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Canada Mortgage and Housing Corporation

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GREATER MONTRÉAL: CONDOMINIUMS DRIVE UP HOUSING STARTS IN SEPTEMBER

During September, Canada Mortgage and Housing Corporation (CMHC) enumerated 2,247 housing starts, for an increase of 21 per cent over the same period last year. Condominium construction, which is currently going full tilt, turned out to be the main driving force behind this growth.

In fact, this past month, foundations were laid for 913 condominium units, for a gain of 57 per cent over last year. It should be noted, as well, that there were more condominium starts than single-detached home starts across the metropolitan area (913 versus 905)—an extremely rare occurrence. On the new job sites, no fewer than four in ten units are intended for the condominium market. On the Island of Montréal, where 511 condominium units were started, this proportion is 65 per cent.

Given the scarcity of available rental housing, the recent price euphoria on the resale market and the baby boomer demand, condominium construction is on a roll right now. At the current pace, condominium starts could even beat the record set in 1987, the best year ever registered for residential construction in Greater Montréal.

Single-detached home building, which had been tending to level off since the beginning of the year, went up by 8 per cent, for its

part. This was only the second gain since January. The Laval and North Shore sector, which always gets the lion's share in the detached home segment, was solely responsible for this hike (506 units, compared to 419 in 2002). It should be noted that this sector also posted double the number of detached home starts enumerated on the South Shore (506 units, compared to 229).

Activity was somewhat calmer in the rental housing segment. In all, construction got under way on 309 rental dwellings, practically the same number as last year. Even with a gain of 37 per cent from January to September in this segment, it can be stated that condominiums are still much more popular among developers for the moment.

All in all, the Montréal area real estate market remains in excellent health. The results for September brought the year-to-date gain in starts to 14 per cent. In addition, existing home sales have been on the rise again for the last three months. As a result, prices for both new and existing properties continue to increase. It should be noted, however, that the price of existing properties is going up faster than the price of new properties, which explains the renewed appeal of new homes among buyers.

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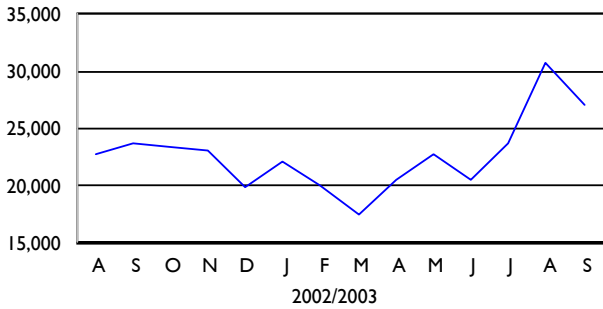


HOME TO CANADIANS
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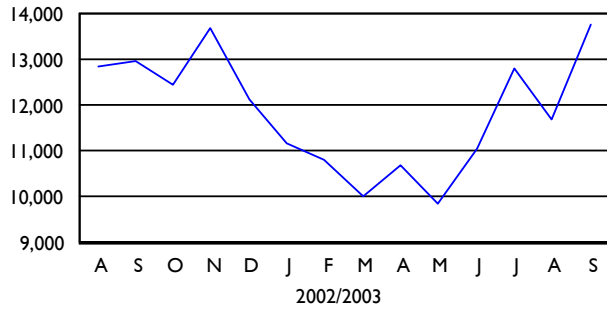
Housing Starts - August 2002 to September 2003

Seasonally Adjusted Data at Annual Rate

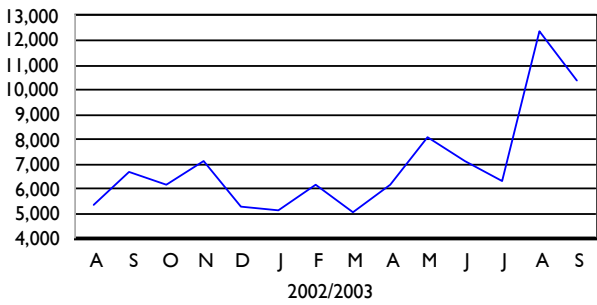
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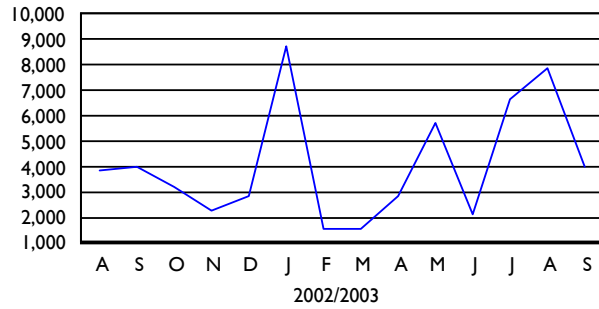
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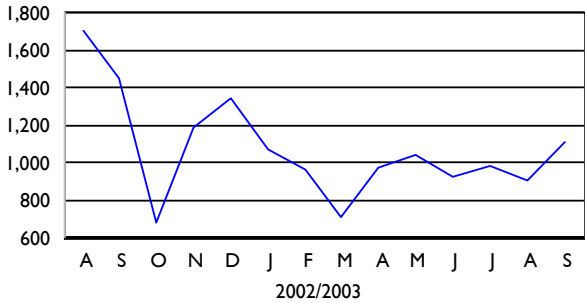
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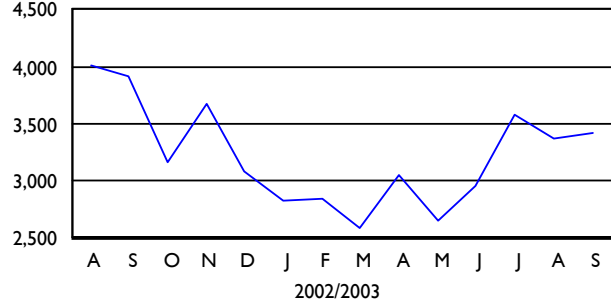
Total Rental



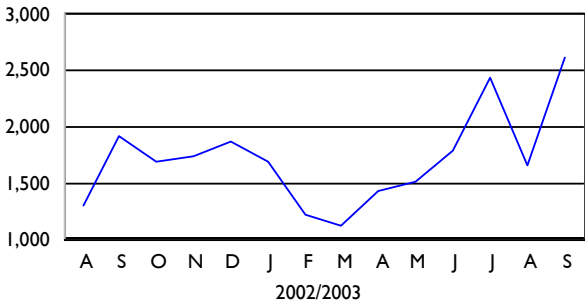
Single-Family - Montreal Island



Single-Family - South-Shore



Single-Family - Laval



Single-Family - North-Shore

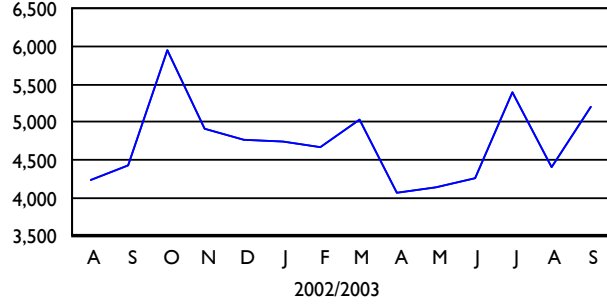


Table I
Summary of Activity by Intended Market
Montréal Metropolitan Area

<i>Activity / Period</i>	<i>Freehold (Single-Family)</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Housing Starts				
September 2003	1,025	913	309	2,247
September 2002	953	583	314	1,850
Cumulative 2003	8,781	5,525	2,991	17,297
Cumulative 2002	8,896	4,151	2,179	15,226
Under Construction*				
September 2003	3,930	5,203	3,338	12,471
September 2002	3,577	3,130	1,999	8,706
Completions				
September 2003	1,111	438	229	1,778
September 2002	966	365	91	1,422
Cumulative 2003	8,596	4,201	2,077	14,874
Cumulative 2002	7,648	3,177	1,233	12,058
Unoccupied*				
September 2003	576	656	254	1,486
September 2002	419	459	283	1,161
Absorption				
September 2003	1,062	444	243	1,749
September 2002	966	423	138	1,527
Cumulative 2003	8,576	4,063	2,150	14,789
Cumulative 2002	7,972	3,395	1,275	12,642
Duration of Inventory (in months)				
September 2003	0.6	1.6	1.1	1.0
September 2002	0.5	1.3	1.8	0.9

* As at the end of the period shown

Source: CMHC

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FASTFAXES

which provide the summary results of the survey
(available at the end of november 2003)

RENTAL MARKET REPORTS

which provide a more in-depth and detailed study of the data collected
(available in the beginning of 2004)

To obtain them, please contact our Customer Service at 1-866-855-5711

or by Email: cam_qc@cmhc.ca

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				
September 2003	33	127	0	160
September 2002	72	10	0	82
Cumulative 2003	336	348	28	712
Cumulative 2002	591	77	234	902
Zone 2: West-Centre				
September 2003	14	91	15	120
September 2002	13	125	9	147
Cumulative 2003	119	994	18	1,131
Cumulative 2002	133	1,098	205	1,436
Zone 3: East-Center				
September 2003	33	263	0	296
September 2002	14	144	81	239
Cumulative 2003	118	1,557	865	2,540
Cumulative 2002	122	1,020	256	1,398
Zone 4: East-End				
September 2003	7	30	180	217
September 2002	13	0	3	16
Cumulative 2003	155	118	483	756
Cumulative 2002	168	77	31	276
Zone 5: South-Laval				
September 2003	41	41	0	82
September 2002	42	5	4	51
Cumulative 2003	306	388	64	758
Cumulative 2002	352	269	21	642
Zone 6: North-Laval				
September 2003	122	30	9	161
September 2002	73	75	8	156
Cumulative 2003	948	234	59	1,241
Cumulative 2002	911	287	87	1,285
Zone 7: MRC Deux-Montagnes				
September 2003	135	39	3	177
September 2002	93	54	15	162
Cumulative 2003	1,030	151	162	1,343
Cumulative 2002	958	134	102	1,194
Zone 8: MRC Ste-Thérèse-de-Blainville				
September 2003	88	16	0	104
September 2002	86	33	27	146
Cumulative 2003	670	104	42	816
Cumulative 2002	782	184	185	1,151

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				
September 2003	107	97	0	204
September 2002	100	12	6	118
Cumulative 2003	1,136	298	54	1,488
Cumulative 2002	860	74	22	956
Zone 10: MRC L'Assomption				
September 2003	40	4	12	56
September 2002	29	0	47	76
Cumulative 2003	454	96	24	574
Cumulative 2002	405	13	183	601
Zone 11: South-Shore Centre				
September 2003	64	79	81	224
September 2002	89	64	6	159
Cumulative 2003	611	615	454	1,680
Cumulative 2002	616	618	282	1,516
Zone 12: East South-Shore				
September 2003	65	42	0	107
September 2002	82	52	26	160
Cumulative 2003	594	296	153	1,043
Cumulative 2002	686	140	73	899
Zone 13: South South-Shore				
September 2003	35	24	0	59
September 2002	60	0	10	70
Cumulative 2003	393	66	57	516
Cumulative 2002	385	6	18	409
Zone 14: West South-Shore				
September 2003	93	14	9	116
September 2002	57	3	66	126
Cumulative 2003	800	80	126	1,006
Cumulative 2002	807	75	225	1,107
Zone 15: Vaudreuil-Soulanges *				
September 2003	117	0	0	117
September 2002	100	0	0	100
Cumulative 2003	793	32	52	877
Cumulative 2002	889	38	46	973
Zone 16: St-Jérôme				
September 2003	31	16	0	47
September 2002	30	6	6	42
Cumulative 2003	318	148	350	816
Cumulative 2002	231	41	209	481

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	
	Sept. 2003	Sept. 2002	Sept. 2003	Sept. 2002	Sept. 2003	Sept. 2002
Housing Starts						
Island of Montréal (1 to 4)	87	112	511	279	195	93
Laval (zones 5 and 6)	163	115	71	80	9	12
North-Shore (zones 7 to 10 & 16)	401	338	172	105	15	101
South-Shore (zones 11 to 14)	257	288	159	119	90	108
Vaudreuil-Soul. *** (zone 15)	117	100	0	0	0	0
Under Construction*						
Island of Montréal	473	533	3,235	1,836	1,842	753
Laval	643	547	448	403	105	84
North-Shore	1,464	1,219	651	378	571	717
South-Shore	950	915	843	493	777	432
Vaudreuil-Soulanges ***	400	363	26	20	43	13
Completions						
Island of Montréal	132	126	212	162	69	2
Laval	147	122	44	76	16	3
North-Shore	429	364	22	18	24	12
South-Shore	288	277	160	109	117	74
Vaudreuil-Soulanges ***	115	77	0	0	3	0
Unoccupied*						
Island of Montréal	96	74	325	265	73	250
Laval	86	77	86	45	16	0
Rive- Nord	236	144	86	21	37	17
South-Shore	119	92	158	122	126	16
Vaudreuil-Soulanges ***	39	32	1	6	2	0
Absorption						
Island of Montréal	126	132	218	229	39	31
Laval	154	120	52	61	6	7
North-Shore	389	360	34	26	61	22
South-Shore	281	281	140	107	135	78
Vaudreuil-Soulanges ***	112	73	0	0	2	0
Duration of Inventory**						
Island of Montréal	1.1	0.7	1.6	1.2	0.8	3.1
Laval	0.7	0.7	1.5	0.8	1.5	0.0
North-Shore	0.6	0.5	1.5	0.7	0.5	0.5
South-Shore	0.5	0.4	2.0	2.1	2.4	0.5
Vaudreuil-Soulanges ***	0.5	0.4	0.2	2.8	0.9	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					
Intended Market	Under Construction	Units Unoccupied	Short-Term Supply	Monthly Absorption	Dur. of Supply (in months)
	September 2003			Trend 2003	
Freehold	3,930	576	4,506	913	4.9
Condominium	5,203	656	5,859	398	14.7
Rental	3,338	254	3,592	237	15.2
	September 2002			Trend 2002	
Freehold	3,577	419	3,996	789	5.1
Condominium	3,130	459	3,589	359	10.0
Rental	1,999	283	2,282	155	14.7

Source: CMHC

Table 5												
Economic Overview												
Montréal Metropolitan Area												
	2003						2002					
	Sept.	Aug.	July	June	May	April	Sept.	Aug.	July	June	May	April
Labour Market*												
Job Creation (Loss) - in thousands	11	6	9	10	20	37	55	59	55	56	46	49
Unemployment Rate (%)	10.1	10.1	9.9	9.9	10.1	9.7	8.5	8.4	8.3	8.3	8.7	9.1
Mortgage Rates (1)												
1-year	4.5	4.5	4.5	4.8	5.0	5.3	5.3	5.3	5.3	5.5	5.5	5.4
5-year	6.3	6.3	6.2	5.8	6.2	6.7	6.7	6.8	7.0	7.2	7.4	7.5
Annual Inflation Rate (%)												
	1.6	1.6	1.6	2.3	3.0	2.7	2.3	2.2	2.3	1.5	0.5	1.1
New House Price Index (1992=100)												
House	NA	7.2	7.0	7.0	6.8	7.3	5.8	5.8	5.0	5.0	5.4	5.3
Land	NA	7.0	5.7	5.7	5.8	6.0	8.1	7.7	6.7	6.7	6.5	6.6
Total	NA	7.1	6.6	6.6	6.5	6.8	6.2	6.1	5.4	5.4	5.7	5.6
MLS Sales - Single-Family Houses												
	1,766	1,267	1,561	1,637	2,077	2,238	1,370	1,189	1,158	1,424	2,146	2,777

* 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	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-Dorothee, 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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