



# HOUSING NOW *Montréal*

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Canada Mortgage and Housing Corporation

VOLUME 6, NUMBER 4, APRIL 2003

### HOUSING STARTS HOLDING UP IN GREATER MONTRÉAL

Residential construction posted yet another enviable performance this past April, despite a small decrease (-2 per cent) in relation to the same period last year. Apart from slight monthly fluctuations, the results since the end of 2001 have been remarkable in the Montréal metropolitan area, with housing starts now 60 per cent higher than the average level for the 1990s. These figures were drawn from the monthly starts survey conducted by Canada Mortgage and Housing Corporation (CMHC).

In a context where quality jobs have been created in recent years and mortgage rates have remained low, households are showing a high degree of optimism. This past April, two thirds of Quebec households felt that the time was right to make a major purchase, such as a home-a level unequalled in the past three decades.

While 2003 has so far been just as vigorous as 2002, some variations can be noted in the product mix. In fact, single-detached home building is down by nearly 10 per cent, a situation that partly results from the fact that buyers have been cautious, attentive as they are to prices. A certain moving up of the demand could also account for this result, with consumers having wanted to take advantage last year of the decrease in mortgage rates which, in the space of 18 months, attained almost two percentage points for a five-year term.

The situation is totally different for multiple housing construction. Semi-detached and row home building posted a gain of 26 per cent, rental starts were up by 30 per cent and condominium construction rose by 3 per cent. While the increase may have been less spectacular in this last case, the level of activity, on the other hand, was higher than those recorded for the other two products. Condominium housing has benefited from an exceptional demand in recent years, which brought its performance to levels very close to the best results obtained in the late 1980s.

For the different sectors, construction on the Island of Montréal is up for the first four months of the year (6 per cent), despite a decrease in April (-32 per cent). The gain is identical for the Laval and North Shore sector (6 per cent), while activity on the South Shore is down (-4 per cent).

For the province overall, housing starts rose by 3 per cent in April 2003 over last year and, again in relation to 2002, construction is up by 9 per cent for the first four months. For this same period, only Gatineau sustained a decrease (-12 per cent), while increases were registered in Sherbrooke (35 per cent), Trois-Rivières (93 per cent), Québec (58 per cent) and Saguenay (17 per cent).

### IN THIS ISSUE

Housing Starts Holding Up 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

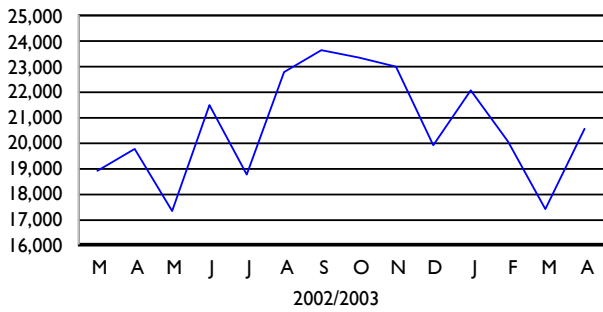


HOME TO CANADIANS  
Canada

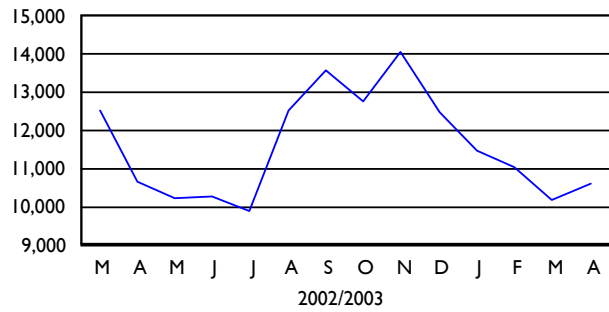
## Housing Starts - March 2002 to April 2003

Seasonally Adjusted Data at Annual Rate

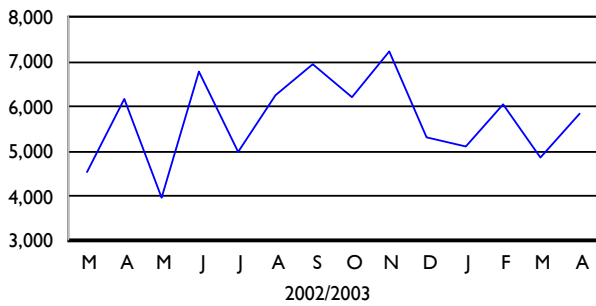
### Total Residential



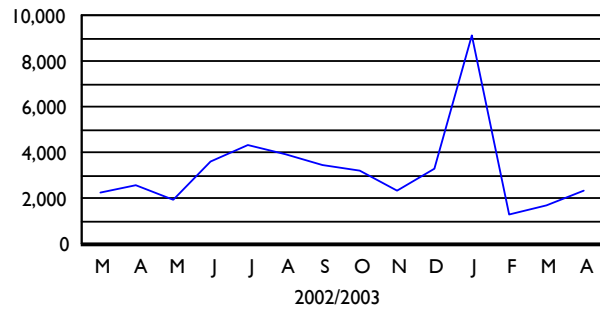
### Total Single-Family



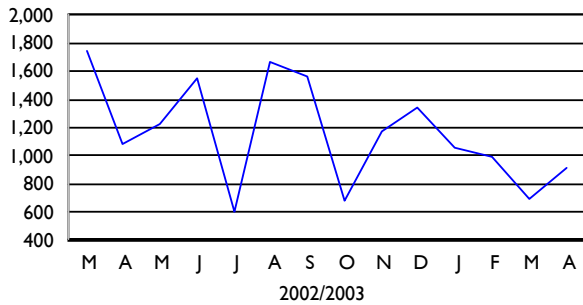
### Total Condominium



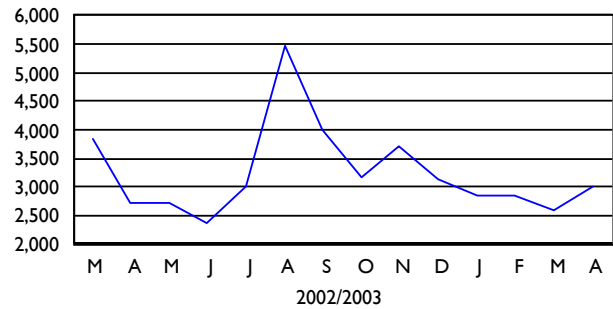
### Total Rental



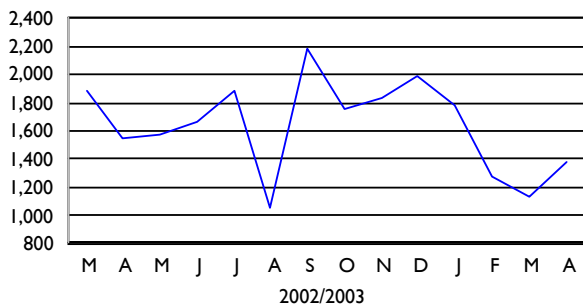
### Single-Family - Montreal Island



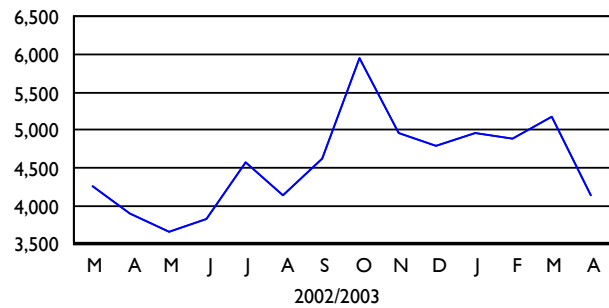
### Single-Family - South-Shore



### 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>
<b>Housing Starts</b>				
April 2003	1,599	674	210	2,483
April 2002	1,607	711	221	2,539
Cumulative 2003	3,787	1,828	996	6,611
Cumulative 2002	4,028	1,767	765	6,560
<b>Under Construction*</b>				
April 2003	5,303	4,614	2,645	12,562
April 2002	4,618	3,312	1,379	9,309
<b>Completions</b>				
April 2003	604	232	217	1,053
April 2002	496	187	115	798
Cumulative 2003	2,243	1,119	754	4,116
Cumulative 2002	1,738	714	422	2,874
<b>Unoccupied*</b>				
April 2003	637	559	220	1,416
April 2002	894	574	327	1,795
<b>Absorption</b>				
April 2003	568	234	178	980
April 2002	486	314	87	887
Cumulative 2003	2,162	1,078	861	4,101
Cumulative 2002	1,587	817	420	2,824
<b>Duration of Inventory (in months)</b>				
April 2003	0.7	1.5	1.1	1.0
April 2002	1.4	1.6	2.1	1.5

\* 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](mailto: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>
<b>Zone 1: West Island</b>				
April 2003	62	6	0	68
April 2002	102	0	32	134
Cumulative 2003	118	31	17	166
Cumulative 2002	244	10	231	485
<b>Zone 2: West-Centre</b>				
April 2003	13	142	0	155
April 2002	5	178	0	183
Cumulative 2003	42	429	3	474
Cumulative 2002	39	528	0	567
<b>Zone 3: East-Center</b>				
April 2003	8	153	0	161
April 2002	6	317	0	323
Cumulative 2003	37	438	551	1,026
Cumulative 2002	63	511	28	602
<b>Zone 4: East-End</b>				
April 2003	44	22	12	78
April 2002	36	3	0	39
Cumulative 2003	81	40	111	232
Cumulative 2002	91	41	6	138
<b>Zone 5: South-Laval</b>				
April 2003	48	36	3	87
April 2002	63	18	6	87
Cumulative 2003	131	103	3	237
Cumulative 2002	164	111	6	281
<b>Zone 6: North-Laval</b>				
April 2003	161	13	0	174
April 2002	170	31	6	207
Cumulative 2003	406	93	8	507
Cumulative 2002	468	115	6	589
<b>Zone 7: MRC Deux-Montagnes</b>				
April 2003	149	9	141	299
April 2002	145	0	6	151
Cumulative 2003	428	19	144	591
Cumulative 2002	404	29	29	462
<b>Zone 8: MRC Ste-Thérèse-de-Blainville</b>				
April 2003	120	24	6	150
April 2002	130	34	132	296
Cumulative 2003	302	46	30	378
Cumulative 2002	359	49	143	551

**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>				
April 2003	211	30	0	241
April 2002	177	7	0	184
Cumulative 2003	564	76	22	662
Cumulative 2002	420	25	0	445
<b>Zone 10: MRC L'Assomption</b>				
April 2003	88	18	0	106
April 2002	102	0	0	102
Cumulative 2003	239	52	12	303
Cumulative 2002	194	0	27	221
<b>Zone 11: South-Shore Centre</b>				
April 2003	122	156	18	296
April 2002	97	102	0	199
Cumulative 2003	251	272	32	555
Cumulative 2002	236	268	70	574
<b>Zone 12: East South-Shore</b>				
April 2003	99	32	6	137
April 2002	136	18	16	170
Cumulative 2003	221	102	12	335
Cumulative 2002	298	38	38	374
<b>Zone 13: South South-Shore</b>				
April 2003	81	0	15	96
April 2002	72	0	0	72
Cumulative 2003	162	24	21	207
Cumulative 2002	138	6	3	147
<b>Zone 14: West South-Shore</b>				
April 2003	205	20	9	234
April 2002	151	3	4	158
Cumulative 2003	352	27	18	397
Cumulative 2002	383	9	73	465
<b>Zone 15: Vaudreuil-Soulanges *</b>				
April 2003	113	0	0	113
April 2002	162	0	9	171
Cumulative 2003	293	6	12	311
Cumulative 2002	419	12	33	464
<b>Zone 16: St-Jérôme</b>				
April 2003	75	13	0	88
April 2002	53	0	10	63
Cumulative 2003	160	70	0	230
Cumulative 2002	108	15	72	195

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	
	April 2003	April 2002	April 2003	April 2002	April 2003	April 2002
<b>Housing Starts</b>						
Island of Montréal (1 to 4)	127	149	323	498	12	32
Laval (zones 5 and 6)	209	233	49	49	3	12
North-Shore (zones 7 to 10 & 16)	643	607	94	41	147	148
South-Shore (zones 11 to 14)	507	456	208	123	48	20
Vaudreuil-Soul. *** (zone 15)	113	162	0	0	0	9
<b>Under Construction*</b>						
Island of Montréal	565	627	2,712	2,039	1,573	553
Laval	814	765	453	467	67	15
North-Shore	2,223	1,611	587	250	374	472
South-Shore	1,270	1,166	850	544	625	303
Vaudreuil-Soulanges ***	431	449	12	12	6	36
<b>Completions</b>						
Island of Montréal	61	92	94	142	40	26
Laval	90	59	49	15	8	0
North-Shore	248	173	32	12	88	27
South-Shore	139	109	51	12	81	62
Vaudreuil-Soulanges ***	66	63	6	6	0	0
<b>Unoccupied*</b>						
Island of Montréal	77	116	262	401	83	265
Laval	126	185	82	62	0	0
Rive- Nord	255	355	67	39	102	16
South-Shore	131	162	143	70	31	46
Vaudreuil-Soulanges ***	48	76	5	2	4	0
<b>Absorption</b>						
Island of Montréal	60	103	105	234	24	37
Laval	71	50	40	35	8	11
North-Shore	232	159	41	20	76	20
South-Shore	140	111	45	19	69	19
Vaudreuil-Soulanges ***	65	63	3	6	1	0
<b>Duration of Inventory**</b>						
Island of Montréal	0.8	1.2	1.4	1.6	1.1	3.4
Laval	1.0	1.8	1.5	1.2	0.0	0.0
North-Shore	0.8	1.5	1.6	1.5	1.4	0.4
South-Shore	0.5	1.0	2.0	1.8	0.8	1.9
Vaudreuil-Soulanges ***	0.5	1.2	1.3	1.8	0.8	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>
	<b>April 2003</b>			<b>Trend 2003</b>	
Freehold	5,303	637	5,940	911	6.5
Condominium	4,614	559	5,173	364	14.2
Rental	2,645	220	2,865	200	14.3
	<b>April 2002</b>			<b>Trend 2002</b>	
Freehold	4,618	894	5,512	659	8.4
Condominium	3,312	574	3,886	361	10.8
Rental	1,379	327	1,706	155	11.0

Source: CMHC

**Table 5**  
**Economic Overview**  
**Montréal Metropolitan Area**

	<b>2003</b>				<b>2002</b>		<b>2002</b>				<b>2001</b>	
	<i>April</i>	<i>March</i>	<i>Fev.</i>	<i>Jan.</i>	<i>Dec.</i>	<i>Nov.</i>	<i>April</i>	<i>March</i>	<i>Fev.</i>	<i>Jan.</i>	<i>Dec.</i>	<i>Nov.</i>
<b>Labour Market*</b>												
Job Creation (Loss) - in thousands	37	58	81	91	87	67	49	49	50	47	50	50
Unemployment Rate (%)	9.7	9.5	8.8	8.5	7.7	7.8	9.1	9.2	9.2	8.9	8.4	7.8
<b>Mortgage Rates (1)</b>												
1-year	5.3	5.3	4.9	4.9	4.9	4.9	5.4	5.3	4.5	4.5	4.6	4.6
5-year	6.7	6.8	6.6	6.5	6.7	6.7	7.5	7.3	6.8	7.0	6.8	6.8
<b>Annual Inflation Rate (%)</b>	NA	4.1	4.0	3.7	3.2	3.5	1.1	1.5	1.6	1.3	1.4	1.2
<b>New House Price Index (1992=100)</b>												
House	NA	8.6	10.5	9.4	8.5	8.5	5.3	4.2	3.8	4.2	4.6	4.6
Land	NA	7.5	9.3	9.3	8.6	8.6	6.7	5.2	3.8	4.1	3.3	3.3
Total	NA	8.2	10.1	9.3	8.3	8.3	5.6	4.4	3.7	4.1	4.4	4.4
<b>MLS Sales - Single-Family Houses</b>	2,238	2,437	2,422	1,761	1,304	1,782	2,777	3,328	3,135	2,034	1,531	1,850

\* Three-month average

Sources: Statistics Canada, Conference Board of Canada, GMREB

## Definitions et 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 strats 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, 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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