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RESIDENTIAL CONSTRUCTION LESS VIGOROUS IN NOVEMBER

VOLUME 8, NUMBER 11
NOVEMBER 2005

Residential construction declined once again in November, in the Montréal census metropolitan area (CMA). In fact, according to our latest surveys, housing starts fell by 21 per cent in November, in relation to the same month last year. Construction got under way on a total of 2,403 units, compared to 3,055 during the same period last year.

The decrease affected all market segments, mainly rental housing construction (-31 per cent) and condominium activity (-22 per cent), and, to a lesser extent, freehold home building (-14 per cent). Despite the slowdown in condominium construction, more than 1,000 starts were enumerated in this segment during the past month, for only the fourth time in many years. It should be recalled that November 2004 had been a record month for condominium construc-

tion. Within the freehold housing segment, single-detached home building (-13 per cent) declined for a thirteenth consecutive month. Lastly, rental housing starts registered a more marked decrease. This segment had been the most vigorous since the beginning of the year, especially on account of retirement home construction.

In November, it was in the South Crown (-31 per cent) that the market sustained the most pronounced slowdown, mainly as a result of the significant decline in condominium construction (-58 per cent). On the Island of Montréal (-22 per cent), the downward trend observed since the beginning of the year continued, particularly because rental housing construction declined (-51 per cent). In the North Crown, the decrease attained 17 per cent and affected all segments. However, an increase was registered in Saint-

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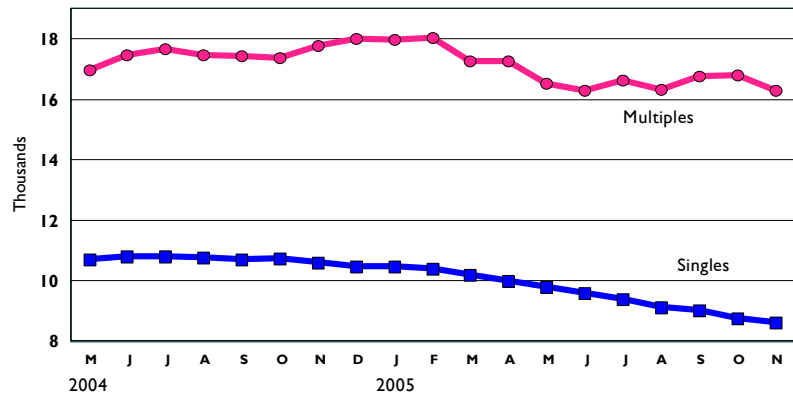
Jérôme, with the construction of a retirement home comprising 146 units. Finally, in the Vaudreuil-Soulanges sector, activity went down by 12 per cent.

The results for November brought the overall decline in starts to 13 per cent for the year. With the exception of rental housing construction, which posted a small increase (+3 per cent), all segments registered decreases, but freehold home building activity sustained the greatest drop. The rise in listings on the resale market is providing buyers with more choice, and they can more easily find an existing home that suits them. Also, even if the Montréal economy is still doing well, total employment has been growing less rapidly since the end of 2004, which is resulting in a lower housing demand.

Across the province, housing starts in centres with 10,000 or more inhabitants attained 3,987 units, compared to 4,770 in the same period last year, for a decrease of 16 per cent. As for the other CMAs, Québec (-39 per cent) and Sherbrooke (-10 per cent) also sustained decreases, while Gatineau (+113 per cent), Saguenay (+81 per cent) and Trois-Rivières (+103 per cent) posted gains. ■

Housing Starts Multiples vs. Singles

Seasonally Adjusted Annual Rates - Montréal CMA



Source: CMHC

Major Housing Job Sites Started in November

The following are the major multiple housing job sites started in November 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</u>
158	Saint-Jacques	Montréal (Centre)	Condominiums
152	La Gauchetière	Montréal (Centre)	Rental
146	Pins	Saint-Jérôme	Retirement Home
107	27e	Saint-Léonard	Condominiums
106	Pointe Sud	Ile-des-Soeurs	Condominiums
89	Montagne	Montréal (Centre)	Condominiums
50	Mc Namara	Laval (Chomedey)	Condominiums
36	Clairevue	Saint-Bruno	Condominiums
32	Cavendish	Saint-Laurent	Condominiums
32	Monk	Mtl (Centre-Ouest)	Retirement Home
24	Principale	Châteauguay	Cooperative
24	Darlington	Côte-des-Neiges	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>
Housing Starts				
November 2005	847	1,079	477	2,403
November 2004	990	1,376	689	3,055
Cumulative 2005	9,145	7,935	6,205	23,285
Cumulative 2004	11,433	9,179	6,024	26,636
Under Construction*				
November 2005	3,570	7,679	5,925	17,174
November 2004	4,592	7,804	5,847	18,243
Completions				
November 2005	809	884	465	2,158
November 2004	933	684	390	2,007
Cumulative 2005	9,936	8,032	5,959	23,927
Cumulative 2004	11,033	7,132	4,327	22,492
Unoccupied*				
November 2005	556	1,914	1,434	3,904
November 2004	780	1,661	624	3,065
Absorption				
November 2005	772	717	664	2,153
November 2004	922	557	321	1,800
Cumulative 2005	10,142	7,834	5,145	23,121
Cumulative 2004	10,860	6,301	4,186	21,347
Duration of Inventory (in months)				
November 2005	0.6	2.6	3.1	1.8
November 2004	0.8	3.0	1.7	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				
November 2005	27	12	0	39
November 2004	42	21	76	139
Cumulative 2005	215	237	312	764
Cumulative 2004	392	439	573	1,404
Zone 2: West-Centre				
November 2005	29	182	68	279
November 2004	17	237	179	433
Cumulative 2005	105	1,185	1,342	2,632
Cumulative 2004	155	1,989	1,467	3,611
Zone 3: East-Center				
November 2005	4	416	152	572
November 2004	12	351	193	556
Cumulative 2005	71	2,319	1,443	3,833
Cumulative 2004	84	2,305	1,726	4,115
Zone 4: East-End				
November 2005	10	4	0	14
November 2004	20	12	0	32
Cumulative 2005	158	140	243	541
Cumulative 2004	186	137	487	810
Zone 5: South-Laval				
November 2005	11	60	0	71
November 2004	21	124	0	145
Cumulative 2005	167	546	307	1,020
Cumulative 2004	366	598	0	964
Zone 6: North-Laval				
November 2005	78	61	0	139
November 2004	105	4	0	109
Cumulative 2005	932	478	246	1,656
Cumulative 2004	1,318	554	24	1,896
Zone 7: MRC Deux-Montagnes				
November 2005	98	10	9	117
November 2004	92	46	12	150
Cumulative 2005	1,232	287	208	1,727
Cumulative 2004	1,325	269	130	1,724
Zone 8: MRC Ste-Thérèse-de-Blainville				
November 2005	52	19	0	71
November 2004	66	58	0	124
Cumulative 2005	592	397	223	1,212
Cumulative 2004	835	281	125	1,241

Source: CMHC

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				
November 2005	109	13	9	131
November 2004	131	75	58	264
Cumulative 2005	1,333	358	238	1,929
Cumulative 2004	1,643	284	158	2,085
Zone 10: MRC L'Assomption				
November 2005	79	126	12	217
November 2004	74	48	133	255
Cumulative 2005	882	424	342	1,648
Cumulative 2004	781	271	577	1,629
Zone 11: South-Shore Centre				
November 2005	62	56	21	139
November 2004	47	147	6	200
Cumulative 2005	494	803	833	2,130
Cumulative 2004	625	831	367	1,823
Zone 12: East South-Shore				
November 2005	36	42	0	78
November 2004	41	50	8	99
Cumulative 2005	492	116	33	641
Cumulative 2004	673	342	98	1,113
Zone 13: South South-Shore				
November 2005	40	0	0	40
November 2004	70	24	0	94
Cumulative 2005	506	107	21	634
Cumulative 2004	556	142	81	779
Zone 14: West South-Shore				
November 2005	76	33	46	155
November 2004	92	91	21	204
Cumulative 2005	754	191	158	1,103
Cumulative 2004	964	323	103	1,390
Zone 15: Vaudreuil-Soulanges *				
November 2005	121	22	8	151
November 2004	116	55	0	171
Cumulative 2005	916	201	24	1,141
Cumulative 2004	1,097	203	6	1,306
Zone 16: St-Jérôme				
November 2005	15	23	152	190
November 2004	44	33	3	80
Cumulative 2005	296	146	232	674
Cumulative 2004	433	211	102	746

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	
	Nov. 2005	Nov. 2004	Nov. 2005	Nov. 2004	Nov. 2005	Nov. 2004
Housing Starts						
Island of Montréal (1 to 4)	70	91	614	621	220	448
Laval (zones 5 and 6)	89	126	121	128	0	0
North-Shore (zones 7 to 10 & 16)	353	407	191	260	182	206
South-Shore (zones 11 to 14)	214	250	131	312	67	35
Vaudreuil-Soul. *** (zone 15)	121	116	22	55	8	0
Under Construction*						
Island of Montréal	376	495	4,697	4,596	3,701	4,249
Laval	493	752	812	760	524	16
North-Shore	1,480	1,878	1,111	1,008	727	1,211
South-Shore	819	984	909	1,223	949	368
Vaudreuil-Soulanges ***	402	483	150	217	24	3
Completions						
Island of Montréal	48	95	685	219	381	118
Laval	125	125	35	127	20	180
North-Shore	365	335	98	131	52	52
South-Shore	199	270	66	189	12	40
Vaudreuil-Soulanges ***	72	108	0	18	0	0
Unoccupied*						
Island of Montréal	79	79	1,126	955	943	223
Laval	62	149	210	254	86	166
Rive- Nord	184	356	289	188	231	22
South-Shore	144	144	236	252	166	211
Vaudreuil-Soulanges ***	87	52	53	12	8	2
Absorption						
Island of Montréal	42	87	455	201	486	184
Laval	112	108	42	84	14	31
North-Shore	344	368	121	114	124	53
South-Shore	208	254	92	149	38	53
Vaudreuil-Soulanges ***	66	105	7	9	2	0
Duration of Inventory**						
Island of Montréal	1.3	1.1	3.1	3.4	3.5	1.2
Laval	0.5	1.1	2.5	4.3	5.3	14.3
North-Shore	0.4	0.9	2.3	2.4	1.9	0.4
South-Shore	0.7	0.6	1.8	2.0	3.0	2.1
Vaudreuil-Soulanges ***	1.0	0.5	2.6	1.6	1.5	0.3

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
	November 2005			Trend 2005
Freehold	3,570	556	4,126	927
Condominium	7,679	1,914	9,593	731
Rental	5,925	1,434	7,359	469
	November 2004			Trend 2004
Freehold	4,592	780	5,372	970
Condominium	7,804	1,661	9,465	551
Rental	5,847	624	6,471	361

Source: CMHC

Table 5
Economic Overview
Montréal Metropolitan Area

	2004						2005					
	June	July	Aug.	Sept.	Oct.	Nov.	June	July	Aug.	Sept.	Oct.	Nov.
Labour Market*												
Job Creation (Loss) - in thousands	52	41	31	24	16	-2	-1	16	34	28	23	15
Unemployment Rate (%)	8.1	8.3	8.6	8.6	8.4	8.7	8.3	8.4	8.5	8.7	8.8	8.8
Mortgage Rates (1)												
1-year	4.7	4.6	4.4	4.8	4.9	5.0	4.8	4.9	5.0	5.0	5.3	5.6
5-year	6.7	6.6	6.3	6.3	6.4	6.3	5.7	5.8	5.8	5.8	6.0	6.2
Annual Inflation Rate (%)	2.5	2.1	2.0	2.4	2.9	2.6	2.1	2.2	2.7	3.4	2.1	n/a
New House Price Index (% change)												
House	7.4	7.4	7.2	7.2	6.9	6.8	5.1	5.1	4.4	4.2	4.0	n/a
Land	5.8	5.8	3.8	3.7	5.3	6.4	5.3	5.3	4.9	5.1	4.0	n/a
Total	7.1	7.1	6.5	6.5	6.5	6.6	5.1	5.1	4.5	4.4	4.1	n/a
MLS Sales - Single-Family Houses	1807	1358	1360	1566	1657	1887	1784	1327	1545	1644	1725	1708

* 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, LeMoyne, 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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