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Canada Mortgage and Housing Corporation

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A RATHER LACKLUSTRE MONTH OF AUGUST ON RESIDENTIAL JOB SITES IN GREATER MONTRÉAL

VOLUME 8, NUMBER 8, AUGUST 2005

In Greater Montréal, residential construction sustained a decrease of 23 per cent in August. According to the latest surveys conducted by Canada Mortgage and Housing Corporation (CMHC), 1,709 dwellings were started this past month, for a deficit of 512 units in relation to August 2004. The improvement in July (+15 per cent) will therefore have been short-lived. The downward trend in residential construction is now confirmed, as the overall decrease for the first eight months of the year has reached 16 per cent.

The North Crown posted a negative performance (-40 per cent), which put a serious damper on the results for August. In fact, in the North Crown, starts reached 450 units, compared to 750 one year earlier. All market segments registered decreases. Single-family home building—albeit the stronghold in this sector—declined by 36 per cent. The rental housing segment also had a difficult month, as such starts fell by 52 per cent. Lastly, the condominium segment, far from

saving the month, recorded a drop of 40 per cent. However, when it comes to the totals for the first eight months of 2005, the North Crown shows the best result, with a decline of just 5 per cent, compared to decreases of 25 per cent for the Island of Montréal and 22 per cent for the southern suburbs.

On the Island of Montréal, like in the North Crown, activity declined in all market segments in August. Overall, the slowdown was in the order of 23 per cent. In the rental housing segment, activity fell by 43 per cent, as construction got under way on 369 units. The decrease was less marked in the condominium segment, with the 443 units started representing a drop of 15 per cent in relation to last year. As for single-family homes, a segment that is generally not very active on the Island, 36 units were started, for a decrease of 33 per cent. On the Island, the total for the first eight months of 2005 reflects the results for August, with residential construction down by 25 per cent.

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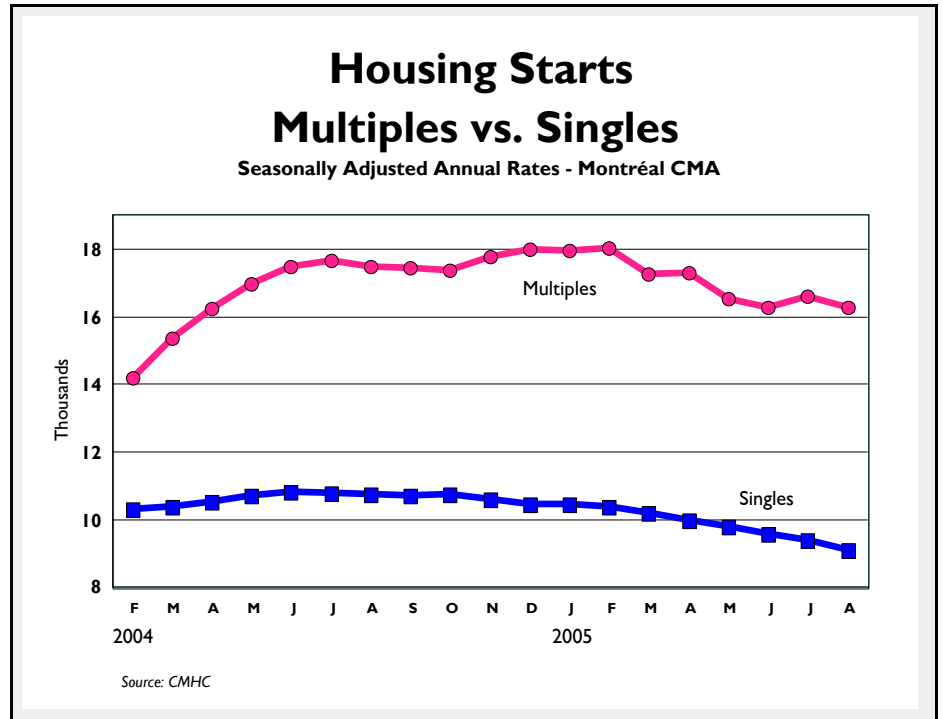
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The South Crown, on the other hand, bucked the trend, as August was rather a month of growth in this sector. The disappointing performance in single-family home segment was fortunately more than offset by the gains posted in the rental and condominium housing segments. Only 79 single-family houses were started this past month in this geographic sector, for a decline of 48 per cent. In particular, the territory of the new City of Longueuil registered just 8 starts of this type. However, for the southern suburbs overall, rental housing starts climbed from 33 units to 145 in August. Likewise, more condominium starts (101 units versus 68) were noted there. Overall, the gain therefore reached 20 per cent in the South Crown. Still, the good result recorded in August was not sufficient to put the South Crown back on an even keel. So far in 2005, this sector is down by 22 per cent in relation to the first eight months of last year.

For the overall Montréal census metropolitan area, residential construction is now down by 16 per cent from last year, which brings us back to the level of activity recorded in 2003. This is perfectly in line with our forecasts published last fall and confirms that the exceptional level of starts attained in 2004 was the peak of the current cycle. ■



Major Housing Job Sites Started in August

The following are the major multiple housing job sites started in August 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>
130	St-Laurent	Longueuil (Brossard)	Retirement Home
96	Hochelaga	Montréal (Mercier)	Retirement Home*
66	St-Laurent	Montréal (Villeray)	Condominiums
56	Ste-Croix	Montréal (St-Laurent)	Condominiums
54	Joseph Dantre	Montréal (St-Laurent)	Condominiums
47	Cèdres	Saint-Jérôme	Retirement Home
41	Laurentien	Montréal (Saraguay)	Retirement Home*
32	Cavendish	Montréal (St-Laurent)	Condominiums
32	Chambly	Montréal (Centre)	Condominiums
30	Marelle Ferron	Montréal (Mercier)	Cooperative
30	ND de Fatima	Laval (Pont-Viau)	Condominiums

* Public Housing Project.

*For more information,
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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				
August 2005	440	658	611	1,709
August 2004	712	766	743	2,221
Cumulative 2005	6,523	5,365	4,183	16,071
Cumulative 2004	8,411	6,288	4,512	19,211
Under Construction*				
August 2005	3,475	7,022	5,181	15,678
August 2004	4,521	7,337	5,607	17,465
Completions				
August 2005	695	684	858	2,237
August 2004	1,152	972	248	2,372
Cumulative 2005	7,412	6,072	4,716	18,200
Cumulative 2004	8,083	4,698	3,066	15,847
Unoccupied*				
August 2005	492	1,992	1,807	4,291
August 2004	603	1,151	540	2,294
Absorption				
August 2005	688	845	555	2,088
August 2004	1,146	917	231	2,294
Cumulative 2005	7,682	5,796	3,529	17,007
Cumulative 2004	8,087	4,377	3,009	15,473
Duration of Inventory (in months)				
August 2005	0.5	2.8	4.2	2.0
August 2004	0.6	2.2	1.6	1.2

* As at the end of the period shown

Source: CMHC

An event not to be missed:

«New Foundations: Montréal and its Suburbs»
the 2005 CMHC Montréal Housing Outlook Conference.

The biggest annual get-together of housing industry professionals will be held on

Tuesday November 15 at the Palais des Congrès de Montréal, starting at 7:30 a.m.

For more information, contact us at | 866 855-5711.

Register today!

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				
August 2005	13	0	31	44
August 2004	35	74	36	145
Cumulative 2005	123	168	312	603
Cumulative 2004	289	278	497	1,064
Zone 2: West-Centre				
August 2005	13	213	73	299
August 2004	21	131	90	242
Cumulative 2005	61	879	1,168	2,108
Cumulative 2004	91	1,420	1,027	2,538
Zone 3: East-Center				
August 2005	8	202	257	467
August 2004	8	306	400	714
Cumulative 2005	60	1,435	826	2,321
Cumulative 2004	47	1,664	1,463	3,174
Zone 4: East-End				
August 2005	10	28	8	46
August 2004	7	0	0	7
Cumulative 2005	102	97	243	442
Cumulative 2004	126	109	259	494
Zone 5: South-Laval				
August 2005	5	30	0	35
August 2004	14	46	0	60
Cumulative 2005	116	450	298	864
Cumulative 2004	274	420	0	694
Zone 6: North-Laval				
August 2005	49	23	0	72
August 2004	61	34	8	103
Cumulative 2005	707	282	246	1,235
Cumulative 2004	981	445	24	1,450
Zone 7: MRC Deux-Montagnes				
August 2005	55	12	0	67
August 2004	100	32	14	146
Cumulative 2005	896	157	175	1,228
Cumulative 2004	971	159	66	1,196
Zone 8: MRC Ste-Thérèse-de-Blainville				
August 2005	20	6	0	26
August 2004	31	0	36	67
Cumulative 2005	421	222	89	732
Cumulative 2004	597	153	122	872

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				
August 2005	58	10	30	98
August 2004	100	24	4	128
Cumulative 2005	939	231	155	1,325
Cumulative 2004	1,220	191	94	1,505
Zone 10: MRC L'Assomption				
August 2005	55	24	12	91
August 2004	48	38	122	208
Cumulative 2005	652	285	288	1,225
Cumulative 2004	603	197	348	1,148
Zone 11: South-Shore Centre				
August 2005	22	51	142	215
August 2004	40	44	6	90
Cumulative 2005	320	629	168	1,117
Cumulative 2004	484	506	282	1,272
Zone 12: East South-Shore				
August 2005	21	0	0	21
August 2004	59	24	0	83
Cumulative 2005	385	56	21	462
Cumulative 2004	547	223	81	851
Zone 13: South South-Shore				
August 2005	20	14	0	34
August 2004	30	0	0	30
Cumulative 2005	384	89	18	491
Cumulative 2004	394	74	81	549
Zone 14: West South-Shore				
August 2005	40	36	3	79
August 2004	60	0	27	87
Cumulative 2005	534	148	88	770
Cumulative 2004	732	191	69	992
Zone 15: Vaudreuil-Soulanges *				
August 2005	40	6	8	54
August 2004	66	7	0	73
Cumulative 2005	589	139	8	736
Cumulative 2004	756	112	0	868
Zone 16: St-Jérôme				
August 2005	11	3	47	61
August 2004	32	6	0	38
Cumulative 2005	234	98	80	412
Cumulative 2004	299	146	99	544

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	
	August 2005	August 2004	August 2005	August 2004	August 2005	August 2004
Housing Starts						
Island of Montréal (1 to 4)	44	71	443	511	369	526
Laval (zones 5 and 6)	54	75	53	80	0	8
North-Shore (zones 7 to 10 & 16)	199	311	55	100	89	176
South-Shore (zones 11 to 14)	103	189	101	68	145	33
Vaudreuil-Soul. *** (zone 15)	40	66	6	7	8	0
Under Construction*						
Island of Montréal	322	480	4,618	4,406	3,570	3,924
Laval	558	735	616	794	578	216
North-Shore	1,404	1,801	804	896	718	994
South-Shore	837	1,062	864	1,086	291	408
Vaudreuil-Soulanges ***	354	443	120	155	24	65
Completions						
Island of Montréal	32	101	193	525	689	57
Laval	97	123	100	132	21	8
North-Shore	342	493	255	130	132	141
South-Shore	163	361	132	185	16	42
Vaudreuil-Soulanges ***	61	74	4	0	0	0
Unoccupied*						
Island of Montréal	84	67	1,091	705	1,335	199
Laval	41	108	266	136	86	9
Rive- Nord	156	262	281	147	206	78
South-Shore	144	122	287	163	178	254
Vaudreuil-Soulanges ***	67	44	67	0	2	0
Absorption						
Island of Montréal	37	97	337	496	433	62
Laval	103	132	113	138	21	1
North-Shore	325	482	250	92	79	66
South-Shore	166	361	138	190	17	102
Vaudreuil-Soulanges ***	57	74	7	1	5	0
Duration of Inventory**						
Island of Montréal	1.3	0.8	3.2	2.7	5.7	1.2
Laval	0.3	0.8	3.0	2.5	5.9	0.6
North-Shore	0.4	0.6	2.2	2.0	1.9	1.4
South-Shore	0.6	0.5	2.0	1.3	2.7	2.6
Vaudreuil-Soulanges ***	0.8	0.5	3.7	0.0	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>
	August 2005			Trend 2005
Freehold	3,475	492	3,967	953
Condominium	7,022	1,992	9,014	721
Rental	5,181	1,807	6,988	432
	August 2004			Trend 2004
Freehold	4,521	603	5,124	981
Condominium	7,337	1,151	8,488	524
Rental	5,607	540	6,147	344

Source: CMHC

Table 5												
Economic Overview												
Montréal Metropolitan Area												
	2005						2004					
	<i>August</i>	<i>July</i>	<i>June</i>	<i>May</i>	<i>April</i>	<i>March</i>	<i>August</i>	<i>July</i>	<i>June</i>	<i>May</i>	<i>April</i>	<i>March</i>
Labour Market*												
Job Creation (Loss) - in thousands	34	16	-0.5	-0.1	15	28	31	41	52	56	40	21
Unemployment Rate (%)	8.5	8.4	8.3	8.5	8.3	8.5	8.6	8.3	8.1	8.3	8.7	9.0
Mortgage Rates (1)												
1-year	5.0	4.9	4.8	4.8	4.9	5.0	4.4	4.6	4.7	4.5	4.5	4.3
5-year	5.8	5.8	5.7	6.0	6.0	6.2	6.3	6.5	6.7	6.5	6.2	5.7
Annual Inflation Rate (%)	NA	2.2	2.1	1.7	2.3	2.4	2.0	2.1	2.5	2.3	1.5	0.7
New House Price Index (% change)												
House	NA	5.1	5.1	5.1	5.6	6.6	7.2	7.4	7.4	7.5	7.1	6.1
Land	NA	5.3	5.3	5.2	5.8	6.0	3.8	5.8	5.8	5.8	5.7	6.2
Total	NA	5.1	5.1	5.1	5.7	6.4	6.5	7.1	7.1	7.2	6.9	6.1
MLS Sales - Single-Family Houses	1,545	1,327	1,784	2,330	2,651	2,835	1,360	1,358	1,807	2,195	2,581	3,009

* 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	<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

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