



# HOUSING NOW *Montréal*

## YOUR LINK TO THE HOUSING MARKET

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Canada Mortgage and Housing Corporation

VOLUME 6, NUMBER 7, JULY 2003

### JULY: ANOTHER BOOM FOR RESIDENTIAL CONSTRUCTION IN GREATER MONTRÉAL

Residential construction in the Greater Montréal area posted another boom in July. According to the latest monthly statistics released by Canada Mortgage and Housing Corporation (CMHC), housing starts went up by 33 per cent over last year. Even though July was shortened by the construction holiday, 1,941 dwellings were started—the highest level of activity observed in the last 12 years.

The data for July revealed that all housing types showed increases in activity in relation to last year. Semi-detached and row homes (+127 per cent) and rental housing (+68 per cent) stood out with greater gains than single-detached houses (+26 per cent) and condominiums (+19 per cent). The results for the first seven months of the year lead to the same conclusion. Semi-detached and row home building is up by 28 per cent over last year and rental housing construction, by 24 per cent. Condominium starts are also managing very well, with a year-to-date hike of 19 per cent. As for single-detached home construction, activity is still down (-5 per cent), but now by a smaller margin, thanks to the major upturn in July. Overall, residential construction in Greater Montréal is doing quite well, with an increase of 7 per cent in starts since the beginning of the year.

Several factors that are favourable to the residential real estate market remain in place and are supporting significant activity on both the new and existing home markets. Despite

the slower job creation, consumers remain very confident and consider that now is still a good time to make a major purchase, such as a property, given that the mortgage rates remain very attractive.

Among the geographical sectors, new job sites were on the rise everywhere in July. The Island of Montréal drew attention (+63 per cent) with considerable gains in all housing categories. In the Laval and North Shore sector, condominium construction shot up (+123 per cent), while rental housing starts—already at a low level last year—fell by 44 per cent. The opposite occurred on the South Shore. Rental housing construction jumped up by 61 per cent there, while condominium starts declined practically by half.

Since the beginning of the year, starts on the Island of Montréal are growing at a good pace (+10 per cent), equivalent to that of the Laval and North Shore sector. The South Shore, for its part, is showing a slightly smaller increase in activity (+5 per cent). The northern suburbs post the most new job sites (5,394), mainly single-family homes and condominiums, followed by the Island of Montréal, which has been slightly more active than the southern suburbs, with 3,532 and 3,187 starts, respectively. Condominium and rental housing construction are the housing types that characterize the Island of Montréal, while the southern suburbs present the same profile as the northern suburbs.

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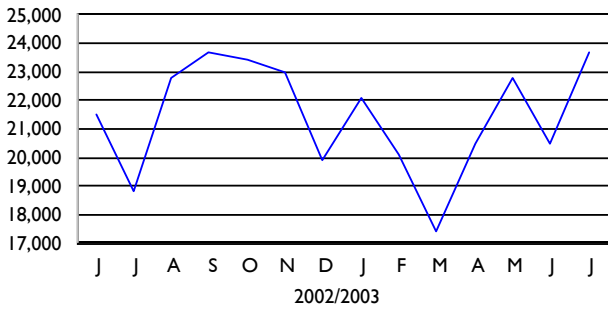


HOME TO CANADIANS  
Canada

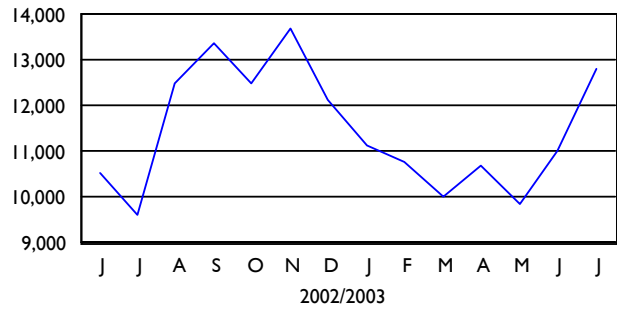
# Housing Starts - June 2002 to July 2003

Seasonally Adjusted Data at Annual Rate

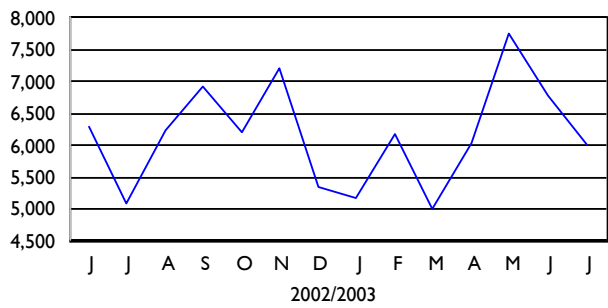
### Total Residential



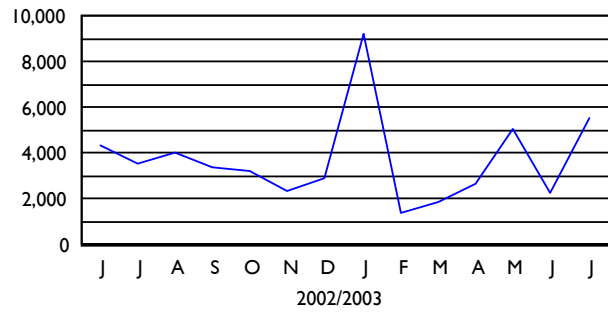
### Total Single-Family



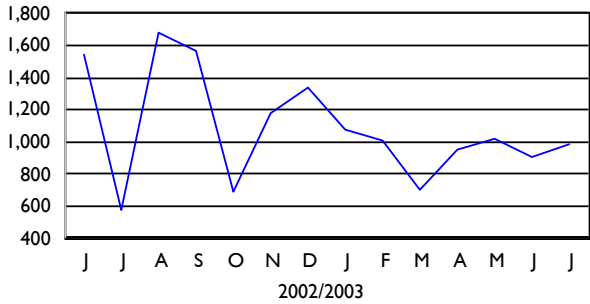
### Total Condominium



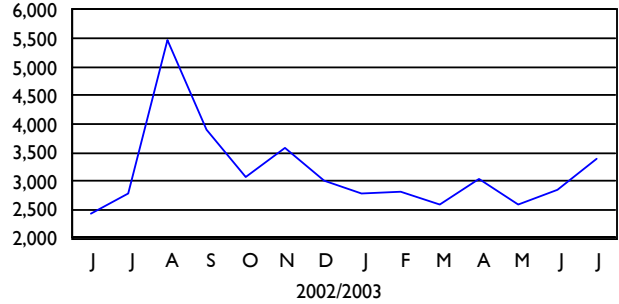
### Total Rental



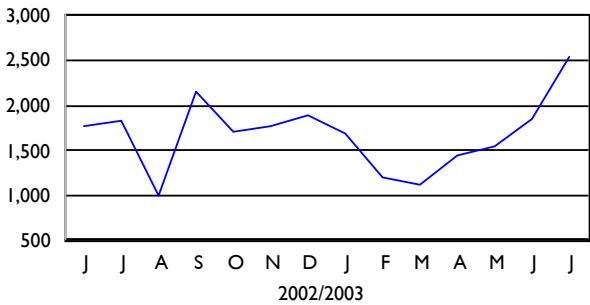
### Single-Family - Montreal Island



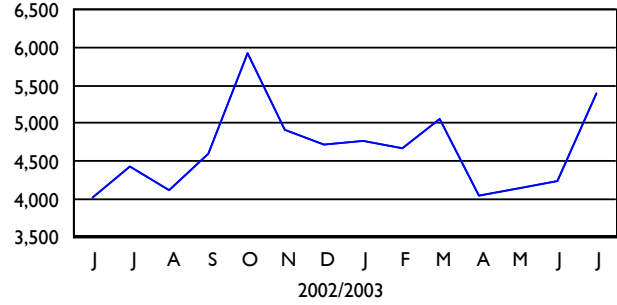
### Single-Family - South-Shore



### Single-Family - Laval



### Single-Family - North-Shore



**Table I**  
**Summary of Activity by Intended Market**  
**Montréal Metropolitan Area**

<b>Activity / Period</b>	<b>Freehold (Single-Family)</b>	<b>Condominium</b>	<b>Rental</b>	<b>Total</b>
<b>Housing Starts</b>				
July 2003	996	570	375	1,941
July 2002	753	480	223	1,456
Cumulative 2003	7,025	3,881	1,851	12,757
Cumulative 2002	7,142	3,259	1,487	11,888
<b>Under Construction*</b>				
July 2003	4,007	4,680	2,804	11,491
July 2002	4,410	3,219	1,730	9,359
<b>Completions</b>				
July 2003	2,170	702	219	3,091
July 2002	1,216	750	193	2,159
Cumulative 2003	6,774	3,083	1,468	11,325
Cumulative 2002	5,061	2,196	810	8,067
<b>Unoccupied*</b>				
July 2003	528	628	232	1,388
July 2002	600	580	260	1,440
<b>Absorption</b>				
July 2003	2,380	751	235	3,366
July 2002	1,319	749	213	2,281
Cumulative 2003	6,802	2,973	1,563	11,338
Cumulative 2002	5,204	2,293	875	8,372
<b>Duration of Inventory (in months)</b>				
July 2003	0.5	1.6	1.1	0.9
July 2002	0.9	1.8	1.7	1.3

\* As at the end of the period shown

Source: CMHC

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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>
<b>Zone 1: West Island</b>				
July 2003	52	36	4	92
July 2002	31	35	0	66
Cumulative 2003	277	185	21	483
Cumulative 2002	459	57	234	750
<b>Zone 2: West-Centre</b>				
July 2003	11	67	0	78
July 2002	5	82	0	87
Cumulative 2003	86	870	3	959
Cumulative 2002	96	890	190	1,176
<b>Zone 3: East-Center</b>				
July 2003	15	136	41	192
July 2002	7	59	0	66
Cumulative 2003	74	918	620	1,612
Cumulative 2002	99	827	145	1,071
<b>Zone 4: East-End</b>				
July 2003	10	0	0	10
July 2002	9	0	0	9
Cumulative 2003	142	76	260	478
Cumulative 2002	132	63	6	201
<b>Zone 5: South-Laval</b>				
July 2003	30	38	0	68
July 2002	34	59	0	93
Cumulative 2003	226	321	64	611
Cumulative 2002	295	258	13	566
<b>Zone 6: North-Laval</b>				
July 2003	118	71	0	189
July 2002	75	0	0	75
Cumulative 2003	777	191	46	1,014
Cumulative 2002	782	178	52	1,012
<b>Zone 7: MRC Deux-Montagnes</b>				
July 2003	112	32	6	150
July 2002	92	6	9	107
Cumulative 2003	801	112	159	1,072
Cumulative 2002	768	64	72	904
<b>Zone 8: MRC Ste-Thérèse-de-Blainville</b>				
July 2003	80	9	0	89
July 2002	88	12	0	100
Cumulative 2003	550	73	42	665
Cumulative 2002	638	124	149	911

**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>				
July 2003	102	36	6	144
July 2002	68	0	0	68
Cumulative 2003	947	187	28	1,162
Cumulative 2002	714	62	16	792
<b>Zone 10: MRC L'Assomption</b>				
July 2003	53	9	0	62
July 2002	40	0	12	52
Cumulative 2003	390	92	12	494
Cumulative 2002	342	13	54	409
<b>Zone 11: South-Shore Centre</b>				
July 2003	71	90	246	407
July 2002	81	150	165	396
Cumulative 2003	508	446	373	1,327
Cumulative 2002	476	510	270	1,256
<b>Zone 12: East South-Shore</b>				
July 2003	55	0	0	55
July 2002	51	26	3	80
Cumulative 2003	447	185	29	661
Cumulative 2002	532	76	47	655
<b>Zone 13: South South-Shore</b>				
July 2003	64	0	6	70
July 2002	29	0	0	29
Cumulative 2003	336	30	51	417
Cumulative 2002	277	6	5	288
<b>Zone 14: West South-Shore</b>				
July 2003	98	17	53	168
July 2002	72	31	21	124
Cumulative 2003	636	60	86	782
Cumulative 2002	675	72	100	847
<b>Zone 15: Vaudreuil-Soulanges *</b>				
July 2003	95	8	6	109
July 2002	45	0	0	45
Cumulative 2003	578	20	46	644
Cumulative 2002	680	24	42	746
<b>Zone 16: St-Jérôme</b>				
July 2003	30	21	7	58
July 2002	26	20	13	59
Cumulative 2003	250	115	11	376
Cumulative 2002	177	35	92	304

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	
	July 2003	July 2002	July 2003	July 2002	July 2003	July 2002
<b>Housing Starts</b>						
Island of Montréal (1 to 4)	88	52	239	176	45	0
Laval (zones 5 and 6)	148	109	109	59	0	0
North-Shore (zones 7 to 10 & 16)	377	314	107	38	19	34
South-Shore (zones 11 to 14)	288	233	107	207	305	189
Vaudreuil-Soul. *** (zone 15)	95	45	8	0	6	0
<b>Under Construction*</b>						
Island of Montréal	502	565	2,680	1,965	1,577	754
Laval	626	784	526	395	112	59
North-Shore	1,499	1,665	582	291	249	491
South-Shore	1,023	1,068	878	556	826	414
Vaudreuil-Soulanges ***	357	328	14	12	40	12
<b>Completions</b>						
Island of Montréal	162	173	487	370	98	24
Laval	313	117	91	115	10	6
North-Shore	887	234	104	28	83	36
South-Shore	670	518	14	225	28	94
Vaudreuil-Soulanges ***	138	174	6	12	0	33
<b>Unoccupied*</b>						
Island of Montréal	93	98	372	367	58	236
Laval	93	132	73	78	4	3
Rive- Nord	193	219	54	28	67	6
South-Shore	116	115	128	100	102	13
Vaudreuil-Soulanges ***	33	36	1	7	1	2
<b>Absorption</b>						
Island of Montréal	167	151	438	379	61	35
Laval	377	160	103	134	13	3
North-Shore	1,000	275	136	41	119	46
South-Shore	692	547	68	188	42	98
Vaudreuil-Soulanges ***	144	186	6	7	0	31
<b>Duration of Inventory**</b>						
Island of Montréal	1.0	1.0	1.7	1.8	0.7	3.1
Laval	0.6	1.5	1.3	1.5	0.3	0.5
North-Shore	0.5	1.0	1.0	1.0	0.8	0.1
South-Shore	0.4	0.6	1.9	2.1	2.4	0.6
Vaudreuil-Soulanges ***	0.4	0.5	0.2	4.4	0.4	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>	<i>Dur. of Supply (in months)</i>
	<b>July 2003</b>			<b>Trend 2003</b>	
Freehold	4,007	528	4,535	996	4.6
Condominium	4,680	628	5,308	399	13.3
Rental	2,804	232	3,036	221	13.7
	<b>July 2002</b>			<b>Trend 2002</b>	
Freehold	4,410	600	5,010	658	7.6
Condominium	3,219	580	3,799	331	11.5
Rental	1,730	260	1,990	151	13.2

Source: CMHC

**Table 5**  
**Economic Overview**  
**Montréal Metropolitan Area**

	<b>2003</b>						<b>2002</b>					
	<i>July</i>	<i>June</i>	<i>May</i>	<i>April</i>	<i>March</i>	<i>Feb.</i>	<i>July</i>	<i>June</i>	<i>May</i>	<i>April</i>	<i>March</i>	<i>Feb.</i>
<b>Labour Market*</b>												
Job Creation (Loss) - in thousands	9	10	20	37	58	81	55	55.9	46.4	49	49	50
Unemployment Rate (%)	9.9	9.9	10.1	9.7	9.5	8.8	8.3	8.3	8.7	9.1	9.2	9.2
<b>Mortgage Rates (1)</b>												
1-year	4.5	4.8	5.0	5.3	5.3	4.9	5.3	5.5	5.5	5.4	5.3	4.5
5-year	6.2	5.8	6.2	6.7	6.8	6.6	7.0	7.2	7.4	7.5	7.3	6.8
<b>Annual Inflation Rate (%)</b>	NA	2.3	3.0	2.7	4.1	4.0	2.3	1.5	0.5	1.1	1.5	1.6
<b>New House Price Index (1992=100)</b>												
House	NA	7.0	6.83	7.25	8.6	10.5	5.0	5.04	5.44	5.3	4.2	3.8
Land	NA	5.7	5.82	5.98	7.5	9.3	6.7	6.65	6.49	6.7	5.2	3.8
Total	NA	6.6	6.46	6.71	8.2	10.1	5.4	5.36	5.63	5.6	4.4	3.7
<b>MLS Sales - Single-Family Houses</b>	1,561	1,637	2,077	2,238	2,437	2,422	1,158	1,424	2,146	2,777	3,328	3,135

\* Three-month average

Sources: Statistics Canada, Conference Board of Canada, GMREB

## Definitions et 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 strats 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

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