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HOUSING NOW *Montréal*

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Canada Mortgage and Housing Corporation

www.cmhc.ca

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WHITE HOT SPRING FOR RESIDENTIAL CONSTRUCTION

According to the latest starts survey conducted by Canada Mortgage and Housing Corporation (CMHC), residential construction in Greater Montréal has just recorded another remarkable performance in April. In fact, CMHC enumerated no fewer than 3,713 new housing units this past month, or 50 per cent more than during the same period last year. This result follows an exceptional month of March and brings the total growth since the beginning of 2004 to 39 per cent.

A virtual wave of new residential job sites swept over the Island of Montréal this past month (+214 per cent). Condominiums are sprouting like mushrooms there. In fact, construction got under way on 871 such new units, for an impressive gain of 170 per cent over last year. In addition, 442 rental dwellings will soon be added to the Montréal

housing stock, or 430 more than in April 2003. Activity also went up in the single-family home segment, with 90 new constructions, for an increase of 27 per cent.

The north crown also posted a springtime improvement, with a gain of 16 per cent. The condominium segment recorded the greatest hike (+38 per cent), although it represents only 198 units. As usual, this sector was the most prolific in the entire metropolitan area for single-family home building, as 902 such dwellings were started (+19 per cent), or more than double the number registered on the South Shore.

Vaudreuil-Soulanges took its place in the sun in April, as well. Housing starts rose by 65 per cent in this sector where single-family homes obviously covered almost all the ground (164 of the 186 new units).

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In the south crown, activity did not burgeon, but remained firmly rooted (-2 per cent). The increase in rental housing construction (+52 per cent) could not offset the decreases observed in the condominium (-48 per cent) and single-family home (-4 per cent) segments. It was the poor performance recorded in the new City of Longueuil (-16 per cent) that was to blame, as condominium developers toned down their enthusiasm. Conversely, there were no clouds on the horizon in the rest of the southern suburbs (+8 per cent for the South Shore, excluding Longueuil).

The spectacular results posted in the first few months have brought us to revise our forecasts upwards for the year 2004. We now expect 26,000 starts, including 9,500 condominium units, an absolute record for this type of housing. The latest CMHC forecasts for the Montréal area were released last week in our **Housing Market Outlook** report. In addition to housing starts projections, this publication also includes other forecast data for 2004 and 2005 concerning the number of resales and the average price of existing properties, as well as the rental housing vacancy rate. ■

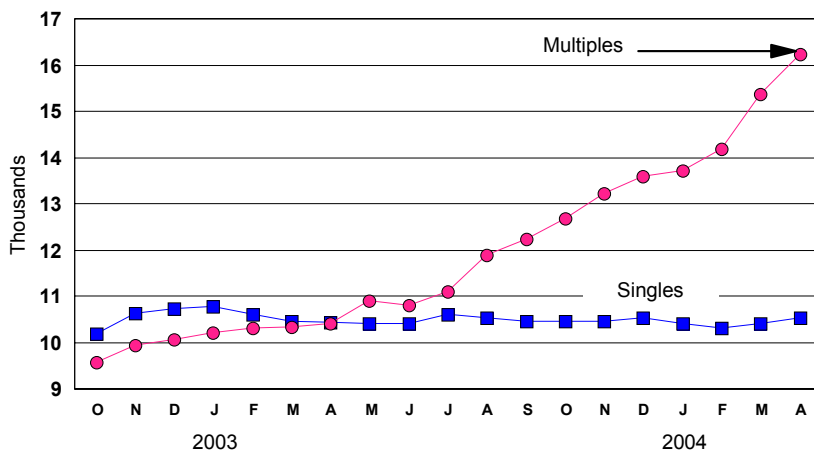
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Housing Starts Multiples vs. Singles

Seasonally Adjusted Annual Rates - Montréal CMA



Source: CMHC

More and More Luxury Homes

When looking around Greater Montréal, it is quite easy to see a growing number of upscale homes in some new suburban neighbourhoods. This is what can be observed across various new developments in Saint-Laurent, Blainville, Laval, Brossard, Dollard-des-Ormeaux, Terrebonne, Boucherville, Candiac, Saint-Lazare and Rosemère. In fact, upper-range homes are in greater demand. The table below, which shows the number of sales of new homes priced at over \$350,000 in the Montréal area, well illustrates this.

Absorption (Sales) of New Homes Priced at Over \$350,000

2000:	215
2001:	300
2002:	529
2003:	848

This partly explains the fact that the average selling price for new homes in the Montréal area went up from \$169,233 in 2000 to just under \$220,000 in 2003, for an increase of 30 per cent in three years.

It goes without saying that buyers of new upper-range homes are more often move-up buyers (second- or third-time home buyer) than first-time buyers. According to a CMHC study conducted in 2002, buyers of new homes had higher incomes, with half of them earning more than \$75,000. They would appear to attach a great deal of importance to the quality and functionality of spaces. Lastly, the study revealed that, for these buyers, the home becomes a real indication of social status.

Table I
Summary of Activity by Intended Market
Montréal Metropolitan Area

Activity / Period	Freehold (Single-Family)	Condominium	Rental	Total
Housing Starts				
April 2004	1,873	1,200	640	3,713
April 2003	1,599	674	210	2,483
Cumulative 2004	4,216	3,170	1,819	9,205
Cumulative 2003	3,787	1,828	996	6,611
Under Construction*				
April 2004	5,781	7,706	4,622	18,109
April 2003	4,738	4,614	2,645	11,997
Completions				
April 2004	749	343	311	1,403
April 2003	604	232	217	1,053
Cumulative 2004	2,627	1,283	1,279	5,189
Cumulative 2003	2,243	1,119	754	4,116
Unoccupied*				
April 2004	722	909	582	2,213
April 2003	637	559	220	1,416
Absorption				
April 2004	685	262	269	1,216
April 2003	568	234	178	980
Cumulative 2004	2,512	1,204	1,180	4,896
Cumulative 2003	2,162	1,078	861	4,101
Duration of Inventory (in months)				
April 2004	0.8	1.9	2.1	1.3
April 2003	0.7	1.5	1.1	1.0

* As at the end of the period shown

Source: CMHC

Interested in uncovering the trends for the various housing market sectors in the Montreal area? For forecasts and in-depth analyses of the new, resale and rental housing markets, a wealth of information can be found in:

HOUSING MARKET OUTLOOK

- Sales forecasts
- Average prices of new and existing homes
- Vacancy rates
- Housing starts
- Mortgage rates
- Economic factors

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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				
April 2004	75	67	32	174
April 2003	62	6	0	68
Cumulative 2004	118	167	205	490
Cumulative 2003	118	31	17	166
Zone 2: West-Centre				
April 2004	13	142	185	340
April 2003	13	142	0	155
Cumulative 2004	37	810	428	1,275
Cumulative 2003	42	429	3	474
Zone 3: East-Center				
April 2004	10	653	26	689
April 2003	8	153	0	161
Cumulative 2004	17	1,009	412	1,438
Cumulative 2003	37	438	551	1,026
Zone 4: East-End				
April 2004	41	9	198	248
April 2003	44	22	12	78
Cumulative 2004	80	69	259	408
Cumulative 2003	81	40	111	232
Zone 5: South-Laval				
April 2004	49	68	0	117
April 2003	48	36	3	87
Cumulative 2004	164	154	0	318
Cumulative 2003	131	103	3	237
Zone 6: North-Laval				
April 2004	217	43	2	262
April 2003	161	13	0	174
Cumulative 2004	509	178	4	691
Cumulative 2003	406	93	8	507
Zone 7: MRC Deux-Montagnes				
April 2004	193	12	34	239
April 2003	149	9	141	299
Cumulative 2004	437	75	43	555
Cumulative 2003	428	19	144	591
Zone 8: MRC Ste-Thérèse-de-Blainville				
April 2004	142	0	12	154
April 2003	120	24	6	150
Cumulative 2004	318	36	24	378
Cumulative 2003	302	46	30	378

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				
April 2004	267	12	23	302
April 2003	211	30	0	241
Cumulative 2004	667	81	44	792
Cumulative 2003	564	76	22	662
Zone 10: MRC L'Assomption				
April 2004	105	21	3	129
April 2003	88	18	0	106
Cumulative 2004	316	33	6	355
Cumulative 2003	239	52	12	303
Zone 11: South-Shore Centre				
April 2004	112	47	96	255
April 2003	122	156	18	296
Cumulative 2004	235	181	170	586
Cumulative 2003	251	272	32	555
Zone 12: East South-Shore				
April 2004	129	30	16	175
April 2003	99	32	6	137
Cumulative 2004	269	85	78	432
Cumulative 2003	221	102	12	335
Zone 13: South South-Shore				
April 2004	100	0	6	106
April 2003	81	0	15	96
Cumulative 2004	323	32	20	375
Cumulative 2003	162	24	21	207
Zone 14: West South-Shore				
April 2004	177	32	3	212
April 2003	205	20	9	234
Cumulative 2004	303	103	27	433
Cumulative 2003	352	27	18	397
Zone 15: Vaudreuil-Soulanges *				
April 2004	164	22	0	186
April 2003	113	0	0	113
Cumulative 2004	402	67	0	469
Cumulative 2003	293	6	12	311
Zone 16: St-Jérôme				
April 2004	79	42	4	125
April 2003	75	13	0	88
Cumulative 2004	173	90	99	362
Cumulative 2003	160	70	0	230

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	
	April 2004	April 2003	April 2004	April 2003	April 2004	April 2003
Housing Starts						
Island of Montréal (1 to 4)	139	127	871	323	441	12
Laval (zones 5 and 6)	266	209	111	49	2	3
North-Shore (zones 7 to 10 & 16)	786	643	87	94	76	147
South-Shore (zones 11 to 14)	518	507	109	208	121	48
Vaudreuil-Soul. *** (zone 15)	164	113	22	0	0	0
Under Construction*						
Island of Montréal	541	565	5,031	2,712	2,697	1,573
Laval	938	814	565	453	188	67
North-Shore	2,399	2,223	805	587	778	374
South-Shore	1,342	1,270	1,160	850	885	625
Vaudreuil-Soulanges ***	561	431	145	12	74	6
Completions						
Island of Montréal	40	61	128	94	71	40
Laval	105	90	85	49	8	8
North-Shore	312	248	69	32	33	88
South-Shore	207	139	53	51	199	81
Vaudreuil-Soulanges ***	85	66	8	6	0	0
Unoccupied*						
Island of Montréal	84	77	389	262	264	83
Laval	131	126	181	82	8	0
Rive- Nord	312	255	152	67	35	102
South-Shore	145	131	183	143	275	31
Vaudreuil-Soulanges ***	50	48	4	5	0	4
Absorption						
Island of Montréal	47	60	91	105	152	24
Laval	82	71	38	40	14	8
North-Shore	248	232	47	41	39	76
South-Shore	225	140	80	45	62	69
Vaudreuil-Soulanges ***	83	65	6	3	2	1
Duration of Inventory**						
Island of Montréal	1.0	0.8	1.8	1.4	1.9	1.1
Laval	1.0	1.0	3.0	1.5	0.5	0.0
North-Shore	0.8	0.8	2.0	1.6	0.7	1.4
South-Shore	0.5	0.5	1.6	2.0	4.1	0.8
Vaudreuil-Soulanges ***	0.5	0.5	0.9	1.3	0.0	0.8

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

<i>Intended Market</i>	<i>Under Construction</i>	<i>Units Unoccupied</i>	<i>Short-Term Supply</i>	<i>Monthly Absorption</i>
	April 2004			Trend 2004
Freehold	5,781	722	6,503	963
Condominium	7,706	909	8,615	472
Rental	4,622	582	5,204	279
	April 2003			Trend 2003
Freehold	4,738	637	5,375	911
Condominium	4,614	559	5,173	364
Rental	2,645	220	2,865	200

Source: CMHC

Table 5
Economic Overview
Montréal Metropolitan Area

	2004				2003		2003				2002	
	<i>April</i>	<i>March</i>	<i>Feb.</i>	<i>Jan.</i>	<i>Dec.</i>	<i>Nov.</i>	<i>April</i>	<i>March</i>	<i>Feb.</i>	<i>Jan.</i>	<i>Dec.</i>	<i>Nov.</i>
Labour Market*												
Job Creation (Loss) - in thousands	35	18	16,3	30	36	39	37	58	81,3	91	87	67
Unemployment Rate (%)	8.6	9.0	8,9	8,9	8.6	8.7	9.7	9.5	8,8	8.5	7.7	7.8
Mortgage Rates (I)												
1-year	4.5	4.3	4,3	4.3	4.8	4.8	5.3	5.3	4,9	4.9	4.9	4.9
5-year	6.2	5.7	5,8	6.0	6.5	6.5	6.7	6.8	6,6	6.5	6.7	6.7
Annual Inflation Rate (%)	1.5	0.7	0,7	1.4	1.4	1.4	2.7	4.1	4,0	3.7	3.2	3.5
New House Price Index (1992=100)												
House	NA	6.1	4.3	5.2	6.0	5.8	7,25	8.6	10,6	9.4	8.6	8.6
Land	NA	6.2	5.9	5.7	6.8	6.4	5,98	7.4	9,3	9.3	8.6	8.6
Total	NA	6.1	4.7	5.3	6.3	6.0	6,71	8.2	10,1	9.3	8.3	8.3
MLS Sales - Single-Family Houses	NA	3,009	2,357	1,547	1,374	1,772	2,238	2,437	2,422	1,761	1,304	1,782

* 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	Municipalities, Boroughs or Sectors
1	Baie d'Urfé, Beaconsfield, Dollard-des-Ormeaux, Dorval, Kirkland, Pierrefonds, Pointe-Claire, Roxboro, Senneville, Ste-Anne-de-Bellevue, Ste-Genève, 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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