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Montréal

Canada Mortgage and Housing Corporation

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NORTH CROWN SURPASSES ITSELF IN THIS SECOND MONTH OF 2006

According to our second survey of 2006, housing starts in the Montréal metropolitan area fell by 5 per cent this past February, in relation to February 2005. In fact, construction got under way on 1,429 dwellings, compared to 1,511 during the same month last year.

This modest decrease in activity would have been more significant had it not been for the strong increase in starts in the North Crown (+31 per cent), particularly in the rental housing segment.

During the month that just ended, the freehold housing segment was not favoured by builders. In fact, this market segment sustained the greatest decrease in starts (-11 per cent) in comparison with February 2005. The North Crown garnered almost 70 per cent of the freehold housing starts.

Rental housing was the only segment where the number of new units went

up (+3 per cent) over February 2005. This segment is benefiting from the popularity of retirement rental housing among developers. The two new housing projects that got under way this past month—one with 204 units in Laval and the other with 131 units in Pointe-Claire—confirm the growing desire of builders to satisfy this particular client group. “During the month that just ended, we noted that the vast majority of the 506 rental housing units that were started are intended for seniors. These results do not really surprise us and confirm our forecast for 2006, namely that half of all new rental dwellings will be intended for older people.

It should be mentioned that, this past February, the Island of Montréal went against the tide, as it was the only large sector that sustained a decrease in rental housing starts. In fact, starts of this type fell by 62 per cent on the Island while, on the contrary, they rose by 301 per cent in the North Crown.

FEBRUARY 2006

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In the Montréal metropolitan area, during the past month, condominium starts declined by 8 per cent in relation to February 2005. This decrease was mainly attributable to the drop of 37 per cent in the number of condominiums that got under way on the Island of Montréal. Increases in condominium starts were observed in all the other large geographic sectors.

The year-to-date results for the year that just started show 2,439 housing starts, or 12 per cent fewer than during the same period in 2005. This performance is in line with our expectations.

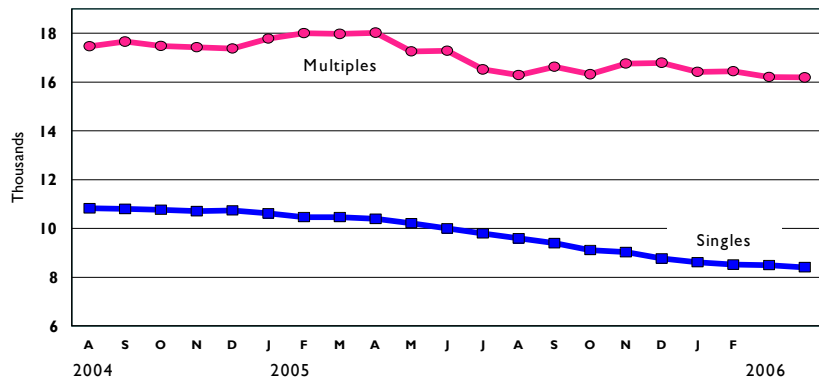
In fact, we forecast that, in 2006, housing starts in the Montréal metropolitan area will be down by 13 per cent in relation to 2005. So far, none of the market segments has been spared from the slowdown in construction.

At the provincial level, in all centres with 10,000 or more inhabitants, starts fell by 10 per cent to 2,139 units in February. As for the performance of the six census metropolitan areas (CMAs) across Quebec, four of them registered increases in housing starts over February 2005.

The CMA that posted the greatest gain was Trois-Rivières, where starts went up by 438 per cent, followed by the Sherbrooke CMA, which recorded an increase of 40 per cent. The Gatineau and Saguenay areas also did well, with hikes of 30 per cent and 13 per cent, respectively. Québec and Montréal were the only CMAs to have sustained decreases in activity in relation to February of last year. In the Québec area, starts went down by 57 per cent. ■

Housing Starts Multiples vs. Singles

Seasonally Adjusted Annual Rates - Montréal CMA



Source: CMHC

Major Housing Job Sites Started in February

The following are the major multiple housing job sites started in February 2006 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 segment</u>	<u>Intended</u>
204	Notre-Dame	Laval (Chomedey)	Retirement Home
131	Stillview	Pointe-Claire	Retirement Home
35	Fabien Drapeau	Ste-Thérèse	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				
February 2006	535	388	506	1,429
February 2005	599	420	492	1,511
Cumulative 2006	916	768	755	2,439
Cumulative 2005	992	929	854	2,775
Under Construction*				
February 2006	3,298	7,598	6,312	17,208
February 2005	3,923	7,815	5,998	17,736
Completions				
February 2006	430	489	331	1,250
February 2005	587	300	646	1,533
Cumulative 2006	1,176	871	649	2,696
Cumulative 2005	1,430	675	744	2,849
Unoccupied*				
February 2006	540	2,096	1,456	4,092
February 2005	472	1,551	778	2,801
Absorption				
February 2006	457	395	223	1,075
February 2005	637	357	473	1,467
Cumulative 2006	1,163	842	572	2,577
Cumulative 2005	1,720	840	586	3,146
Duration of Inventory (in months)				
February 2006	0.6	2.9	3.3	2.0
February 2005	0.5	2.5	1.9	1.4

* As at the end of the period shown

Source: CMHC

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http://www.cmhc-schl.gc.ca/en/inpr/homain/homain_003.cfm

**Table 2
Housing Starts by Zone and by Intended Market
Montréal Metropolitan Area**

Zone / Period	Freehold (Single-Family)	Condominium	Rental	Total
Zone 1: West Island				
February 2006	7	0	131	138
February 2005	20	0	110	130
Cumulative 2006	27	32	131	190
Cumulative 2005	24	62	130	216
Zone 2: West-Centre				
February 2006	0	57	12	69
February 2005	2	90	259	351
Cumulative 2006	9	174	23	206
Cumulative 2005	4	103	352	459
Zone 3: East-Center				
February 2006	2	48	6	56
February 2005	4	71	35	110
Cumulative 2006	20	60	12	92
Cumulative 2005	9	176	142	327
Zone 4: East-End				
February 2006	16	9	6	31
February 2005	6	21	0	27
Cumulative 2006	18	9	6	33
Cumulative 2005	12	21	0	33
Zone 5: South-Laval				
February 2006	13	44	285	342
February 2005	9	54	0	63
Cumulative 2006	29	72	292	393
Cumulative 2005	14	174	0	188
Zone 6: North-Laval				
February 2006	71	12	0	83
February 2005	59	36	3	98
Cumulative 2006	130	59	0	189
Cumulative 2005	113	45	3	161
Zone 7: MRC Deux-Montagnes				
February 2006	40	6	9	55
February 2005	91	15	15	121
Cumulative 2006	77	18	9	104
Cumulative 2005	170	47	37	254
Zone 8: MRC Ste-Thérèse-de-Blainville				
February 2006	80	95	9	184
February 2005	62	55	56	173
Cumulative 2006	97	95	9	201
Cumulative 2005	84	116	56	256

Table 2 (Cont'd)
Housing Starts by Zone and by Intended Market
Montréal Metropolitan Area

Zone / Period	Freehold (Single-Family)	Condominium	Rental	Total
Zone 9: MRC des Moulins				
February 2006	77	36	6	119
February 2005	91	22	6	119
Cumulative 2006	111	44	24	179
Cumulative 2005	133	70	21	224
Zone 10: MRC L'Assomption				
February 2006	53	6	6	65
February 2005	62	3	0	65
Cumulative 2006	73	30	12	115
Cumulative 2005	93	3	89	185
Zone 11: South-Shore Centre				
February 2006	30	12	21	63
February 2005	11	22	8	41
Cumulative 2006	53	52	148	253
Cumulative 2005	37	42	14	93
Zone 12: East South-Shore				
February 2006	16	3	0	19
February 2005	32	0	0	32
Cumulative 2006	39	3	0	42
Cumulative 2005	59	3	0	62
Zone 13: South South-Shore				
February 2006	5	8	0	13
February 2005	19	12	0	31
Cumulative 2006	18	14	6	38
Cumulative 2005	34	30	0	64
Zone 14: West South-Shore				
February 2006	32	28	6	66
February 2005	35	0	0	35
Cumulative 2006	67	28	74	169
Cumulative 2005	56	18	6	80
Zone 15: Vaudreuil-Soulanges *				
February 2006	66	12	3	81
February 2005	68	3	0	71
Cumulative 2006	112	48	3	163
Cumulative 2005	114	3	0	117
Zone 16: St-Jérôme				
February 2006	27	12	6	45
February 2005	28	16	0	44
Cumulative 2006	36	30	6	72
Cumulative 2005	36	16	4	56

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	
	Feb. 2006	Feb. 2005	Feb. 2006	Feb. 2005	Feb. 2006	Feb. 2005
Housing Starts						
Island of Montréal (1 to 4)	25	32	114	182	155	404
Laval (zones 5 and 6)	84	68	56	90	285	3
North-Shore (zones 7 to 10 & 8)	277	334	155	111	36	77
South-Shore (zones 11 to 14)	83	97	51	34	27	8
Vaudreuil-Soul. *** (zone 15)	66	68	12	3	3	0
Under Construction*						
Island of Montréal	377	431	4,450	4,767	3,630	4,610
Laval	501	658	854	842	793	11
North-Shore	1,304	1,541	1,188	975	655	981
South-Shore	700	847	896	976	1,207	393
Vaudreuil-Soulanges ***	416	446	210	255	27	3
Completions						
Island of Montréal	23	38	225	113	193	270
Laval	59	75	99	19	5	0
North-Shore	186	306	62	106	133	361
South-Shore	107	104	83	62	0	15
Vaudreuil-Soulanges ***	55	64	20	0	0	0
Unoccupied*						
Island of Montréal	61	63	1,179	915	1,040	350
Laval	47	52	280	164	62	111
Rive- Nord	174	176	340	192	191	146
South-Shore	173	125	251	258	159	170
Vaudreuil-Soulanges ***	85	56	46	22	4	1
Absorption						
Island of Montréal	25	45	181	129	122	176
Laval	58	96	83	57	2	34
North-Shore	216	318	45	102	92	237
South-Shore	100	123	64	65	5	25
Vaudreuil-Soulanges ***	58	55	22	4	2	1
Duration of Inventory**						
Island of Montréal	1.1	1.1	3.1	2.4	3.9	1.3
Laval	0.4	0.4	3.8	2.2	4.6	8.3
North-Shore	0.4	0.4	2.8	1.6	1.6	1.2
South-Shore	0.8	0.6	2.1	2.1	3.8	4.0
Vaudreuil-Soulanges ***	1.0	0.7	2.4	1.1	0.7	0.2

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>
February 2006				Trend 2006
Freehold	3,298	540	3,838	864
Condominium	7,598	2,096	9,694	711
Rental	6,312	1,456	7,768	447
February 2005				Trend 2005
Freehold	3,923	472	4,395	1,024
Condominium	7,815	1,551	9,366	614
Rental	5,998	778	6,776	402

Source: CMHC

**Table 5
Economic Overview
Montréal Metropolitan Area**

	2004				2005		2005				2006	
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Labour Market*												
Job Creation (Loss) - in thousands	17	8	-9	-11	1	13	33	29	20	22	9	14
Unemployment Rate (%)	8.7	8.5	8.7	8.8	9.0	8.7	8.7	8.7	8.8	9.1	9.7	9.7
Mortgage Rates (1)												
1-year	4.8	4.9	5.0	4.8	4.8	4.8	5.0	5.3	5.6	5.8	5.8	5.9
5-year	6.3	6.4	6.3	6.1	6.1	6.1	5.8	6.0	6.2	6.3	6.3	6.5
Annual Inflation Rate (%)	2.4	2.9	2.6	2.4	1.9	1.8	3.4	2.1	2.1	2.1	2.7	2.4
New House Price Index (% change)												
House	7.2	6.9	6.8	6.6	6.7	6.4	4.2	4.0	3.6	3.6	3.3	n.a
Land	3.7	5.3	6.4	6.0	6.1	6.0	5.1	4.0	3.4	3.5	4.4	n.a
Total	6.5	6.5	6.6	6.4	6.6	6.3	4.4	4.1	3.7	3.7	3.6	n.a
MLS Sales - Single-Family Houses	1,566	1,657	1,887	1,310	1,422	2,302	1,644	1,725	1,708	1,326	1,477	2,304

* 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-Genève, 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	Beloil, McMasterville, St-Amable, St-Basile-le-Grand, St-Bruno-de-Montarville, Ste-Julie, St-Mathieu-de-Beloil, 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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