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Canada Mortgage and Housing Corporation

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GREATER MONTRÉAL: HOUSING STARTS REBOUND IN NOVEMBER

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Following three consecutive monthly decreases, residential construction in Greater Montréal rebounded in November, posting a gain of 18 per cent. According to the latest monthly starts survey conducted by Canada Mortgage and Housing Corporation (CMHC), construction got under way on a total of 3,055 new dwellings this past month, or 463 more units than in November 2003.

The growth observed this past month was entirely attributable to the condominium segment (+73 per cent), as the rental and freehold housing segments declined by 7 per cent and 6 per cent, respectively.

Condominiums were therefore the featured housing type in November, as foundations were laid for 1,376 units, or 581 more than during the same period last year. All geographical sectors benefited from this influx of new job sites in this segment, starting with the Island of Montréal, where the number of condominium starts more than doubled, reaching 621 units. The North and South Crowns also posted excellent results in this

segment, with respective gains of 44 per cent and 39 per cent. Finally, even the Vaudreuil-Soulanges sector saw the number of such housing starts increase on its territory (+72 per cent).

The condominium results for November are somewhat surprising, given the rather marked rise in the number of completed but unoccupied units since the middle of the summer. Still, the condominium segment will certainly post a record volume of starts in 2004, for the Montréal metropolitan area overall. And, if the results for December are good, the 10,000-unit mark is not out of reach.

As for rental housing, the performance was much more tenuous, particularly in the South Crown, where construction began on just 35 new dwellings. Although activity on the Island of Montréal declined (-23 per cent), this sector will soon have 448 more units added to its rental housing stock. Only the North Crown saw its rental housing starts rise (+37 per cent), in spite of the fact that there were no new units in the Laval sector.

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Lastly, for single-family (freehold) housing, all geographical sectors registered small decreases in November. The North Crown, which usually sets the pace in this segment, recorded a drop of 3 per cent. Its southern rival did not do much better, with a decline of 2 per cent. Finally, the Island of Montréal sustained a decrease in activity of about 25 per cent in this segment. ■

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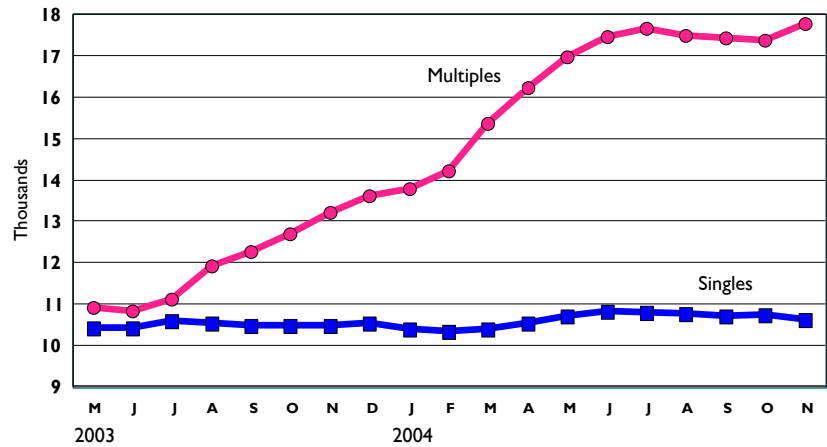
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Housing Starts Multiples vs. Singles

Seasonally Adjusted Annual Rates - Montréal CMA



Source: CMHC

Major Housing Job Sites Started in November

The following are the major multiple housing job sites started in November 2004 in Greater Montréal, along with the intended market segment announced for the projects at the time they got under way:

<u>Number of units</u>	<u>Street</u>	<u>Sector</u>	<u>Intended segment</u>
168	Galleries D'Anjou	Anjou	Retirement Home
141	Notre-Dame	Lachine	Social Housing
125	Galleries d'Anjou	Anjou	Condominiums
84	Industriel	Repentigny	Rental
76	Dorval	Dorval	Rental
64	Pratt	Outremont	Condominiums
59	Christ.-Colomb	Ahuntsic	Condominiums
50	Notre-Dame	Laval (Chomedey)	Condominiums
48	Jarry	Saint-Léonard	Condominiums
40	Courville	L'Assomption	Rental
32	Cavendish	Saint-Laurent	Condominiums
32	Jarry	Saint-Léonard	Condominiums
32	Dompierre	Candiac	Condominiums

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				
November 2004	990	1,376	689	3,055
November 2003	1,056	795	741	2,592
Cumulative 2004	11,433	9,179	6,024	26,636
Cumulative 2003	10,797	7,140	4,338	22,275
Under Construction*				
November 2004	4,592	7,804	5,847	18,243
November 2003	4,045	5,552	3,803	13,400
Completions				
November 2004	933	684	390	2,007
November 2003	968	648	364	1,980
Cumulative 2004	11,033	7,132	4,327	22,492
Cumulative 2003	10,491	5,484	2,951	18,926
Unoccupied*				
November 2004	780	1,661	624	3,065
November 2003	625	782	397	1,804
Absorption				
November 2004	922	557	321	1,800
November 2003	943	626	442	2,011
Cumulative 2004	10,860	6,301	4,186	21,347
Cumulative 2003	10,422	5,220	2,881	18,523
Duration of Inventory (in months)				
November 2004	0.8	3.0	1.7	1.6
November 2003	0.7	1.7	1.6	1.1

* 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				
November 2004	42	21	76	139
November 2003	80	24	22	126
Cumulative 2004	392	439	573	1,404
Cumulative 2003	449	372	106	927
Zone 2: West-Centre				
November 2004	17	237	179	433
November 2003	22	147	468	637
Cumulative 2004	155	1,989	1,467	3,611
Cumulative 2003	161	1,315	486	1,962
Zone 3: East-Center				
November 2004	12	351	193	556
November 2003	0	98	16	114
Cumulative 2004	84	2,305	1,726	4,115
Cumulative 2003	129	1,774	1,003	2,906
Zone 4: East-End				
November 2004	20	12	0	32
November 2003	20	0	79	99
Cumulative 2004	186	137	487	810
Cumulative 2003	185	148	572	905
Zone 5: South-Laval				
November 2004	21	124	0	145
November 2003	46	65	0	111
Cumulative 2004	366	598	0	964
Cumulative 2003	387	461	244	1,092
Zone 6: North-Laval				
November 2004	105	4	0	109
November 2003	91	33	0	124
Cumulative 2004	1,318	554	24	1,896
Cumulative 2003	1,127	285	79	1,491
Zone 7: MRC Deux-Montagnes				
November 2004	92	46	12	150
November 2003	125	27	21	173
Cumulative 2004	1,325	269	130	1,724
Cumulative 2003	1,269	243	183	1,695
Zone 8: MRC Ste-Thérèse-de-Blainville				
November 2004	66	58	0	124
November 2003	80	26	125	231
Cumulative 2004	835	281	125	1,241
Cumulative 2003	822	168	182	1,172

Table 2 (Cont'd)
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 9: MRC des Moulins				
November 2004	131	75	58	264
November 2003	120	58	0	178
Cumulative 2004	1,643	284	158	2,085
Cumulative 2003	1,419	413	54	1,886
Zone 10: MRC L'Assomption				
November 2004	74	48	133	255
November 2003	51	28	0	79
Cumulative 2004	781	271	577	1,629
Cumulative 2003	572	166	24	762
Zone 11: South-Shore Centre				
November 2004	47	147	6	200
November 2003	58	139	6	203
Cumulative 2004	625	831	367	1,823
Cumulative 2003	717	921	576	2,214
Zone 12: East South-Shore				
November 2004	41	50	8	99
November 2003	48	21	0	69
Cumulative 2004	673	342	98	1,113
Cumulative 2003	692	347	153	1,192
Zone 13: South South-Shore				
November 2004	70	24	0	94
November 2003	62	8	0	70
Cumulative 2004	556	142	81	779
Cumulative 2003	508	74	60	642
Zone 14: West South-Shore				
November 2004	92	91	21	204
November 2003	87	57	0	144
Cumulative 2004	964	323	103	1,390
Cumulative 2003	947	164	145	1,256
Zone 15: Vaudreuil-Soulanges *				
November 2004	116	55	0	171
November 2003	129	32	0	161
Cumulative 2004	1,097	203	6	1,306
Cumulative 2003	1,033	96	117	1,246
Zone 16: St-Jérôme				
November 2004	44	33	3	80
November 2003	37	32	4	73
Cumulative 2004	433	211	102	746
Cumulative 2003	380	193	354	927

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	
	Nov. 2004	Nov. 2003	Nov. 2004	Nov. 2003	Nov. 2004	Nov. 2003
Housing Starts						
Island of Montréal (1 to 4)	91	122	621	269	448	585
Laval (zones 5 and 6)	126	137	128	98	0	0
North-Shore (zones 7 to 10 & 16)	407	413	260	171	206	150
South-Shore (zones 11 to 14)	250	255	312	225	35	6
Vaudreuil-Soul. *** (zone 15)	116	129	55	32	0	0
Under Construction*						
Island of Montréal	495	478	4,596	3,248	4,249	2,132
Laval	752	649	760	481	16	223
North-Shore	1,878	1,562	1,008	780	1,211	572
South-Shore	984	909	1,223	953	368	796
Vaudreuil-Soulanges ***	483	447	217	90	3	80
Completions						
Island of Montréal	95	114	219	293	118	279
Laval	125	117	127	40	180	12
North-Shore	335	369	131	74	52	14
South-Shore	270	280	189	233	40	39
Vaudreuil-Soulanges ***	108	88	18	8	0	20
Unoccupied*						
Island of Montréal	79	89	955	377	223	158
Laval	149	94	254	80	166	26
Rive- Nord	356	262	188	128	22	29
South-Shore	144	136	252	192	211	182
Vaudreuil-Soulanges ***	52	44	12	5	2	2
Absorption						
Island of Montréal	87	112	201	280	184	357
Laval	108	120	84	51	31	11
North-Shore	368	356	114	86	53	17
South-Shore	254	274	149	205	53	37
Vaudreuil-Soulanges ***	105	81	9	4	0	20
Duration of Inventory**						
Island of Montréal	1.1	1.0	3.4	1.7	1.2	1.4
Laval	1.1	0.7	4.3	1.3	14.3	1.7
North-Shore	0.9	0.7	2.4	1.8	0.4	0.5
South-Shore	0.6	0.5	2.0	2.0	2.1	3.2
Vaudreuil-Soulanges ***	0.5	0.5	1.6	2.0	0.3	0.5

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				
Intended Market	Under Construction	Units Unoccupied	Short-Term Supply	Monthly Absorption
	November 2004			Trend 2004
Freehold	4,592	780	5,372	970
Condominium	7,804	1,661	9,465	551
Rental	5,847	624	6,471	361
	November 2003			Trend 2003
Freehold	4,045	625	4,670	928
Condominium	5,552	782	6,334	453
Rental	3,803	397	4,200	247

Source: CMHC

Table 5													
Economic Overview													
Montréal Metropolitan Area													
	2004						2003						
	Nov.	Oct.	Sept.	August	July	June	Nov.	Oct.	Sept.	August	July	June	
Labour Market*													
Job Creation (Loss) - in thousands	-2	27	41	46	48	56	39	18	11	6	9	10	
Unemployment Rate (%)	8.7	8.5	8.5	8.4	8.1	7.9	8.7	9.6	10.1	10.1	9.9	9.9	
Mortgage Rates (1)													
1-year	5.0	4.9	4.8	4.4	4.6	4.7	4.8	4.5	4.5	4.5	4.6	4.9	
5-year	6.3	6.4	6.3	6.3	6.6	6.7	6.5	6.4	6.3	6.3	6.2	5.8	
Annual Inflation Rate (%)	2.6	2.9	2.4	2.0	2.1	2.5	1.4	1.3	1.6	1.6	1.6	2.3	
New House Price Index (% change)													
House	NA	6.9	7.2	7.2	7.4	7.4	5.8	7.7	7.5	7.2	7.0	7.0	
Land	NA	5.3	3.7	3.8	5.8	5.8	6.4	7.5	7.1	7.0	5.7	5.7	
Total	NA	6.5	6.5	6.5	7.1	7.1	6.0	7.7	7.4	7.1	6.6	6.6	
MLS Sales - Single-Family Houses	1,887	1,657	1,566	1,360	1,358	1,807	1,772	2,075	1,766	1,267	1,561	1,637	

* Three-month average

Sources: Statistics Canada, Conference Board of Canada, GMREB

Definitions and 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 starts 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	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 month.
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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