

# H

# OUSING NOW

Province of Quebec

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

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

VOLUME 5, NUMBER 4  
FOURTH QUARTER 2002

## 2002: highest level of activity on job sites since 1991

Residential construction increased in Quebec during the fourth quarter of 2002. According to the surveys conducted by Canada Mortgage and Housing Corporation (CMHC) in urban centres with 10,000 or more inhabitants, a gain of 45 per cent was recorded over the fourth quarter of 2001, for both rental and freehold dwellings. From January to December, 33,512 housing units were started in such centres, for a jump of 53 per cent over the previous year.

Across the province (including rural areas), construction got under way on 42,452 new dwellings in 2002 (+53 per cent). This was the highest level of activity recorded in Quebec since 1991, and the second greatest increase after the gain registered in 1983. In addition, Quebec posted the most significant

growth among all the provinces, a first since 1984.

A good number of key factors (economic and demographic) were in place to facilitate a major increase in residential construction in 2002. The strong job creation in Quebec (118,000), the relatively high net migration levels for the past two years (almost as high as in the early 1990s), and the low interest rates stimulated demand, on both the existing and new home markets.

In 2002, all census metropolitan areas (CMAs) benefited from a favourable economic context, which brought about an increase in starts of more than 45 per cent. In fact, it was in the CMAs that most of the activity was concentrated, with a leap of 57 per

*continued on next page*

### IN THIS ISSUE

#### Analysis

2002: highest level of activity on job sites since 1991 1

New homes in demand 2

**Definitions and Concepts** 2

#### Tables

1. Summary of Activity by Area and by Intended Market 3

2. Economic Overview 3

3. Housing Starts by Metropolitan Area and by Intended Market 4

4. Under Construction and Completions by Metropolitan Area and by Intended Market 5

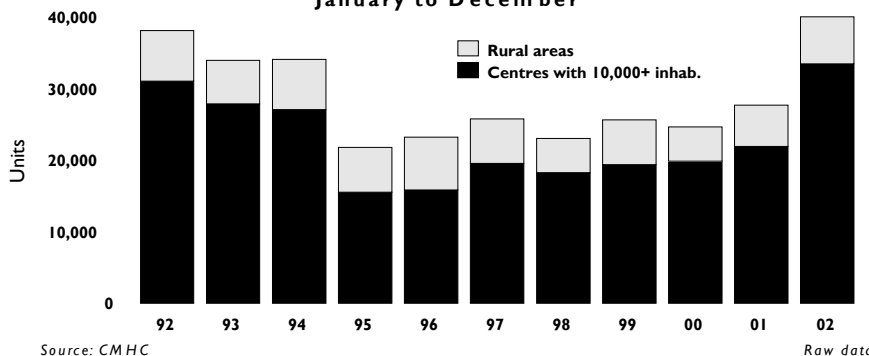
5. Housing Starts by Centre with 50,000 to 99,999 Inhabitants 6

6. Housing Starts by Centre with 10,000 to 49,999 Inhabitants 6

### HOUSING STARTS

#### Quebec Areas

January to December



HOME TO CANADIANS  
Canada

cent. As for the large urban centres (50,000 to 99,000 inhabitants), they posted a gain of 22 per cent, while the smaller agglomerations showed an increase of 32 per cent. In the rural areas, 8,940 new constructions were enumerated (+56 per cent).

The marked increase in the CMAs was partly attributable to the major gains posted by traditionally urban products, such as condominiums. Demand was stronger than last year for this type of housing in Montréal and Québec, but also in Sherbrooke, Hull and Trois-Rivières.

As well, the generally low vacancy rates in the CMAs favoured a more significant rise in rental housing starts. In particular, retirement home construction supported new housing activity, notably in Montréal and Québec.

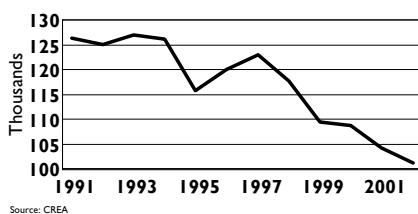
Certain urban centres with less than 100,000 inhabitants stood out, namely, Saint-Jean-sur-Richelieu (+69 per cent) and Victoriaville (+68 per cent). Just like the CMAs, these centres registered strong increases in rental housing starts.

### New homes in demand

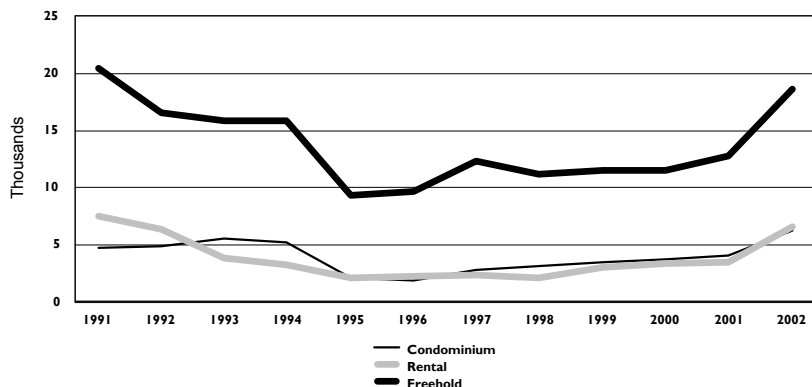
Significant gains in freehold housing starts (+46 per cent) were observed in all urban centres with 50,000 or more inhabitants and in almost all other agglomerations across Quebec.

A few years ago, the resale market had many good deals to offer, especially in the upscale segment, which made for some competition for the new home market. In 2002, however, the situation was quite different. In fact, residential construction benefited from the weaker supply on the existing home market. In 2002, "For sale" signs were more scarce, and "Sold" indicators would appear quite rapidly.

**NEW LISTINGS ON THE DECLINE**  
Province of Quebec, 1991-2002



**HOUSING STARTS**  
Quebec Urban Centres  
1991-2002



## 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 1**  
**Summary of Activity by Intended Market**  
**Province of Quebec**

Activity / Area	Ownership (Freehold* & Condominium)		Rental		Total	
	4th Qrt 2002	4th Qrt 2001	4th Qrt 2002	4th Qrt 2001	4th Qrt 2002	4th Qrt 2001
<b>Housing Starts</b>						
Metropolitan Areas (1)	5,782	3,964	1,828	1,170	7,610	5,134
Urban Areas (2)	640	473	580	491	1,220	964
Rural Areas (3)	NA	NA	NA	NA	2,307	1,734
<b>Total Province of Québec</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>11,137</b>	<b>7,832</b>
<b>Completions</b>						
Metropolitan Areas (1)	4,744	3,928	1,086	868	5,830	4,796
Urban Areas (2)	571	448	231	169	802	617
Rural Areas (3)	NA	NA	NA	NA	3,051	1,773
<b>Total Province of Québec</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>9,683</b>	<b>7,186</b>
<b>Under construction (4)</b>						
Metropolitan Areas (1)	9,652	6,050	4,079	1,804	13,731	7,854
Urban Areas (2)	713	476	759	753	1,472	1,229
Rural Areas (3)	NA	NA	NA	NA	1,737	1,677
<b>Total Province of Québec</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>16,940</b>	<b>10,760</b>

Source : CMHC

(\*) 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 Quebec**

	2002	2002	2002	2002	2001
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter
<b>Gross Domestic Product (%)</b>	4.7	5.1	4.4	1.9	0.2
<b>Employment Level Total* (000)</b>	3,633.7	3,600.4	3,600.0	3,536.5	3,498.4
<b>Employment Rate* (%)</b>	60.0	59.6	59.7	58.8	58.3
<b>Unemployment Rate* (%)</b>	8.4	8.5	8.4	9.0	9.1
<b>Inflation Rate (%)</b>	2.3	4.6	3.7	3.1	-2.2
<b>Net Migration</b>	NA	3,520	5,277	6,382	1,147
<b>Mortgage Rates (%) - Canada</b>					
1-year	5.03	5.33	5.50	4.80	4.70
5-year	6.80	6.85	7.37	7.05	6.87
<b>Resale Market (MLS Sales)</b>					
<b>Total Residential Units</b>	15,413	12,917	19,731	22,940	14,422
<b>Consumer Confidence Index* (1991=100)</b>	127.9	129.6	136.9	131.2	110.5

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**

<b>Area / Period</b>	<b>Ownership</b>		<b>Rental</b>	<b>Total</b>
	<b>Freehold</b>	<b>Condominiums</b>		
<b>Chicoutimi</b>				
Fourth Quarter 2002	60	0	134	194
Fourth Quarter 2001	47	0	50	97
Year-to-date 2002 (Jan.-Dec.)	288	0	308	596
Year-to-date 2001 (Jan.-Dec.)	262	0	74	336
<b>Gatineau</b>				
Fourth Quarter 2002	488	27	92	607
Fourth Quarter 2001	349	0	20	369
Year-to-date 2002 (Jan.-Dec.)	1,929	30	594	2,553
Year-to-date 2001 (Jan.-Dec.)	1,353	0	306	1,659
<b>Montréal</b>				
Fourth Quarter 2002	2,704	1,536	1,088	5,328
Fourth Quarter 2001	1,842	1,124	810	3,776
Year-to-date 2002 (Jan.-Dec.)	11,600	5,687	3,267	20,554
Year-to-date 2001 (Jan.-Dec.)	7,868	3,763	1,669	13,300
<b>Québec</b>				
Fourth Quarter 2002	581	185	370	1,136
Fourth Quarter 2001	418	45	154	617
Year-to-date 2002 (Jan.-Dec.)	2,662	503	1,117	4,282
Year-to-date 2001 (Jan.-Dec.)	1,805	309	441	2,555
<b>Sherbrooke</b>				
Fourth Quarter 2002	106	0	67	173
Fourth Quarter 2001	69	0	126	195
Year-to-date 2002 (Jan.-Dec.)	472	47	338	857
Year-to-date 2001 (Jan.-Dec.)	334	7	248	589
<b>Trois-Rivières</b>				
Fourth Quarter 2002	89	6	77	172
Fourth Quarter 2001	70	0	10	80
Year-to-date 2002 (Jan.-Dec.)	324	6	289	619
Year-to-date 2001 (Jan.-Dec.)	290	0	34	324
<b>TOTAL METROPOLITAN AREAS</b>				
Fourth Quarter 2002	4,028	1,754	1,828	7,610
Fourth Quarter 2001	2,795	1,169	1,170	5,134
Year-to-date 2002 (Jan.-Dec.)	17,275	6,273	5,913	29,461
Year-to-date 2001 (Jan.-Dec.)	11,912	4,079	2,772	18,763

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>								
Fourth Quarter 2002	51	0	265	316	97	0	16	113
Fourth Quarter 2001	47	0	60	107	71	0	8	79
<b>Gatineau</b>								
Fourth Quarter 2002	929	30	447	1,406	559	3	103	665
Fourth Quarter 2001	627	0	289	916	340	0	20	360
<b>Montréal</b>								
Fourth Quarter 2002	3,762	3,969	2,335	10,066	2,521	774	732	4,027
Fourth Quarter 2001	2,320	2,254	1,038	5,612	1,657	1,129	801	3,587
<b>Québec</b>								
Fourth Quarter 2002	536	274	743	1,553	525	20	159	704
Fourth Quarter 2001	478	244	285	1,007	546	24	22	592
<b>Sherbrooke</b>								
Fourth Quarter 2002	61	0	45	106	125	47	61	233
Fourth Quarter 2001	39	0	119	158	94	0	17	111
<b>Trois-Rivières</b>								
Fourth Quarter 2002	34	6	244	284	73	0	15	88
Fourth Quarter 2001	41	0	13	54	67	0	0	67
<b>TOTAL METROPOLITAN AREAS</b>								
Fourth Quarter 2002	5,373	4,279	4,079	13,731	3,900	844	1,086	5,830
Fourth Quarter 2001	3,552	2,498	1,804	7,854	2,775	1,153	868	4,796

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

Source: CMHC

**NOTE TO READERS:** Prior to July 2002, the CMHC Starts and Completions Survey consisted of a monthly enumeration of new housing activity in urban centres with a population of 10,000 persons and over. As of July 2002, the survey will be conducted monthly in urban centres with a population of 50,000 persons and over and quarterly in urban centres with a population of 10,000 to 49,999 persons. Statistical models will be used to estimate provincial and national

housing starts in urban centres with a population of 10,000 persons and over, on a monthly basis. The methodology is unchanged for estimating housing starts in rural areas (areas other than urban centres with a population of 10,000 persons and over). In these areas, a sample survey is used on a quarterly basis. As was the case in the past, statistical models continue to be used to estimate national housing starts in all areas on a monthly basis.

<p>For more information about this publication, please contact:</p>	<p><b>Kevin Hughes</b>  Regional Economist  at (514) 283-4488  E-mail: <a href="mailto:khughes@cmhc.ca">khughes@cmhc.ca</a></p>	<p><b>Patricia Dépot</b>  Market Analyst  at (514) 283-7312  E-mail: <a href="mailto:pdepot@cmhc.ca">pdepot@cmhc.ca</a></p>
---	---	---

**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>				
Fourth Quarter 2002	80	0	145	225
Fourth Quarter 2001	44	0	197	241
Year-to-date 2002 (Jan.-Dec.)	247	3	408	658
Year-to-date 2001 (Jan.-Dec.)	182	0	395	577
<b>Granby</b>				
Fourth Quarter 2002	77	6	69	152
Fourth Quarter 2001	68	0	51	119
Year-to-date 2002 (Jan.-Dec.)	338	9	126	473
Year-to-date 2001 (Jan.-Dec.)	235	6	239	480
<b>Saint-Jean-sur-Richelieu</b>				
Fourth Quarter 2002	76	4	52	132
Fourth Quarter 2001	52	11	44	107
Year-to-date 2002 (Jan.-Dec.)	485	8	151	644
Year-to-date 2001 (Jan.-Dec.)	284	21	76	381
<b>Shawinigan</b>				
Fourth Quarter 2002	26	0	4	30
Fourth Quarter 2001	27	0	10	37
Year-to-date 2002 (Jan.-Dec.)	97	0	4	101
Year-to-date 2001 (Jan.-Dec.)	80	0	14	94

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>				
Fourth Quarter 2002	10	0	41	51
Fourth Quarter 2001	29	0	4	33
Year-to-date 2002 (Jan.-Dec.)	55	0	57	112
Year-to-date 2001 (Jan.-Dec.)	80	0	8	88
<b>Baie-Comeau</b>				
Fourth Quarter 2002	0	0	0	0
Fourth Quarter 2001	0	0	0	0
Year-to-date 2002 (Jan.-Dec.)	4	0	0	4
Year-to-date 2001 (Jan.-Dec.)	3	0	0	3
<b>Cowansville</b>				
Fourth Quarter 2002	5	0	36	41
Fourth Quarter 2001	10	0	0	10
Year-to-date 2002 (Jan.-Dec.)	24	0	36	60
Year-to-date 2001 (Jan.-Dec.)	22	0	4	26
<b>Dolbeau</b>				
Fourth Quarter 2002	6	0	3	9
Fourth Quarter 2001	7	0	4	11
Year-to-date 2002 (Jan.-Dec.)	32	0	3	35
Year-to-date 2001 (Jan.-Dec.)	37	0	4	41

**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>Joliette</b>				
Fourth Quarter 2002	38	0	33	71
Fourth Quarter 2001	15	0	50	65
Year-to-date 2002 (Jan.-Dec.)	169	5	127	301
Year-to-date 2001 (Jan.-Dec.)	122	4	85	211
<b>Lachute</b>				
Fourth Quarter 2002	8	0	0	8
Fourth Quarter 2001	1	0	0	1
Year-to-date 2002 (Jan.-Dec.)	18	0	10	28
Year-to-date 2001 (Jan.-Dec.)	13	0	2	15
<b>La Tuque</b>				
Fourth Quarter 2002	2	0	0	2
Fourth Quarter 2001	1	0	0	1
Year-to-date 2002 (Jan.-Dec.)	8	0	0	8
Year-to-date 2001 (Jan.-Dec.)	5	0	0	5
<b>Magog</b>				
Fourth Quarter 2002	26	0	22	48
Fourth Quarter 2001	25	5	0	30
Year-to-date 2002 (Jan.-Dec.)	130	8	97	235
Year-to-date 2001 (Jan.-Dec.)	92	31	51	174
<b>Matane</b>				
Fourth Quarter 2002	3	0	0	3
Fourth Quarter 2001	2	0	0	2
Year-to-date 2002 (Jan.-Dec.)	12	0	0	12
Year-to-date 2001 (Jan.-Dec.)	15	0	0	15
<b>Rimouski</b>				
Fourth Quarter 2002	35	0	0	35
Fourth Quarter 2001	20	0	41	61
Year-to-date 2002 (Jan.-Dec.)	115	0	2	117
Year-to-date 2001 (Jan.-Dec.)	95	0	44	139
<b>Rivière-du-Loup</b>				
Fourth Quarter 2002	23	0	10	33
Fourth Quarter 2001	7	0	10	17
Year-to-date 2002 (Jan.-Dec.)	60	0	44	104
Year-to-date 2001 (Jan.-Dec.)	36	0	33	69
<b>Rouyn-Noranda</b>				
Fourth Quarter 2002	5	0	0	5
Fourth Quarter 2001	5	0	0	5
Year-to-date 2002 (Jan.-Dec.)	22	0	3	25
Year-to-date 2001 (Jan.-Dec.)	16	0	0	16
<b>Saint-Georges</b>				
Fourth Quarter 2002	36	0	0	36
Fourth Quarter 2001	25	0	24	49
Year-to-date 2002 (Jan.-Dec.)	179	0	59	238
Year-to-date 2001 (Jan.-Dec.)	106	0	95	201

Continued on next page

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

Centre / Period	Ownership		Rental	Total
	Freehold	Condominiums		
<b>Saint-Hyacinthe</b>				
Fourth Quarter 2002	22	4	22	48
Fourth Quarter 2001	15	0	4	19
Year-to-date 2002 (Jan.-Dec.)	129	4	56	189
Year-to-date 2001 (Jan.-Dec.)	74	15	58	147
<b>Salaberry-de-Valleyfield</b>				
Fourth Quarter 2002	33	0	6	39
Fourth Quarter 2001	8	0	0	8
Year-to-date 2002 (Jan.-Dec.)	54	8	7	69
Year-to-date 2001 (Jan.-Dec.)	34	4	0	38
<b>Sept-Îles</b>				
Fourth Quarter 2002	3	0	0	3
Fourth Quarter 2001	3	0	0	3
Year-to-date 2002 (Jan.-Dec.)	14	0	0	14
Year-to-date 2001 (Jan.-Dec.)	8	0	0	8
<b>Sorel</b>				
Fourth Quarter 2002	11	0	0	11
Fourth Quarter 2001	10	0	6	16
Year-to-date 2002 (Jan.-Dec.)	77	0	0	77
Year-to-date 2001 (Jan.-Dec.)	39	3	8	50
<b>Thetford-Mines</b>				
Fourth Quarter 2002	5	0	6	11
Fourth Quarter 2001	5	0	0	5
Year-to-date 2002 (Jan.-Dec.)	26	0	12	38
Year-to-date 2001 (Jan.-Dec.)	20	0	38	58
<b>Val d'Or</b>				
Fourth Quarter 2002	8	0	0	8
Fourth Quarter 2001	3	0	0	3
Year-to-date 2002 (Jan.-Dec.)	15	0	0	15
Year-to-date 2001 (Jan.-Dec.)	16	0	0	16
<b>Victoriaville</b>				
Fourth Quarter 2002	47	0	111	158
Fourth Quarter 2001	39	0	40	79
Year-to-date 2002 (Jan.-Dec.)	178	0	122	300
Year-to-date 2001 (Jan.-Dec.)	115	0	64	179
<b>Other Urban Centers *</b>				
Fourth Quarter 2002	37	4	20	61
Fourth Quarter 2001	36	0	6	42
Year-to-date 2002 (Jan.-Dec.)	137	4	53	194
Year-to-date 2001 (Jan.-Dec.)	111	0	36	147

Source: CMHC

\*Amos, Gaspé, Montmagny, Roberval, Sainte-Marie, Saint-Félicien (2002) and Hawkesbury (Quebec Part)

\*Saint-Félicien is now included in the urban center since 2002. No data are available for 2001.

**Housing Now** is published four times a year for the Province of Quebec. Annual subscription to this publication is \$55.00 plus applicable taxes. For more information, or to subscribe, contact our Customer Service Centre at 1-866-855-5711, E-mail: [cam\\_qc@cmhc.ca](mailto:cam_qc@cmhc.ca)

© 2003 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada

Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this

publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.