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# HOUSING NOW

Province of Quebec

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

[www.cmhc.ca](http://www.cmhc.ca)

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## Housing starts post impressive gain

Housing starts posted another impressive gain this past quarter in the province of Quebec. In relation to last year, the increase reached 61 per cent at the provincial level. According to the results of the monthly survey conducted by Canada Mortgage and Housing Corporation (CMHC) in urban centres with 10,000 or more inhabitants, exactly 6,649 housing units were started from January to March, which means that residential construction has just recorded its best first quarter since 1990.

With the steady job creation for the past year, the persistently very low mortgage rates and a resale market that is favouring sellers, many Quebec households turned to new housing.

During the first quarter, housing starts went up for both single-family homes and other housing types. The increases attained 63 per cent and 58 per cent, respectively. This diversification was also felt everywhere in the province: all census metropolitan areas registered positive results in the first quarter, a feat that had not been seen for the last 15 years. In addition to the gains posted in Montréal (60 per cent) and Québec (36 per cent), the residential construction sector was quite vigorous in the Gatineau area, where housing starts doubled in 2002 compared to the first months of 2001, just like in Chicoutimi-Jonquière.

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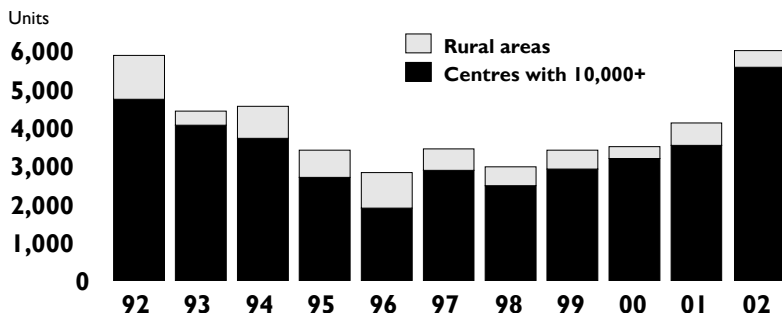
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## HOUSING STARTS

Quebec Areas  
January to March



Source: CMHC

Raw data



HOME TO CANADIANS  
Canada

## AFFORDABLE HOUSING QUÉBEC program

In view of the current shortage of rental housing in many of Québec's cities, the governments of Canada and Quebec rapidly came to an agreement to implement an affordable housing program. On December 21, 2001, the two governments agreed to invest over \$323.3M in order to increase the availability of affordable housing in Quebec, including \$161.65M on the part of the federal government through CMHC, \$104M from the government of Quebec and \$57M by the municipalities concerned. The program, officially launched on March 5, 2002, will allow for the production of 6,500 affordable rental housing units across Quebec, in 2002 and 2003.

Note: The following text is an excerpt from the Leaflet «Action for Housing, Private Component, CMHC and SHQ».

### A program with two components

The social and community component targets non-profit community organizations wishing to implement housing projects, and is expected to generate some 5,000 housing units for low to modest income households.

The private component is designed to stimulate the production of housing units with rents affordable to moderate income households. It applies mainly on the territories of municipalities that have low rental vacancy rates and that need a significant number of new housing units to counter the shortage.

This component of the program is intended mainly for private sector promoters and targets the production of rental housing only through new construction or the conversion of buildings not currently used for residential purposes.

### Financial assistance for the production of housing units

Financial assistance (private component) takes the form of a variable lump sum of between \$10,600 and \$12,500 for a two-bedroom unit, depending on the location and type of housing units produced (studio, 1, 2 or 3 bedrooms, etc.).

*The municipality pays 15 per cent of the total amount granted for each project.*

*The maximum monthly rent varies according to the type of housing unit and is set by the municipality in accordance with SHQ guidelines. It should start at around \$700 for a heated two-bedroom unit.*

*The owner undertakes to comply with the maximum rents and subsequent authorized increases for a period of 10 years following completion of the work. During the 10-year period, the owner may not convert the housing units into condominiums.*

### A leading role for municipalities

*The Société d'habitation du Québec (SHQ), as the agency responsible for the entire Affordable Housing Québec program, has drawn up certain basic criteria for the private component of the program. Municipalities must meet these criteria when developing their own affordable housing programs.*

### Partnership with the municipalities

During a tour of Quebec's major cities, the government of Quebec and many municipalities met, and reviewed the financial assistance programs for which they were eligible in the area of housing. It was announced at the time that, with the investments tied to the affordable housing program, around half of the 6,500 new affordable housing units will be produced on the territory of the new city of Montréal this year and next year.

For more information, please contact the Société d'habitation du Québec (SHQ):

In Québec City:  
(418) 643-7676

Elsewhere in Québec:  
1 800 463-4315 (toll-free)

Source: Leaflet "Action for Housing, Private Component, Affordable Housing Québec", CMHC and SHQ

## Definitions and Concepts

**Intended Markets** - There are three: 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 laid 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 that have been started but that are 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** - units where all proposed construction work has been performed or, in some cases, where ninety percent of all construction work is completed and the structure is fit for occupancy.

**Unoccupied Units** - new completed units that have remained unoccupied.

**Total Medium-Term Supply** - total supply of new units including units under construction, units that are completed but not occupied and permits issued but not started.

**Absorptions** - newly completed units that have been 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 quarter plus completions for the current month minus completed and unoccupied units for the current month.

**Duration of Inventory** - period necessary for the absorption of unoccupied units, i.e. the ratio between unoccupied units and absorbed units (average for the last twelve months). This figure is expressed in months.

**Seasonally Adjusted Annual Rates (SAAR)** - raw monthly figures, adjusted to remove normal seasonal variation and multiplied by 12.

**Table I**  
**Summary of Activity by Intended Market**  
**Province of Québec**

Activity / Area	Ownership (Freehold* & Condominium)		Rental		Total	
	1st Qrt 2002	1st Qrt 2001	1st Qrt 2002	1st Qrt 2001	1st Qrt 2002	1st Qrt 2001
<b>Housing Starts</b>						
Metropolitan Areas (1)	4,240	2,754	885	451	5,125	3,205
Urban Areas (2)	296	211	160	139	456	350
Rural Areas (3)	NA	NA	NA	NA	1,068	580
<b>Total Province of Québec</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>6,649</b>	<b>4,135</b>
<b>Completions</b>						
Metropolitan Areas (1)	2,672	1,854	596	445	3,268	2,299
Urban Areas (2)	302	262	98	102	400	364
Rural Areas (3)	NA	NA	NA	NA	674	1,187
<b>Total Province of Québec</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>4,342</b>	<b>3,850</b>
<b>Under construction (4)</b>						
Metropolitan Areas (1)	7,639	6,406	2,091	1,921	9,730	8,327
Urban Areas (2)	479	326	821	379	1,300	705
Rural Areas (3)	NA	NA	NA	NA	2,062	615
<b>Total Province of Québec</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>13,092</b>	<b>9,647</b>

(\*) Refers to Single-Family Houses (Single-Detached and Row Houses) owned under freehold tenure.

(1) Population of 100,000 or more.

(2) Population between 10,000 and 99,999.

(3) Population of 9,999 and less.

(4) At the end of the period.

**Table 2**  
**Economic Overview**  
**Province of Québec**

	2002	2001			
	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
<b>Gross Domestic Product (%)</b>	1.5	-0.1	-0.4	1.1	2.0
<b>Job Creation Total* (000)</b>	36.9	14.3	16.6	-0.4	13.1
<b>Employment Rate* (%)</b>	58.7	58.2	58.1	57.9	58.0
<b>Unemployment Rate* (%)</b>	9.1	9.1	8.4	8.8	8.6
<b>Inflation Rate (%)</b>	2.4	-2.2	-0.8	6.1	2.2
<b>Net Migration</b>	NA	87	1,870	6,386	6,157
<b>Mortgage Rates - Canada</b>					
1-year	4.80	4.70	6.03	6.73	7.10
5-year	7.05	6.87	7.50	7.67	7.58
<b>Resale Market (MLS Sales)</b>					
<b>Total Residential Units</b>	NA	14,422	11,109	19,089	17,000
<b>Consumer Confidence Index* (1991=100)</b>	NA	110.5	112.5	120.0	114.8

Sources: Statistics Canada, Conference Board of Canada, Canadian Real Estate Association

\* Seasonally Adjusted Annual Rates

**Table 3**  
**Housing Starts by Metropolitan Area and by Intended Market**  
**Province of Quebec**

Area / Period	Ownership		Rental	Total
	Freehold	Condominiums		
<b>Chicoutimi</b>				
First Quarter 2002	13	0	35	48
First Quarter 2001	15	0	2	17
Year-to-date 2002 (Jan.-March)	13	0	35	48
Year-to-date 2001 (Jan.-March)	15	0	2	17
<b>Hull</b>				
First Quarter 2002	230	0	119	349
First Quarter 2001	140	0	24	164
Year-to-date 2002 (Jan.-March)	230	0	119	349
Year-to-date 2001 (Jan.-March)	140	0	24	164
<b>Montréal</b>				
First Quarter 2002	2,421	1,056	544	4,021
First Quarter 2001	1,473	718	324	2,515
Year-to-date 2002 (Jan.-March)	2,421	1,056	544	4,021
Year-to-date 2001 (Jan.-March)	1,473	718	324	2,515
<b>Québec</b>				
First Quarter 2002	419	32	113	564
First Quarter 2001	247	116	53	416
Year-to-date 2002 (Jan.-March)	419	32	113	564
Year-to-date 2001 (Jan.-March)	247	116	53	416
<b>Sherbrooke</b>				
First Quarter 2002	40	0	59	99
First Quarter 2001	28	0	33	61
Year-to-date 2002 (Jan.-March)	40	0	59	99
Year-to-date 2001 (Jan.-March)	28	0	33	61
<b>Trois-Rivières</b>				
First Quarter 2002	29	0	15	44
First Quarter 2001	17	0	15	32
Year-to-date 2002 (Jan.-March)	29	0	15	44
Year-to-date 2001 (Jan.-March)	17	0	15	32
<b>TOTAL METROPOLITAN AREAS</b>				
First Quarter 2002	3,152	1,088	885	5,125
First Quarter 2001	1,920	834	451	3,205
Year-to-date 2002 (Jan.-March)	3,152	1,088	885	5,125
Year-to-date 2001 (Jan.-March)	1,920	834	451	3,205

Source: CMHC

**Table 4**  
**Under Construction and Completions by Metropolitan Area and by Intended Market**  
**Province of Quebec**

Area / Period	Under construction *				Completions			
	Ownership		Rental	Total	Ownership		Rental	Total
	Freehold	Condominiums			Freehold	Condominiums		
<b>Chicoutimi</b>								
First Quarter 2002	30	0	87	117	30	0	8	38
First Quarter 2001	30	0	12	42	18	0	6	24
<b>Hull</b>								
First Quarter 2002	551	0	233	784	306	0	175	481
First Quarter 2001	275	0	125	400	181	0	66	247
<b>Montréal</b>								
First Quarter 2002	3,507	2,796	1,273	7,576	1,242	527	307	2,076
First Quarter 2001	2,626	2,901	1,212	6,739	966	343	289	1,598
<b>Québec</b>								
First Quarter 2002	549	141	327	1,017	348	135	71	554
First Quarter 2001	384	146	510	1,040	258	6	35	299
<b>Sherbrooke</b>								
First Quarter 2002	34	0	143	177	45	0	35	80
First Quarter 2001	26	0	41	67	43	0	31	74
<b>Trois-Rivières</b>								
First Quarter 2002	31	0	28	59	39	0	0	39
First Quarter 2001	18	0	21	39	34	5	18	57
<b>TOTAL METROPOLITAN AREAS</b>								
First Quarter 2002	4,702	2,937	2,091	9,730	2,010	662	596	3,268
First Quarter 2001	3,359	3,047	1,921	8,327	1,500	354	445	2,299

\* Note: As at the end of the period shown.  
Source: CMHC

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**Table 5**  
**Housing Starts for centres of population 50,000 to 99,999 Inhabitants**  
**Province of Quebec**

Centre / Period	Ownership		Rental	Total
	Freehold	Condominiums		
<b>Drummondville</b>				
First Quarter 2002	17	0	44	61
First Quarter 2001	13	0	28	41
Year-to-date 2002 (Jan.-March)	17	0	44	61
Year-to-date 2001 (Jan.-March)	13	0	28	41
<b>Granby</b>				
First Quarter 2002	11	0	8	19
First Quarter 2001	26	0	49	75
Year-to-date 2002 (Jan.-March)	11	0	8	19
Year-to-date 2001 (Jan.-March)	26	0	49	75
<b>Saint-Hyacinthe</b>				
First Quarter 2002	6	0	20	26
First Quarter 2001	8	12	30	50
Year-to-date 2002 (Jan.-March)	6	0	20	26
Year-to-date 2001 (Jan.-March)	8	12	30	50
<b>Saint-Jean-sur-Richelieu</b>				
First Quarter 2002	94	4	28	126
First Quarter 2001	47	0	4	51
Year-to-date 2002 (Jan.-March)	94	4	28	126
Year-to-date 2001 (Jan.-March)	47	0	4	51
<b>Shawinigan</b>				
First Quarter 2002	2	0	0	2
First Quarter 2001	5	0	0	5
Year-to-date 2002 (Jan.-March)	2	0	0	2
Year-to-date 2001 (Jan.-March)	5	0	0	5

Source: CMHC

**Table 6**  
**Housing Starts for centres of population 10,000 to 49,999 Inhabitants**  
**Province of Quebec**

Centre / Period	Ownership		Rental	Total
	Freehold	Condominiums		
<b>Alma</b>				
First Quarter 2002	2	0	0	2
First Quarter 2001	3	0	0	3
Year-to-date 2002 (Jan.-March)	2	0	0	2
Year-to-date 2001 (Jan.-March)	3	0	0	3
<b>Baie-Comeau</b>				
First Quarter 2002	0	0	0	0
First Quarter 2001	0	0	0	0
Year-to-date 2002 (Jan.-March)	0	0	0	0
Year-to-date 2001 (Jan.-March)	0	0	0	0
<b>Cowansville</b>				
First Quarter 2002	0	0	0	0
First Quarter 2001	1	0	0	1
Year-to-date 2002 (Jan.-March)	0	0	0	0
Year-to-date 2001 (Jan.-March)	1	0	0	1

**Table 6 (cont.)**  
**Housing Starts for centres of population 10,000 to 49,999 Inhabitants**  
**Province of Quebec**

<i>Centre / Period</i>	<i>Ownership</i>		<i>Rental</i>	<i>Total</i>
	<i>Freehold</i>	<i>Condominiums</i>		
<b>Dolbeau</b>				
First Quarter 2002	0	0	0	0
First Quarter 2001	1	0	0	1
Year-to-date 2002 (Jan.-March)	0	0	0	0
Year-to-date 2001 (Jan.-March)	1	0	0	1
<b>Joliette</b>				
First Quarter 2002	0	0	0	0
First Quarter 2001	2	0	0	2
Year-to-date 2002 (Jan.-March)	0	0	0	0
Year-to-date 2001 (Jan.-March)	2	0	0	2
<b>Lachute</b>				
First Quarter 2002	34	0	13	47
First Quarter 2001	17	0	0	17
Year-to-date 2002 (Jan.-March)	34	0	13	47
Year-to-date 2001 (Jan.-March)	17	0	0	17
<b>La Tuque</b>				
First Quarter 2002	1	0	0	1
First Quarter 2001	4	0	0	4
Year-to-date 2002 (Jan.-March)	1	0	0	1
Year-to-date 2001 (Jan.-March)	4	0	0	4
<b>Magog</b>				
First Quarter 2002	1	0	0	1
First Quarter 2001	0	0	0	0
Year-to-date 2002 (Jan.-March)	1	0	0	1
Year-to-date 2001 (Jan.-March)	0	0	0	0
<b>Matane</b>				
First Quarter 2002	14	0	16	30
First Quarter 2001	7	0	18	25
Year-to-date 2002 (Jan.-March)	14	0	16	30
Year-to-date 2001 (Jan.-March)	7	0	18	25
<b>Rimouski</b>				
First Quarter 2002	1	0	0	1
First Quarter 2001	0	0	0	0
Year-to-date 2002 (Jan.-March)	1	0	0	1
Year-to-date 2001 (Jan.-March)	0	0	0	0
<b>Rivière-du-Loup</b>				
First Quarter 2002	0	0	0	0
First Quarter 2001	12	0	0	12
Year-to-date 2002 (Jan.-March)	0	0	0	0
Year-to-date 2001 (Jan.-March)	12	0	0	12
<b>Rouyn-Noranda</b>				
First Quarter 2002	3	0	0	3
First Quarter 2001	2	0	0	2
Year-to-date 2002 (Jan.-March)	3	0	0	3
Year-to-date 2001 (Jan.-March)	2	0	0	2

*Continued on next page*

**Table 6 (cont.)**  
**Housing Starts for centres of population 10,000 to 49,999 Inhabitants**  
**Province of Quebec**

<b>Centre / Period</b>	<b>Ownership</b>		<b>Rental</b>	<b>Total</b>
	<b>Freehold</b>	<b>Condominiums</b>		
<b>Saint-Georges</b>				
First Quarter 2002	3	0	0	3
First Quarter 2001	4	0	0	4
Year-to-date 2002 (Jan.-March)	3	0	0	3
Year-to-date 2001 (Jan.-March)	4	0	0	4
<b>Salaberry-de-Valleyfield</b>				
First Quarter 2002	18	0	16	34
First Quarter 2001	6	0	6	12
Year-to-date 2002 (Jan.-March)	18	0	16	34
Year-to-date 2001 (Jan.-March)	6	0	6	12
<b>Sept-Îles</b>				
First Quarter 2002	4	8	0	12
First Quarter 2001	1	0	0	1
Year-to-date 2002 (Jan.-March)	4	8	0	12
Year-to-date 2001 (Jan.-March)	1	0	0	1
<b>Sorel</b>				
First Quarter 2002	1	0	0	1
First Quarter 2001	0	0	0	0
Year-to-date 2002 (Jan.-March)	1	0	0	1
Year-to-date 2001 (Jan.-March)	0	0	0	0
<b>Thetford-Mines</b>				
First Quarter 2002	17	0	0	17
First Quarter 2001	9	3	0	12
Year-to-date 2002 (Jan.-March)	17	0	0	17
Year-to-date 2001 (Jan.-March)	9	3	0	12
<b>Val d'Or</b>				
First Quarter 2002	3	0	0	3
First Quarter 2001	2	0	0	2
Year-to-date 2002 (Jan.-March)	3	0	0	3
Year-to-date 2001 (Jan.-March)	2	0	0	2
<b>Victoriaville</b>				
First Quarter 2002	0	0	0	0
First Quarter 2001	3	0	0	3
Year-to-date 2002 (Jan.-March)	0	0	0	0
Year-to-date 2001 (Jan.-March)	3	0	0	3
<b>Autres centres urbains*</b>				
First Quarter 2002	31	0	7	38
First Quarter 2001	9	0	4	13
Year-to-date 2002 (Jan.-March)	31	0	7	38
Year-to-date 2001 (Jan.-March)	9	0	4	13

Source: CMHC

\*Amos, Gaspé, Montmagny, Roberval, Sainte-Marie and Hawkesbury (Quebec Part)

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