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Canada Mortgage and Housing Corporation

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RESIDENTIAL CONSTRUCTION SLOWS DOWN THE PACE IN SEPTEMBER

According to our latest starts survey, residential construction slowed down slightly in September, as it sustained a decrease of 9 per cent in relation to last year. This past month, foundations were laid for 2,053 new dwellings in the Greater Montréal area, or 194 fewer units than during the same period in 2003.

The results for September conceal a decrease of 33 per cent in condominium construction. The Island of Montréal was hard hit in this regard, with 211 fewer starts than last year. Absorption of new condominiums is falling, which is causing the number of newly completed and unoccupied units to rise. A total of 1,151 new condominiums had not yet found takers in August—the highest level since 1996. In this context, the slowdown in condominium construction was anticipated to a certain extent and could continue for a few more months.

Conversely, in the rental housing segment, construction remained vigorous. Starts of dwellings

intended for the rental market went up by 52 per cent, which consolidated the gains registered since the beginning of the year. The overall increase from January to September has now reached 66 per cent in this segment. The 469 new rental dwellings include 272 units divided among three new projects intended for the retirement home market. This time, the Island of Montréal garnered two thirds of the rental housing starts.

The construction of single-family (freehold) homes, for its part, declined slightly in September. The decreases were 5 per cent for single-detached houses and 8 per cent for semi-detached and row houses. As usual, the North Crown, which accounts for over half of the activity in this segment, set the tone. In fact, 479 single-detached home starts were enumerated there (-6 per cent), compared to 185 on the South Shore (-19 per cent) and 126 in the Vaudreuil-Soulanges sector (+8 per cent). The Island of Montréal brought up the rear with 71 new single-detached houses this past month.

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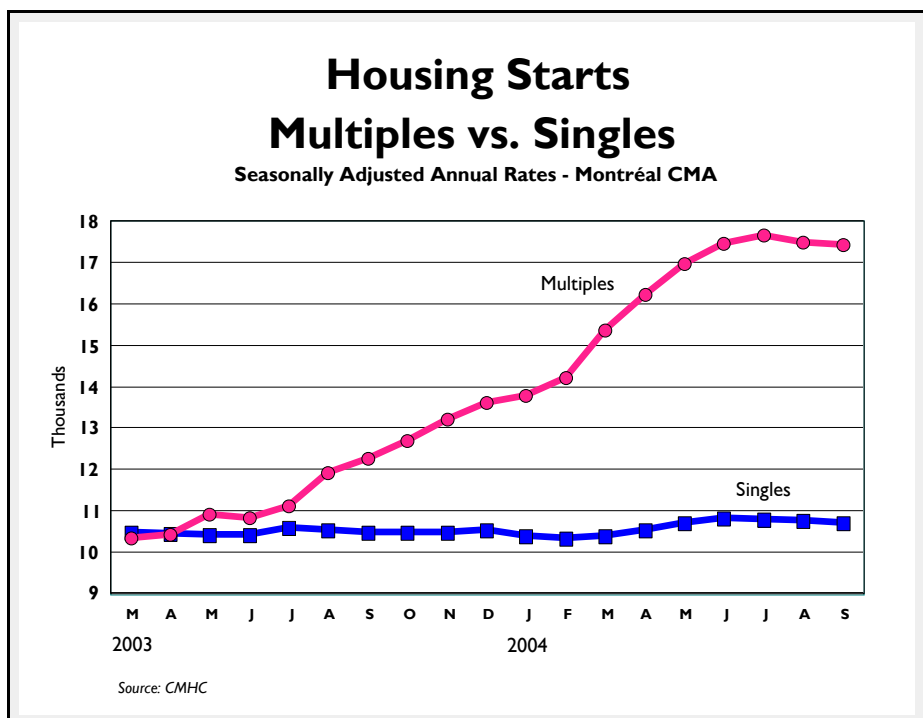
Montréal Metropolitan Area Zones 8



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September's performance represents but a small cloud in an otherwise splendid sky for the moment. In fact, the year-to-date increase in starts remains strong, with a gain of 23 per cent over last year. The year 2004 is therefore still on its way to attaining a new housing starts record for the last 15 years in the Montréal area. This sets the stage for the October 28 release of CMHC's next forecast scenario for the Montréal metropolitan area.

In all urban centres across the province of Quebec with 10,000 or more inhabitants, 33,865 housing starts were enumerated from January to September, for a gain of 18 per cent. The Trois-Rivières area posts the greatest increase (+34 per cent), followed by Sherbrooke (+24 per cent). Montréal (+23 per cent) stands ahead of Gatineau (+18 per cent) and Québec (+2 per cent), while the Saguenay area shows a decrease since the beginning of the year (-33 per cent). ■



Major Housing Job Sites Started in September

The following are the major multiple housing job sites started in september 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>
156	Angrignon	Mtl (LaSalle)	Retirement Home
90	J.A. Paré	Repentigny	Retirement Home
61	24e avenue	Mtl(Lachine)	Coop
44	Saint-Grégoire	Mtl (Plateau)	Condominiums
37	Henri-Bour.	Mtl (Montréal-Nord)	Rental
26	Grignon	Saint-Eustache	Retirement Home
25	Lafleur	Mtl (Verdun)	Coop
21	Saint-Laurent	Mtl (Villeray)	Condominiums
219	Pacifique	Sainte-Anne-de-Bel.	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				
September 2004	971	613	469	2,053
September 2003	1,025	913	309	2,247
Cumulative 2004	9,382	6,901	4,981	21,264
Cumulative 2003	8,781	5,525	2,991	17,297
Under Construction*				
September 2004	4,630	6,924	5,574	17,128
September 2003	3,930	5,203	3,338	12,471
Completions				
September 2004	863	1,026	502	2,391
September 2003	1,111	438	229	1,778
Cumulative 2004	8,946	5,724	3,568	18,238
Cumulative 2003	8,596	4,201	2,077	14,874
Unoccupied*				
September 2004	702	1,414	555	2,671
September 2003	576	656	254	1,486
Absorption				
September 2004	764	763	487	2,014
September 2003	1,062	444	243	1,749
Cumulative 2004	8,851	5,140	3,496	17,487
Cumulative 2003	8,576	4,063	2,150	14,789
Duration of Inventory (in months)				
September 2004	0.7	2.6	1.5	1.4
September 2003	0.6	1.6	1.1	1.0

* 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				
September 2004	43	42	0	85
September 2003	33	127	0	160
Cumulative 2004	332	320	497	1,149
Cumulative 2003	336	348	28	712
Zone 2: West-Centre				
September 2004	25	106	242	373
September 2003	14	91	15	120
Cumulative 2004	116	1,526	1,269	2,911
Cumulative 2003	119	994	18	1,131
Zone 3: East-Center				
September 2004	4	148	64	216
September 2003	33	263	0	296
Cumulative 2004	51	1,812	1,527	3,390
Cumulative 2003	118	1,557	865	2,540
Zone 4: East-End				
September 2004	19	4	0	23
September 2003	7	30	180	217
Cumulative 2004	145	113	259	517
Cumulative 2003	155	118	483	756
Zone 5: South-Laval				
September 2004	21	30	0	51
September 2003	41	41	0	82
Cumulative 2004	295	450	0	745
Cumulative 2003	306	388	64	758
Zone 6: North-Laval				
September 2004	136	58	0	194
September 2003	122	30	9	161
Cumulative 2004	1,117	503	24	1,644
Cumulative 2003	948	234	59	1,241
Zone 7: MRC Deux-Montagnes				
September 2004	83	12	26	121
September 2003	135	39	3	177
Cumulative 2004	1,054	171	92	1,317
Cumulative 2003	1,030	151	162	1,343
Zone 8: MRC Ste-Thérèse-de-Blainville				
September 2004	60	25	0	85
September 2003	88	16	0	104
Cumulative 2004	657	178	122	957
Cumulative 2003	670	104	42	816

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				
September 2004	148	18	6	172
September 2003	107	97	0	204
Cumulative 2004	1,368	209	100	1,677
Cumulative 2003	1,136	298	54	1,488
Zone 10: MRC L'Assomption				
September 2004	67	0	96	163
September 2003	40	4	12	56
Cumulative 2004	670	197	444	1,311
Cumulative 2003	454	96	24	574
Zone 11: South-Shore Centre				
September 2004	42	82	7	131
September 2003	64	79	81	224
Cumulative 2004	526	588	289	1,403
Cumulative 2003	611	615	454	1,680
Zone 12: East South-Shore				
September 2004	43	33	9	85
September 2003	65	42	0	107
Cumulative 2004	590	256	90	936
Cumulative 2003	594	296	153	1,043
Zone 13: South South-Shore				
September 2004	39	12	0	51
September 2003	35	24	0	59
Cumulative 2004	433	86	81	600
Cumulative 2003	393	66	57	516
Zone 14: West South-Shore				
September 2004	73	15	13	101
September 2003	93	14	9	116
Cumulative 2004	805	206	82	1,093
Cumulative 2003	800	80	126	1,006
Zone 15: Vaudreuil-Soulanges *				
September 2004	126	4	6	136
September 2003	117	0	0	117
Cumulative 2004	882	116	6	1,004
Cumulative 2003	793	32	52	877
Zone 16: St-Jérôme				
September 2004	42	24	0	66
September 2003	31	16	0	47
Cumulative 2004	341	170	99	610
Cumulative 2003	318	148	350	816

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	
	Sept. 2004	Sept. 2003	Sept. 2004	Sept. 2003	Sept. 2004	Sept. 2003
Housing Starts						
Island of Montréal (1 to 4)	91	87	300	511	306	195
Laval (zones 5 and 6)	157	163	88	71	0	9
North-Shore (zones 7 to 10 & 16)	400	401	79	172	128	15
South-Shore (zones 11 to 14)	197	257	142	159	29	90
Vaudreuil-Soul. *** (zone 15)	126	117	4	0	6	0
Under Construction*						
Island of Montréal	468	473	4,067	3,235	3,916	1,842
Laval	809	643	794	448	216	105
North-Shore	1,824	1,464	873	651	1,081	571
South-Shore	1,049	950	1,036	843	355	777
Vaudreuil-Soulanges ***	480	400	154	26	6	43
Completions						
Island of Montréal	103	132	639	212	314	69
Laval	83	147	88	44	0	16
North-Shore	378	429	102	22	41	24
South-Shore	210	288	192	160	82	117
Vaudreuil-Soulanges ***	89	115	5	0	65	3
Unoccupied*						
Island of Montréal	74	96	875	325	302	73
Laval	115	86	191	86	9	16
Rive- Nord	340	236	162	86	19	37
South-Shore	121	119	185	158	225	126
Vaudreuil-Soulanges ***	52	39	1	1	0	2
Absorption						
Island of Montréal	96	126	469	218	211	39
Laval	76	154	33	52	0	6
North-Shore	300	389	87	34	100	61
South-Shore	211	281	170	140	111	135
Vaudreuil-Soulanges ***	81	112	4	0	65	2
Duration of Inventory**						
Island of Montréal	1.0	1.1	3.1	1.6	1.6	0.8
Laval	0.9	0.7	3.6	1.5	0.7	1.5
North-Shore	0.9	0.6	2.1	1.5	0.3	0.5
South-Shore	0.5	0.5	1.4	2.0	2.3	2.4
Vaudreuil-Soulanges ***	0.6	0.5	0.1	0.2	0.0	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				
Intended Market	Under Construction	Units Unoccupied	Short-Term Supply	Monthly Absorption
	September 2004			Trend 2004
Freehold	4,630	702	5,332	956
Condominium	6,924	1,414	8,338	551
Rental	5,574	555	6,129	364
	September 2003			Trend 2003
Freehold	3,930	576	4,506	913
Condominium	5,203	656	5,859	398
Rental	3,338	254	3,592	237

Source: CMHC

Table 5													
Economic Overview													
Montréal Metropolitan Area													
	2004						2003						
	Sept.	August	July	June	May	April	Sept.	August	July	June	May	April	
Labour Market*													
Job Creation (Loss) - in thousands	41	46	48	56	50	35	11	6	9	10	20	37	
Unemployment Rate (%)	8.5	8.4	8.1	7.9	8.2	8.6	10.1	10.1	9.9	9.9	10.1	9.7	
Mortgage Rates (1)													
1-year	4.8	4.4	4.6	4.7	4.6	4.5	4.5	4.5	4.6	4.9	5.1	5.4	
5-year	6.3	6.3	6.6	6.7	6.5	6.2	6.3	6.3	6.2	5.8	6.2	6.7	
Annual Inflation Rate (%)	2.4	2.0	2.1	2.5	2.3	1.5	1.6	1.6	1.6	2.3	3.0	2.7	
New House Price Index (% change)													
House	NA	7.2	7.4	7.4	7.5	7.1	7.5	7.2	7.0	7.0	6.8	7.3	
Land	NA	3.8	5.8	5.8	5.7	5.7	7.1	7.0	5.7	5.7	5.8	6.0	
Total	NA	6.5	7.1	7.1	7.2	6.9	7.4	7.1	6.6	6.6	6.4	6.7	
MLS Sales - Single-Family Houses	1,566	1,360	1,358	1,807	2,195	2,581	1,766	1,267	1,561	1,637	2,077	2,238	

* 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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