



HOUSING NOW *Montréal*

YOUR LINK TO THE HOUSING MARKET

www.cmhc.ca

Canada Mortgage and Housing Corporation

VOLUME 5, NUMBER 12, DECEMBER 2002

2002 : BEST PERFORMANCE IN TWELVE YEARS FOR RESIDENTIAL CONSTRUCTION IN GREATER MONTRÉAL

The Greater Montréal area has just posted, in 2002, its best year since 1990 for residential construction. In all, 20,554 dwellings were started last year, for an impressive gain of 55 per cent over 2001. These findings were drawn from the starts survey conducted in December by Canada Mortgage and Housing Corporation (CMHC).

After posting steady growth over the first eleven months of the year, 2002 ended on a good note, thanks to an increase of 4 per cent in housing starts in December. However, this was the lowest monthly growth rate in 13 months.

The results for 2002 revealed more intense activity in all geographical sectors, but the suburbs definitely stood out. Top honours undisputedly go to the South Shore, where the increase of 80 per cent was spectacular, to say the least, going hand in hand with a particularly flourishing job market in the Montérégie area. Construction activity was especially dynamic in the rental (+140 per cent) and condominium (+127 per cent) housing segments, but single-family homes (+57 per cent) remained by far the leading product in the southern suburbs. In fact, 3,172 of the 5,198 housing units started there were single-family homes.

In the northern suburbs, housing starts went up by 51 per cent in 2002. In this sector, as well, all market segments contributed to the growth. In particular, the number of rental housing starts doubled (+102 per cent) over 2001. Single-family homes and condominiums

were not outdone, though, as starts of these types of housing posted gains of 49 per cent and 32 per cent, respectively. It should be noted that, once again, the Laval and North Shore sector remained the most active geographical sector for residential construction. With their 8,451 starts, the northern suburbs garnered 41 per cent of the housing activity in 2002.

Finally, the Island of Montréal also posted a solid performance. In this sector, foundations were laid for 5,634 housing units last year, for an increase of 40 per cent over 2001. This time, multiple housing starts stood out. Rental housing construction was up by 71 per cent and condominium starts, by 42 per cent. And still, there were two and half times more condominium starts (3,103 units) than rental starts (1,258 units) on the territory of the new city of Montréal. Lastly, 1,273 units were added to Montréal's single-family housing stock, or 17 per cent more than in 2001.

It was thanks to an excellent performance on the job market, the lowest mortgage financing costs in about forty years and the scarcity of dwellings for sale and for rent that such marked vigour was observed in the residential construction sector in 2002. The good news for the construction industry is that these exceptional conditions should be maintained this year. In fact, CMHC is already anticipating that the results for 2003 will be even more brilliant, as it expects that housing starts will rise by about 10 per cent in the Montréal area this year.

IN THIS ISSUE

2002 : Best performance in twelve years for residential construction in Greater Montréal	1
Graphical Analysis	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

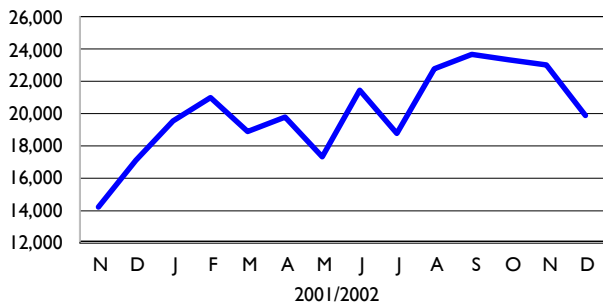


HOME TO CANADIANS
Canada 

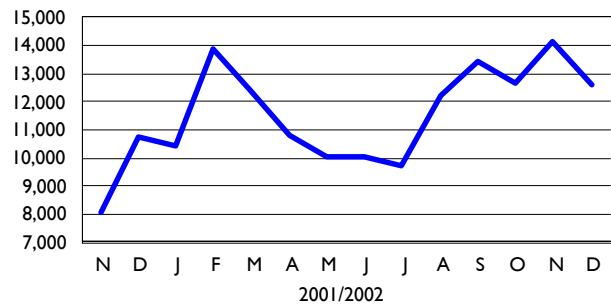
Housing Starts - November 2001 to December 2002

Seasonally Adjusted Data at Annual Rate

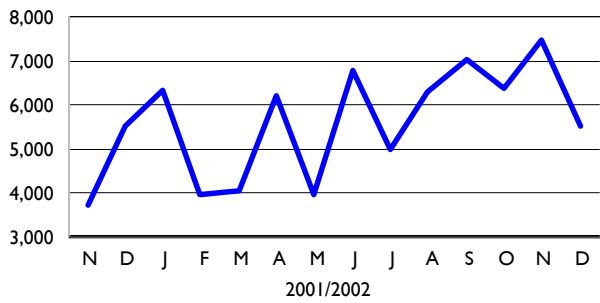
Total Residential



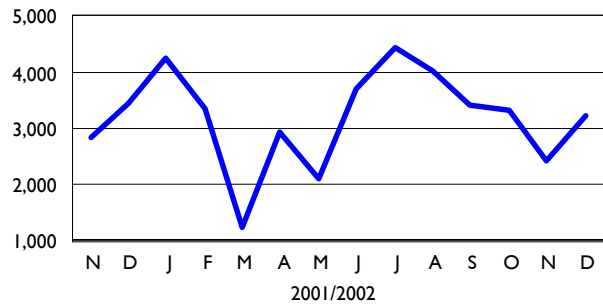
Total Single-Family



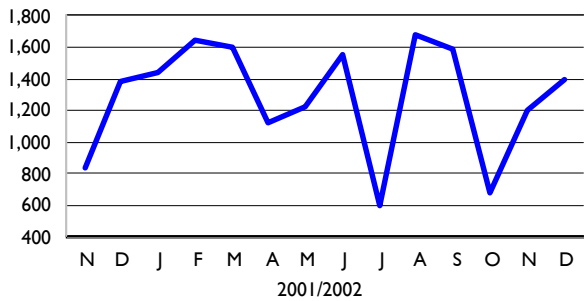
Total Condominium



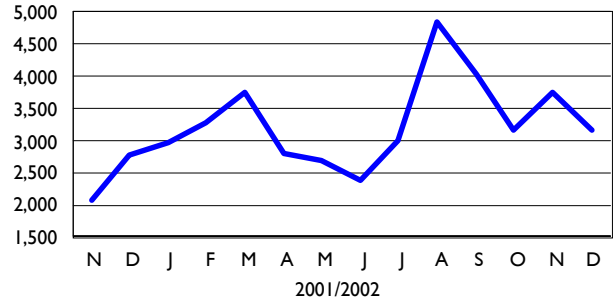
Total Rental



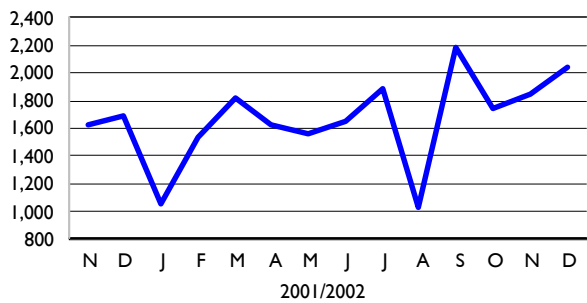
Single-Family - Montreal Island



Single-Family - South-Shore



Single-Family - Laval



Single-Family - North-Shore

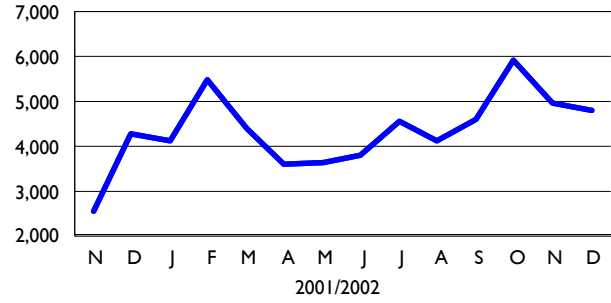


Table I
Summary of Activity by Intended Market
Montréal Metropolitan Area

<i>Activity / Period</i>	<i>Freehold (Single-Family)</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Housing Starts				
December 2002	816	503	307	1,626
December 2001	699	523	336	1,558
Cumulative 2002	11,600	5,687	3,267	20,554
Cumulative 2001	7,868	3,763	1,669	13,300
Under Construction*				
December 2002	3,762	3,969	2,335	10,066
December 2001	2,320	2,254	1,038	5,612
Completions				
December 2002	760	244	74	1,078
December 2001	497	260	458	1,215
Cumulative 2002	10,169	3,951	1,965	16,085
Cumulative 2001	7,667	3,991	1,968	13,626
Unoccupied*				
December 2002	556	518	327	1,401
December 2001	743	677	325	1,745
Absorption				
December 2002	708	218	85	1,011
December 2001	487	230	282	999
Cumulative 2002	10,356	4,110	1,963	16,429
Cumulative 2001	7,670	3,875	1,749	13,294
Duration of Inventory (in months)				
December 2002	0.6	1.5	2.0	1.0
December 2001	1.2	2.1	2.2	1.6

* As at the end of the period shown

Source: CMHC

*For more information about this publication,
please contact our:*

Customer Service Centre
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				
December 2002	29	84	136	249
December 2001	53	0	24	77
Cumulative 2002	717	177	370	1,264
Cumulative 2001	614	35	411	1,060
Zone 2: West-Centre				
December 2002	19	32	19	70
December 2001	3	130	4	137
Cumulative 2002	177	1,367	512	2,056
Cumulative 2001	176	715	23	914
Zone 3: East-Center				
December 2002	19	228	29	276
December 2001	17	97	19	133
Cumulative 2002	165	1,459	300	1,924
Cumulative 2001	141	1,369	299	1,809
Zone 4: East-End				
December 2002	17	6	45	68
December 2001	11	0	0	11
Cumulative 2002	214	100	76	390
Cumulative 2001	160	70	3	233
Zone 5: South-Laval				
December 2002	21	0	6	27
December 2001	53	117	0	170
Cumulative 2002	438	345	51	834
Cumulative 2001	359	417	50	826
Zone 6: North-Laval				
December 2002	111	16	8	135
December 2001	57	26	3	86
Cumulative 2002	1,224	355	105	1,684
Cumulative 2001	888	285	18	1,191
Zone 7: MRC Deux-Montagnes				
December 2002	101	21	6	128
December 2001	64	18	9	91
Cumulative 2002	1,276	182	149	1,607
Cumulative 2001	740	116	52	908
Zone 8: MRC Ste-Thérèse-de-Blainville				
December 2002	73	21	3	97
December 2001	74	48	0	122
Cumulative 2002	1,094	306	227	1,627
Cumulative 2001	895	121	146	1,162

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				
December 2002	58	15	0	73
December 2001	65	0	0	65
Cumulative 2002	1,127	113	56	1,296
Cumulative 2001	676	72	21	769
Zone 10: MRC L'Assomption				
December 2002	48	6	6	60
December 2001	45	0	212	257
Cumulative 2002	530	53	228	811
Cumulative 2001	286	13	221	520
Zone 11: South-Shore Centre				
December 2002	50	22	0	72
December 2001	70	60	65	195
Cumulative 2002	788	762	508	2,058
Cumulative 2001	628	396	91	1,115
Zone 12: East South-Shore				
December 2002	50	24	16	90
December 2001	41	15	0	56
Cumulative 2002	829	178	95	1,102
Cumulative 2001	531	56	12	599
Zone 13: South South-Shore				
December 2002	45	4	0	49
December 2001	28	0	0	28
Cumulative 2002	494	16	18	528
Cumulative 2001	235	18	55	308
Zone 14: West South-Shore				
December 2002	86	18	33	137
December 2001	63	0	0	63
Cumulative 2002	1,061	159	290	1,510
Cumulative 2001	620	21	221	862
Zone 15: Vaudreuil-Soulanges *				
December 2002	75	6	0	81
December 2001	42	0	0	42
Cumulative 2002	1,163	56	52	1,271
Cumulative 2001	738	12	36	786
Zone 16: St-Jérôme				
December 2002	14	0	0	14
December 2001	13	12	0	25
Cumulative 2002	303	59	230	592
Cumulative 2001	181	47	10	238

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	
	Dec. 2002	Dec. 2001	Dec. 2002	Dec. 2001	Dec. 2002	Dec. 2001
Housing Starts						
Island of Montréal (1 to 4)	84	84	350	227	229	47
Laval (zones 5 and 6)	132	110	16	143	14	3
North-Shore (zones 7 to 10 & 16)	294	261	63	78	15	221
South-Shore (zones 11 to 14)	231	202	68	75	49	65
Vaudreuil-Soul. *** (zone 15)	75	42	6	0	0	0
Under Construction*						
Island of Montréal	543	454	2,374	1,385	1,075	523
Laval	591	359	448	333	81	65
North-Shore	1,398	751	494	202	481	263
South-Shore	883	529	635	328	683	184
Vaudreuil-Soulanges ***	347	227	18	6	15	3
Completions						
Island of Montréal	62	97	135	168	0	458
Laval	88	62	42	69	22	0
North-Shore	308	160	27	12	31	0
South-Shore	223	134	40	11	17	0
Vaudreuil-Soulanges ***	79	44	0	0	4	0
Unoccupied*						
Island of Montréal	75	112	278	472	255	306
Laval	89	147	51	92	15	1
Rive- Nord	225	282	56	40	38	12
South-Shore	128	141	130	71	15	6
Vaudreuil-Soulanges ***	39	61	3	2	4	0
Absorption						
Island of Montréal	59	92	135	149	28	269
Laval	86	68	28	51	13	0
North-Shore	277	159	22	13	28	11
South-Shore	206	127	33	17	16	2
Vaudreuil-Soulanges ***	80	41	0	0	0	0
Duration of Inventory**						
Island of Montréal	0.7	1.2	1.5	2.1	4.0	5.4
Laval	0.7	1.4	1.0	2.0	1.5	0.5
North-Shore	0.7	1.3	1.6	1.8	0.7	0.2
South-Shore	0.5	0.9	2.1	2.1	0.5	0.2
Vaudreuil-Soulanges ***	0.4	1.0	0.8	2.7	1.3	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>
	December 2002			Trend 2002	
Freehold	3,762	556	4,318	863	5.0
Condominium	3,969	518	4,487	343	13.1
Rental	2,335	327	2,662	164	16.3
	December 2001			Trend 2001	
Freehold	2,320	743	3,063	639	4.8
Condominium	2,254	677	2,931	323	9.1
Rental	1,038	325	1,363	146	9.4

Source: CMHC

Table 5
Economic Overview
Montréal Metropolitan Area

	2002						2001					
	<i>Dec.</i>	<i>Nov.</i>	<i>Oct.</i>	<i>Sept.</i>	<i>Aug.</i>	<i>July</i>	<i>Dec.</i>	<i>Nov.</i>	<i>Oct.</i>	<i>Sept.</i>	<i>Aug.</i>	<i>July</i>
Labour Market*												
Job Creation (Loss) - in thousands	87	67	58	56	60	55	50	50	-2	21	14	14
Unemployment Rate (%)	7.7	7.8	7.9	8.5	8.4	8.3	8.4	7.8	7.8	7.7	8.0	7.9
Mortgage Rates (1)												
1-year	4.9	4.9	5.3	5.3	5.3	5.3	4.6	4.6	7.9	5.5	6.2	6.5
5-year	6.7	6.7	7.0	6.7	6.8	7.0	6.8	6.8	8.2	7.2	7.6	7.8
Annual Inflation Rate (%)	3.2	3.5	3.2	2.3	2.2	2.3	1.4	1.2	2.3	2.1	2.6	2.2
New House Price Index (1992=100)												
House	NA	8.5	6.1	5.8	5.8	5.1	4.6	4.6	4.8	4.9	5.1	6.4
Land	NA	8.6	7.5	8.1	7.8	6.7	3.3	3.3	2.1	3.0	3.1	3.8
Total	NA	8.3	6.3	6.2	6.0	5.4	4.4	4.4	4.3	4.5	4.8	5.8
MLS Sales - Single-Family Houses	1,304	1,782	1,870	1,370	1,189	1,158	1,531	1,850	1,671	1,307	1,258	1,105

* 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

Housing Now is published 12 times a year for the Montréal Metropolitan Area. Annual subscription for the Montréal Housing Now is \$100.00 plus applicable taxes. For more information, or to subscribe, contact our Customer Service Centre at 1-866-855-5711.

© 2002 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.