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Montréal

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SLOW MONTH OF MAY FOR MULTIPLE HOUSING CONSTRUCTION

According to our latest starts survey, housing activity in the Montréal census metropolitan area (CMA) fell by 9 per cent in May, in relation to the same month last year. In fact, construction got under way on 1,994 dwellings, compared to 2,202 in May 2005.

This decrease in activity in the CMA was mainly attributable to the significant decline in rental housing starts on the Island of Montréal.

For the first five months of this year, the volume of rental housing starts on the Island is one third of what it was for the same period in 2005. The least we can say is that builders seem to have taken a break.

It can be noted that builders are currently favouring the northern suburbs when the time comes to undertake major rental housing projects. This sector is highly valued, as demand for rental housing, and especially for retirement rental housing, is strong there.

The downward trend in activity observed on the Island did not affect the freehold home segment, where starts

increased by 22 per cent over May 2005.

The Laval market was extremely dynamic during this fifth month of the year. In fact, this zone posted the strongest increase in activity (+78 per cent). It was the start of construction on a 184-unit rental housing project that boosted the results for May in Laval. The gains were smaller in the other two zones of the North Crown, as there were three more starts on the North Shore and one more in Saint-Jérôme.

The performance of the Vaudreuil-Soulanges market stood out in May. For the first time this year, a decrease in starts was registered in this sector (-21 per cent).

Lastly, the two southern zones posted very different results. In Longueuil, starts fell by 44 per cent compared to May 2005, on account of a decrease in condominium construction (-74 per cent), while, in the rest of the South Shore, housing activity rose by 35 per cent, thanks to an increase in condominium starts (+63 per cent).

Release Date: June 2006

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Major Housing Job Sites Started in May

In Quebec's urban centres with 10,000 or more inhabitants, 3,748 dwellings got under way this past May, or practically the same number as in May 2005 (3,743 units).

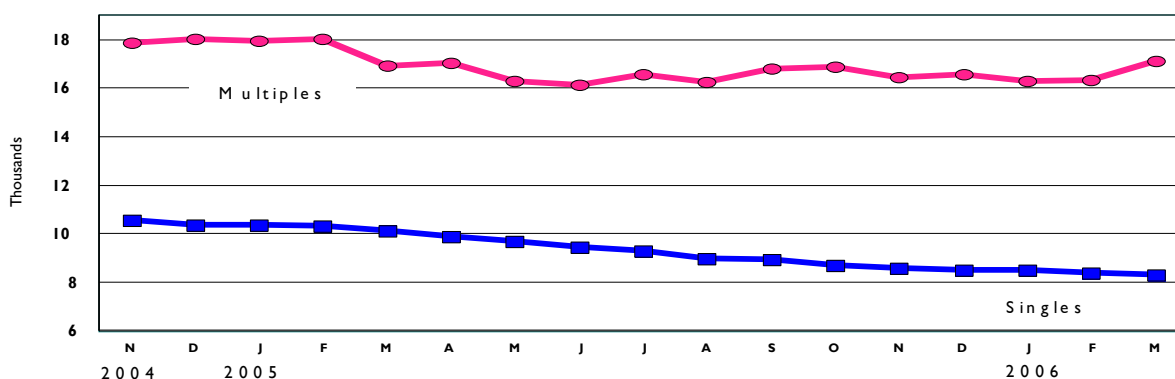
As for the other CMAs across Quebec, Sherbrooke posted the strongest gain in housing starts, at 37 per cent. Gatineau and Québec registered respective increases of 16 per cent and 3 per cent. On the other hand, residential construction fell in Saguenay (-42 per cent) and Trois-Rivières (-5 per cent).

The following are the major multiple housing job sites started in May 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>Intended segment</u>	<u>City (Sector)</u>
184	Rental	Laval (Chomedey)
180	Retirement Home	Sainte-Thérèse
70	Cooperative	Montréal (Centre)

Housing Starts Multiples vs. Singles

Seasonally Adjusted Annual Rates - Montréal CMA



Source: CMHC

CMHC Montréal Housing Outlook Conference

"Real Estate Fever Cooling Down: Where Do We Go From Here?"

Canada Mortgage and Housing Corporation (CMHC) is pleased to announce that our annual conference will take place on:

Tuesday, November 21, 2006, at the Palais des Congrès de Montréal, from 7:30 a.m. to 11:30 a.m.

Mark this date on your calendar and stay on the lookout. In the meantime, here is an overview of the topics on which our experts will give their views:

- Taking the turn . . . the provincial outlook
- Montréal area: time for a new health check
- Key market niches: a detailed diagnosis
- Renovation, a prosperous market

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				
May 2006	1,047	390	557	1,994
May 2005	1,051	523	628	2,202
Cumulative 2006	4,081	2,930	1,908	8,919
Cumulative 2005	4,393	2,884	2,735	10,012
Under Construction*				
May 2006	4,479	8,312	6,245	19,036
May 2005	5,138	7,821	6,489	19,448
Completions				
May 2006	910	434	320	1,664
May 2005	816	721	268	1,805
Cumulative 2006	3,174	2,244	1,930	7,348
Cumulative 2005	3,616	2,535	2,217	8,368
Unoccupied*				
May 2006	765	2,091	1,339	4,195
May 2005	640	1,671	1,087	3,398
Absorption				
May 2006	741	486	446	1,673
May 2005	737	731	449	1,917
Cumulative 2006	2,936	2,220	1,970	7,126
Cumulative 2005	3,738	2,580	1,750	8,068
Duration of Inventory (in months)				
May 2006	0.9	3.1	2.9	2.1
May 2005	0.6	2.4	2.5	1.6

* As at the end of the period shown

Source: CMHC

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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				
May 2006	36	6	0	42
May 2005	15	0	0	15
Cumulative 2006	81	106	131	318
Cumulative 2005	66	86	150	302
Zone 2: West-Centre				
May 2006	11	62	0	73
May 2005	14	111	275	400
Cumulative 2006	29	446	83	558
Cumulative 2005	30	522	722	1,274
Zone 3: East-Center				
May 2006	3	19	70	92
May 2005	13	90	38	141
Cumulative 2006	43	1,002	263	1,308
Cumulative 2005	36	655	413	1,104
Zone 4: East-End				
May 2006	11	14	3	28
May 2005	8	0	102	110
Cumulative 2006	58	23	27	108
Cumulative 2005	69	69	229	367
Zone 5: South-Laval				
May 2006	30	17	226	273
May 2005	16	3	0	19
Cumulative 2006	109	141	599	849
Cumulative 2005	80	299	294	673
Zone 6: North-Laval				
May 2006	112	11	0	123
May 2005	133	67	3	203
Cumulative 2006	430	101	0	531
Cumulative 2005	485	204	246	935
Zone 7: MRC Deux-Montagnes				
May 2006	143	9	0	152
May 2005	123	22	21	166
Cumulative 2006	534	62	9	605
Cumulative 2005	594	93	151	838
Zone 8: MRC Ste-Thérèse-de-Blainville				
May 2006	71	33	183	287
May 2005	68	35	21	124
Cumulative 2006	324	173	216	713
Cumulative 2005	312	175	83	570

Source: CMHC

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				
May 2006	129	14	33	176
May 2005	168	15	48	231
Cumulative 2006	540	140	91	771
Cumulative 2005	670	162	114	946
Zone 10: MRC L'Assomption				
May 2006	107	39	15	161
May 2005	108	27	117	252
Cumulative 2006	418	156	86	660
Cumulative 2005	445	116	234	795
Zone 11: South-Shore Centre				
May 2006	47	94	15	156
May 2005	59	81	3	143
Cumulative 2006	208	311	189	708
Cumulative 2005	204	246	23	473
Zone 12: East South-Shore				
May 2006	56	12	0	68
May 2005	68	21	0	89
Cumulative 2006	193	21	98	312
Cumulative 2005	256	39	21	316
Zone 13: South South-Shore				
May 2006	72	8	6	86
May 2005	65	0	0	65
Cumulative 2006	197	34	12	243
Cumulative 2005	254	48	18	320
Zone 14: West South-Shore				
May 2006	126	16	6	148
May 2005	68	23	0	91
Cumulative 2006	360	58	83	501
Cumulative 2005	329	66	25	420
Zone 15: Vaudreuil-Soulanges *				
May 2006	66	29	0	95
May 2005	101	19	0	120
Cumulative 2006	414	101	3	518
Cumulative 2005	395	63	0	458
Zone 16: St-Jérôme				
May 2006	27	7	0	34
May 2005	24	9	0	33
Cumulative 2006	143	55	18	216
Cumulative 2005	168	41	12	221

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	
	May 2006	May 2005	May 2006	May 2005	May 2006	May 2005
Housing Starts						
Island of Montréal (1 to 4)	61	50	101	201	73	415
Laval (zones 5 and 6)	142	149	28	70	226	3
North-Shore (zones 7 to 10 & 16)	477	491	102	108	231	207
South-Shore (zones 11 to 14)	301	260	130	125	27	3
Vaudreuil-Soul. *** (zone 15)	66	101	29	19	0	0
Under Construction*						
Island of Montréal	381	436	5,240	4,713	3,073	4,740
Laval	637	807	714	945	1,082	546
North-Shore	2,000	2,183	1,155	1,017	869	879
South-Shore	1,026	1,219	1,016	1,001	1,218	263
Vaudreuil-Soulanges ***	435	493	187	145	3	61
Completions						
Island of Montréal	67	51	144	392	123	116
Laval	112	93	75	50	24	8
North-Shore	381	414	124	117	90	106
South-Shore	186	176	31	110	67	28
Vaudreuil-Soulanges ***	164	82	60	52	16	10
Unoccupied*						
Island of Montréal	55	63	1,053	926	951	536
Laval	89	62	365	179	44	88
Rive- Nord	246	281	366	230	144	297
South-Shore	176	154	229	267	191	164
Vaudreuil-Soulanges ***	199	80	78	69	9	2
Absorption						
Island of Montréal	69	53	236	440	308	150
Laval	92	95	48	80	14	9
North-Shore	357	353	117	100	65	172
South-Shore	175	158	55	86	45	109
Vaudreuil-Soulanges ***	48	78	30	25	14	9
Duration of Inventory**						
Island of Montréal	1.0	1.1	3.1	2.7	3.1	1.8
Laval	0.8	0.6	5.0	2.4	3.1	6.1
North-Shore	0.6	0.7	2.9	1.8	1.3	2.7
South-Shore	0.8	0.7	1.9	2.3	5.6	4.8
Vaudreuil-Soulanges ***	2.5	1.0	4.3	3.8	1.4	0.3

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>
Freehold Condominium Rental	May 2006			Trend 2006
	4,479	765	5,244	843
	8,312	2,091	10,403	680
	6,245	1,339	7,584	467
Freehold Condominium Rental	May 2005			Trend 2005
	5,138	640	5,778	1,007
	7,821	1,671	9,492	701
	6,489	1,087	7,576	432

Source: CMHC

Table 5
Economic Overview
Montréal Metropolitan Area

	2005						2006					
	<i>Dec.</i>	<i>Jan.</i>	<i>Feb.</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>Dec.</i>	<i>Jan.</i>	<i>Feb.</i>	<i>March</i>	<i>April</i>	<i>May</i>
Labour Market*												
Job Creation (Loss) - in thousands	-11	1	13	25	12	-5	22	9	14	8	11	18
Unemployment Rate (%)	8.8	9.0	8.7	8.6	8.4	8.6	9.1	9.7	9.7	9.7	9.4	8.9
Mortgage Rates (1)												
1-year	4.8	4.8	4.8	5.1	4.9	4.9	5.8	5.8	5.9	6.1	6.3	6.3
5-year	6.1	6.1	6.1	6.3	6.1	6.0	6.3	6.3	6.5	6.5	6.8	6.8
Annual Inflation Rate (%)	2.4	1.9	1.8	2.4	2.3	1.7	2.1	2.7	2.4	1.9	2.5	2.5
New House Price Index (% change)												
House	6.6	6.7	6.4	6.6	5.6	5.1	3.6	3.3	3.5	2.9	3.7	n.a
Land	6.0	6.1	6.0	6.0	5.8	5.2	3.5	4.4	4.6	4.6	5.5	n.a
Total	6.4	6.6	6.3	6.4	5.7	5.1	3.7	3.6	3.9	3.3	4.2	n.a
MLS Sales - Single-Family Houses	1,380	1,500	2,436	2,991	2,786	2,452	1,382	1,559	2,442	3,098	2,630	2,516

* 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, LeMoine, 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, Pincoirt, 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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