

# H

# HOUSING NOW

## YOUR LINK TO THE HOUSING MARKET

### Montréal

Canada Mortgage and Housing Corporation

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

### RESIDENTIAL CONSTRUCTION SUSTAINS A DOWNTURN IN JANUARY

VOLUME 8, NUMBER 1, JANUARY 2005

According to the latest surveys conducted by Canada Mortgage and Housing Corporation (CMHC), there were 1,264 housing starts in January 2005 in the Montréal census metropolitan area (CMA). This result marks a decline of 5 per cent from the level of activity observed in January 2004. The decreases were considerable in the South Crown (-25 per cent), Vaudreuil-Soulanges (-22 per cent) and the Island of Montréal (-20 per cent), while construction stayed red-hot in the North Crown, where starts rose by 19 per cent.

In the South Crown, the trend that began in 2004 continued, as this zone registered the most significant market contraction. Foundations were laid for 160 new units there, for a decrease of 25 per cent from the same month in 2004. The decreases in employment recorded in the Montérégie in 2003 and the weak recovery in 2004 explain why starts have been on the decline since last summer in the South Crown.

The new city of Longueuil played a major role, as starts sustained a drop of 36 per cent (54 units) there in January, compared to a decrease of 18 per cent (106 units) in the other sectors making up this zone.

The Vaudreuil-Soulanges zone also faced a considerable decline of 22 per cent, as foundations were laid for 46 new dwellings. The lack of new condominium units in this zone accounted for the decrease that was observed, while there were 46 freehold housing starts, for an increase of 77 per cent.

On the Island of Montréal, the year started off slowly, with 417 starts, for a decrease of 20 per cent from January 2004. The condominium stronghold experienced some difficulties, as such starts dropped by 56 per cent, to 180 units. However, the start-up of 220 rental housing units helped offset these results. Once again, new rental housing units for seniors accounted for most of these starts.

### IN THIS ISSUE

Residential Construction Sustains a Downturn in January 1

Graph 1 : Housing Starts Multiples vs. Singles 2

Major Housing Job Sites Started in January 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

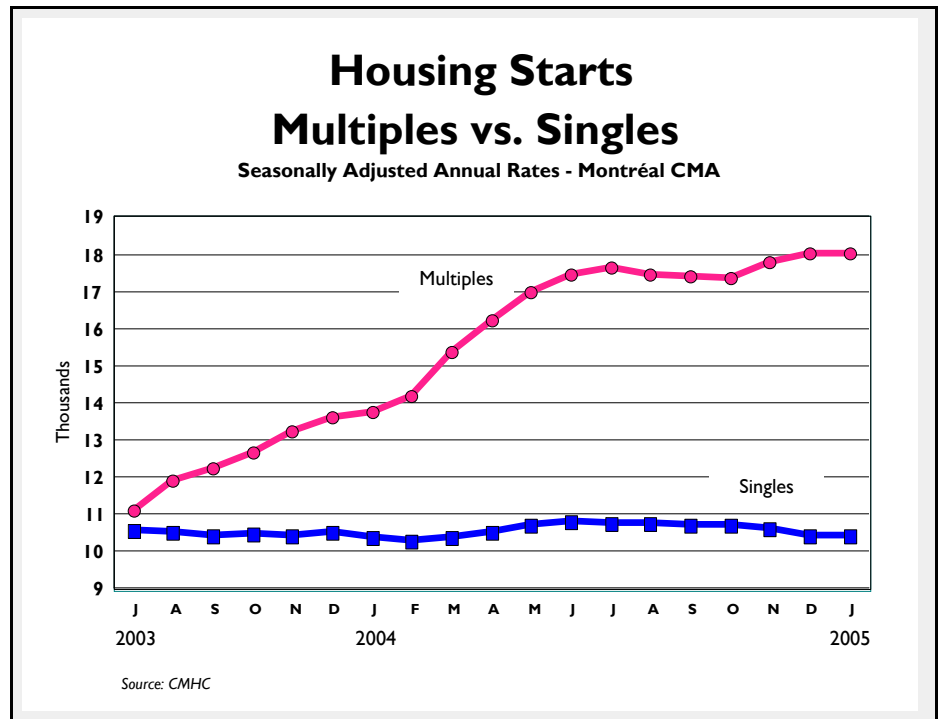
**Definitions and Concepts 8**

**Montréal Metropolitan Area Zones 8**

In the North Crown, the market stayed on course to start off the year. Starts attained 641 units, for a gain of 19 per cent. A rare occurrence, condominium units dominated the market in this zone, with 270 starts, up by 64 per cent. There were 130 rental housing starts, representing an increase of 23 per cent, thanks to a retirement home with 89 apartments. Activity on job sites was concentrated in Laval (188 units) and the North Shore (441 units), as opposed to Saint-Jérôme (12 units, down by 91 per cent).

For the Montréal CMA overall, rental housing starts continued where they left off last year. In fact, this housing type is still in great demand, as 362 new apartments were enumerated, for a gain of 95 per cent. On the other hand, the beginning of the year was more difficult for freehold and condominium housing construction, which sustained respective decreases of 19 per cent (393 units) and 23 per cent (509 units) across all geographic zones. In our opinion, 2004 was the peak of the current cycle for residential construction. The downturns observed are therefore not the sign of a market in difficulty, since the levels of activity remain very high.

At the provincial level, in all urban centres with 10,000 or more inhabitants, housing starts went up by 11 per cent to 2,239 units. Among the CMAs, Saguenay posted the strongest increase (700 per cent), followed by Gatineau (417 per cent), Trois-Rivières (71 per cent) and Québec (55 per cent). However, Montréal (-5 per cent) and Sherbrooke (-22 per cent) sustained decreases in their numbers of starts in January 2005. ■



### Major Housing Job Sites Started in January

The following are the major multiple housing job sites started in January 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>
89	Notre-Dame	Repentigny	Retirement Home
80	Cosmodome	Laval (Chomedey)	Condominiums
72	Laurentien	Montréal (Saraguay)	Retirement Home
62	Hutchison	Montréal (Villeray)	Retirement Home
53	Hymus	Pointe-Claire	Condominiums
52	St-Sulpice	Montréal (Centre)	Condominiums
51	Piano	Sainte-Thérèse	Condominiums
21	Saint-Laurent	Montréal (Plateau)	Condominiums
20	Lirette	Pierrefonds	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>				
January 2005	393	509	362	1,264
January 2004	483	661	186	1,330
Cumulative 2005	393	509	362	1,264
Cumulative 2004	483	661	186	1,330
<b>Under Construction*</b>				
January 2005	3,913	7,737	6,124	17,774
January 2004	3,888	6,239	4,004	14,131
<b>Completions</b>				
January 2005	843	375	98	1,316
January 2004	783	307	201	1,291
Cumulative 2005	843	375	98	1,316
Cumulative 2004	783	307	201	1,291
<b>Unoccupied*</b>				
January 2005	522	1,608	605	2,735
January 2004	576	767	361	1,704
<b>Absorption</b>				
January 2005	1,083	483	113	1,679
January 2004	814	370	323	1,507
Cumulative 2005	1,083	483	113	1,679
Cumulative 2004	814	370	323	1,507
<b>Duration of Inventory (in months)</b>				
January 2005	0.5	2.6	1.6	1.4
January 2004	0.6	1.7	1.4	1.0

\* As at the end of the period shown

Source: CMHC

**Interested by the Vacancy Rates and Average Rents of the rented apartments,  
following the October 2004 Survey?**

You can find them and more in the:

**RENTAL MARKET REPORTS**

which provide a more in-depth and detailed study of the data collected

**To obtain them, please contact our Customer Service by phone**

**at 1 866 855-5711**

or by e-mail at: [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>				
January 2005	4	62	20	86
January 2004	16	58	8	82
Cumulative 2005	4	62	20	86
Cumulative 2004	16	58	8	82
<b>Zone 2: West-Centre</b>				
January 2005	2	13	93	108
January 2004	11	249	39	299
Cumulative 2005	2	13	93	108
Cumulative 2004	11	249	39	299
<b>Zone 3: East-Center</b>				
January 2005	5	105	107	217
January 2004	4	68	16	88
Cumulative 2005	5	105	107	217
Cumulative 2004	4	68	16	88
<b>Zone 4: East-End</b>				
January 2005	6	0	0	6
January 2004	17	30	3	50
Cumulative 2005	6	0	0	6
Cumulative 2004	17	30	3	50
<b>Zone 5: South-Laval</b>				
January 2005	5	120	0	125
January 2004	27	49	0	76
Cumulative 2005	5	120	0	125
Cumulative 2004	27	49	0	76
<b>Zone 6: North-Laval</b>				
January 2005	54	9	0	63
January 2004	70	31	2	103
Cumulative 2005	54	9	0	63
Cumulative 2004	70	31	2	103
<b>Zone 7: MRC Deux-Montagnes</b>				
January 2005	79	32	22	133
January 2004	48	0	6	54
Cumulative 2005	79	32	22	133
Cumulative 2004	48	0	6	54
<b>Zone 8: MRC Ste-Thérèse-de-Blainville</b>				
January 2005	22	61	0	83
January 2004	34	28	0	62
Cumulative 2005	22	61	0	83
Cumulative 2004	34	28	0	62

**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>				
January 2005	42	48	15	105
January 2004	61	16	0	77
Cumulative 2005	42	48	15	105
Cumulative 2004	61	16	0	77
<b>Zone 10: MRC L'Assomption</b>				
January 2005	31	0	89	120
January 2004	10	6	0	16
Cumulative 2005	31	0	89	120
Cumulative 2004	10	6	0	16
<b>Zone 11: South-Shore Centre</b>				
January 2005	26	20	6	52
January 2004	60	22	0	82
Cumulative 2005	26	20	6	52
Cumulative 2004	60	22	0	82
<b>Zone 12: East South-Shore</b>				
January 2005	27	3	0	30
January 2004	32	6	6	44
Cumulative 2005	27	3	0	30
Cumulative 2004	32	6	6	44
<b>Zone 13: South South-Shore</b>				
January 2005	15	18	0	33
January 2004	27	0	8	35
Cumulative 2005	15	18	0	33
Cumulative 2004	27	0	8	35
<b>Zone 14: West South-Shore</b>				
January 2005	21	18	6	45
January 2004	29	30	3	62
Cumulative 2005	21	18	6	45
Cumulative 2004	29	30	3	62
<b>Zone 15: Vaudreuil-Soulanges *</b>				
January 2005	46	0	0	46
January 2004	26	33	0	59
Cumulative 2005	46	0	0	46
Cumulative 2004	26	33	0	59
<b>Zone 16: St-Jérôme</b>				
January 2005	8	0	4	12
January 2004	11	35	95	141
Cumulative 2005	8	0	4	12
Cumulative 2004	11	35	95	141

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	
	Jan. 2005	Jan. 2004	Jan. 2005	Jan. 2004	Jan. 2005	Jan. 2004
<b>Housing Starts</b>						
Island of Montréal (1 to 4)	17	48	180	405	220	66
Laval (zones 5 and 6)	59	97	129	80	0	2
North-Shore (zones 7 to 10 & 16)	182	164	141	85	130	101
South-Shore (zones 11 to 14)	89	148	59	58	12	17
Vaudreuil-Soul. *** (zone 15)	46	26	0	33	0	0
<b>Under Construction*</b>						
Island of Montréal	437	455	4,698	3,770	4,476	2,149
Laval	666	631	771	531	8	228
North-Shore	1,514	1,342	1012	790	1,237	679
South-Shore	854	1,074	1,004	1029	400	874
Vaudreuil-Soulanges ***	442	386	252	119	3	74
<b>Completions</b>						
Island of Montréal	39	73	153	83	18	142
Laval	151	96	75	47	8	15
North-Shore	356	318	32	45	39	6
South-Shore	215	236	83	112	33	32
Vaudreuil-Soulanges ***	82	60	32	20	0	6
<b>Unoccupied*</b>						
Island of Montréal	70	84	931	332	256	164
Laval	73	89	202	94	145	8
Rive- Nord	188	220	188	140	22	32
South-Shore	144	142	261	196	180	155
Vaudreuil-Soulanges ***	47	41	26	5	2	2
<b>Absorption</b>						
Island of Montréal	43	82	189	144	25	241
Laval	225	111	114	40	16	31
North-Shore	515	345	70	52	42	5
South-Shore	212	217	92	111	30	40
Vaudreuil-Soulanges ***	88	59	18	23	0	6
<b>Duration of Inventory**</b>						
Island of Montréal	1.0	1.0	3.0	1.5	1.4	1.5
Laval	0.5	0.7	2.8	1.7	12.9	0.5
North-Shore	0.4	0.6	2.1	2.0	0.3	0.5
South-Shore	0.6	0.6	1.9	1.9	1.8	2.4
Vaudreuil-Soulanges ***	0.5	0.5	3.1	1.1	0.3	0.4

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>January 2005</b>			<b>Trend 2005</b>
Freehold	3,913	522	4,435	1,009
Condominium	7,737	1,608	9,345	612
Rental	6,124	605	6,729	371
	<b>January 2004</b>			<b>Trend 2004</b>
Freehold	3,888	576	4,464	941
Condominium	6,239	767	7,006	456
Rental	4,004	361	4,365	251

Source: CMHC

<b>Table 5</b>												
<b>Economic Overview</b>												
<b>Montréal Metropolitan Area</b>												
	2005	2004					2004	2003				
	Jan.	Dec.	Nov.	Oct.	Sept.	August	Jan.	Dec.	Nov.	Oct.	Sept.	August
<b>Labour Market*</b>												
Job Creation (Loss) - in thousands	4	-12	-2	27	41	46	23	36	39	18	11	6
Unemployment Rate (%)	8.9	8,8	8,7	8.5	8.5	8.4	8.9	8,6	8,7	9.6	10.1	10.1
<b>Mortgage Rates (1)</b>												
1-year	4.8	4,8	5,0	4.9	4.8	4.4	4.3	4,8	4,8	4.5	4.5	4.5
5-year	6.0	6,0	6,3	6.4	6.3	6.3	6.0	6,5	6,5	6.4	6.3	6.3
<b>Annual Inflation Rate (%)</b>												
	1.9	2.4	2,6	2,9	2.4	2.0	1.4	1,4	1,4	1.3	1.6	1.6
<b>New House Price Index (% change)</b>												
House	NA	6.6	6,8	6.9	7.2	7.2	5.2	6,0	5,8	7.7	7.5	7.2
Land	NA	6.0	6,4	5.3	3.7	3.8	5.7	6,8	6,4	7.5	7.1	7.0
Total	NA	6.4	6,6	6.5	6.5	6.5	5.3	6,3	6,0	7.7	7.4	7.1
<b>MLS Sales - Single-Family Houses</b>												
	1,422	1,310	1,887	1,657	1,566	1,360	1,547	1,374	1,772	2,075	1,766	1,267

\* 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

*Housing Now* is published 12 times a year for the Montréal metropolitan area. Annual subscription for the Montréal *Housing Now* is \$100 plus applicable taxes. For more information, or to subscribe, contact our Customer Service Centre at 1 866 855-5711.

© 2005 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada Mortgage and Housing

Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this publication are based on

various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.