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Canada Mortgage and Housing Corporation

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VOLUME 6, NUMBER 6, JUNE 2003

RESIDENTIAL CONSTRUCTION LOSES SOME GROUNDS IN JUNE

Residential construction declined slightly in June in the Montréal metropolitan area. In fact, housing starts went down by 5 per cent from the same period last year. Far from being out of work, builders still laid foundations for 1,915 new dwellings this past month, a very high level in relation to previous years.

The slowdown was more pronounced on the Island of Montréal, which sustained a decrease of 37 per cent in its level of starts. Condominium construction continued to do well, though. Out of the 469 dwellings that were started on the territory of the city of Montréal, 331 are intended for the condominium market. On the other hand, only 101 single-family houses got under way, while rental housing construction took a break, for all practical purposes, with a mere 37 starts.

The northern suburbs, for their part, had a slightly less busy month of June than last year. The decrease attained 5 per cent in Laval and the North Shore, where activity declined exclusively in the rental segment. In fact, the rental housing stock in this sector will soon increase by just 46 units. As for the single-family home (516 units) and condominium (243 units) segments, they remained dynamic.

It was therefore the South Shore that posted the best performance in June, with a gain this time of 53 per cent in

starts. All housing types contributed to this increase, but the rental segment helped the most, as construction got under way on 111 units intended for this market. In fact, it was on the territory of the new city of Longueuil, more specifically in the borough of Saint-Hubert, that the only major rental housing project (80 units) in the Greater Montréal area was started this past month.

Finally, the results obtained by Vaudreuil-Soulanges should be noted, as this sector registered its first hike (+40 per cent) since the beginning of the year.

Despite the decrease observed in June, residential construction for the first half of this year is still up slightly (+4 per cent) over its level recorded last year. Mortgage rates reached a new low point recently, which has contributed to maintaining a large pool of buyers for homeowner housing, even though the price of new homes rose by 7 per cent over the past year.

At the provincial level, other than the Montréal area, the Sherbrooke metropolitan area was the only one that sustained a decrease in activity (-26 per cent) in June. Housing starts rather went up in the areas of Trois-Rivières (+49 per cent), Saguenay (+35 per cent), Gatineau (+43 per cent) and Québec (+24 per cent).

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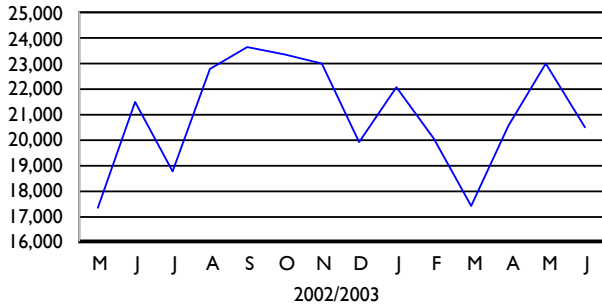


HOME TO CANADIANS
Canada

Housing Starts - May 2002 to June 2003

Seasonally Adjusted Data at Annual Rate

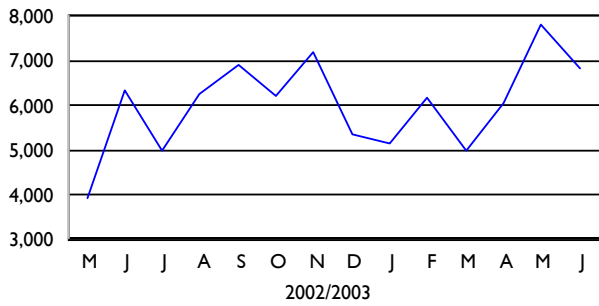
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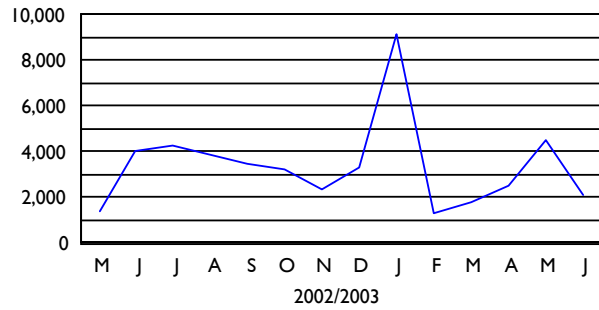
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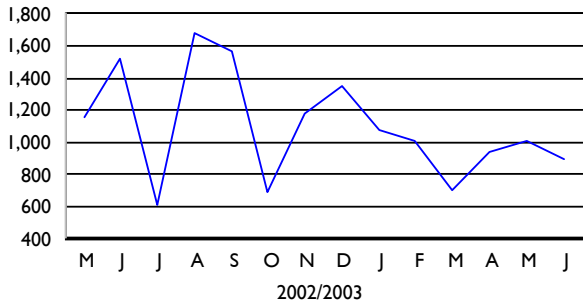
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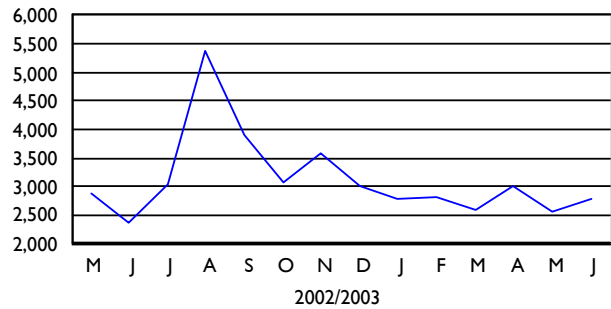
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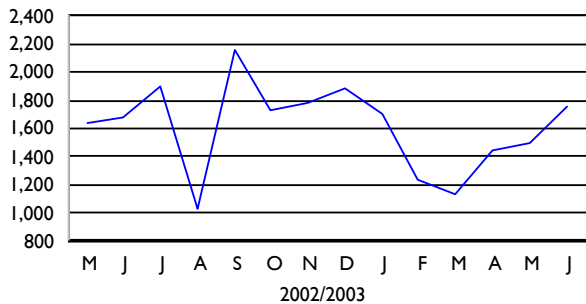
Single-Family - Montreal Island



Single-Family - South-Shore



Single-Family - Laval



Single-Family - North-Shore

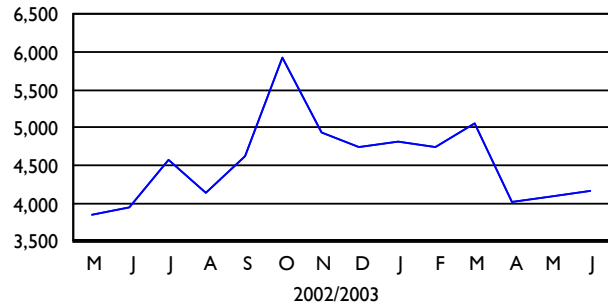


Table I
Summary of Activity by Intended Market
Montréal Metropolitan Area

Activity / Period	Freehold (Single-Family)	Condominium	Rental	Total
Housing Starts				
June 2003	1,034	670	211	1,915
June 2002	1,008	592	422	2,022
Cumulative 2003	6,029	3,311	1,476	10,816
Cumulative 2002	6,389	2,779	1,264	10,432
Under Construction*				
June 2003	5,183	4,819	2,639	12,641
June 2002	4,874	3,490	1,691	10,055
Completions				
June 2003	1,466	694	348	2,508
June 2002	1,354	577	128	2,059
Cumulative 2003	4,604	2,381	1,249	8,234
Cumulative 2002	3,845	1,446	617	5,908
Unoccupied*				
June 2003	738	677	248	1,663
June 2002	703	579	280	1,562
Absorption				
June 2003	1,462	672	360	2,494
June 2002	1,569	556	159	2,284
Cumulative 2003	4,422	2,222	1,328	7,972
Cumulative 2002	3,885	1,544	662	6,091
Duration of Inventory (in months)				
June 2003	0.8	1.7	1.1	1.1
June 2002	1.0	1.6	1.7	1.3

* As at the end of the period shown

Source: CMHC

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Customer Service Centre
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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				
June 2003	62	114	0	176
June 2002	116	12	0	128
Cumulative 2003	225	149	17	391
Cumulative 2002	428	22	234	684
Zone 2: West-Centre				
June 2003	12	117	0	129
June 2002	28	202	190	420
Cumulative 2003	75	803	3	881
Cumulative 2002	91	808	190	1,089
Zone 3: East-Center				
June 2003	11	64	13	88
June 2002	15	47	115	177
Cumulative 2003	59	782	579	1,420
Cumulative 2002	92	768	145	1,005
Zone 4: East-End				
June 2003	16	36	24	76
June 2002	11	8	0	19
Cumulative 2003	132	76	260	468
Cumulative 2002	123	63	6	192
Zone 5: South-Laval				
June 2003	24	144	12	180
June 2002	36	64	7	107
Cumulative 2003	196	283	64	543
Cumulative 2002	261	199	13	473
Zone 6: North-Laval				
June 2003	120	18	30	168
June 2002	106	55	34	195
Cumulative 2003	659	120	46	825
Cumulative 2002	707	178	52	937
Zone 7: MRC Deux-Montagnes				
June 2003	113	21	0	134
June 2002	129	23	25	177
Cumulative 2003	689	80	153	922
Cumulative 2002	676	58	63	797
Zone 8: MRC Ste-Thérèse-de-Blainville				
June 2003	86	18	0	104
June 2002	87	57	6	150
Cumulative 2003	470	64	42	576
Cumulative 2002	550	112	149	811

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				
June 2003	112	0	0	112
June 2002	94	37	16	147
Cumulative 2003	845	151	22	1,018
Cumulative 2002	646	62	16	724
Zone 10: MRC L'Assomption				
June 2003	38	18	0	56
June 2002	33	7	15	55
Cumulative 2003	337	83	12	432
Cumulative 2002	302	13	42	357
Zone 11: South-Shore Centre				
June 2003	104	48	95	247
June 2002	49	44	3	96
Cumulative 2003	333	308	32	673
Cumulative 2002	395	360	105	860
Zone 12: East South-Shore				
June 2003	62	42	13	117
June 2002	91	12	0	103
Cumulative 2003	392	185	29	606
Cumulative 2002	481	50	44	575
Zone 13: South South-Shore				
June 2003	49	6	0	55
June 2002	43	0	2	45
Cumulative 2003	272	30	45	347
Cumulative 2002	248	6	5	259
Zone 14: West South-Shore				
June 2003	85	0	3	88
June 2002	76	12	0	88
Cumulative 2003	538	43	33	614
Cumulative 2002	603	41	79	723
Zone 15: Vaudreuil-Soulanges *				
June 2003	117	0	17	134
June 2002	75	12	9	96
Cumulative 2003	483	12	40	535
Cumulative 2002	635	24	42	701
Zone 16: St-Jérôme				
June 2003	23	24	4	51
June 2002	19	0	0	19
Cumulative 2003	220	94	4	318
Cumulative 2002	151	15	79	245

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	
	June 2003	June 2002	June 2003	June 2002	June 2003	June 2002
Housing Starts						
Island of Montréal (1 to 4)	101	170	331	269	37	305
Laval (zones 5 and 6)	144	142	162	119	42	41
North-Shore (zones 7 to 10 & 16)	372	362	81	124	4	62
South-Shore (zones 11 to 14)	300	259	96	68	111	5
Vaudreuil-Soul. *** (zone 15)	117	75	0	12	17	9
Under Construction*						
Island of Montréal	576	686	2,928	2,151	1,630	778
Laval	794	792	508	451	122	65
North-Shore	2,008	1,585	590	281	301	493
South-Shore	1,405	1,353	781	583	552	310
Vaudreuil-Soulanges ***	400	458	12	24	34	45
Completions						
Island of Montréal	120	183	334	332	87	85
Laval	234	176	108	131	30	0
North-Shore	678	531	108	55	74	27
South-Shore	313	336	144	59	157	16
Vaudreuil-Soulanges ***	121	128	0	0	0	0
Unoccupied*						
Island of Montréal	98	76	323	376	21	247
Laval	157	175	85	97	7	0
Rive- Nord	306	260	86	41	103	16
South-Shore	138	144	182	63	116	17
Vaudreuil-Soulanges ***	39	48	1	2	1	0
Absorption						
Island of Montréal	110	206	317	292	146	92
Laval	222	219	113	122	25	0
North-Shore	687	641	104	71	73	34
South-Shore	307	347	135	71	115	33
Vaudreuil-Soulanges ***	136	156	3	0	1	0
Duration of Inventory**						
Island of Montréal	1.1	0.7	1.5	1.6	0.3	2.9
Laval	1.2	1.8	1.5	1.9	0.6	0.0
North-Shore	0.9	1.1	1.8	1.5	1.4	0.4
South-Shore	0.5	0.8	2.3	1.5	2.4	0.6
Vaudreuil-Soulanges ***	0.4	0.7	0.2	2.0	0.2	0.0

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>	<i>Dur. of Supply (in months)</i>
	June 2003			Trend 2003	
Freehold	5,183	738	5,921	908	6.5
Condominium	4,819	677	5,496	399	13.8
Rental	2,639	248	2,887	219	13.2
	June 2002			Trend 2002	
Freehold	4,874	703	5,577	690	8.1
Condominium	3,490	579	4,069	359	11.3
Rental	1,691	280	1,971	164	12.0

Source: CMHC

Table 5
Economic Overview
Montréal Metropolitan Area

	2003						2002					
	<i>June</i>	<i>May</i>	<i>April</i>	<i>March</i>	<i>Feb.</i>	<i>Jan.</i>	<i>June</i>	<i>May</i>	<i>April</i>	<i>March</i>	<i>Feb.</i>	<i>Jan.</i>
Labour Market*												
Job Creation (Loss) - in thousands	10	20	37	58	81	91	55.9	46.4	49	49	50	47
Unemployment Rate (%)	9.9	10.1	9.7	9.5	8.8	8.5	8.3	8.7	9.1	9.2	9.2	8.9
Mortgage Rates (I)												
1-year	4.8	5.0	5.3	5.3	4.9	4.9	5.5	5.5	5.4	5.3	4.5	4.5
5-year	5.8	6.2	6.7	6.8	6.6	6.5	7.2	7.4	7.5	7.3	6.8	7.0
Annual Inflation Rate (%)	2.3	3.0	2.7	4.1	4.0	3.7	1.5	0.5	1.1	1.5	1.6	1.3
New House Price Index (1992=100)												
House	NA	6.83	7.25	8.6	10.5	9.4	5.04	5.44	5.3	4.2	3.8	4.2
Land	NA	5.82	5.98	7.5	9.3	9.3	6.65	6.49	6.7	5.2	3.8	4.1
Total	NA	6.46	6.71	8.2	10.1	9.3	5.36	5.63	5.6	4.4	3.7	4.1
MLS Sales - Single-Family Houses	1,637	2,077	2,238	2,437	2,422	1,761	1,424	2,146	2,777	3,328	3,135	2,034

* 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 strata 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 months.
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-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, Pincoirt, 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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