

H

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Montréal

Canada Mortgage and Housing Corporation

www.cmhc.ca

RESIDENTIAL CONSTRUCTION BACK ON POSITIVE GROUND IN JULY

VOLUME 8, NUMBER 7, JULY 2005

In Greater Montréal, residential construction increased by 15 per cent in July. This gain followed four consecutive monthly decreases. According to the latest surveys conducted by Canada Mortgage and Housing Corporation, 2,367 housing units were started this past month, or 361 more than during the same period in 2004. Total starts for the first seven months of the year have now reached 14,362 units, down by 15 per cent from the corresponding period last year.

After a rather gloomy month of June, the condominium segment rebounded this past month, with 1,228 starts, for an increase of 50 per cent. The Island of Montréal had a ringside seat to see the condominium market shine once again, after this segment had not seen a single month of growth so far in 2005. In fact, the territory of the new city of Montréal registered a gain of 74 per cent in condominium construction. In all, 607 such units were started there, or half the total for the metropolitan area. The South Shore was also at the forefront, as condominium

construction went up by 83 per cent in this sector. Among the 317 units started there, a relatively new housing concept for the metropolitan area was noted: in the borough of Vieux-Longueuil, a job site with 126 condominiums intended for seniors just got under way. The North Crown, for its part, was slightly down from last year, with a decrease of 6 per cent and 269 condominium starts.

Despite the surge registered in July, we forecast that condominiums will be the market segment that will slow down the most this year. The upward trend in new, completed and unoccupied condominiums and the rapid rise in listings on the resale market are providing more and more choice to potential buyers. Overall, the condominium market is now very close to a balanced situation.

In another market segment, single-detached home building continued to slide slowly, for a ninth month in a row. In July, the drop was 19 per cent. Vaudreuil-Soulanges (-39 per cent), the Island of Montréal (-33 per cent) and the South Crown

IN THIS ISSUE

Residential Construction Back on Positive Ground in July	1
Graph 1 : Housing Starts Multiples vs. Singles	2
Major Housing Job Sites Started in July	2

Tables

1. Summary of Activity by Intended Market	3
2. Housing Starts by Zone and by Intended Market	4
3. Summary of Activity by Large Zone and by Intended Market	6
4. Housing Supply	7
5. Economic Overview	7

Definitions and Concepts	8
---------------------------------	---

Montréal Metropolitan Area Zones	8
---	---

(-23 per cent) were the sectors that were the hardest hit while, in the North Crown, the fall was limited (-8 per cent).

Finally, in the rental housing segment, even though starts went up by 49 per cent, only 358 units will soon be added to the Greater Montréal rental housing stock. The Island of Montréal, which already accounts for nearly 80 per cent of this stock, garnered three quarters of the newly started units.

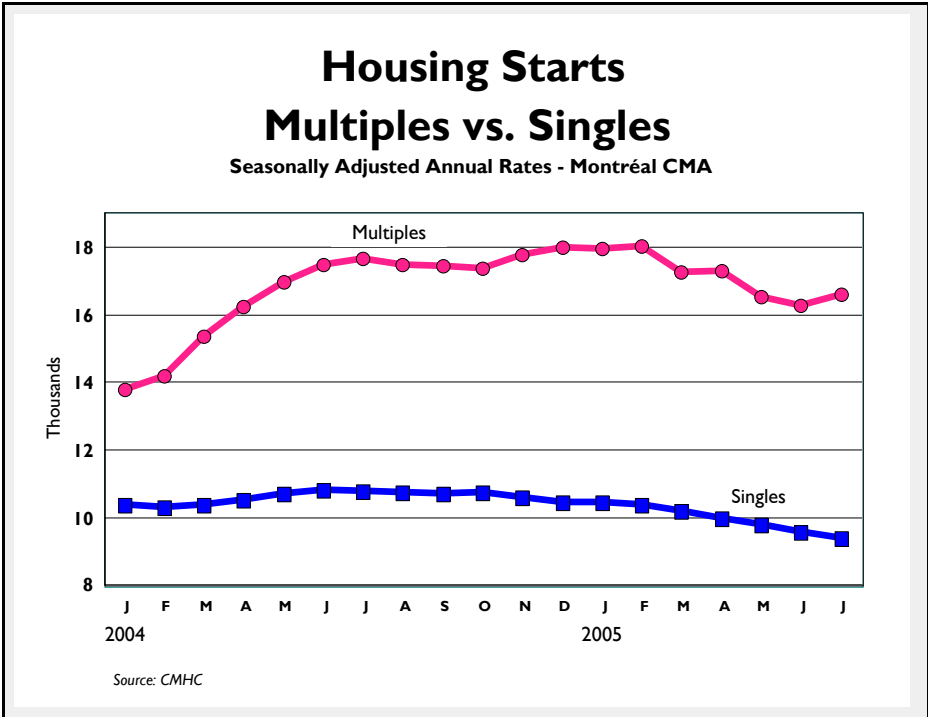
Total starts for the first seven months of the year are down by 15 per cent for the overall metropolitan area. All geographical sectors registered decreases, as did all housing types. As a result, while volumes remain high, a slowdown is now well under way. If the trend continues, 2005 will sustain a first decrease in activity on residential job sites in eight years.

Elsewhere across Quebec, Trois-Rivières was the only census metropolitan area (CMA) to have followed in the steps of Montréal and posted a gain in July, as housing starts more than doubled there (+109 per cent). Activity in the CMAs of Sherbrooke (-2 per cent), Québec (-9 per cent), Gatineau (-41 per cent) and Saguenay (-51 per cent) declined instead. ■

*For more information,
please contact
our client services at:*

1 866 855-5711

or by email:
cam_qc@cmhc.ca



Major Housing Job Sites Started in July

The following are the major multiple housing job sites started in July 2005 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>
260	Notre Dame	Montréal (Lachine)	Retirement Home
198	Saint-Jacques	Montréal (Centre)	Condominiums
198	Jean Destrees	Montréal (Centre)	Condominiums
126	Adoncour	Longueuil	Retirement Home
83	Adoncour	Longueuil	Condominiums
60	Des Sources	Montréal (DDO)	Condominiums
50	Mc Namala	Laval (Chomedey)	Condominiums
44	Décarie	Montréal (NDG)	Condominiums
36	St-Laurent	Sainte-Catherine	Retirement Home
27	Café	Boucherville	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				
July 2005	781	1,228	358	2,367
July 2004	1,005	821	240	2,066
Cumulative 2005	6,083	4,707	3,572	14,362
Cumulative 2004	7,699	5,522	3,769	16,990
Under Construction*				
July 2005	3,729	6,954	5,522	16,205
July 2004	4,961	7,572	5,083	17,616
Completions				
July 2005	1,795	2,003	1,447	5,245
July 2004	1,886	1,793	1,066	4,745
Cumulative 2005	6,717	5,388	3,858	15,963
Cumulative 2004	6,931	3,726	2,818	13,475
Unoccupied*				
July 2005	485	2,153	1,504	4,142
July 2004	597	1,096	523	2,216
Absorption				
July 2005	1,918	1,548	732	4,198
July 2004	1,992	1,461	1,000	4,453
Cumulative 2005	6,994	4,951	2,974	14,919
Cumulative 2004	6,941	3,460	2,778	13,179
Duration of Inventory (in months)				
July 2005	0.5	3.0	3.7	2.0
July 2004	0.6	2.2	1.5	1.2

* As at the end of the period shown

Source: CMHC

An event not to be missed:

«New Foundations: Montréal and its Suburbs»
the 2005 CMHC Montréal Housing Outlook Conference.

The biggest annual get-together of housing industry professionals will be held on

Tuesday November 15 at the Palais des Congrès de Montréal, starting at 7:30 a.m.

For more information, contact us at | 866 855-5711.

Register today!

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				
July 2005	24	78	0	102
July 2004	34	21	0	55
Cumulative 2005	110	168	281	559
Cumulative 2004	254	204	461	919
Zone 2: West-Centre				
July 2005	10	51	270	331
July 2004	16	163	148	327
Cumulative 2005	48	666	1,095	1,809
Cumulative 2004	70	1,289	937	2,296
Zone 3: East-Center				
July 2005	10	478	0	488
July 2004	20	145	54	219
Cumulative 2005	52	1,233	569	1,854
Cumulative 2004	39	1,358	1,063	2,460
Zone 4: East-End				
July 2005	6	0	0	6
July 2004	19	20	0	39
Cumulative 2005	92	69	235	396
Cumulative 2004	119	109	259	487
Zone 5: South-Laval				
July 2005	17	84	4	105
July 2004	17	49	0	66
Cumulative 2005	111	420	298	829
Cumulative 2004	260	374	0	634
Zone 6: North-Laval				
July 2005	90	25	0	115
July 2004	100	48	0	148
Cumulative 2005	658	259	246	1,163
Cumulative 2004	920	411	16	1,347
Zone 7: MRC Deux-Montagnes				
July 2005	102	31	9	142
July 2004	101	22	0	123
Cumulative 2005	841	145	175	1,161
Cumulative 2004	871	127	52	1,050
Zone 8: MRC Ste-Thérèse-de-Blainville				
July 2005	46	26	0	72
July 2004	68	65	0	133
Cumulative 2005	401	216	89	706
Cumulative 2004	566	153	86	805

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				
July 2005	77	0	0	77
July 2004	108	24	0	132
Cumulative 2005	881	221	125	1,227
Cumulative 2004	1,120	167	90	1,377
Zone 10: MRC L'Assomption				
July 2005	81	85	12	178
July 2004	74	63	14	151
Cumulative 2005	597	261	276	1,134
Cumulative 2004	555	159	226	940
Zone 11: South-Shore Centre				
July 2005	57	274	0	331
July 2004	77	62	6	145
Cumulative 2005	298	578	26	902
Cumulative 2004	444	462	276	1,182
Zone 12: East South-Shore				
July 2005	45	6	0	51
July 2004	80	41	3	124
Cumulative 2005	364	56	21	441
Cumulative 2004	488	199	81	768
Zone 13: South South-Shore				
July 2005	48	21	0	69
July 2004	67	34	6	107
Cumulative 2005	364	75	18	457
Cumulative 2004	364	74	81	519
Zone 14: West South-Shore				
July 2005	78	16	54	148
July 2004	92	36	9	137
Cumulative 2005	494	112	85	691
Cumulative 2004	672	191	42	905
Zone 15: Vaudreuil-Soulanges *				
July 2005	71	35	0	106
July 2004	117	12	0	129
Cumulative 2005	549	133	0	682
Cumulative 2004	690	105	0	795
Zone 16: St-Jérôme				
July 2005	19	18	9	46
July 2004	15	16	0	31
Cumulative 2005	223	95	33	351
Cumulative 2004	267	140	99	506

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	
	July 2005	July 2004	July 2005	July 2004	July 2005	July 2004
Housing Starts						
Island of Montréal (1 to 4)	50	89	607	349	270	202
Laval (zones 5 and 6)	107	117	109	97	4	0
North-Shore (zones 7 to 10 & 16)	325	366	160	190	30	14
South-Shore (zones 11 to 14)	228	316	317	173	54	24
Vaudreuil-Soul. *** (zone 15)	71	117	35	12	0	0
Under Construction*						
Island of Montréal	310	510	4,368	4,420	3,890	3,455
Laval	601	783	663	870	599	192
North-Shore	1,546	1,983	910	934	855	951
South-Shore	897	1,234	895	1,200	162	420
Vaudreuil-Soulanges ***	375	451	118	148	16	65
Completions						
Island of Montréal	161	121	1,049	1,096	1,192	240
Laval	241	269	241	109	15	0
North-Shore	691	730	245	129	110	192
South-Shore	512	567	391	424	111	631
Vaudreuil-Soulanges ***	190	199	77	35	19	3
Unoccupied*						
Island of Montréal	89	63	1,235	676	1,079	204
Laval	47	117	279	142	86	2
Rive- Nord	139	251	276	109	153	3
South-Shore	147	122	293	168	179	314
Vaudreuil-Soulanges ***	63	44	70	1	7	0
Absorption						
Island of Montréal	134	132	726	826	516	233
Laval	265	312	204	88	12	0
North-Shore	813	768	224	123	100	195
South-Shore	510	580	329	390	85	569
Vaudreuil-Soulanges ***	196	200	65	34	19	3
Duration of Inventory**						
Island of Montréal	1.2	0.8	3.4	2.8	5.3	1.1
Laval	0.3	0.9	3.1	2.7	6.7	0.1
North-Shore	0.3	0.6	2.4	1.5	1.5	0.1
South-Shore	0.6	0.5	2.0	1.3	2.5	3.0
Vaudreuil-Soulanges ***	0.7	0.5	4.0	0.2	0.7	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
	July 2005			Trend 2005
Freehold	3,729	485	4,214	991
Condominium	6,954	2,153	9,107	727
Rental	5,522	1,504	7,026	405
	July 2004			Trend 2004
Freehold	4,961	597	5,558	945
Condominium	7,572	1,096	8,668	502
Rental	5,083	523	5,606	353

Source: CMHC

Table 5													
Economic Overview													
Montréal Metropolitan Area													
	2005						2004						
	July	June	May	April	March	Feb.	July	June	May	April	March	Feb.	
Labour Market*													
Job Creation (Loss) - in thousands	16	-0.5	-0.1	15	28	16	41	52	56	40	21	14	
Unemployment Rate (%)	8.4	8.3	8.5	8.3	8.5	8.6	8.3	8.1	8.3	8.7	9.0	8.9	
Mortgage Rates (1)													
1-year	4.9	4.8	4.8	4.9	5.0	4.8	4.6	4.7	4.5	4.5	4.3	4.3	
5-year	5.8	5.7	6.0	6.0	6.2	6.0	6.5	6.7	6.5	6.2	5.7	5.8	
Annual Inflation Rate (%)	NA	2.1	1.7	2.3	2.4	1.8	2.1	2.5	2.3	1.5	0.7	0.7	
New House Price Index (% change)													
House	NA	5.1	5.1	5.6	6.6	6.4	7.4	7.4	7.5	7.1	6.1	4.3	
Land	NA	5.3	5.2	5.8	6.0	6.0	5.8	5.8	5.8	5.7	6.2	5.9	
Total	NA	5.1	5.1	5.7	6.4	6.3	7.1	7.1	7.2	6.9	6.1	4.7	
MLS Sales - Single-Family Houses	1,327	1,784	2,330	2,651	2,835	2,302	1,358	1,807	2,195	2,581	3,009	2,357	

* 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

Housing Now is published 12 times a year for the Montréal metropolitan area. Annual subscription for the Montréal *Housing Now* is \$100 plus applicable taxes. For more information, or to subscribe, contact our Customer Service Centre at 1 866 855-5711.

© 2005 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada Mortgage and Housing

Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this publication are based on

various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.