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Canada Mortgage and Housing Corporation

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RESIDENTIAL CONSTRUCTION GROWTH MARATHON CONTINUES

In Greater Montréal, the heat and holiday period did not slow down the residential construction sector, which stayed on its upward course toward posting its best performance of the last 15 years. In July, with a total of 2,066 new foundations, the Montréal census metropolitan area (CMA) registered an increase of 6 per cent in housing starts, compared to the same period last year. These figures were drawn from the latest monthly starts survey conducted by Canada Mortgage and Housing Corporation (CMHC).

Freehold homes garnered half of the housing starts and remained on top of the residential construction podium in the Montréal area. But, once again, multiple housing was the segment of choice for builders in July. In fact, condominiums carried the torch for growth, with a total of 821 new units, representing a gain of 44 per cent. This market segment seems to be winning over the suburbs as well as the Island, with two-digit increases in each of the large sectors of the metropolitan area. It should be noted, however, that condominium starts were

particularly numerous on the Island (+46 per cent) and the North Crown (+33 per cent), where there are buildings with over 20 units. In the freehold housing segment, the performances by sector were more mixed, but the overall results remained very honourable, with a total of 1,005 housing starts, or 1 per cent more than in July 2003. It should be noted that the North Crown, the pillar of this market segment, lost ground (-8 per cent), especially the Laval sector (-21 per cent), while the usual runner-up, the South Crown, really took off (+10 per cent), as did Vaudreuil-Soulanges (+23 per cent). In fact, this last sector saw exclusively single-detached houses get under way in the homeowner segment.

Only rental housing seems to have had a rough time getting through the July stage. In effect, 240 such dwellings were started, for a decrease of 36 per cent from the same period in 2003. But, make no mistake, rental housing construction did not record an exceptional monthly result, simply because July 2003 posted the second

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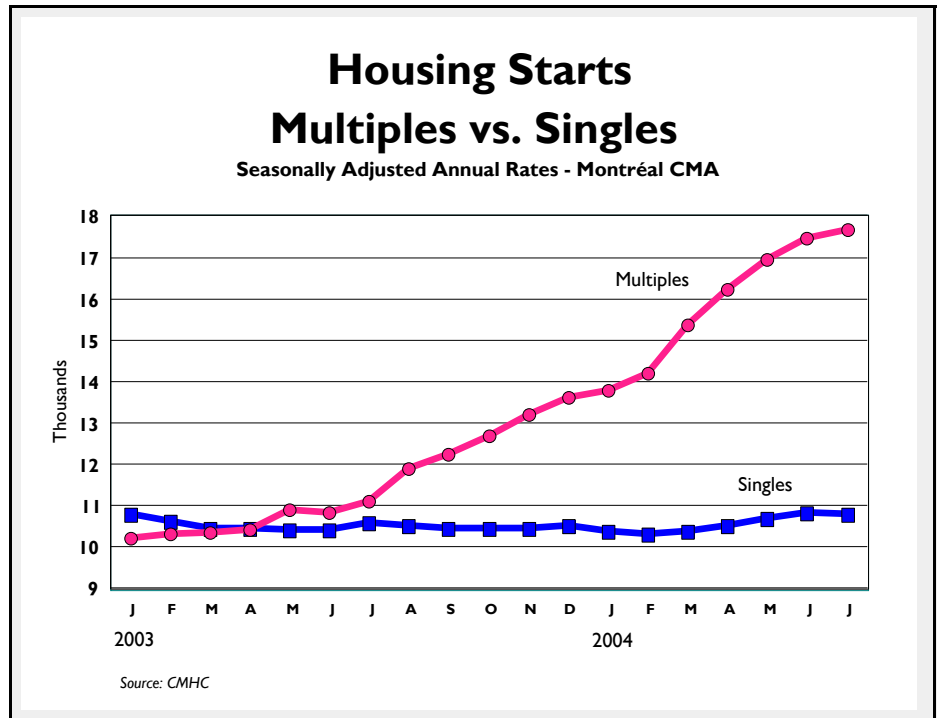
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HOME TO CANADIANS
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best performance in 15 years. This type of construction continued to be mainly concentrated on retirement homes. The overall decline in July 2004 was therefore largely attributable to the 289 retirement housing starts registered in the South Crown during the same period last year. Still, the Island posted a very nice gain (rental housing starts more than quadrupled there in July 2004), thanks to the construction of a 139-unit building, also intended for seniors. A review of the data collected since the beginning of the year shows that rental dwellings have accounted for more than one in five housing starts. This is the market segment with the greatest growth, since there are already twice as many rental housing starts as last year. ■



New CMHC Report:

Housing and Demographic Trends: Spotlight on the Montréal Area.

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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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Major Housing Job Sites Started in July

The following are the major multiple housing job sites started so far in 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>
139	Alexis Nihon	Saint-Laurent	Retirement Home
98	Saint-Ambroise	Centre-ouest	Condominiums
42	Rhéaume	Verdun	Condominiums
28	Terry Fox	Laval	Condominiums
24	De Rouen	Mtl (Centre-est)	Coop
22	Arthur Sauvé	Laval	Condominiums
21	Couture	Saint-Léonard	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				
July 2004	1,005	821	240	2,066
July 2003	996	570	375	1,941
Cumulative 2004	7,699	5,522	3,769	16,990
Cumulative 2003	7,025	3,881	1,851	12,757
Under Construction*				
July 2004	4,961	7,572	5,083	17,616
July 2003	4,007	4,680	2,804	11,491
Completions				
July 2004	1,886	1,793	1,066	4,745
July 2003	2,170	702	219	3,091
Cumulative 2004	6,931	3,726	2,818	13,475
Cumulative 2003	6,774	3,083	1,468	11,325
Unoccupied*				
July 2004	597	1,096	523	2,216
July 2003	528	628	232	1,388
Absorption				
July 2004	1,992	1,461	1,000	4,453
July 2003	2,380	751	235	3,366
Cumulative 2004	6,941	3,460	2,778	13,179
Cumulative 2003	6,802	2,973	1,563	11,338
Duration of Inventory (in months)				
July 2004	0.6	2.2	1.5	1.2
July 2003	0.5	1.6	1.1	0.9

* As at the end of the period shown

Source: CMHC

Don't miss it!

CMHC'S 2004

Housing Outlook Conference :

Because the Panorama is Changing.

Montréal, November 30, 2004

Centre Mont-Royal

From 7:30 a.m. To 11:30 a.m.

Presentations will be delivered in French with simultaneous translation in English.

**For more information, please contact our Call Center at :
 1 800 668-2642 or visit : www.cmhc.ca**

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				
July 2004	34	21	0	55
July 2003	52	36	4	92
Cumulative 2004	254	204	461	919
Cumulative 2003	277	185	21	483
Zone 2: West-Centre				
July 2004	16	163	148	327
July 2003	11	67	0	78
Cumulative 2004	70	1,289	937	2,296
Cumulative 2003	86	870	3	959
Zone 3: East-Center				
July 2004	20	145	54	219
July 2003	15	136	41	192
Cumulative 2004	39	1,358	1,063	2,460
Cumulative 2003	74	918	620	1,612
Zone 4: East-End				
July 2004	19	20	0	39
July 2003	10	0	0	10
Cumulative 2004	119	109	259	487
Cumulative 2003	142	76	260	478
Zone 5: South-Laval				
July 2004	17	49	0	66
July 2003	30	38	0	68
Cumulative 2004	260	374	0	634
Cumulative 2003	226	321	64	611
Zone 6: North-Laval				
July 2004	100	48	0	148
July 2003	118	71	0	189
Cumulative 2004	920	411	16	1,347
Cumulative 2003	777	191	46	1,014
Zone 7: MRC Deux-Montagnes				
July 2004	101	22	0	123
July 2003	112	32	6	150
Cumulative 2004	871	127	52	1,050
Cumulative 2003	801	112	159	1,072
Zone 8: MRC Ste-Thérèse-de-Blainville				
July 2004	68	65	0	133
July 2003	80	9	0	89
Cumulative 2004	566	153	86	805
Cumulative 2003	550	73	42	665

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				
July 2004	108	24	0	132
July 2003	102	36	6	144
Cumulative 2004	1,120	167	90	1,377
Cumulative 2003	947	187	28	1,162
Zone 10: MRC L'Assomption				
July 2004	74	63	14	151
July 2003	53	9	0	62
Cumulative 2004	555	159	226	940
Cumulative 2003	390	92	12	494
Zone 11: South-Shore Centre				
July 2004	77	62	6	145
July 2003	71	90	246	407
Cumulative 2004	444	462	276	1,182
Cumulative 2003	508	446	373	1,327
Zone 12: East South-Shore				
July 2004	80	41	3	124
July 2003	55	0	0	55
Cumulative 2004	488	199	81	768
Cumulative 2003	447	185	29	661
Zone 13: South South-Shore				
July 2004	67	34	6	107
July 2003	64	0	6	70
Cumulative 2004	364	74	81	519
Cumulative 2003	336	30	51	417
Zone 14: West South-Shore				
July 2004	92	36	9	137
July 2003	98	17	53	168
Cumulative 2004	672	191	42	905
Cumulative 2003	636	60	86	782
Zone 15: Vaudreuil-Soulanges *				
July 2004	117	12	0	129
July 2003	95	8	6	109
Cumulative 2004	690	105	0	795
Cumulative 2003	578	20	46	644
Zone 16: St-Jérôme				
July 2004	15	16	0	31
July 2003	30	21	7	58
Cumulative 2004	267	140	99	506
Cumulative 2003	250	115	11	376

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 2004	July 2003	July 2004	July 2003	July 2004	July 2003
Housing Starts						
Island of Montréal (1 to 4)	89	88	349	239	202	45
Laval (zones 5 and 6)	117	148	97	109	0	0
North-Shore (zones 7 to 10 & 16)	366	377	190	107	14	19
South-Shore (zones 11 to 14)	316	288	173	107	24	305
Vaudreuil-Soul. *** (zone 15)	117	95	12	8	0	6
Under Construction*						
Island of Montréal	510	502	4,420	2,680	3,455	1,577
Laval	783	626	870	526	192	112
North-Shore	1,983	1,499	934	582	951	249
South-Shore	1,234	1,023	1,200	878	420	826
Vaudreuil-Soulanges ***	451	357	148	14	65	40
Completions						
Island of Montréal	121	162	1096	487	240	98
Laval	269	313	109	91	0	10
North-Shore	730	887	129	104	192	83
South-Shore	567	670	424	14	631	28
Vaudreuil-Soulanges ***	199	138	35	6	3	0
Unoccupied*						
Island of Montréal	63	93	676	372	204	58
Laval	117	93	142	73	2	4
Rive- Nord	251	193	109	54	3	67
South-Shore	122	116	168	128	314	102
Vaudreuil-Soulanges ***	44	33	1	1	0	1
Absorption						
Island of Montréal	132	167	826	438	233	61
Laval	312	377	88	103	0	13
North-Shore	768	1,000	123	136	195	119
South-Shore	580	692	390	68	569	42
Vaudreuil-Soulanges ***	200	144	34	6	3	0
Duration of Inventory**						
Island of Montréal	0.8	1.0	2.8	1.7	1.1	0.7
Laval	0.9	0.6	2.7	1.3	0.1	0.3
North-Shore	0.6	0.5	1.5	1.0	0.1	0.8
South-Shore	0.5	0.4	1.3	1.9	3.0	2.4
Vaudreuil-Soulanges ***	0.5	0.4	0.2	0.2	0.0	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>
	July 2004			Trend 2004
Freehold	4,961	597	5,558	945
Condominium	7,572	1,096	8,668	502
Rental	5,083	523	5,606	353
	July 2003			Trend 2003
Freehold	4,007	528	4,535	996
Condominium	4,680	628	5,308	399
Rental	2,804	232	3,036	221

Source: CMHC

Table 5
Economic Overview
Montréal Metropolitan Area

	2004						2003					
	<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>
Labour Market*												
Job Creation (Loss) - in thousands	48.1	55.7	50	35.1	18.4	16,3	9.2	10	19.5	36.7	57.5	81,3
Unemployment Rate (%)	8.1	7.9	8.2	8.6	9	8,9	9.9	9.9	10.1	9.7	9.5	8,8
Mortgage Rates (1)												
1-year	4.6	4.7	4.6	4.5	4.3	4,3	4.6	4.9	5.1	5.4	5.4	4,9
5-year	6.6	6.7	6.5	6.2	5.7	5,8	6.2	5.8	6.2	6.7	6.9	6,6
Annual Inflation Rate (%)	2.1	2.5	2.3	1.5	0.7	0,7	1.6	2.3	3.0	2.7	4.1	4,0
New House Price Index (% change)												
House	NA	7.4	7.5	7.1	6.1	4,3	7.0	7.0	6.8	7.3	8.6	10,6
Land	NA	5.8	5.7	5.7	6.2	5,9	5.7	5.7	5.8	6.0	7.5	9,3
Total	NA	7.1	7.2	6.9	6.1	4,7	6.6	6.6	6.4	6,7	8.2	10,1
MLS Sales - Single-Family Houses	1,358	1,807	2,195	2,581	3,009	2,357	1,561	1,637	2,077	2,238	2,437	2,422

* 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, 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

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