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Canada Mortgage and Housing Corporation

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NO RESPITE FOR RESIDENTIAL CONSTRUCTION IN GREATER MONTRÉAL

Decidedly, there is no respite for residential construction in Greater Montréal. For a fifth straight month, housing starts increased at an equally high rate as in recent months. In May, 1,850 new starts were enumerated in the Montréal metropolitan area, for a gain of 43 per cent over May 2001.

Like in the last few months, homeowner housing continued to stand out from the other dwelling types. Single-detached home starts increased by 52 per cent over last year and semi-detached home building practically doubled. Also, on the condominium market, activity rose by 23 per cent. As for rental apartments, the results were less favourable. Fewer than 100 such units were started, for a decrease of 17 per cent from May 2001. Since the beginning of the year, however, rental housing construction is up by 50 per cent over last year.

The major sectors in the area are posting strong growth in construction, but certain significant distinctions can be noted. Since the beginning of the year, single-family home starts account for

close to 65 per cent of the construction activity in the Montréal area, and they are concentrated almost exclusively in the suburbs.

The tighter resale market and persistently affordable mortgage rates are stimulating the construction of homeowner housing. The suburbs garner nearly 90 per cent of all single-family home starts, particularly because land prices are more affordable there. Condominium construction, for its part, is still mainly taking place in the city of Montréal, while rental housing starts are divided among the Island of Montréal and its northern and southern suburbs.

Elsewhere in Quebec, construction also did very well. In May, the Québec and Trois-Rivières areas stood out with some very significant gains in housing starts of 162 per cent and 306 per cent, respectively. In Chicoutimi-Jonquière (+39 per cent) and Sherbrooke (+75 per cent), the increases in starts were more modest. Lastly, in the Gatineau area, housing starts declined by 35 per cent, compared to last year.

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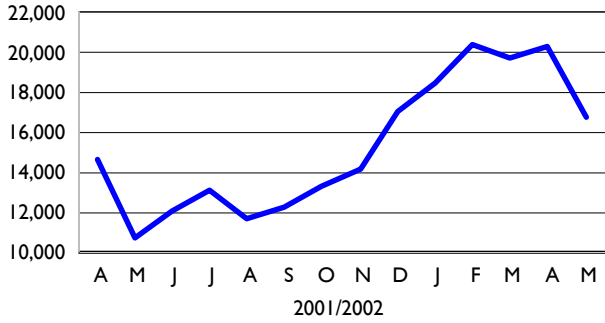


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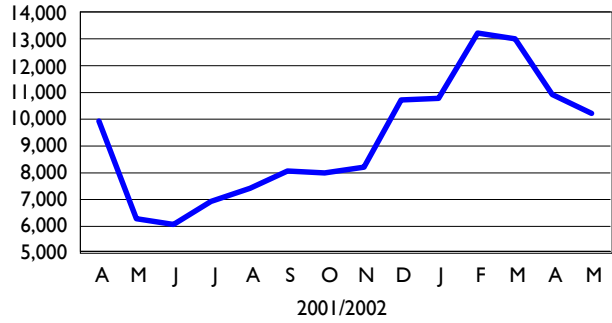
Housing Starts - April 2001 to May 2002

Seasonally Adjusted Data at Annual Rate

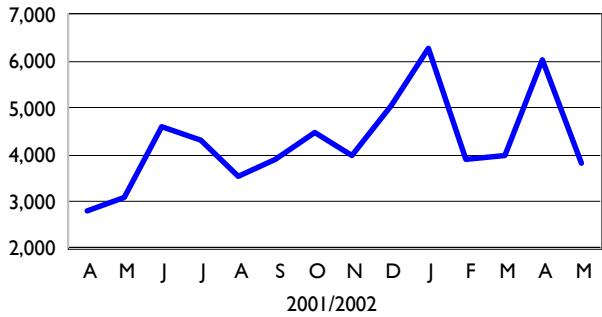
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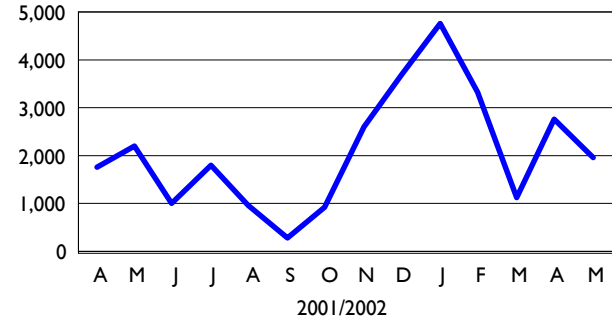
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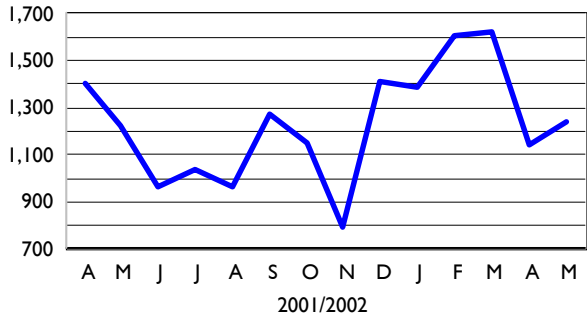
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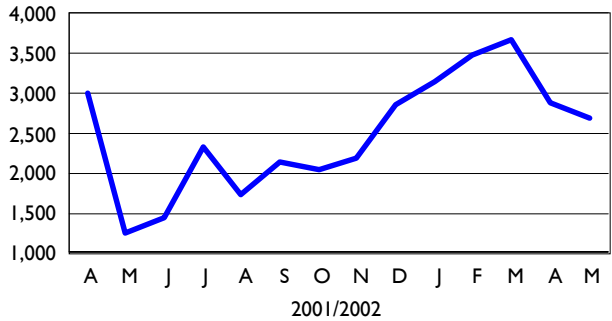
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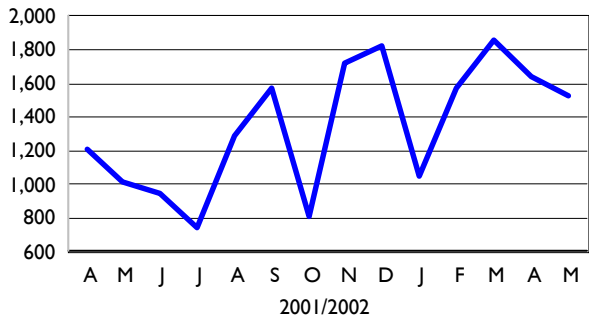
Single-Family - Montreal Island



Single-Family - South-Shore



Single-Family - Laval



Single-Family - North-Shore

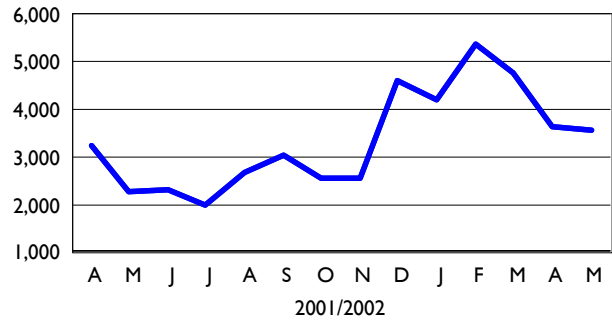


Table I
Summary of Activity by Intended Market
Montréal Metropolitan Area

<i>Activity / Period</i>	<i>Freehold (Single-Family)</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Housing Starts				
May 2002	1,353	420	77	1,850
May 2001	858	341	93	1,292
Cumulative 2002	5,381	2,187	842	8,410
Cumulative 2001	3,796	1,403	562	5,761
Under Construction*				
May 2002	5,218	3,578	1,389	10,185
May 2001	3,844	3,135	1,424	8,403
Completions				
May 2002	753	155	67	975
May 2001	624	296	37	957
Cumulative 2002	2,491	869	489	3,849
Cumulative 2001	2,074	754	355	3,183
Unoccupied*				
May 2002	918	558	311	1,787
May 2001	853	721	94	1,668
Absorption				
May 2002	729	171	83	983
May 2001	617	234	53	904
Cumulative 2002	2,316	988	503	3,807
Cumulative 2001	1,967	594	367	2,928
Duration of Inventory (in months)				
May 2002	1.4	1.6	2.0	1.5
May 2001	1.3	3.1	0.7	1.7

* 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				
May 2002	68	0	3	71
May 2001	54	25	0	79
Cumulative 2002	312	10	234	556
Cumulative 2001	252	29	100	381
Zone 2: West-Centre				
May 2002	24	78	0	102
May 2001	24	84	0	108
Cumulative 2002	63	606	0	669
Cumulative 2001	96	142	0	238
Zone 3: East-Center				
May 2002	14	210	2	226
May 2001	16	71	93	180
Cumulative 2002	77	721	30	828
Cumulative 2001	53	566	100	719
Zone 4: East-End				
May 2002	21	14	0	35
May 2001	33	12	0	45
Cumulative 2002	112	55	6	173
Cumulative 2001	74	45	0	119
Zone 5: South-Laval				
May 2002	61	24	0	85
May 2001	29	28	0	57
Cumulative 2002	225	135	6	366
Cumulative 2001	176	145	0	321
Zone 6: North-Laval				
May 2002	133	8	12	153
May 2001	105	45	0	150
Cumulative 2002	601	123	18	742
Cumulative 2001	477	129	3	609
Zone 7: MRC Deux-Montagnes				
May 2002	143	6	9	158
May 2001	90	5	0	95
Cumulative 2002	547	35	38	620
Cumulative 2001	361	21	19	401
Zone 8: MRC Ste-Thérèse-de-Blainville				
May 2002	104	6	0	110
May 2001	86	12	0	98
Cumulative 2002	463	55	143	661
Cumulative 2001	423	28	137	588

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				
May 2002	132	0	0	132
May 2001	95	12	0	107
Cumulative 2002	552	25	0	577
Cumulative 2001	337	24	16	377
Zone 10: MRC L'Assomption				
May 2002	75	6	0	81
May 2001	26	0	0	26
Cumulative 2002	269	6	27	302
Cumulative 2001	159	0	6	165
Zone 11: South-Shore Centre				
May 2002	110	48	32	190
May 2001	66	33	0	99
Cumulative 2002	346	316	102	764
Cumulative 2001	306	191	6	503
Zone 12: East South-Shore				
May 2002	92	0	6	98
May 2001	61	0	0	61
Cumulative 2002	390	38	44	472
Cumulative 2001	260	29	12	301
Zone 13: South South-Shore				
May 2002	67	0	0	67
May 2001	14	6	0	20
Cumulative 2002	205	6	3	214
Cumulative 2001	93	12	0	105
Zone 14: West South-Shore				
May 2002	144	20	6	170
May 2001	58	4	0	62
Cumulative 2002	527	29	79	635
Cumulative 2001	289	15	146	450
Zone 15: Vaudreuil-Soulanges *				
May 2002	141	0	0	141
May 2001	82	0	0	82
Cumulative 2002	560	12	33	605
Cumulative 2001	346	6	12	364
Zone 16: St-Jérôme				
May 2002	24	0	7	31
May 2001	19	4	0	23
Cumulative 2002	132	15	79	226
Cumulative 2001	94	21	5	120

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	
	May 2002	May 2001	May 2002	May 2001	May 2002	May 2001
Housing Starts						
Island of Montréal (1 to 4)	127	127	302	192	5	93
Laval (zones 5 and 6)	194	134	32	73	12	0
North-Shore (zones 7 to 10 & 16)	478	316	18	33	16	0
South-Shore (zones 11 to 14)	413	199	68	43	44	0
Vaudreuil-Soul. *** (zone 15)	141	82	0	0	0	0
Under Construction*						
Island of Montréal	699	662	2,315	2,294	550	849
Laval	826	576	463	305	24	6
North-Shore	1,754	1,230	212	111	458	363
South-Shore	1,428	996	576	419	321	194
Vaudreuil-Soulanges ***	511	380	12	6	36	12
Completions						
Island of Montréal	55	55	26	197	8	0
Laval	133	175	36	49	3	0
North-Shore	335	278	57	37	30	28
South-Shore	151	89	36	13	26	9
Vaudreuil-Soulanges ***	79	27	0	0	0	0
Unoccupied*						
Island of Montréal	99	94	336	497	254	23
Laval	218	198	88	107	0	2
Rive- Nord	370	348	57	46	23	35
South-Shore	155	148	75	68	34	34
Vaudreuil-Soulanges ***	76	65	2	3	0	0
Absorption						
Island of Montréal	72	60	91	119	19	0
Laval	100	165	10	63	3	3
North-Shore	320	257	39	34	23	33
South-Shore	158	98	31	18	38	17
Vaudreuil-Soulanges ***	79	37	0	0	0	0
Duration of Inventory**						
Island of Montréal	1.0	1.1	1.4	3.3	3.2	0.4
Laval	2.3	1.7	1.9	3.7	0.0	0.8
North-Shore	1.6	1.6	2.2	3.4	0.6	0.9
South-Shore	0.9	0.9	1.9	1.7	1.3	0.8
Vaudreuil-Soulanges ***	1.1	1.2	1.8	4.5	0.0	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)
	May 2002			Trend 2002	
Freehold	5,218	918	6,136	668	9.2
Condominium	3,578	558	4,136	356	11.6
Rental	1,389	311	1,700	157	10.8
	May 2001			Trend 2001	
Freehold	3,844	853	4,697	636	7.4
Condominium	3,135	721	3,856	231	16.7
Rental	1,424	94	1,518	144	10.6

Source: CMHC

Table 5
Economic Overview
Montréal Metropolitan Area

	2002					2001	2001					2000
	May	April	March	Feb.	Jan.	Dec.	May	April	March	Feb.	Jan.	Dec.
Labour Market*												
Job Creation (Loss) - in thousands	49	49	50	47	50	50	-5	-21	-42	-49	-47	-21
Unemployment Rate (%)	9.1	9.2	9.2	8.9	8.4	7.8	8.2	8.5	8.1	7.9	7.4	7.5
Mortgage Rates (1)												
1-year	5.4	5.3	4.5	4.5	4.6	4.6	6.8	6.7	7.2	7.4	7.7	7.9
5-year	7.5	7.3	6.8	7.0	6.8	6.8	7.5	7.2	7.8	7.8	8.0	8.2
Annual Inflation Rate (%)	NA	1.5	1.6	1.3	1.4	1.2	3.7	2.5	2.7	2.9	2.8	2.7
New House Price Index (1992=100)												
House	NA	4.2	3.8	4.2	4.6	4.6	5.8	6.0	6.1	5.4	4.8	4.8
Land	NA	5.2	3.8	4.1	3.3	3.3	3.0	2.3	2.6	2.2	2.4	2.4
Total	NA	4.4	3.7	4.1	4.4	4.4	5.3	5.2	5.5	4.7	4.3	4.3
MLS Sales - Single-Family Houses	2,777	3,328	3,135	2,034	1,531	1,850	2,775	3,008	2,444	1,369	1,136	1,691

* 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, Villieray/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-Dorothee, 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-Filons, 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, Pin court, 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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