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# HOUSING NOW

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### Montréal

Canada Mortgage and Housing Corporation

[www.cmhc.ca](http://www.cmhc.ca)

### HOUSING STARTS UP SLIGHTLY IN FEBRUARY

Residential construction is currently going through a transition period in the Montréal metropolitan area. Since the middle of 2004, housing starts have been drifting along from small increases to small decreases. The month of February was no exception. After two consecutive monthly decreases, the 1,511 housing starts enumerated by Canada Mortgage and Housing Corporation (CMHC) represent an increase of 3 per cent over February 2004.

In these first months of 2005, despite a general downward trend that seems to be appearing on the horizon, certain geographical sub-sectors and certain housing types remain in growth mode. The weak gain noted in February resulted exclusively from the strong increase in rental housing starts (+48 per cent), which exceeded the decreases observed for freehold homes (-9 per cent) and condominiums (-13 per

cent). Given the tight conditions on the rental housing market in Montréal, investors and developers remain interested in building rental projects. The construction of rental dwellings for seniors (151 units) still represents a very active segment, just like the traditional rental housing sector (341 units).

The market sub-segments are moving in different directions, and this becomes more obvious when comparing the geographical zones making up the Montréal metropolitan area. In the South Crown, the downward trend has been getting clearer since the middle of 2004. In February, the decline continued, as 139 units were started, for a decrease of 54 per cent. It should also be noted that, in Vaudreuil-Soulanges, foundations were laid for 71 new dwellings in February, representing a second consecutive drop (-16 per cent).

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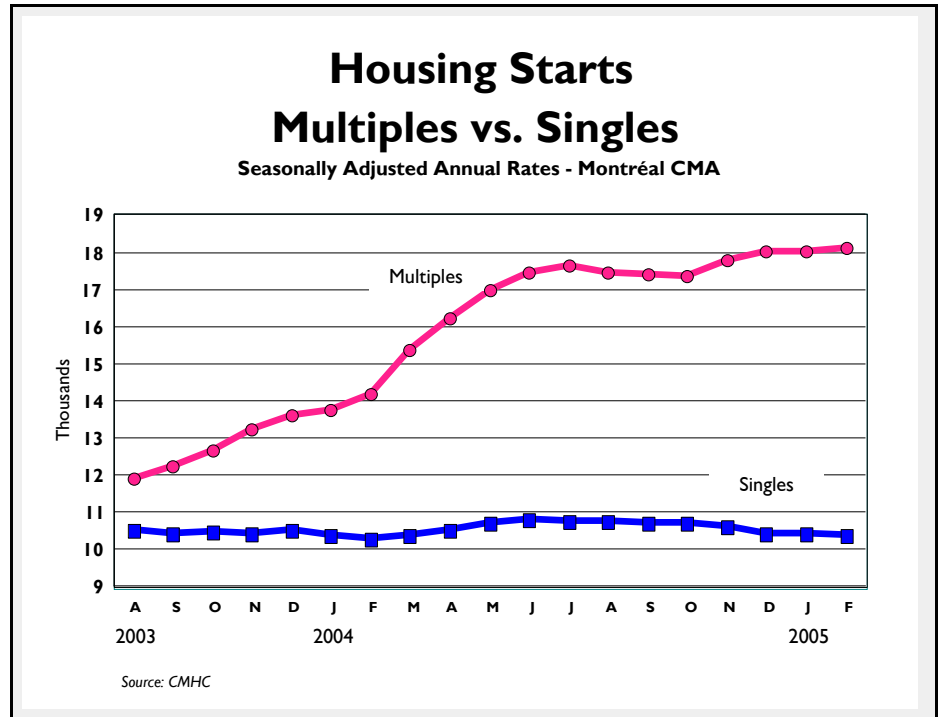
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In the North Crown, the market does not seem to be slowing down. Buoyed up by the construction of rental dwellings and condominiums, the results for February (683 units) showed an increase and thereby surpassed the decrease of 14 per cent observed for freehold homes. This gain came mainly from the North Shore sector, as Laval and Saint-Jérôme posted results that were very similar to the levels recorded in February 2004.

On the Island of Montréal, activity is still on the rise after a totally exceptional year in 2004. Foundations were laid for 618 new units in February, or 33 per cent more than during the same month last year. In addition to a few additional freehold homes, rental housing construction accounted for the performance observed this past month. In fact, the 404 rental housing units that were started offset the decrease in activity (-12 per cent) noted in the condominium segment, which allowed the Island of Montréal market to post a gain.

At the provincial level, in all urban centres with 10,000 or more inhabitants, housing starts fell by 8 per cent to 2,404 units in February. Among the six census metropolitan areas (CMAs), only Québec (+42 per cent) and Montréal (+3 per cent) posted gains in February. In the other CMAs, housing starts were down. The strongest decrease was observed in Gatineau (-72 per cent), followed by Trois-Rivières (-68 per cent), Sherbrooke (-55 per cent) and Saguenay (-38 per cent). ■



### Major Housing Job Sites Started in February

The following are the major multiple housing job sites started in February 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>
110	Thorhill	Montréal (DDO)	Retirement Home
83	Ouellette	Montréal (Lachine)	Rental (public)
43	St-Louis	Montréal (St-Laurent)	Condominiums
41	Sanche	Boisbriand	Retirement Home
35	Joliette	Montréal (Centre)	Cooperative
24	Hillsdale	Montréal (CDN)	Condominiums
91	Cavendish	Montréal (NDG)	Cooperative
24	Cavendish	Montréal (NDG)	Cooperative
46	Cavendish	Montréal (NDG)	Cooperative

**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>
<b>Housing Starts</b>				
February 2005	599	420	492	1,511
February 2004	656	482	332	1,470
Cumulative 2005	992	929	854	2,775
Cumulative 2004	1,139	1,143	518	2,800
<b>Under Construction*</b>				
February 2005	3,923	7,815	5,998	17,736
February 2004	4,041	6,341	4,187	14,569
<b>Completions</b>				
February 2005	587	300	646	1,533
February 2004	503	380	149	1,032
Cumulative 2005	1,430	675	744	2,849
Cumulative 2004	1,286	687	350	2,323
<b>Unoccupied*</b>				
February 2005	472	1,551	778	2,801
February 2004	614	815	403	1,832
<b>Absorption</b>				
February 2005	637	357	473	1,467
February 2004	465	332	107	904
Cumulative 2005	1,720	840	586	3,146
Cumulative 2004	1,279	702	430	2,411
<b>Duration of Inventory (in months)</b>				
February 2005	0.5	2.5	1.9	1.4
February 2004	0.6	1.8	1.6	1.1

\* As at the end of the period shown

Source: CMHC

## *THE RETIREMENT HOME MARKET STUDY*

CMHC's Quebec Market Analysis Center publishes annual surveys of all private retirement homes  
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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>
<b>Zone 1: West Island</b>				
February 2005	20	0	110	130
February 2004	12	42	6	60
Cumulative 2005	24	62	130	216
Cumulative 2004	28	100	14	142
<b>Zone 2: West-Centre</b>				
February 2005	2	90	259	351
February 2004	8	16	204	228
Cumulative 2005	4	103	352	459
Cumulative 2004	19	265	243	527
<b>Zone 3: East-Center</b>				
February 2005	4	71	35	110
February 2004	2	135	19	156
Cumulative 2005	9	176	142	327
Cumulative 2004	6	203	35	244
<b>Zone 4: East-End</b>				
February 2005	6	21	0	27
February 2004	8	14	0	22
Cumulative 2005	12	21	0	33
Cumulative 2004	25	44	3	72
<b>Zone 5: South-Laval</b>				
February 2005	9	54	0	63
February 2004	45	7	0	52
Cumulative 2005	14	174	0	188
Cumulative 2004	72	56	0	128
<b>Zone 6: North-Laval</b>				
February 2005	59	36	3	98
February 2004	69	42	0	111
Cumulative 2005	113	45	3	161
Cumulative 2004	139	73	2	214
<b>Zone 7: MRC Deux-Montagnes</b>				
February 2005	91	15	15	121
February 2004	86	45	0	131
Cumulative 2005	170	47	37	254
Cumulative 2004	134	45	6	185
<b>Zone 8: MRC Ste-Thérèse-de-Blainville</b>				
February 2005	62	55	56	173
February 2004	46	0	12	58
Cumulative 2005	84	116	56	256
Cumulative 2004	80	28	12	120

**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>
<b>Zone 9: MRC des Moulins</b>				
February 2005	91	22	6	119
February 2004	134	22	6	162
Cumulative 2005	133	70	21	224
Cumulative 2004	195	38	6	239
<b>Zone 10: MRC L'Assomption</b>				
February 2005	62	3	0	65
February 2004	48	12	0	60
Cumulative 2005	93	3	89	185
Cumulative 2004	58	18	0	76
<b>Zone 11: South-Shore Centre</b>				
February 2005	11	22	8	41
February 2004	19	88	32	139
Cumulative 2005	37	42	14	93
Cumulative 2004	79	110	32	221
<b>Zone 12: East South-Shore</b>				
February 2005	32	0	0	32
February 2004	24	31	50	105
Cumulative 2005	59	3	0	62
Cumulative 2004	56	37	56	149
<b>Zone 13: South South-Shore</b>				
February 2005	19	12	0	31
February 2004	20	6	0	26
Cumulative 2005	34	30	0	64
Cumulative 2004	47	6	8	61
<b>Zone 14: West South-Shore</b>				
February 2005	35	0	0	35
February 2004	18	12	3	33
Cumulative 2005	56	18	6	80
Cumulative 2004	47	42	6	95
<b>Zone 15: Vaudreuil-Soulanges *</b>				
February 2005	68	3	0	71
February 2004	78	7	0	85
Cumulative 2005	114	3	0	117
Cumulative 2004	104	40	0	144
<b>Zone 16: St-Jérôme</b>				
February 2005	28	16	0	44
February 2004	39	3	0	42
Cumulative 2005	36	16	4	56
Cumulative 2004	50	38	95	183

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	
	Feb. 2005	Feb. 2004	Feb. 2005	Feb. 2004	Feb. 2005	Feb. 2004
<b>Housing Starts</b>						
Island of Montréal (1 to 4)	32	30	182	207	404	229
Laval (zones 5 and 6)	68	114	90	49	3	0
North-Shore (zones 7 to 10 & 16)	334	353	111	82	77	18
South-Shore (zones 11 to 14)	97	81	34	137	8	85
Vaudreuil-Soul. *** (zone 15)	68	78	3	7	0	0
<b>Under Construction*</b>						
Island of Montréal	431	447	4,767	3,838	4,610	2,314
Laval	658	653	842	471	11	198
North-Shore	1,541	1,619	975	829	981	695
South-Shore	847	913	976	1,077	393	906
Vaudreuil-Soulanges ***	446	409	255	126	3	74
<b>Completions</b>						
Island of Montréal	38	38	113	139	270	64
Laval	75	92	19	109	0	30
North-Shore	306	212	106	75	361	47
South-Shore	104	106	62	57	15	8
Vaudreuil-Soulanges ***	64	55	0	0	0	0
<b>Unoccupied*</b>						
Island of Montréal	63	86	915	334	350	185
Laval	52	93	164	141	111	17
Rive- Nord	176	261	192	145	146	45
South-Shore	125	125	258	191	170	154
Vaudreuil-Soulanges ***	56	49	22	4	1	2
<b>Absorption</b>						
Island of Montréal	45	36	129	137	176	43
Laval	96	88	57	62	34	21
North-Shore	318	171	102	70	237	34
South-Shore	123	123	65	62	25	9
Vaudreuil-Soulanges ***	55	47	4	1	1	0
<b>Duration of Inventory**</b>						
Island of Montréal	0.9	1.0	3.0	1.5	1.8	1.7
Laval	0.4	0.7	2.3	2.3	9.0	1.1
North-Shore	0.4	0.7	2.1	2.0	1.8	0.8
South-Shore	0.5	0.5	1.9	1.8	1.6	2.4
Vaudreuil-Soulanges ***	0.6	0.6	2.5	0.9	0.2	0.5

Source: CMHC

\* As at the end of the period shown

\*\* Trend (in months)

\*\*\* Including only municipalities in the delimitations of Montreal metropolitan area

<b>Table 4</b>				
<b>Housing Supply</b>				
<b>Montréal Metropolitan Area</b>				
<i>Intended Market</i>	<i>Under Construction</i>	<i>Units Unoccupied</i>	<i>Short-Term Supply</i>	<i>Monthly Absorption</i>
	<b>February 2005</b>			<b>Trend 2005</b>
Freehold	3,923	472	4,395	1,024
Condominium	7,815	1,551	9,366	614
Rental	5,998	778	6,776	402
	<b>February 2004</b>			<b>Trend 2004</b>
Freehold	4,041	614	4,655	945
Condominium	6,341	815	7,156	463
Rental	4,187	403	4,590	246

Source: CMHC

<b>Table 5</b>												
<b>Economic Overview</b>												
<b>Montréal Metropolitan Area</b>												
	<b>2005</b>		<b>2004</b>				<b>2004</b>		<b>2003</b>			
	<i>Feb.</i>	<i>Jan.</i>	<i>Dec.</i>	<i>Nov.</i>	<i>Oct.</i>	<i>Sept.</i>	<i>Feb.</i>	<i>Jan.</i>	<i>Dec.</i>	<i>Nov.</i>	<i>Oct.</i>	<i>Sept.</i>
<b>Labour Market*</b>												
Job Creation (Loss) - in thousands	16	4	-12	-2	27	41	14	23	36	39	18	11
Unemployment Rate (%)	8.6	8.9	8,8	8,7	8,5	8,5	8,9	8,9	8,6	8,7	9,6	10,1
<b>Mortgage Rates (1)</b>												
1-year	4.8	4.8	4,8	5,0	4,9	4,8	4,3	4,3	4,8	4,8	4,5	4,5
5-year	6.0	6.0	6,0	6,3	6,4	6,3	5,8	6,0	6,5	6,5	6,4	6,3
<b>Annual Inflation Rate (%)</b>	1.8	1.9	2.4	2,6	2,9	2,4	0,7	1,4	1,4	1,4	1,3	1,6
<b>New House Price Index (% change)</b>												
House	NA	6.7	6.6	6,8	6,9	7,2	4,3	5,2	6,0	5,8	7,7	7,5
Land	NA	6.1	6.0	6,4	5,3	3,7	5,9	5,7	6,8	6,4	7,5	7,1
Total	NA	6.6	6.4	6,6	6,5	6,5	4,7	5,3	6,3	6,0	7,7	7,4
<b>MLS Sales - Single-Family Houses</b>	2,302	1,422	1,310	1,887	1,657	1,566	2,357	1,547	1,374	1,772	2,075	1,766

\* Three-month average

Sources: Statistics Canada, Conference Board of Canada, GMREB

## Definitions and Concepts

<b>Intended Markets</b>	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.
<b>Housing Starts</b>	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.
<b>Under Construction</b>	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.
<b>Completions</b>	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.
<b>Unoccupied</b>	Refer to new completed units that have remained unoccupied.
<b>Absorptions</b>	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.
<b>Duration of Inventory</b>	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.
<b>Short-Term Supply</b>	Refer to the total supply of new units and includes units under construction and units that are completed but not occupied.
<b>Duration of Supply</b>	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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