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Canada Mortgage and Housing Corporation

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YEAR OFF TO A BUSY START FOR RESIDENTIAL CONSTRUCTION IN GREATER MONTREAL

Residential construction got off to a busy start this year in Greater Montréal. According to the starts survey conducted by Canada Mortgage and Housing Corporation (CMHC), 1,505 dwellings were started during the first month of 2003, for a gain of 26 per cent over January 2002.

At the beginning this year, rental housing construction stood out with a very significant increase of 128 per cent over last year. In all, 664 new rental housing units were enumerated, or 373 more than in January 2002. They are concentrated almost exclusively on the Island of Montréal and intended mainly for senior clients. The 646 rental starts recorded on the Island of Montréal are divided between two retirement homes situated in the Saint-Léonard and Rivière-des-Prairies districts. Given the low vacancy rates and the aging of the population, this market segment is not failing to raise interest among developers.

Condominium construction, for its part, sustained a slowdown. Such starts fell from 431 units in January of last year to 337 in January 2003, for a decrease of 22 per cent. Certain differences can be noted, however, depending on the sectors. The Island of Montréal and the South Shore saw their condominium starts go down by 33 per cent and by 54 per cent, respectively, while, in the Laval and North Shore sector, new constructions of this type doubled to 110 units, from 51 in January 2002.

As for homeowner housing, activity continued to rise, but it is no longer showing the same vitality as in recent months. Single-detached housing starts went up by 5 per cent (444 units in 2003 compared to 424 in 2002), and semi-detached and row home building increased by 28 per cent (60 units in 2003 compared to 47 in 2002). Only the Laval and North Shore sector posted renewed activity, with a gain of 36 per cent for detached, semi-detached and row homes. Starts in these categories fell by 9 per cent on the South-Shore and by 30 per cent on the Island of Montréal.

Overall, the Island of Montréal was the sector that posted the best performance. Thanks to the results achieved in the rental housing segment, total starts in this sector were up by 70 per cent over January 2002. In the northern suburbs, residential construction increased by 25 per cent while, in the southern suburbs, it decreased by 40 per cent.

At the provincial level, starts were also on the rise (+29 per cent). The Trois-Rivières area stood out with a significant gain (+120 per cent), followed by Sherbrooke (+91 per cent) and Gatineau (+61 per cent). The Québec area, for its part, posted a more modest performance (+20 per cent), and the Saguenay area was the only one to see its level of starts go down (-95 per cent).

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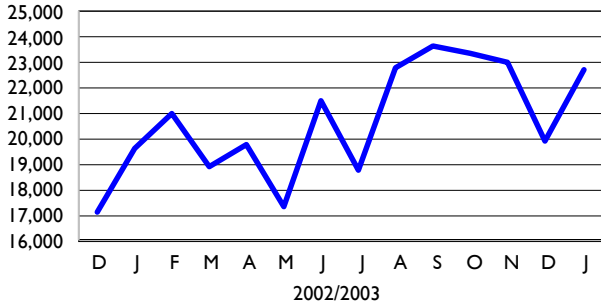


HOME TO CANADIANS
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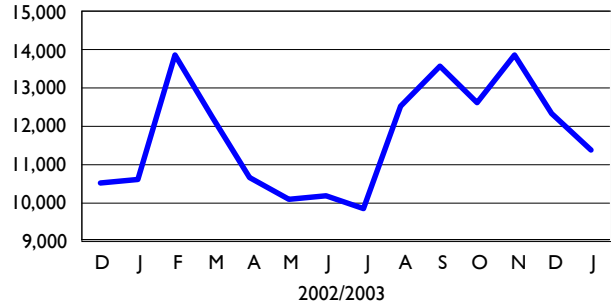
Housing Starts - December 2002 to January 2003

Seasonally Adjusted Data at Annual Rate

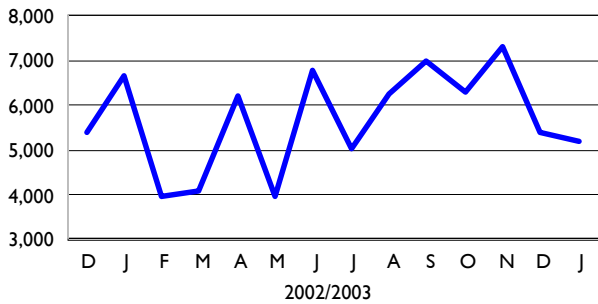
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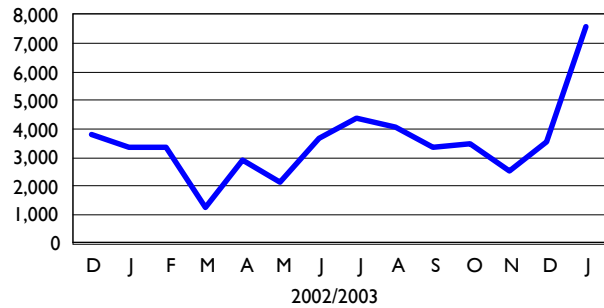
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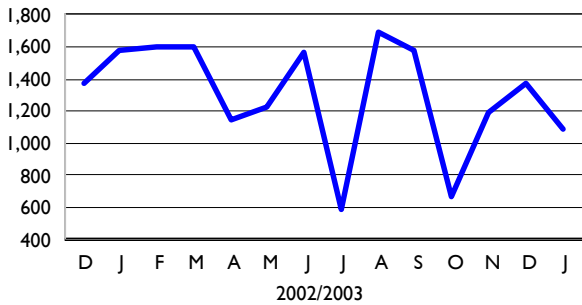
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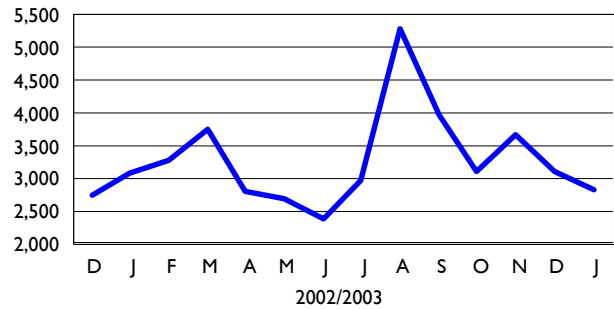
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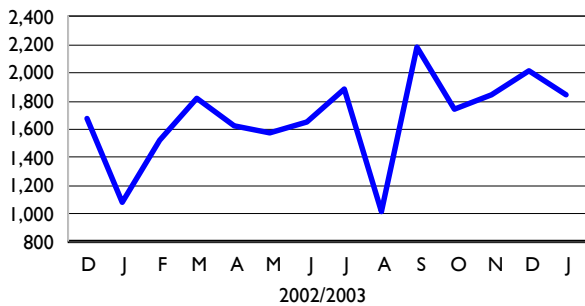
Single-Family - Montreal Island



Single-Family - South-Shore



Single-Family - Laval



Single-Family - North-Shore

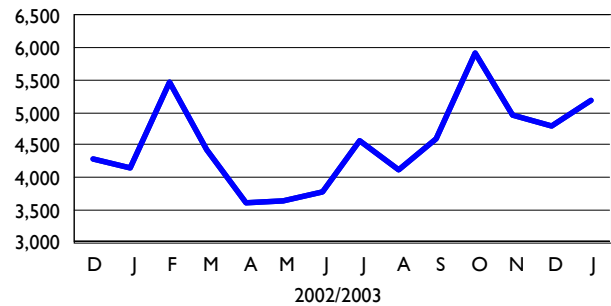


Table I
Summary of Activity by Intended Market
Montréal Metropolitan Area

<i>Activity / Period</i>	<i>Freehold (Single-Family)</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Housing Starts				
January 2003	504	337	664	1,505
January 2002	471	431	291	1,193
Cumulative 2003	504	337	664	1,505
Cumulative 2002	471	431	291	1,193
Under Construction*				
January 2003	3,537	3,792	2,934	10,263
January 2002	2,286	2,540	1,104	5,930
Completions				
January 2003	729	434	145	1,308
January 2002	506	146	234	886
Cumulative 2003	729	434	145	1,308
Cumulative 2002	506	146	234	886
Unoccupied*				
January 2003	559	513	141	1,213
January 2002	760	598	304	1,662
Absorption				
January 2003	726	439	331	1,496
January 2002	489	225	255	969
Cumulative 2003	726	439	331	1,496
Cumulative 2002	489	225	255	969
Duration of Inventory (in months)				
January 2003	0.6	1.4	0.8	0.9
January 2002	1.2	1.8	2.0	1.4

* 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				
January 2003	17	5	0	22
January 2002	25	0	184	209
Cumulative 2003	17	5	0	22
Cumulative 2002	25	0	184	209
Zone 2: West-Centre				
January 2003	5	58	0	63
January 2002	9	190	0	199
Cumulative 2003	5	58	0	63
Cumulative 2002	9	190	0	199
Zone 3: East-Center				
January 2003	9	104	547	660
January 2002	12	75	4	91
Cumulative 2003	9	104	547	660
Cumulative 2002	12	75	4	91
Zone 4: East-End				
January 2003	15	4	99	118
January 2002	20	0	0	20
Cumulative 2003	15	4	99	118
Cumulative 2002	20	0	0	20
Zone 5: South-Laval				
January 2003	23	41	0	64
January 2002	16	19	0	35
Cumulative 2003	23	41	0	64
Cumulative 2002	16	19	0	35
Zone 6: North-Laval				
January 2003	75	36	0	111
January 2002	42	14	0	56
Cumulative 2003	75	36	0	111
Cumulative 2002	42	14	0	56
Zone 7: MRC Deux-Montagnes				
January 2003	64	0	0	64
January 2002	43	0	4	47
Cumulative 2003	64	0	0	64
Cumulative 2002	43	0	4	47
Zone 8: MRC Ste-Thérèse-de-Blainville				
January 2003	36	0	0	36
January 2002	33	3	9	45
Cumulative 2003	36	0	0	36
Cumulative 2002	33	3	9	45

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				
January 2003	85	6	0	91
January 2002	61	15	0	76
Cumulative 2003	85	6	0	91
Cumulative 2002	61	15	0	76
Zone 10: MRC L'Assomption				
January 2003	15	24	0	39
January 2002	27	0	27	54
Cumulative 2003	15	24	0	39
Cumulative 2002	27	0	27	54
Zone 11: South-Shore Centre				
January 2003	38	32	6	76
January 2002	29	97	50	176
Cumulative 2003	38	32	6	76
Cumulative 2002	29	97	50	176
Zone 12: East South-Shore				
January 2003	24	12	0	36
January 2002	32	0	9	41
Cumulative 2003	24	12	0	36
Cumulative 2002	32	0	9	41
Zone 13: South South-Shore				
January 2003	23	6	0	29
January 2002	11	6	0	17
Cumulative 2003	23	6	0	29
Cumulative 2002	11	6	0	17
Zone 14: West South-Shore				
January 2003	31	0	6	37
January 2002	55	6	2	63
Cumulative 2003	31	0	6	37
Cumulative 2002	55	6	2	63
Zone 15: Vaudreuil-Soulanges *				
January 2003	29	6	6	41
January 2002	47	6	0	53
Cumulative 2003	29	6	6	41
Cumulative 2002	47	6	0	53
Zone 16: St-Jérôme				
January 2003	15	3	0	18
January 2002	9	0	2	11
Cumulative 2003	15	3	0	18
Cumulative 2002	9	0	2	11

Source: CMHC

* Including 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	
	Jan. 2003	Jan. 2002	Jan. 2003	Jan. 2002	Jan. 2003	Jan. 2002
Housing Starts						
Island of Montréal (1 to 4)	46	66	171	265	646	188
Laval (zones 5 and 6)	98	58	77	33	0	0
North-Shore (zones 7 to 10 & 16)	215	173	33	18	0	42
South-Shore (zones 11 to 14)	116	127	50	109	12	61
Vaudreuil-Soul. *** (zone 15)	29	47	6	6	6	0
Under Construction*						
Island of Montréal	503	450	2,249	1,563	1,719	529
Laval	590	346	470	351	67	15
North-Shore	1,384	745	482	215	466	312
South-Shore	743	526	567	399	664	245
Vaudreuil-Soulanges ***	317	219	24	12	18	3
Completions						
Island of Montréal	86	70	219	87	79	182
Laval	99	73	55	15	14	50
North-Shore	229	178	42	6	18	2
South-Shore	256	130	118	38	31	0
Vaudreuil-Soulanges ***	59	55	0	0	3	0
Unoccupied*						
Island of Montréal	75	104	275	417	86	288
Laval	97	153	42	80	4	9
Rive- Nord	219	301	61	32	26	7
South-Shore	125	142	133	67	22	0
Vaudreuil-Soulanges ***	43	60	2	2	3	0
Absorption						
Island of Montréal	86	78	222	142	248	200
Laval	91	67	64	27	25	42
North-Shore	235	159	37	14	30	7
South-Shore	259	129	115	42	24	6
Vaudreuil-Soulanges ***	55	56	1	0	4	0
Duration of Inventory**						
Island of Montréal	0.7	1.1	1.4	1.8	1.3	3.9
Laval	0.8	1.4	0.8	1.6	0.5	1.7
North-Shore	0.7	1.3	1.7	1.5	0.5	0.2
South-Shore	0.5	0.8	2.0	1.8	0.6	0.0
Vaudreuil-Soulanges ***	0.5	1.0	0.5	2.7	0.9	0.0

Source: CMHC

* As at the end of the period shown

** Trend (in months)

*** Including 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>
	January 2003			Trend 2003	
Freehold	3,537	559	4,096	883	4.6
Condominium	3,792	513	4,305	360	11.9
Rental	2,934	141	3,075	170	18.1
	January 2002			Trend 2002	
Freehold	2,286	760	3,046	655	4.6
Condominium	2,540	598	3,138	336	9.3
Rental	1,104	304	1,408	156	9.0

Source: CMHC

Table 5
Economic Overview
Montréal Metropolitan Area

	2003	2002					2002	2001					
	Jan.	Dec.	Nov.	Oct.	Sept.	Aug.	Jan.	Dec.	Nov.	Oct.	Sept.	Aug.	
Labour Market*													
Job Creation (Loss) - in thousands	91	87	67	58	56	60	47	50	50	-2	21	14	
Unemployment Rate (%)	8.5	7.7	7.8	7.9	8.5	8.4	8.9	8.4	7.8	7.8	7.7	8.0	
Mortgage Rates (I)													
1-year	4.9	4.9	4.9	5.3	5.3	5.3	4.5	4.6	4.6	7.9	5.5	6.2	
5-year	6.5	6.7	6.7	7.0	6.7	6.8	7.0	6.8	6.8	8.2	7.2	7.6	
Annual Inflation Rate (%)	NA	3.2	3.5	3.2	2.3	2.2	1.3	1.4	1.2	2.3	2.1	2.6	
New House Price Index (1992=100)													
House	NA	8.5	8.5	6.1	5.8	5.8	4.2	4.6	4.6	4.8	4.9	5.1	
Land	NA	8.6	8.6	7.5	8.1	7.8	4.1	3.3	3.3	2.1	3.0	3.1	
Total	NA	8.3	8.3	6.3	6.2	6.0	4.1	4.4	4.4	4.3	4.5	4.8	
MLS Sales - Single-Family Houses	1,761	1,304	1,782	1,870	1,370	1,189	2,034	1,531	1,850	1,671	1,307	1,258	

* 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 strats 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, LeMoine, 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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