

H

HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Montréal

Canada Mortgage and Housing Corporation

www.cmhc.ca

SOUTHERN PART OF GREATER MONTRÉAL STEALS THE SHOW TO START THE YEAR

JANUARY 2006

The first monthly survey of 2006 conducted by Canada Mortgage and Housing Corporation (CMHC) revealed that housing starts in Greater Montréal are down in relation to January one year earlier. In fact, construction got under way on 1,010 units in January 2006, compared to 1,264 during the same month last year, for a decrease of 20 per cent.

This decline was caused by the drop in starts on the Island of Montréal and in the North Crown, and also by the poor performance of all market segments, especially rental and condominium housing.

According to our forecasts, the fact that fewer units got under way this past January than during the same month last year is an early sign of a downward trend in housing starts. For the year 2006, we are effectively forecasting 22,000 housing starts in Greater Montréal, for a decrease of 13 per cent in relation to 2005.

During the past month, starts on the Island of Montréal fell by nearly half (-46 per cent) from January 2005.

This was the largest drop for a large sector. The significant decrease in rental housing starts (-92 per cent) was mainly responsible for this decline. Surprisingly, the number of new freehold homes was up almost threefold over the first month of 2005.

A major decrease in activity was also observed in the North Crown, where housing starts reached 360 units in January 2006, compared to 641 in January 2005, for a drop of 44 per cent. Starts fell in all market segments but, like on the Island, it was the slowdown observed in the rental housing segment that did the most damage to the monthly performance of this large sector. It should be mentioned that the Saint-Jérôme sector still managed to do quite well, as starts went up by 125 per cent there.

Contrary to the Island and the North Crown, the southern part of Greater Montréal was very active to start off the year. The two large southern sectors (the South Crown and Vaudreuil-Soulanges) posted considerable increases in activity.

IN THIS ISSUE

Southern Part of Greater Montréal Steals the Show to Start the Year	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	
Montréal Metropolitan Area Zones	8

At the end of this past month, twice as many dwellings had been started in the South Crown as during the month of January 2005. The start of construction on a 127-unit rental project for seniors in the Longueuil sector greatly influenced the result. The other South Shore sectors also registered an appreciable increase in rental housing starts (with a gain of 68 units).

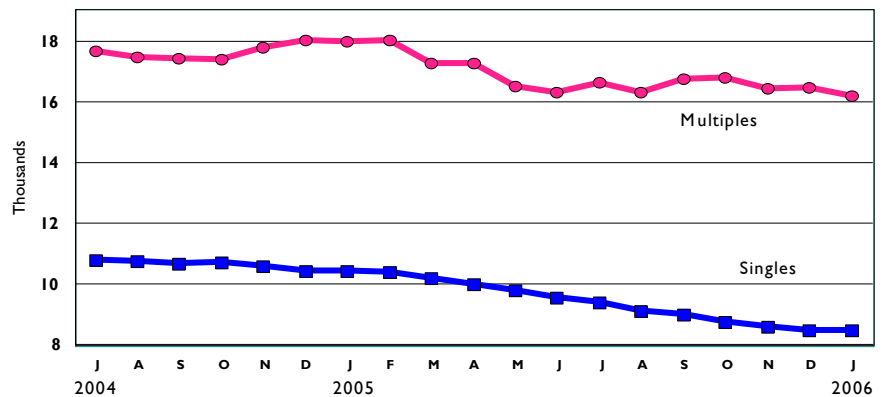
Vaudreuil-Soulanges was not far behind, as starts in this sector rose by 78 per cent over January 2005. And, just like in January 2005, no rental dwellings got under way there. Practically all the dwellings started were single-detached houses or condominium units.

As for the performance of the different market segments, fewer starts were observed.

In the freehold home segment, a small decrease was registered (-3 per cent) in relation to January 2005. As well, rental housing construction was not very popular outside the South Crown in the first month of the year. This market segment sustained the greatest decrease in activity (-31 per cent) in comparison with January of last year. It should be noted that, during the month that just ended, half of the rental housing units that got under way were intended for seniors. After the rental segment, condominium construction experienced the second most significant slowdown in activity (-25 per cent), as starts of this type fell in all large sectors, with the exception of Vaudreuil-Soulanges. ■

Housing Starts Multiples vs. Singles

Seasonally Adjusted Annual Rates - Montréal CMA



Source: CMHC

Major Housing Job Sites Started in January

The following are the major multiple housing job sites started in January 2006 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 segment</u>	<u>Intended</u>
127	St-Laurent	Brossard	Retirement Home
35	Nations	Montréal (St-Laurent)	Condominiums
28	Barnett	Dollard-des-Ormeaux	Condominiums
24	Girouard	Notre-Dame-de-Grâce	Condominiums

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				
January 2006	381	380	249	1,010
January 2005	393	509	362	1,264
Cumulative 2006	381	380	249	1,010
Cumulative 2005	393	509	362	1,264
Under Construction*				
January 2006	3,193	7,714	6,122	17,029
January 2005	3,913	7,737	6,124	17,774
Completions				
January 2006	746	382	318	1,446
January 2005	843	375	98	1,316
Cumulative 2006	746	382	318	1,446
Cumulative 2005	843	375	98	1,316
Unoccupied*				
January 2006	567	2,002	1,348	3,917
January 2005	522	1,608	605	2,735
Absorption				
January 2006	706	447	349	1,502
January 2005	1,083	483	113	1,679
Cumulative 2006	706	447	349	1,502
Cumulative 2005	1,083	483	113	1,679
Duration of Inventory (in months)				
January 2006	0.6	2.8	2.9	1.9
January 2005	0.5	2.6	1.6	1.4

* As at the end of the period shown

Source: CMHC

Free electronic reports

To view or download these reports, go to: www.cmhc.ca/mktinfo/store/

To get specialty publications on the resale market, go to:
http://www.cmhc-schl.gc.ca/en/inpr/homain/homain_003.cfm

Table 2
Housing Starts by Zone and by Intended Market
Montréal Metropolitan Area

Zone / Period	Freehold (Single-Family)	Condominium	Rental	Total
Zone 1: West Island				
January 2006	20	32	0	52
January 2005	4	62	20	86
Cumulative 2006	20	32	0	52
Cumulative 2005	4	62	20	86
Zone 2: West-Centre				
January 2006	9	117	11	137
January 2005	2	13	93	108
Cumulative 2006	9	117	11	137
Cumulative 2005	2	13	93	108
Zone 3: East-Center				
January 2006	18	12	6	36
January 2005	5	105	107	217
Cumulative 2006	18	12	6	36
Cumulative 2005	5	105	107	217
Zone 4: East-End				
January 2006	2	0	0	2
January 2005	6	0	0	6
Cumulative 2006	2	0	0	2
Cumulative 2005	6	0	0	6
Zone 5: South-Laval				
January 2006	16	28	7	51
January 2005	5	120	0	125
Cumulative 2006	16	28	7	51
Cumulative 2005	5	120	0	125
Zone 6: North-Laval				
January 2006	59	47	0	106
January 2005	54	9	0	63
Cumulative 2006	59	47	0	106
Cumulative 2005	54	9	0	63
Zone 7: MRC Deux-Montagnes				
January 2006	37	12	0	49
January 2005	79	32	22	133
Cumulative 2006	37	12	0	49
Cumulative 2005	79	32	22	133
Zone 8: MRC Ste-Thérèse-de-Blainville				
January 2006	17	0	0	17
January 2005	22	61	0	83
Cumulative 2006	17	0	0	17
Cumulative 2005	22	61	0	83

Table 2 (Cont'd)
Housing Starts by Zone and by Intended Market
Montréal Metropolitan Area

Zone / Period	Freehold (Single-Family)	Condominium	Rental	Total
Zone 9: MRC des Moulins				
January 2006	34	8	18	60
January 2005	42	48	15	105
Cumulative 2006	34	8	18	60
Cumulative 2005	42	48	15	105
Zone 10: MRC L'Assomption				
January 2006	20	24	6	50
January 2005	31	0	89	120
Cumulative 2006	20	24	6	50
Cumulative 2005	31	0	89	120
Zone 11: South-Shore Centre				
January 2006	23	40	127	190
January 2005	26	20	6	52
Cumulative 2006	23	40	127	190
Cumulative 2005	26	20	6	52
Zone 12: East South-Shore				
January 2006	23	0	0	23
January 2005	27	3	0	30
Cumulative 2006	23	0	0	23
Cumulative 2005	27	3	0	30
Zone 13: South South-Shore				
January 2006	13	6	6	25
January 2005	15	18	0	33
Cumulative 2006	13	6	6	25
Cumulative 2005	15	18	0	33
Zone 14: West South-Shore				
January 2006	35	0	68	103
January 2005	21	18	6	45
Cumulative 2006	35	0	68	103
Cumulative 2005	21	18	6	45
Zone 15: Vaudreuil-Soulanges *				
January 2006	46	36	0	82
January 2005	46	0	0	46
Cumulative 2006	46	36	0	82
Cumulative 2005	46	0	0	46
Zone 16: St-Jérôme				
January 2006	9	18	0	27
January 2005	8	0	4	12
Cumulative 2006	9	18	0	27
Cumulative 2005	8	0	4	12

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. 2006	Jan. 2005	Jan. 2006	Jan. 2005	Jan. 2006	Jan. 2005
Housing Starts						
Island of Montréal (1 to 4)	49	17	161	180	17	220
Laval (zones 5 and 6)	75	59	75	129	7	0
North-Shore (zones 7 to 10 & 8)	117	182	62	141	24	130
South-Shore (zones 11 to 14)	94	89	46	59	201	12
Vaudreuil-Soul. *** (zone 15)	46	46	36	0	0	0
Under Construction*						
Island of Montréal	375	437	4,561	4,698	3,668	4,476
Laval	476	666	902	771	508	8
North-Shore	1,213	1,514	1,105	1,012	742	1,237
South-Shore	724	854	928	1,004	1,180	400
Vaudreuil-Soulanges ***	405	442	218	252	24	3
Completions						
Island of Montréal	66	39	162	153	261	18
Laval	84	151	62	75	0	8
North-Shore	326	356	67	32	36	39
South-Shore	204	215	91	83	21	33
Vaudreuil-Soulanges ***	66	82	0	32	0	0
Unoccupied*						
Island of Montréal	63	70	1,135	931	969	256
Laval	46	73	264	202	59	145
Rive- Nord	204	188	323	188	150	22
South-Shore	166	144	232	261	164	180
Vaudreuil-Soulanges ***	88	47	48	26	6	2
Absorption						
Island of Montréal	74	43	240	189	207	25
Laval	94	225	33	114	7	16
North-Shore	283	515	90	70	114	42
South-Shore	188	212	84	92	19	30
Vaudreuil-Soulanges ***	67	88	0	18	2	0
Duration of Inventory**						
Island of Montréal	1.1	1.2	3.1	2.5	3.6	0.9
Laval	0.4	0.6	3.7	2.8	3.7	9.0
North-Shore	0.5	0.5	2.6	1.5	1.2	0.2
South-Shore	0.8	0.7	1.9	2.2	3.8	4.1
Vaudreuil-Soulanges ***	1.1	0.6	2.7	1.5	1.1	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

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>
	January 2006			Trend 2006
Freehold	3,193	567	3,760	879
Condominium	7,714	2,002	9,716	707
Rental	6,122	1,348	7,470	468
	January 2005			Trend 2005
Freehold	3,913	522	4,435	1,009
Condominium	7,737	1,608	9,345	612
Rental	6,124	605	6,729	371

Source: CMHC

Table 5
Economic Overview
Montréal Metropolitan Area

	2004			2005			2005			2006		
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Labour Market*												
Job Creation (Loss) - in thousands	24	17	8	-9	-11	1	36	33	29	20	22	9
Unemployment Rate (%)	8.7	8.7	8.5	8.7	8.8	9.0	8.5	8.7	8.7	8.8	9.1	9.7
Mortgage Rates (1)												
1-year	4.4	4.8	4.9	5.0	4.8	4.8	5.0	5.0	5.3	5.6	5.8	5.8
5-year	6.3	6.3	6.4	6.3	6.1	6.1	5.8	5.8	6.0	6.2	6.3	6.3
Annual Inflation Rate (%)	2.0	2.4	2.9	2.6	2.4	1.9	2.7	3.4	2.1	2.1	2.1	2.7
New House Price Index (% change)												
House	7.2	7.2	6.9	6.8	6.6	6.7	4.4	4.2	4.0	3.6	3.6	n.a
Land	3.8	3.7	5.3	6.4	6.0	6.1	4.9	5.1	4.0	3.4	3.5	n.a
Total	6.5	6.5	6.5	6.6	6.4	6.6	4.5	4.4	4.1	3.7	3.7	n.a
MLS Sales - Single-Family Houses	1,360	1,566	1,657	1,887	1,310	1,422	1,545	1,644	1,725	1,708	1,326	1,477

* 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	Beloil, McMasterville, St-Amable, St-Basile-le-Grand, St-Bruno-de-Montarville, Ste-Julie, St-Mathieu-de-Beloil, 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

64159_2006_M01