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GREATER MONTRÉAL: ISLAND POSTS CONTINUED GROWTH, WHILE SUBURBS SLOW DOWN

According to the latest starts survey conducted by Canada Mortgage and Housing Corporation (CMHC), residential construction slowed down slightly in October, falling by 3 per cent in relation to last year. This second straight monthly decrease resulted in a total of 2,317 housing starts, or 69 fewer units than during the tenth month of 2003.

The decline in activity came from decreases in the outlying sectors of the Montréal area. Residential construction was effectively down this past month in the North Crown (-12 per cent), the South Crown (-17 per cent) and Vaudreuil-Soulanges (-37 per cent). However, the Island of Montréal almost reversed the engines, with a gain of 39 per cent. In fact, this sector was the exception, being the only one that posted increases in rental housing construction (+35 per cent) and condominium starts (+48 per cent).

The decrease observed during the past month resulted mainly from a

decline in rental housing construction, which fell by 42 per cent. Starts volumes were lower than in 2003 for both traditional rental housing and retirement housing. The recent upsurge in construction costs implies an additional increase in the rents that developers must charge to make their projects profitable. This limits demand and lengthens the new unit absorption period.

However, the decline was not generalized, as all other market segments were on the rise. Semi-detached and row housing starts led the way, with 147 new units (+24 per cent). Single-detached home building, for its part, went up by 9 per cent, reaching 913 units. The North Crown remained the stronghold of freehold housing construction, as this sector garnered over 60 per cent of the new foundations laid for units of this type. Lastly, condominium starts rose by 10 per cent, and half of them were on the Island of Montréal.

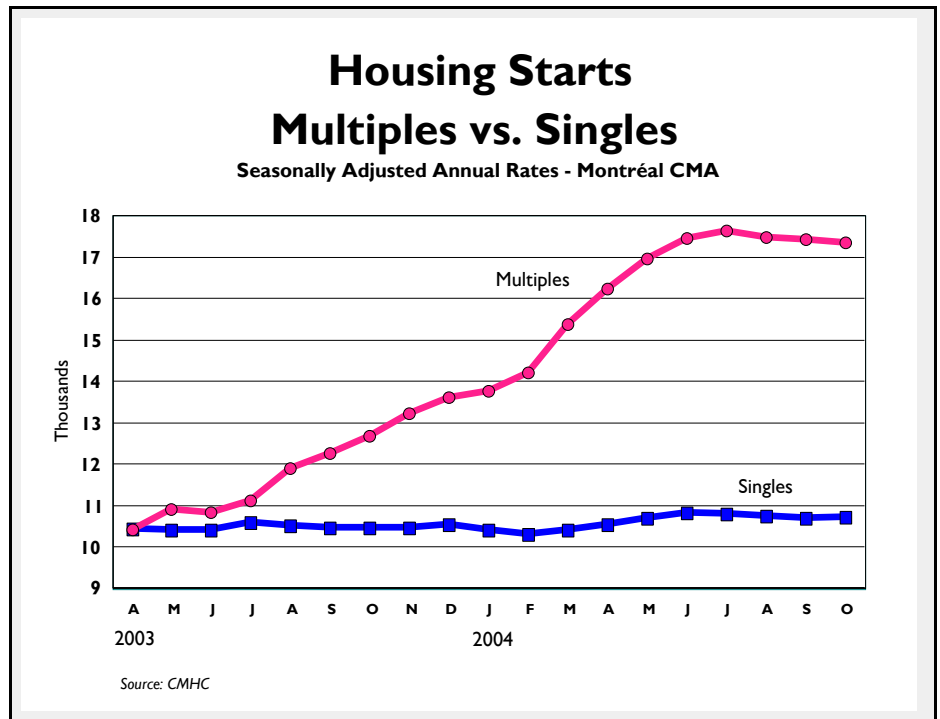
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The results for the first ten months of 2004 are quite different from the performance observed in October. In fact, the year-to-date increase in housing starts remains steady so far, and the gain now stands at 20 per cent over last year. Drawn up by the condominium and rental housing segments, the Island of Montréal shows a rise of 53 per cent. The North Crown and Vaudreuil-Soulanges follow, with hikes of 14 per cent and 5 per cent, respectively. The South Crown, on the other hand, is down by 7 per cent, which is attributable to a third consecutive decrease in October.

In all urban centres with 10,000 or more inhabitants across the province, 37,831 housing starts were enumerated from January to October, for a gain of 16 per cent. The Trois-Rivières CMA posts the strongest increase (+49 per cent), followed by Montréal and Gatineau (+20 per cent). Then, Sherbrooke (+16 per cent) ranks ahead of Québec (+3 per cent) and, finally, a decrease can be observed in the Saguenay area (-29 per cent), since the beginning of the year. ■



Major Housing Job Sites Started in October

The following are the major multiple housing job sites started in October 2004 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>
228	Notre-Dame	Pointe-aux-Trembles	Retirement Home
98	Hymus	Pointe-Claire	Condominiums
83	Golf	Verdun-Île-des-Soeurs	Condominiums
59	Christophe -Colomb	Ahuntsic	Condominiums
53	Muir	Saint-Laurent	Condominiums
47	Pie IX	Mtl (Centre-Est)	Copropriétés
40	Puits	Boucherville	Social Housing
28	Radisson	Brossard	Rental
26	Saint-Charles	Longueuil	Condominiums

New CMHC Report:

Housing and Demographic Trends: Spotlight on the Montréal Area.

What are the demographic changes having marked the Montréal area housing market in recent years ?

What issues will influence this market over the next two decades ?

You'll find the answers to these questions in this new CMHC report.

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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				
October 2004	1,061	902	354	2,317
October 2003	960	820	606	2,386
Cumulative 2004	10,443	7,803	5,335	23,581
Cumulative 2003	9,741	6,345	3,597	19,683
Under Construction*				
October 2004	4,537	7,110	5,551	17,198
October 2003	3,956	5,395	3,434	12,785
Completions				
October 2004	1,154	724	369	2,247
October 2003	927	635	510	2,072
Cumulative 2004	10,100	6,448	3,937	20,485
Cumulative 2003	9,523	4,836	2,587	16,946
Unoccupied*				
October 2004	769	1,534	555	2,858
October 2003	600	760	475	1,835
Absorption				
October 2004	1,087	604	369	2,060
October 2003	903	531	289	1,723
Cumulative 2004	9,938	5,744	3,865	19,547
Cumulative 2003	9,479	4,594	2,439	16,512
Duration of Inventory (in months)				
October 2004	0.8	2.8	1.5	1.5
October 2003	0.6	1.8	2.0	1.2

* 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

(available at the end of december 2004)

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				
October 2004	18	98	0	116
October 2003	33	0	56	89
Cumulative 2004	350	418	497	1,265
Cumulative 2003	369	348	84	801
Zone 2: West-Centre				
October 2004	22	226	19	267
October 2003	20	174	0	194
Cumulative 2004	138	1,752	1,288	3,178
Cumulative 2003	139	1,168	18	1,325
Zone 3: East-Center				
October 2004	21	142	6	169
October 2003	11	119	122	252
Cumulative 2004	72	1,954	1,533	3,559
Cumulative 2003	129	1,676	987	2,792
Zone 4: East-End				
October 2004	21	12	228	261
October 2003	10	30	10	50
Cumulative 2004	166	125	487	778
Cumulative 2003	165	148	493	806
Zone 5: South-Laval				
October 2004	50	24	0	74
October 2003	35	8	180	223
Cumulative 2004	345	474	0	819
Cumulative 2003	341	396	244	981
Zone 6: North-Laval				
October 2004	96	47	0	143
October 2003	88	18	20	126
Cumulative 2004	1,213	550	24	1,787
Cumulative 2003	1,036	252	79	1,367
Zone 7: MRC Deux-Montagnes				
October 2004	179	52	26	257
October 2003	114	65	0	179
Cumulative 2004	1,233	223	118	1,574
Cumulative 2003	1,144	216	162	1,522
Zone 8: MRC Ste-Thérèse-de-Blainville				
October 2004	112	45	3	160
October 2003	72	38	15	125
Cumulative 2004	769	223	125	1,117
Cumulative 2003	742	142	57	941

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				
October 2004	144	0	0	144
October 2003	163	57	0	220
Cumulative 2004	1,512	209	100	1,821
Cumulative 2003	1,299	355	54	1,708
Zone 10: MRC L'Assomption				
October 2004	37	26	0	63
October 2003	67	42	0	109
Cumulative 2004	707	223	444	1,374
Cumulative 2003	521	138	24	683
Zone 11: South-Shore Centre				
October 2004	52	96	72	220
October 2003	48	167	116	331
Cumulative 2004	578	684	361	1,623
Cumulative 2003	659	782	570	2,011
Zone 12: East South-Shore				
October 2004	42	36	0	78
October 2003	50	30	0	80
Cumulative 2004	632	292	90	1,014
Cumulative 2003	644	326	153	1,123
Zone 13: South South-Shore				
October 2004	53	32	0	85
October 2003	53	0	3	56
Cumulative 2004	486	118	81	685
Cumulative 2003	446	66	60	572
Zone 14: West South-Shore				
October 2004	67	26	0	93
October 2003	60	27	19	106
Cumulative 2004	872	232	82	1,186
Cumulative 2003	860	107	145	1,112
Zone 15: Vaudreuil-Soulanges *				
October 2004	99	32	0	131
October 2003	111	32	65	208
Cumulative 2004	981	148	6	1,135
Cumulative 2003	904	64	117	1,085
Zone 16: St-Jérôme				
October 2004	48	8	0	56
October 2003	25	13	0	38
Cumulative 2004	389	178	99	666
Cumulative 2003	343	161	350	854

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	
	Oct. 2004	Oct. 2003	Oct. 2004	Oct. 2003	Oct. 2004	Oct. 2003
Housing Starts						
Island of Montréal (1 to 4)	82	74	478	323	253	188
Laval (zones 5 and 6)	146	123	71	26	0	200
North-Shore (zones 7 to 10 & 16)	520	441	131	215	29	15
South-Shore (zones 11 to 14)	214	211	190	224	72	138
Vaudreuil-Soul. *** (zone 15)	99	111	32	32	0	65
Under Construction*						
Island of Montréal	499	470	4,191	3,272	3,922	1,826
Laval	751	629	759	423	196	235
North-Shore	1,807	1,518	880	681	1,057	436
South-Shore	1,004	933	1,100	961	373	829
Vaudreuil-Soulanges ***	476	406	180	58	3	108
Completions						
Island of Montréal	51	74	362	286	239	207
Laval	204	137	106	54	20	67
North-Shore	537	387	124	185	53	150
South-Shore	259	224	126	110	54	86
Vaudreuil-Soulanges ***	103	105	6	0	3	0
Unoccupied*						
Island of Montréal	71	87	937	364	289	236
Laval	132	97	211	91	17	25
Rive- Nord	389	249	171	140	23	32
South-Shore	128	130	212	164	224	180
Vaudreuil-Soulanges ***	49	37	3	1	2	2
Absorption						
Island of Montréal	54	83	300	247	252	44
Laval	187	126	86	49	12	58
North-Shore	488	374	115	131	49	155
South-Shore	252	213	99	104	55	32
Vaudreuil-Soulanges ***	106	107	4	0	1	0
Duration of Inventory**						
Island of Montréal	0.9	1.0	3.3	1.7	1.4	2.6
Laval	1.0	0.7	3.7	1.5	1.7	1.7
North-Shore	1.0	0.7	2.2	2.1	0.4	0.4
South-Shore	0.5	0.5	1.6	1.9	2.3	3.2
Vaudreuil-Soulanges ***	0.5	0.4	0.4	0.4	0.2	0.9

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>
	October 2004			Trend 2004
Freehold	4,537	769	5,306	972
Condominium	7,110	1,534	8,644	557
Rental	5,551	555	6,106	371
	October 2003			Trend 2003
Freehold	3,956	600	4,556	923
Condominium	5,395	760	6,155	428
Rental	3,434	475	3,909	238

Source: CMHC

Table 5												
Economic Overview												
Montréal Metropolitan Area												
	2004						2003					
	Oct.	Sept.	August	July	June	May	Oct.	Sept.	August	July	June	May
Labour Market*												
Job Creation (Loss) - in thousands	27	41	46	48	56	50	18	11	6	9	10	20
Unemployment Rate (%)	8.5	8.5	8.4	8.1	7.9	8.2	9.6	10.1	10.1	9.9	9.9	10.1
Mortgage Rates (1)												
1-year	4.9	4.8	4.4	4.6	4.7	4.6	4.5	4.5	4.5	4.6	4.9	5.1
5-year	6.4	6.3	6.3	6.6	6.7	6.5	6.4	6.3	6.3	6.2	5.8	6.2
Annual Inflation Rate (%)	2.9	2.4	2.0	2.1	2.5	2.3	1.3	1.6	1.6	1.6	2.3	3.0
New House Price Index (% change)												
House	6.9	7.2	7.2	7.4	7.4	7.5	7.7	7.5	7.2	7.0	7.0	6.8
Land	5.3	3.7	3.8	5.8	5.8	5.7	7.5	7.1	7.0	5.7	5.7	5.8
Total	6.5	6.5	6.5	7.1	7.1	7.2	7.7	7.4	7.1	6.6	6.6	6.4
MLS Sales - Single-Family Houses	1,657	1,566	1,360	1,358	1,807	2,195	2,075	1,766	1,267	1,561	1,637	2,077

* 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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