HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Montréal

Canada Mortgage and Housing Corporation

www.cmhc.ca

VOLUME 8, NUMBER 12, DECEMBER 2005

RESULTS FOR 2005: FIRST DECREASE IN HOUSING STARTS IN SEVEN YEARS

According to the data compiled by Canada Mortgage and Housing Corporation (CMHC), the year 2005 ended with a first decrease in residential construction in seven years in Greater Montréal. In all, 25,317 housing units were started, for a decline of 12 per cent in relation to 2004.

The decrease in activity last year affected all geographic sectors and all market segments, except for the rental housing segment, in which starts rather registered a small increase. In fact, construction got under way on 6,687 rental dwellings in 2005, or 4 per cent more than in 2004. In particular, the retirement home market was very dynamic and accounted for over half of these new rental units. The Laval and Longueuil sectors were particularly active in this segment.

In the condominium segment, the slowdown resulted in a decrease of 13 per cent in starts last year. This decline was expected, as the number of completed and unsold condominiums made a significant jump over the past 18 months or so. With 8,758 new condominium units, the year 2005 still posted the second highest result ever in this segment, for the Montréal area.

It was the freehold (single-family) home segment that registered the greatest decline. In fact, in this market segment, there were 9,871 new job sites in 2005, compared to 12,177 last year, for a decrease of 19 per cent.

As for the results by geographic sector, the Island of Montréal sustained the most considerable drop in 2005, with a total of 8,535 starts, or 21 per cent fewer than in 2004. The South Crown and Vaudreuil-Soulanges sectors posted very similar performances, with decreases of 12 per cent and 13 per cent, respectively. The North Crown managed to do better, as the 10,653 dwellings started there last year made for only a slight dip of 2 per cent and allowed the northern suburbs to retain their title of most active zone in Greater Montréal in

IN THIS ISSUE

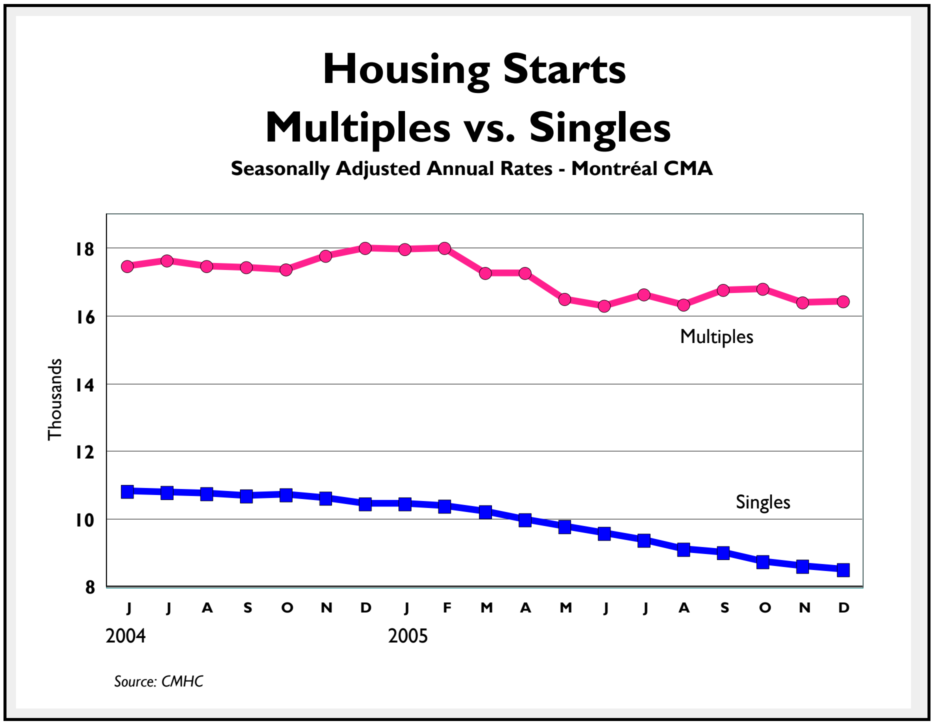
Canada

CMHC SCHL HOME TO CANADIANS

the residential construction sector, a title they have held since 1988. It can also be noted, among other things, that this sector garnered more than half of the single-detached homes built last year.

The figures for 2005 followed the compilation of the results for December, during which starts remained stable in comparison with the same month in 2004. Construction got under way on a total of 2,032 housing units during the last month of the year. The Laval and North Shore sector stood out with an increase in activity of 35 per cent, mainly attributable to the excellent performance of the condominium segment, in which starts practically doubled in relation to 2004. Conversely, the South Crown (-18 per cent), as well as the Island of Montréal (-12 per cent) and the Vaudreuil-Soulanges sector (-17 per cent), registered decreases in December.

Elsewhere across the province, the results for 2005 also revealed declines in residential construction in the census metropolitan areas of Québec (-6 per cent), Gatineau (-34 per cent) and Sherbrooke (-21 per cent), while activity increased in Saguenay (+34 per cent) and Trois-Rivières (+5 per cent). ■



Major Housing Job Sites Started in December

The following are the major multiple housing job sites started in December 2005 in Greater Montréal, along with the intended market segment announced for the projects at the time they got under way:

Number of units	Street	Sector	Intended segment
163	13e Ave	Montréal (Rosemont)	Retirement Home
118	Rosemont	Montréal (Villeray)	Retirement Home*
60	Marcel-Laurin	Montréal (St-Laurent)	Condominiums
48	Cartier	Pointe-Claire	Condominiums
47	Marcel-Laurin	Montréal (St-Laurent)	Condominiums
32	Wellington	Montréal (Ctre-Ouest)	Condominiums
32	Dompierre	Candiac	Condominiums
20	Laurentien	Montréal (Saraguay)	Retirement Home*

* *Public Housing Project.*

Resale Market Still Rising

In the third quarter of 2005, 7,345 transactions were closed in Greater Montréal, or 8 per cent more than during the third quarter of 2004. In terms of year-to-date sales, 2005 is looking just as good as 2004. In fact, from January to September 2005, 28,685 sales were recorded on the S.I.A.®/MLS® network, compared to 28,151 during the same period last year, for an increase of 2 per cent.

Overall, the resale market still remains favourable to sellers. "The rise in transactions recorded on the S.I.A.®/MLS® network demonstrates the continued interest in real estate.

The most popular type of property remains single-family houses, which registered the most sales, by far, during the past quarter, and also had the shortest average listing period (67 days). Nearly 70 per cent of the single-family home sales occurred in the North Shore, South Shore and Laval sectors. In Greater Montréal, the average S.I.A.®/MLS® price of single-family houses reached $228,528, up by 4 per cent over the third quarter of last year. It should be noted that 25 per cent of the homes sold in Greater Montréal are priced at over $250,000. The segment comprising houses selling for over $250,000 favours buyers in all zones, except on the Island, where this market is balanced.

The condominium resale market remains very active, as sales went up by 23 per cent in the third quarter of 2005, for the strongest increase registered during the quarter. The growth observed in certain parts of the Island of Montréal, particularly zones 5 and 7, which posted gains of 37 per cent and 38 per cent, respectively, contributed to this result. However, a certain rebalancing is under way on this market. The listings-to-sale ratio went from 5 to 1 in the third quarter of 2004 up to 7 to 1 in the third quarter of 2005. The average listing period is also on an upward course, having reached 78 days during the quarter that just ended. Condominiums remain a popular housing type on the resale market. In fact, the average selling price rose by 7 per cent over the third quarter of 2004, and has now attained $202,366. Given their relative affordability, condominiums remain the way to access homeownership for many households in Greater Montréal.

It is interesting to note that condominium transactions, which used to take place almost exclusively on the Island, are now moving out to the suburbs. In fact, during the third quarter of 2005, 35 per cent of condominium sales occurred in the Laval, North Shore and South Shore sectors.

Finally, plex sales remained stable in relation to the third quarter of 2004. This situation is no doubt attributable to the small rise in supply, as active listings on the S.I.A.®/MLS® network increased by just 3 per cent. The average selling price went up by 15 per cent over last year, for the strongest price hike observed during the quarter. For the first time, the average price of plexes surpassed the $300,000 mark in Greater Montréal, reaching $300,627.

Table 1
Summary of Activity by Intended Market
Montréal Metropolitan Area

Activity / Period	Freehold (Single-Family)	Condominium	Rental	Total
Housing Starts				
December 2005	727	823	482	2,032
December 2004	744	874	419	2,037
Cumulative 2005	9,872	8,758	6,687	25,317
Cumulative 2004	12,177	10,053	6,443	28,673
Under Construction*				
December 2005	3,551	7,687	6,198	17,436
December 2004	4,373	7,603	5,876	17,852
Completions				
December 2005	748	844	180	1,772
December 2004	965	988	475	2,428
Cumulative 2005	10,684	8,876	6,139	25,699
Cumulative 2004	11,998	8,120	4,802	24,920
Unoccupied*				
December 2005	527	2,067	1,379	3,973
December 2004	762	1,716	620	3,098
Absorption				
December 2005	777	691	235	1,703
December 2004	983	933	479	2,395
Cumulative 2005	10,919	8,525	5,380	24,824
Cumulative 2004	11,843	7,234	4,665	23,742
Duration of Inventory (in months)				
December 2005	0.6	2.9	3.1	1.9
December 2004	0.8	2.8	1.6	1.6

** As at the end of the period shown*

Source: CMHC

For more information about this publication, please contact our:

Customer Service

at

Tel.: **1 866 855-5711**

or by Email: **cam_qc@cmhc.ca**

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				
December 2005	12	48	0	60
December 2004	11	201	28	240
Cumulative 2005	227	285	312	824
Cumulative 2004	403	640	601	1,644
Zone 2: West-Centre				
December 2005	13	290	58	361
December 2004	19	170	98	287
Cumulative 2005	118	1,475	1,400	2,993
Cumulative 2004	174	2,159	1,565	3,898
Zone 3: East-Center				
December 2005	4	26	288	318
December 2004	3	140	130	273
Cumulative 2005	75	2,345	1,731	4,151
Cumulative 2004	87	2,445	1,856	4,388
Zone 4: East-End				
December 2005	26	0	0	26
December 2004	19	0	53	72
Cumulative 2005	184	140	243	567
Cumulative 2004	205	137	540	882
Zone 5: South-Laval				
December 2005	28	66	0	94
December 2004	25	36	0	61
Cumulative 2005	195	612	307	1,114
Cumulative 2004	391	634	0	1,025
Zone 6: North-Laval				
December 2005	76	60	0	136
December 2004	118	26	0	144
Cumulative 2005	1,008	538	246	1,792
Cumulative 2004	1,436	580	24	2,040
Zone 7: MRC Deux-Montagnes				
December 2005	99	27	31	157
December 2004	80	24	9	113
Cumulative 2005	1,331	314	239	1,884
Cumulative 2004	1,405	293	139	1,837
Zone 8: MRC Ste-Thérèse-de-Blainville				
December 2005	72	36	24	132
December 2004	52	32	0	84
Cumulative 2005	664	433	247	1,344
Cumulative 2004	887	313	125	1,325

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				
December 2005	64	59	18	141
December 2004	64	15	15	94
Cumulative 2005	1,397	417	256	2,070
Cumulative 2004	1,707	299	173	2,179
Zone 10: MRC L'Assomption				
December 2005	55	24	9	88
December 2004	59	9	0	68
Cumulative 2005	937	448	351	1,736
Cumulative 2004	840	280	577	1,697
Zone 11: South-Shore Centre				
December 2005	39	43	0	82
December 2004	55	52	68	175
Cumulative 2005	533	846	833	2,212
Cumulative 2004	680	883	435	1,998
Zone 12: East South-Shore				
December 2005	40	6	0	46
December 2004	53	67	0	120
Cumulative 2005	532	122	33	687
Cumulative 2004	726	409	98	1,233
Zone 13: South South-Shore				
December 2005	42	56	0	98
December 2004	65	12	0	77
Cumulative 2005	548	163	21	732
Cumulative 2004	621	154	81	856
Zone 14: West South-Shore				
December 2005	53	42	54	149
December 2004	64	4	15	83
Cumulative 2005	807	233	212	1,252
Cumulative 2004	1,028	327	118	1,473
Zone 15: Vaudreuil-Soulanges *				
December 2005	72	32	0	104
December 2004	40	86	0	126
Cumulative 2005	988	233	24	1,245
Cumulative 2004	1,137	289	6	1,432
Zone 16: St-Jérôme				
December 2005	32	8	0	40
December 2004	17	0	3	20
Cumulative 2005	328	154	232	714
Cumulative 2004	450	211	105	766

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	
	Dec. 2005	Dec. 2004	Dec. 2005	Dec. 2004	Dec. 2005	Dec. 2004
Housing Starts						
Island of Montréal (1 to 4)	55	52	364	511	346	309
Laval (zones 5 and 6)	104	143	126	62	0	0
North-Shore (zones 7 to 10 & 16)	322	272	154	80	82	27
South-Shore (zones11 to 14)	174	237	147	135	54	83
Vaudreuil-Soul. *** (zone 15)	72	40	32	86	0	0
Under Construction*						
Island of Montréal	392	465	4,562	4,665	3,912	4,274
Laval	484	758	860	723	524	16
North-Shore	1,416	1,692	1,110	903	738	1,162
South-Shore	834	980	973	1,028	1,000	421
Vaudreuil-Soulanges ***	425	478	182	284	24	3
Completions						
Island of Montréal	39	82	528	442	106	284
Laval	113	137	78	99	0	0
North-Shore	388	460	155	171	71	88
South-Shore	159	241	83	257	3	103
Vaudreuil-Soulanges ***	49	45	0	19	0	0
Unoccupied*						
Island of Montréal	71	74	1,213	967	915	263
Laval	56	147	235	241	66	153
Rive- Nord	161	347	346	226	228	25
South-Shore	150	141	225	270	162	177
Vaudreuil-Soulanges ***	89	53	48	12	8	2
Absorption						
Island of Montréal	47	87	441	430	134	244
Laval	119	139	53	112	20	13
North-Shore	411	469	98	133	74	85
South-Shore	153	244	94	239	7	137
Vaudreuil-Soulanges ***	47	44	5	19	0	0
Duration of Inventory*						
Island of Montréal	1.3	1.0	3.3	3.2	3.5	1.3
Laval	0.4	1.1	3.0	3.6	3.9	12.2
North-Shore	0.4	0.8	2.8	2.6	1.8	0.4
South-Shore	0.7	0.5	1.9	2.0	3.6	1.7
Vaudreuil-Soulanges ***	1.1	0.6	2.5	1.3	1.5	0.3

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				
Intended Market	**Under Construction**	**Units Unoccupied**	**Short-Term Supply**	**Monthly Absorption**
	December 2005			**Trend 2005**
Freehold	3,551	527	4,078	910
Condominium	7,687	2,067	9,754	710
Rental	6,198	1,379	7,577	448
	December 2004			**Trend 2004**
Freehold	4,373	762	5,135	987
Condominium	7,603	1,716	9,319	603
Rental	5,876	620	6,496	389

Source: CMHC

Table 5 Economic Overview Montréal Metropolitan Area	2005						2004					
	Dec.	**Nov.**	**Oct.**	**Sept.**	**August**	**July**	**Dec.**	**Nov.**	**Oct.**	**Sept.**	**August**	**July**
Labour Market*												
Job Creation (Loss) - in thousands	22	20	29	33	36	15	-11	-9	8	17	24	35
Unemployment Rate (%)	9.1	8.8	8.8	8.7	8.5	8.4	8.8	8.7	8.4	8.6	8.6	8.3
Mortgage Rates (1)												
1-year	5.8	5.6	5.3	5.0	5.0	4.9	4.8	5.0	4.9	4.8	4.4	4.6
5-year	6.3	6.2	6.0	5.8	5.8	5.8	6.1	6.3	6.4	6.3	6.3	6.6
Annual Inflation Rate (%)	NA	2.1	2.1	3.4	2.7	2.2	2.4	2.6	2.9	2.4	2.0	2.1
New House Price Index (% change)												
House	NA	3.6	4.0	4.3	4.4	5.1	6.6	6.8	6.9	7.2	7.2	7.4
Land	NA	3.4	4.0	5.1	4.9	5.3	6.0	6.4	5.3	3.7	3.8	5.8
Total	NA	3.7	4.1	4.4	4.5	5.1	6.4	6.6	6.5	6.5	6.5	7.1
MLS Sales - Single-Family Houses	1,326	1,708	1,725	1,644	1,545	1,327	1,310	1,887	1,657	1,566	1,360	1,358

* *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-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, 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, 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_2005_M12.pdf

ISSN 1481-3289 2092