HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Montréal

Canada Mortgage and Housing Corporation

www.cmhc.ca

APRIL 2006

EXCEPTIONAL MONTH OF MARCH FOR RESIDENTIAL CONSTRUCTION

According to the latest starts survey conducted by Canada Mortgage and Housing Corporation (CMHC), housing activity in the Montréal census metropolitan area (CMA) went up by 45 per cent this past March over the same month in 2005. During the month that just ended, construction got under way on 2,386 housing units, compared to 1,641 in March of last year. March was the first month of 2006 in which an increase in housing activity was observed.

This excellent performance of the construction sector in Greater Montréal was due to the strong increase in multiple housing starts, particularly condominium starts.

Just like in January and February of this year, the freehold home segment experienced a slowdown in activity. In fact, freehold housing starts fell by 12 per cent in comparison with March 2005.

Conversely, rental housing was the segment that posted the best performance, after condominiums, during this third month of the year. Rental housing starts rose by 113 per cent over March 2005 and reached 275 units. It should be noted that, compared to March 2005, there were twice as many rental housing starts on the Island and five times as many in the South Crown.

The overall results for the CMA were largely attributable to the excellent performance of the condominium segment. In fact, this past March, starts of this type went up by 130 per cent over the same month in 2005. The Island of Montréal effectively stood out in this market segment, with 72 per cent of the condominium starts.

Condominium activity regained strength in March, in all large sectors of the Montréal CMA. However, the overall results for this market segment were largely due to the start of construction on three major condominium projects in downtown Montréal. These new projects are being added to the many condominium buildings already under construction downtown. More than 2,000 condominium units are currently under way downtown, a level that is well above the number absorbed last year.

IN THIS ISSUE

Canada

60 YEARS ANS

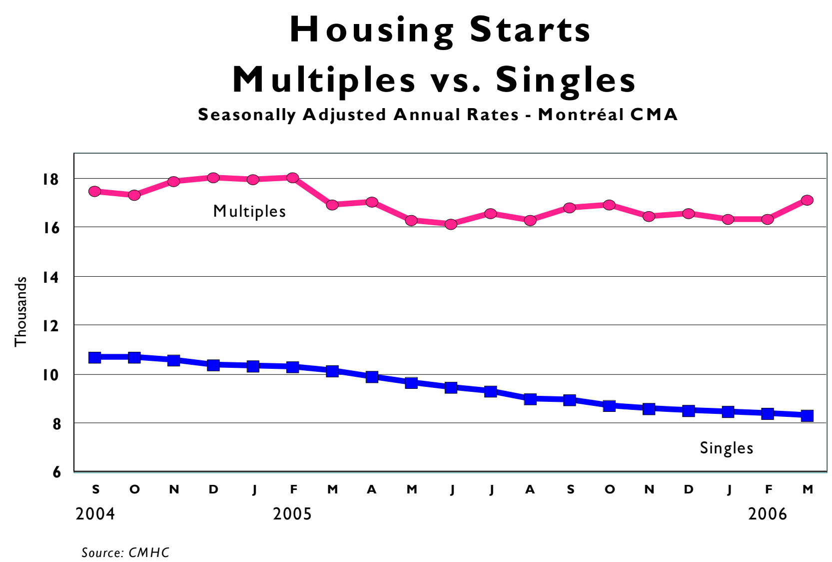
CMHC SCHL
HOME TO CANADIANS

During the month that just ended, the Island of Montréal showed the most significant growth by far, with an increase in starts of 139 per cent over March 2005. The South Crown, as dynamic as ever, ranked second (+30 per cent) and did not seem to be overly affected by the poor performance recorded in Longueuil (-51 per cent). In Vaudreuil-Soulanges, housing activity went up by 19 per cent, despite the fact that no semi-detached or row homes or any rental housing units were started. After having been the large sector with the best performance this past February, the North Crown registered the smallest gain in starts (+2 per cent) in March.

The increase in starts during the past month helped raise the year-to-date results for 2006, which, until February, had been down in relation to the corresponding period in 2005. Construction got under way on 4,825 housing units from January to March 2006, compared to 4,416 during the same period in 2005, for a gain of 9 per cent.

For all urban centres with 10,000 or more inhabitants in the province, 3,308 starts were enumerated this past March, in comparison with 2,561 in March 2005, for an increase of 29 per cent.

As for the results recorded in the other five CMAs across Quebec, Trois-Rivières posted the strongest increase in starts (+73 per cent), compared to March 2005, followed by Sherbrooke (+30 per cent) and Gatineau (+6 per cent). However, starts fell in the CMAs of Saguenay (-73 per cent) and Québec (-17 per cent), in relation to March of last year.



Major Housing Job Sites Started in March

The following are the major multiple housing job sites started in March 2006 in Greater Montréal, along with the intended market segment announced for the projects at the time they got under way:

Number of units	Street	Sector	Intended segment
414	Saint-Antoine	Montréal (Centre)	Condominiums
92	Richelieu	McMasterville	Ret. Home
84	René-Lévesque	Montréal (Centre)	Condominiums
60	Marcel-Laurin	Saint-Laurent	Condominiums
57	De la Montagne	Montréal (Centre)	Condominiums
54	Barnett	Dollard-des-Ormeaux	Condominiums
53	Lajeunesse	Montréal (Villeray)	Cooperative
47	Marcel-Laurin	Saint-Laurent	Condominiums
36	Trésor de l'Île	Charlemagne	Condominiums
28	Riverin	Brossard	Condominiums

Montréal Market Beats its 2002 Performance

There were 36,571 property sales in the Montréal metropolitan area during 2005, or 1.5 per cent more than the year before. This result also eclipsed, by 276 sales, the previous transactions record set in 2002.

The fourth quarter of 2005 was practically identical to the same quarter one year earlier, in terms of the number of sales registered on the S.I.A.®/MLS® network. In fact, 7,886 properties changed hands in the last three months of 2005, compared to 7,871 during the same period in 2004, for an increase of 0.2 per cent.

While the last quarter of 2005 may not have particularly stood out in terms of the number of transactions, it was a totally different story for the year 2005, which was exceptional overall.

The year 2005 exceeded our expectations. The resale market remained firmly in favour of sellers, despite the rise in listings, the increase in the average listing period and the slower growth in prices for all property types. The strength of the condominium demand is surprising.

Single-family houses stayed popular among buyers. This is the best-selling housing type in the Montréal metropolitan area and, particularly, in the large suburban sectors (Laval, the North Shore, the South Shore and Vaudreuil). In 2005, the average selling price of single-family homes reached $226,427 in the metropolitan area, up by 7 per cent over the year before. The more moderate growth in the average selling price (the price hike was 14 per cent in 2004) was no doubt caused by the rise in listings (+21 per cent).

In 2005, the most expensive large sector was the Island of Montréal, where the average selling price of single-family homes attained $314,714, and the least costly large sector was the North Shore, with an average selling price of $185,070.

Nearly one quarter of the sales registered on the S.I.A.®/MLS® network in 2005 involved condominiums. It is interesting to note that there were more condominium sales than single-family home sales on the Island of Montréal. 'Condos' can no longer be ignored and now form part of the Montréal real estate landscape. The average selling price of condominiums in metropolitan area reached $191,887 in 2005, up by 5 per cent over the previous year. Despite the great popularity of this housing type, buyers are starting to gain some negotiating power, as evidenced by the rise in listings and the longer average listing period.

Plex sales remain marginal in the suburbs, with more than 76 per cent of such transactions having been recorded on the Island of Montréal. In 2005, there were 5,129 plex transactions, or 6 per cent fewer than in 2004. Sales went down in all large sectors, except Vaudreuil. However, it should not be concluded that plexes are losing their appeal. The small rise in active S.I.A.®/MLS® listings over the past year (+11 per cent), the classification of this segment as a seller's market and the increase of 10 per cent in the average selling price are proof that demand for this housing type is still strong and that, on the contrary, it is the fact that supply is scarce and insufficiently diverse that seems to be the cause of the low level of transactions.

Table 1
Summary of Activity by Intended Market
Montréal Metropolitan Area

Activity / Period	*Freehold (Single-Family)*	*Condominium*	*Rental*	*Total*
Housing Starts				
March 2006	848	1,263	275	2,386
March 2005	964	548	129	1,641
Cumulative 2006	1,764	2,031	1,030	4,825
Cumulative 2005	1,956	1,477	983	4,416
Under Construction*				
March 2006	3,712	8,423	6,428	18,563
March 2005	4,297	8,035	5,755	18,087
Completions				
March 2006	434	406	191	1,031
March 2005	589	328	372	1,289
Cumulative 2006	1,610	1,277	840	3,727
Cumulative 2005	2,019	1,003	1,116	4,138
Unoccupied*				
March 2006	570	2,180	1,466	4,216
March 2005	515	1,523	968	3,006
Absorption				
March 2006	404	322	181	907
March 2005	546	356	182	1,084
Cumulative 2006	1,567	1,164	753	3,484
Cumulative 2005	2,266	1,196	768	4,230
Duration of Inventory (in months)				
March 2006	0.7	3.1	3.3	2.1
March 2005	0.5	2.4	2.6	1.5

** As at the end of the period shown*

Source: CMHC

Free electronic reports

To view or download these reports, go to: www.cmhc.ca/mktinfo/store/

To get specialty publications on the resale market, go to:
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				
March 2006	13	59	0	72
March 2005	14	24	10	48
Cumulative 2006	40	91	131	262
Cumulative 2005	38	86	140	264
Zone 2: West-Centre				
March 2006	5	190	60	255
March 2005	7	216	0	223
Cumulative 2006	14	364	83	461
Cumulative 2005	11	319	352	682
Zone 3: East-Center				
March 2006	11	662	53	726
March 2005	3	111	36	150
Cumulative 2006	31	722	65	818
Cumulative 2005	12	287	178	477
Zone 4: East-End				
March 2006	6	0	0	6
March 2005	14	0	8	22
Cumulative 2006	24	9	6	39
Cumulative 2005	26	21	8	55
Zone 5: South-Laval				
March 2006	18	26	0	44
March 2005	11	28	0	39
Cumulative 2006	47	98	292	437
Cumulative 2005	25	202	0	227
Zone 6: North-Laval				
March 2006	73	24	0	97
March 2005	86	14	12	112
Cumulative 2006	203	83	0	286
Cumulative 2005	199	59	15	273
Zone 7: MRC Deux-Montagnes				
March 2006	120	6	0	126
March 2005	139	12	9	160
Cumulative 2006	197	24	9	230
Cumulative 2005	309	59	46	414
Zone 8: MRC Ste-Thérèse-de-Blainville				
March 2006	48	18	24	90
March 2005	66	6	0	72
Cumulative 2006	145	113	33	291
Cumulative 2005	150	122	56	328

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				
March 2006	155	52	22	229
March 2005	177	17	21	215
Cumulative 2006	266	96	46	408
Cumulative 2005	310	87	42	439
Zone 10: MRC L'Assomption				
March 2006	102	63	6	171
March 2005	105	18	4	127
Cumulative 2006	175	93	18	286
Cumulative 2005	198	21	93	312
Zone 11: South-Shore Centre				
March 2006	32	128	6	166
March 2005	39	68	6	113
Cumulative 2006	85	180	154	419
Cumulative 2005	76	110	20	206
Zone 12: East South-Shore				
March 2006	28	0	98	126
March 2005	44	9	3	56
Cumulative 2006	67	3	98	168
Cumulative 2005	103	12	3	118
Zone 13: South South-Shore				
March 2006	47	0	0	47
March 2005	52	6	0	58
Cumulative 2006	65	14	6	85
Cumulative 2005	86	36	0	122
Zone 14: West South-Shore				
March 2006	64	8	0	72
March 2005	72	4	12	88
Cumulative 2006	131	36	74	241
Cumulative 2005	128	22	18	168
Zone 15: Vaudreuil-Soulanges *				
March 2006	105	16	0	121
March 2005	87	15	0	102
Cumulative 2006	217	64	3	284
Cumulative 2005	201	18	0	219
Zone 16: St-Jérôme				
March 2006	21	11	6	38
March 2005	48	0	8	56
Cumulative 2006	57	41	12	110
Cumulative 2005	84	16	12	112

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	
	March 2006	March 2005	March 2006	March 2005	March 2006	March 2005
Housing Starts						
Island of Montréal (1 to 4)	35	38	911	351	113	54
Laval (zones 5 and 6)	91	97	50	42	0	12
North-Shore (7 to 10 & 16)	446	535	150	53	58	42
South-Shore (zones11 to 14)	171	207	136	87	104	21
Vaudreuil-Soul. *** (zone 15)	105	87	16	15	0	0
Under Construction*						
Island of Montréal	383	413	5,276	4,949	3,640	4,435
Laval	525	688	772	868	793	23
North-Shore	1,557	1,803	1,211	980	668	896
South-Shore	766	938	938	1,002	1,308	398
Vaudreuil-Soulanges ***	481	455	226	236	19	3
Completions						
Island of Montréal	29	56	86	169	102	229
Laval	67	66	132	16	0	0
North-Shore	193	273	94	48	78	127
South-Shore	105	116	94	61	3	16
Vaudreuil-Soulanges ***	40	78	0	34	8	0
Unoccupied*						
Island of Montréal	60	61	1,165	903	1,043	489
Laval	56	53	355	162	62	111
Rive- Nord	191	194	346	176	194	207
South-Shore	176	133	268	248	159	160
Vaudreuil-Soulanges ***	87	74	46	34	8	1
Absorption						
Island of Montréal	30	58	100	181	99	90
Laval	58	65	57	18	0	0
North-Shore	176	255	88	64	75	66
South-Shore	102	108	77	71	3	26
Vaudreuil-Soulanges ***	38	60	0	22	4	0
Duration of Inventory**						
Island of Montréal	1.1	1.1	3.2	2.4	3.9	1.8
Laval	0.5	0.5	4.6	2.1	4.6	8.3
North-Shore	0.5	0.5	2.8	1.4	1.6	1.7
South-Shore	0.8	0.6	2.2	2.0	4.0	4.0
Vaudreuil-Soulanges ***	1.1	0.9	2.6	2.0	1.3	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				
Intended Market	***Under Construction***	***Units Unoccupied***	***Short-Term Supply***	***Monthly Absorption***
	March 2006			***Trend 2006***
Freehold	3,712	570	4,282	852
Condominium	8,423	2,180	10,603	708
Rental	6,428	1,466	7,894	447
	March 2005			***Trend 2005***
Freehold	4,297	515	4,812	1,024
Condominium	8,035	1,523	9,558	624
Rental	5,755	968	6,723	377

Source: CMHC

Table 5 Economic Overview Montréal Metropolitan Area												
	2004			***2005***			***2005***			***2006***		
	Oct.	***Nov.***	***Dec.***	***Jan.***	***Feb.***	***March***	***Oct.***	***Nov.***	***Dec.***	***Jan.***	***Feb.***	***March***
Labour Market*												
Job Creation (Loss) - in thousands	8	-9	-11	1	13	25	29	20	22	9	14	8
Unemployment Rate (%)	8.5	8.7	8.8	9.0	8.7	8.6	8.7	8.8	9.1	9.7	9.7	9.7
Mortgage Rates (1)												
1-year	4.9	5.0	4.8	4.8	4.8	5.1	5.3	5.6	5.8	5.8	5.9	6.1
5-year	6.4	6.3	6.1	6.1	6.1	6.3	6.0	6.2	6.3	6.3	6.5	6.5
Annual Inflation Rate (%)	2.9	2.6	2.4	1.9	1.8	2.4	2.1	2.1	2.1	2.7	2.4	1.9
New House Price Index (% change)												
House	6.9	6.8	6.6	6.7	6.4	6.6	4.0	3.6	3.6	3.3	3.5	n.a.
Land	5.3	6.4	6.0	6.1	6.0	6.0	4.0	3.4	3.5	4.4	4.6	n.a.
Total	6.5	6.6	6.4	6.6	6.3	6.4	4.1	3.7	3.7	3.6	3.9	n.a.
MLS Sales - Single-Family Houses	1,807	1,358	1,360	1,566	1,657	1,887	1,784	1,327	1,545	1,644	1,725	1,708

* *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	*Municipalities, Boroughs or Sectors*
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

CMHC – HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years.

Together with other housing stakeholders, we help ensure that Canada maintains one of the best housing systems in the world. We are committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country.

For more information, visit our website at www.cmhc.ca

You can also reach us by phone at 1 800 668-2642 or by fax at 1 800 245-9274.

Outside Canada call (613) 748-2003 or fax to (613) 748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1 800 668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is now available for **free** on CMHC's website. You can now view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to www.cmhc.ca/housingmarketinformation

For more information on MAC and the wealth of housing market information available to you, visit us today at www.cmhc.ca/housingmarketinformation

To subscribe to priced, printed editions of the national standardized product suite or regional specialty publications, call 1 800 668-2642.

64159_2006_M04