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Canada Mortgage and Housing Corporation

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RESIDENTIAL CONSTRUCTION DOWN SLIGHTLY IN GREATER MONTRÉAL

After 15 straight months of growth, residential construction sustained a downturn (-14 per cent) in March 2003, in relation to the same month last year, as exactly 1,395 new dwellings were started. In fact, the previous decrease in activity in the Montréal metropolitan area dates back to November 2001. These figures were drawn from the monthly starts survey conducted by Canada Mortgage and Housing Corporation (CMHC).

The new home market is taking a break after an exceptional growth period. Various factors will help maintain significant levels of activity, though, including the favourable economic environment and the tightening of the existing home market, which is reducing home buying opportunities.

For new single-family homes, March was much like January and February 2003, with only the Laval and North Shore sector having posted a gain. While the hike may have been minimal (1.5 per cent) in this sector in March, compared to the same period in 2002, the first quarter

ended with an increase of 8 per cent in home building activity. Again for the months of January to March, it should be noted that the decrease has reached nearly 30 per cent in the rest of the Greater Montréal area.

Apart from the comparisons with 2002, which are not always brilliant given that last year got off to a particularly dynamic start, March 2003 did not benefit from the arrival of any major housing projects. This was notably the case in January of this year, when construction got under way on a retirement home comprising over 500 units. This project certainly contributed to the increase of 44 per cent in rental housing starts during the first quarter. It should be noted that condominium construction also did well, with a gain of 9 per cent.

So far, the results for 2003 show that housing starts are up in most census metropolitan areas across Quebec. Increases were posted in Québec (90 per cent), Trois-Rivières (89 per cent), Sherbrooke (47 per cent) and, more modestly, Gatineau (1 per cent). The Saguenay area, for its part, sustained a decrease of 44 per cent.

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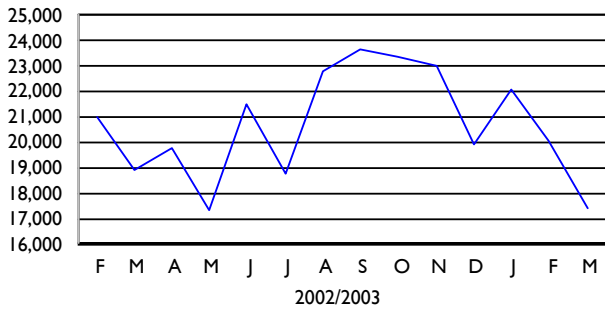


HOME TO CANADIANS
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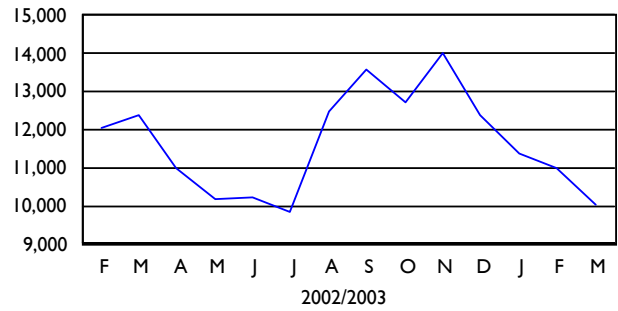
Housing Starts - February 2002 to March 2003

Seasonally Adjusted Data at Annual Rate

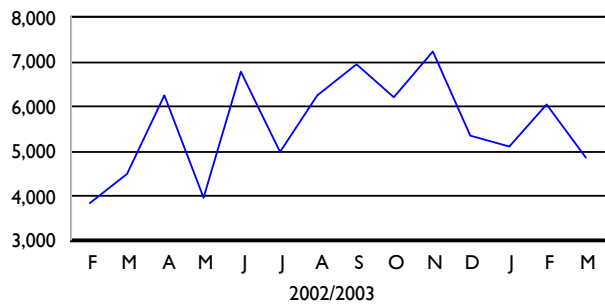
Total Residential



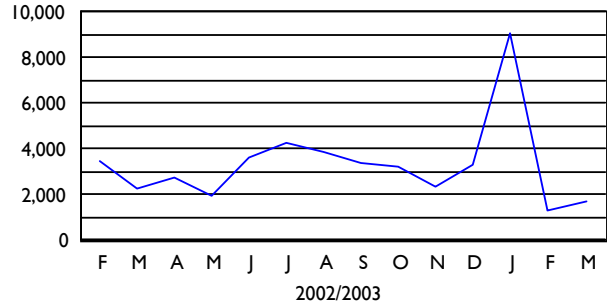
Total Single-Family



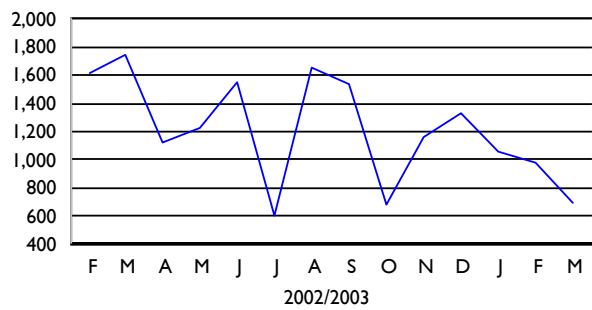
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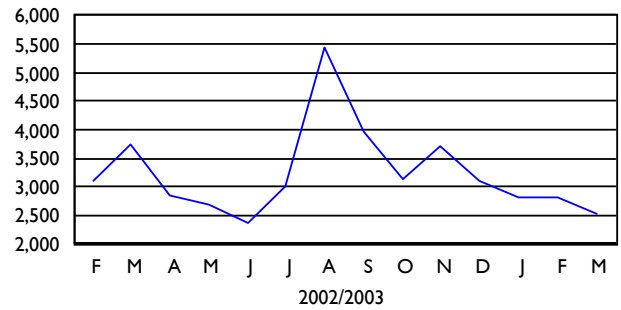
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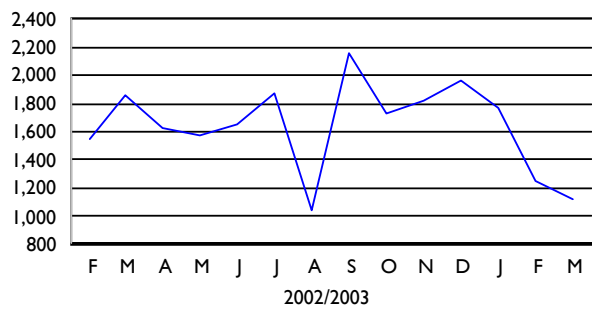
Single-Family - Montreal Island



Single-Family - South-Shore



Single-Family - Laval



Single-Family - North-Shore

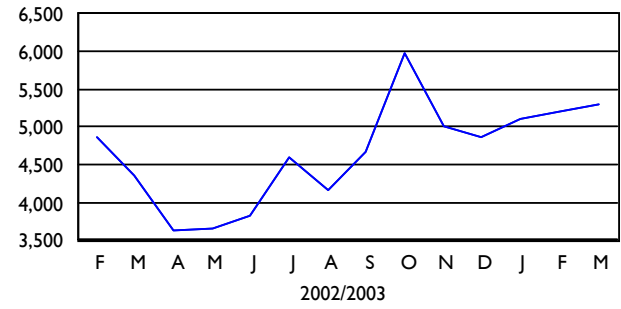


Table I
Summary of Activity by Intended Market
Montréal Metropolitan Area

Activity / Period	Freehold (Single-Family)	Condominium	Rental	Total
Housing Starts				
March 2003	1,013	335	47	1,395
March 2002	1,239	326	63	1,628
Cumulative 2003	2,188	1,154	786	4,128
Cumulative 2002	2,421	1,056	544	4,021
Under Construction*				
March 2003	4,312	4,159	2,661	11,132
March 2002	3,507	2,796	1,273	7,576
Completions				
March 2003	486	227	266	979
March 2002	366	272	32	670
Cumulative 2003	1,639	887	537	3,063
Cumulative 2002	1,242	527	307	2,076
Unoccupied*				
March 2003	601	561	181	1,343
March 2002	884	701	299	1,884
Absorption				
March 2003	452	163	183	798
March 2002	304	155	38	497
Cumulative 2003	1,594	844	683	3,121
Cumulative 2002	1,101	503	333	1,937
Duration of Inventory (in months)				
March 2003	0.7	1.5	0.9	0.9
March 2002	1.3	2.0	2.0	1.6

* 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				
March 2003	29	5	3	37
March 2002	49	10	0	59
Cumulative 2003	56	25	17	98
Cumulative 2002	142	10	199	351
Zone 2: West-Centre				
March 2003	7	26	0	33
March 2002	22	22	0	44
Cumulative 2003	29	287	3	319
Cumulative 2002	34	350	0	384
Zone 3: East-Center				
March 2003	8	53	0	61
March 2002	39	79	24	142
Cumulative 2003	29	285	551	865
Cumulative 2002	57	194	28	279
Zone 4: East-End				
March 2003	10	11	0	21
March 2002	28	17	6	51
Cumulative 2003	37	18	99	154
Cumulative 2002	55	38	6	99
Zone 5: South-Laval				
March 2003	37	26	0	63
March 2002	56	44	0	100
Cumulative 2003	83	67	0	150
Cumulative 2002	101	93	0	194
Zone 6: North-Laval				
March 2003	103	17	0	120
March 2002	176	70	0	246
Cumulative 2003	245	80	8	333
Cumulative 2002	298	84	0	382
Zone 7: MRC Deux-Montagnes				
March 2003	140	6	0	146
March 2002	129	11	12	152
Cumulative 2003	279	10	3	292
Cumulative 2002	259	29	23	311
Zone 8: MRC Ste-Thérèse-de-Blainville				
March 2003	105	14	24	143
March 2002	125	12	0	137
Cumulative 2003	182	22	24	228
Cumulative 2002	229	15	11	255

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				
March 2003	159	6	6	171
March 2002	116	3	0	119
Cumulative 2003	353	46	22	421
Cumulative 2002	243	18	0	261
Zone 10: MRC L'Assomption				
March 2003	94	10	0	104
March 2002	34	0	0	34
Cumulative 2003	151	34	12	197
Cumulative 2002	92	0	27	119
Zone 11: South-Shore Centre				
March 2003	52	37	8	97
March 2002	62	41	12	115
Cumulative 2003	129	116	14	259
Cumulative 2002	139	166	70	375
Zone 12: East South-Shore				
March 2003	57	52	6	115
March 2002	85	8	9	102
Cumulative 2003	122	70	6	198
Cumulative 2002	162	20	22	204
Zone 13: South South-Shore				
March 2003	39	18	0	57
March 2002	33	0	0	33
Cumulative 2003	81	24	6	111
Cumulative 2002	66	6	3	75
Zone 14: West South-Shore				
March 2003	60	0	0	60
March 2002	126	0	0	126
Cumulative 2003	147	7	9	163
Cumulative 2002	232	6	69	307
Zone 15: Vaudreuil-Soulanges *				
March 2003	70	0	0	70
March 2002	124	0	0	124
Cumulative 2003	180	6	12	198
Cumulative 2002	257	12	24	293
Zone 16: St-Jérôme				
March 2003	43	54	0	97
March 2002	35	9	0	44
Cumulative 2003	85	57	0	142
Cumulative 2002	55	15	62	132

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	
	March 2003	March 2002	March 2003	March 2002	March 2003	March 2002
Housing Starts						
Island of Montréal (1 to 4)	54	138	95	128	3	30
Laval (zones 5 and 6)	140	232	43	114	0	0
North-Shore (zones 7 to 10 & 16)	541	439	90	35	30	12
South-Shore (zones 11 to 14)	208	306	107	49	14	21
Vaudreuil-Soul. *** (zone 15)	70	124	0	0	0	0
Under Construction*						
Island of Montréal	503	570	2,482	1,691	1,607	547
Laval	695	591	453	433	72	3
North-Shore	1,828	1,177	525	221	315	351
South-Shore	902	819	681	433	661	345
Vaudreuil-Soulanges ***	384	350	18	18	6	27
Completions						
Island of Montréal	43	44	45	148	136	0
Laval	76	64	79	59	0	12
North-Shore	211	133	60	59	120	17
South-Shore	112	76	37	6	4	3
Vaudreuil-Soulanges ***	44	49	6	0	6	0
Unoccupied*						
Island of Montréal	76	127	273	493	67	276
Laval	107	176	73	82	0	11
Rive- Nord	239	341	76	47	90	9
South-Shore	132	164	137	77	19	3
Vaudreuil-Soulanges ***	47	76	2	2	5	0
Absorption						
Island of Montréal	47	31	48	54	111	11
Laval	72	48	41	51	3	9
North-Shore	196	118	36	38	58	18
South-Shore	99	69	32	12	5	0
Vaudreuil-Soulanges ***	38	38	6	0	6	0
Duration of Inventory**						
Island of Montréal	0.7	1.4	1.3	2.1	0.9	3.6
Laval	0.8	1.7	1.3	1.7	0.0	1.9
North-Shore	0.7	1.5	2.0	1.9	1.4	0.2
South-Shore	0.5	1.0	2.0	2.0	0.5	0.1
Vaudreuil-Soulanges ***	0.5	1.2	0.5	3.4	1.1	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					
Intended Market	Under Construction	Units Unoccupied	Short-Term Supply	Monthly Absorption	Dur. of Supply (in months)
	March 2003			Trend 2003	
Freehold	4,312	601	4,913	904	5.4
Condominium	4,159	561	4,720	371	12.7
Rental	2,661	181	2,842	193	14.7
	March 2002			Trend 2002	
Freehold	3,507	884	4,391	656	6.7
Condominium	2,796	701	3,497	343	10.2
Rental	1,273	299	1,572	150	10.5

Source: CMHC

Table 5												
Economic Overview												
Montréal Metropolitan Area												
	2003			2002			2002			2001		
	March	Feb.	Jan.	Dec.	Nov.	Oct.	March	Feb.	Jan.	Dec.	Nov.	Oct.
Labour Market*												
Job Creation (Loss) - in thousands	58	81	91	87	67	58	49	50	47	50	50	41
Unemployment Rate (%)	9.5	8.8	8.5	7.7	7.8	7.9	9.2	9.2	8.9	8.4	7.8	7.8
Mortgage Rates (1)												
1-year	5.3	4.9	4.9	4.9	4.9	5.3	5.3	4.5	4.5	4.6	4.6	4.9
5-year	6.8	6.6	6.5	6.7	6.7	7.0	7.3	6.8	7.0	6.8	6.8	6.9
Annual Inflation Rate (%)	4.1	4.0	3.7	3.2	3.5	3.2	1.5	1.6	1.3	1.4	1.2	1.5
New House Price Index (1992=100)												
House	NA	10.5	9.4	8.5	8.5	6.1	4.2	3.8	4.2	4.6	4.6	4.8
Land	NA	9.3	9.3	8.6	8.6	7.5	5.2	3.8	4.1	3.3	3.3	3.5
Total	NA	10.1	9.3	8.3	8.3	6.3	4.4	3.7	4.1	4.4	4.4	4.5
MLS Sales - Single-Family Houses	2,437	2,422	1,761	1,304	1,782	1,870	3,328	3,135	2,034	1,531	1,850	1,671

* 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, 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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