	8	339
Zone 14: West South-Shore				
August 2003	71	6	31	108
August 2002	75	0	59	134
Cumulative 2003	707	66	117	890
Cumulative 2002	750	72	159	981
Zone 15: Vaudreuil-Soulanges *				
August 2003	98	12	6	116
August 2002	109	14	4	127
Cumulative 2003	676	32	52	760
Cumulative 2002	789	38	46	873
Zone 16: St-Jérôme				
August 2003	37	17	339	393
August 2002	24	0	111	135
Cumulative 2003	287	132	350	769
Cumulative 2002	201	35	203	439

Source: CMHC

* Including only municipalities in the delimitations of Montreal metropolitan area.

Table 3
Summary of Activity by Large Zone and by Intended Market
Montréal Metropolitan Area

Activity / Zone	Freehold (Single-Family)		Condominium		Rental	
	August 2003	August 2002	August 2003	August 2002	August 2003	August 2002
Housing Starts						
Island of Montréal (1 to 4)	62	116	457	156	295	58
Laval (zones 5 and 6)	88	71	39	40	4	31
North-Shore (zones 7 to 10 & 16)	269	259	46	43	365	217
South-Shore (zones 11 to 14)	214	246	177	56	161	68
Vaudreuil-Soul. *** (zone 15)	98	109	12	14	6	4
Under Construction*						
Island of Montréal	518	546	2,933	1,719	1,719	662
Laval	627	554	421	399	112	75
North-Shore	1,494	1,245	504	291	577	628
South-Shore	989	904	850	483	798	398
Vaudreuil-Soulanges ***	398	340	26	20	46	13
Completions						
Island of Montréal	46	135	204	402	153	150
Laval	87	301	144	36	4	15
North-Shore	274	679	127	43	34	80
South-Shore	247	410	205	129	189	84
Vaudreuil-Soulanges ***	57	96	0	6	0	3
Unoccupied*						
Island of Montréal	90	80	331	332	43	279
Laval	93	75	94	30	6	4
Rive- Nord	196	140	98	29	74	27
South-Shore	112	96	138	120	144	20
Vaudreuil-Soulanges ***	36	28	1	6	1	0
Absorption						
Island of Montréal	49	153	245	437	168	107
Laval	87	358	123	84	2	14
North-Shore	271	758	83	42	27	59
South-Shore	251	429	195	109	147	77
Vaudreuil-Soulanges ***	54	104	0	7	0	5
Duration of Inventory**						
Island of Montréal	1.1	0.8	1.7	1.5	0.5	3.3
Laval	0.7	0.7	1.6	0.5	0.6	0.6
North-Shore	0.5	0.5	1.7	1.0	1.0	0.9
South-Shore	0.4	0.5	1.8	2.3	3.0	0.8
Vaudreuil-Soulanges ***	0.4	0.4	0.2	2.8	0.5	0.0

Source: CMHC

* As at the end of the period shown

** Trend (in months)

*** Including only municipalities in the delimitations of Montreal metropolitan area

Table 4**Housing Supply
Montréal Metropolitan Area**

<i>Intended Market</i>	<i>Under Construction</i>	<i>Units Unoccupied</i>	<i>Short-Term Supply</i>	<i>Monthly Absorption</i>	<i>Dur. of Supply (in months)</i>
	August 2003			Trend 2003	
Freehold	4,026	527	4,553	905	5.0
Condominium	4,734	662	5,396	396	13.6
Rental	3,252	268	3,520	228	15.5
	August 2002			Trend 2002	
Freehold	3,589	419	4,008	761	5.3
Condominium	2,912	517	3,429	364	9.4
Rental	1,776	330	2,106	155	13.6

Source: CMHC

Table 5**Economic Overview
Montréal Metropolitan Area**

	2003						2002					
	<i>August</i>	<i>July</i>	<i>June</i>	<i>May</i>	<i>April</i>	<i>March</i>	<i>August</i>	<i>July</i>	<i>June</i>	<i>May</i>	<i>April</i>	<i>March</i>
Labour Market*												
Job Creation (Loss) - in thousands	6	9	10	20	37	58	59	55	56	46	49	49
Unemployment Rate (%)	10.1	9.9	9.9	10.1	9.7	9.5	8.4	8.3	8.3	8.7	9.1	9.2
Mortgage Rates (1)												
1-year	4.5	4.5	4.8	5.0	5.3	5.3	5.3	5.3	5.5	5.5	5.4	5.3
5-year	6.3	6.2	5.8	6.2	6.7	6.8	6.8	7.0	7.2	7.4	7.5	7.3
Annual Inflation Rate (%)	1.6	1.6	2.3	3.0	2.7	4.1	2.2	2.3	1.5	0.5	1.1	1.5
New House Price Index (1992=100)												
House	NA	7.0	7.0	6.8	7.3	8.6	5.8	5.0	5.0	5.4	5.3	4.2
Land	NA	5.7	5.7	5.8	6.0	7.4	7.7	6.7	6.7	6.5	6.6	5.2
Total	NA	6.6	6.6	6.5	6.8	8.2	6.1	5.4	5.4	5.7	5.6	4.4
MLS Sales - Single-Family Houses	1,267	1,561	1,637	2,077	2,238	2,437	1,189	1,158	1,424	2,146	2,777	3,328

* Three-month average

Sources: Statistics Canada, Conference Board of Canada, GMREB

Definitions et Concepts

Intended Markets	The freehold market refers to single-family houses (detached, semi-detached and row) owned under freehold tenure; the condominium segment comprises houses and apartments held under divided co-ownership; and finally, the rental market encompasses apartment dwellings.
Housing Starts	Refer to the beginning of construction work on a building, usually when the concrete has been poured for the entire footing around the structure, or at an equivalent stage where a basement will not be a part of the structure.
Under Construction	Units started but not completed. The number of units under construction at the end of a period may take into account certain adjustments that took place, for various reasons, after the strata were reported.
Completions	Refer to units where all the proposed construction work has been performed or, in some cases, where ninety percent of all the construction work has been completed and the structure is fit for occupancy.
Unoccupied Absorptions	Refer to new completed units that have remained unoccupied.
Absorptions	Newly completed units sold or rented. The number of absorptions is obtained from a survey initiated when the structure is completed. Units presold or pre-leased are not included until the completion stage. The number of absorbed units is the number of completed and unoccupied units from the previous month plus the completions for the current month minus the completed and unoccupied units for the current month.
Duration of Inventory	Refer to the period necessary for the absorption of the unoccupied units, that is, the ratio between unoccupied units and absorbed units (average for the last 12 months). This figure is expressed in months.
Short-Term Supply	Refer to the total supply of new units and includes units under construction and units that are completed but not occupied.
Duration of Supply	This is the period required to absorb the units under construction and unoccupied, that is, the ratio between the total supply and the absorbed units (average for the last 12 months). This figure is expressed in months.

Montréal Metropolitan Area Zones

Zones	<i>Municipalities, Boroughs or Sectors</i>
1	Baie d'Urfé, Beaconsfield, Dollard-des-Ormeaux, Dorval, Kirkland, Pierrefonds, Pointe-Claire, Roxboro, Senneville, Ste-Anne-de-Bellevue, Ste-Geneviève, St-Raphaël-de-l'Île-Bizard
2	Centre-Ouest (Mtl), Côte-des-Neiges, Côte St-Luc, Hampstead, Lachine, LaSalle, Montréal-Ouest, Mont-Royal, Notre-Dame-de-Grâce, Outremont, St-Laurent, Saraguay/Cartierville, Sud-Ouest (Mtl), Verdun/Île-des-Soeurs, Ville St-Pierre, Westmount
3	Ahuntsic, Anjou, Centre (Mtl), Mercier/Hochelaga-Maisonneuve, Montréal-Nord, Petite-Patrie/Rosemont, Plateau Mont-Royal, St-Léonard, Villeray/St-Michel
4	Bout-de-l'Île (Mtl), Montréal-Est
5	Chomedey, Duvernay, Laval-des-Rapides, Pont-Viau, St-Vincent-de-Paul
6	Auteuil, Fabreville, Laval-Ouest, Laval-sur-le-Lac, Ste-Dorothée, St-François, Ste-Rose, Vimont
7	Deux-Montagnes, Mirabel, Oka, Pointe-Calumet, St-Eustache, St-Joseph-du-Lac, Ste-Marthe-sur-le-Lac, St-Placide, Gore, St-Colomban
8	Blainville, Boisbriand, Bois-des-Filion, Lorraine, Rosemère, Ste-Anne-des-Plaines, Ste-Thérèse
9	Lachenaie, La Plaine, Mascouche, Terrebonne
10	Charlemagne, L'Assomption, Lavaltrie, Le Gardeur, Repentigny, St-Antoine-Lavaltrie, St-Gérard-Majella, St-Sulpice
11	Boucherville, Brossard, Greenfield Park, LeMoynes, Longueuil, St-Hubert, St-Lambert
12	Beloeil, McMasterville, St-Amable, St-Basile-le-Grand, St-Bruno-de-Montarville, Ste-Julie, St-Mathieu-de-Beloeil, Varennes
13	Carignan, Chambly, Mont-St-Hilaire, Notre-Dame-de-Bon-Secours, Otterburn Park, Richelieu, St-Mathias
14	Beauharnois, Candiac, Châteauguay, Delson, La Prairie, Léry, Maple Grove, Melocheville, Mercier, Ste-Catherine-d'Alexandrie, St-Constant, St-Isidore, St-Mathieu, St-Philippe
15	Notre-Dame-de-l'Île-Perrot, Pincourt, Pointe-des-Cascades, Vaudreuil-sur-le-Lac, St-Lazare, Terrasse-Vaudreuil, Vaudreuil-Dorion, Hudson, Île-Cadieux, Île-Perrot, Les Cèdres
16	Bellefeuille, Lafontaine, St-Antoine, St-Jérôme

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