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In Trois-Rivières, residential construction posts its best performance since 1994

In 2003, the Trois-Rivières census metropolitan area (CMA) gave its best performance in almost 10 years, in the residential construction sector. According to the latest surveys conducted by Canada Mortgage and Housing Corporation (CMHC), the year ended on a fine note, with 193 housing starts. This volume marked an increase of 12 per cent over the same period in 2002. As for the annual results, 2003 therefore ended with a total of 635 starts, up by 3 per cent over the level recorded in 2002.

For the period from October to December 2003, the growth was, once again, largely attributable to single-family

homes¹. Just like during the rest of the year, it was the construction of such houses that supported the vigorous activity in the Mauricie area in the fourth quarter of 2003. The good performance of the job market in recent years, the very affordable mortgage rates and an increasingly tighter resale market stimulated single-family home building. As a result, the year ended with an impressive gain of 38 per cent for single-family houses (449 units in 2003).

Although rather marginal in the Mauricie area, condominium construction remained stable, as 6 such units were started in one year. Rental housing construction, for its part, sustained a slowdown. In all, 180 apartments

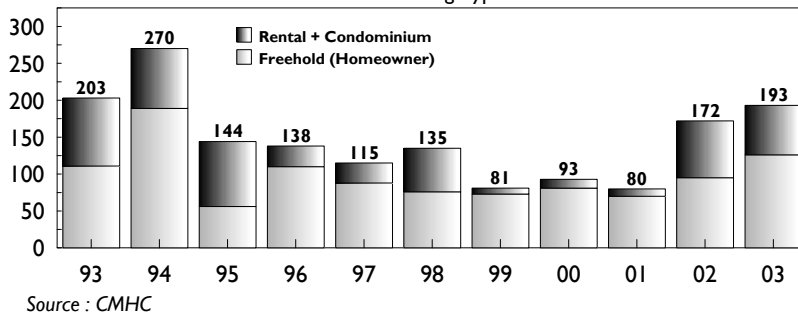
Continued on next page

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IN THIS ISSUE

In Trois-Rivières, residential construction posts its best performance since 1994	1
Across the province	2
Quebec has one of the lowest mortgage debt levels in Canada	2
Tables	
1. Summary of Activity by Intended Market	3
2. Housing Starts by Zone and by Intended Market	4
3. Housing Starts in the Outlying Sector - Freehold Market	5
4. Summary of Activity by Large Zone and by Intended Market	5
5. Housing Supply	6
6. Economic Overview	6
Definitions and concepts	7
Market Analysis Centre Publications	7
Trois-Rivières Metropolitan Area Zones	8

Housing Starts - Fourth Quarter
All Housing Types



The single-family home category includes single-detached, semi-detached and row houses.

were built in the Trois-Rivières CMA, for a decrease of 38 per cent from the total recorded in 2002. In this last segment, however, the result should be toned down somewhat as, in 2002, there had been the start of a retirement home that, by itself, comprised 135 units.

Elsewhere in the Mauricie area, Shawinigan posted stable results for residential construction. In fact, the 98 dwellings started in this agglomeration in 2003 represent only 3 fewer units than in 2002. In La Tuque, just 5 houses were started during all of 2003, compared to 8 the year before.

Across the province

The increase in residential construction extended across the entire province. In 2003, 39,857 housing starts were enumerated in centres with 10,000 or more inhabitants, for a gain of 19 per cent over 2002. The greatest increase was observed in the Québec area (31 per cent), followed by Sherbrooke (25 per cent), Montréal (18 per cent), Gatineau (10 per cent) and Trois-Rivières (3 per cent). Only the Saguenay area registered a decrease in 2003 (-27 per cent).

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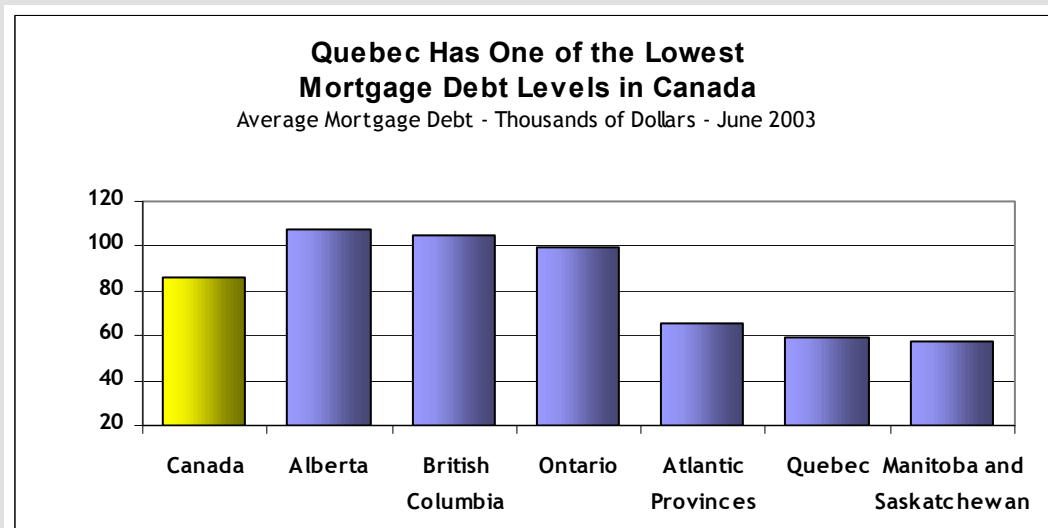
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Quebec Has One of the Lowest Mortgage Debt Levels in Canada¹

According to the June 2003 Financial Industry Research Monitor (FIRM) Survey results, the average mortgage in Canada was \$86,000. For the province of Quebec, this average debt was \$59,000. Only Manitoba and Saskatchewan had lower average mortgage debt levels at that time (around \$57,000). Conversely, the highest level of \$107,000 was noted in Alberta. The younger population² and the recent significant jump in home prices in this province both contributed to this situation.

The increase in homeownership and the resulting gain in popularity of refinance products drove up the mortgage debt level of Canadians. One year earlier, in June 2002, this level was about \$82,000. During this time, however, their residential property values went up more considerably, such that the weight of this debt became lighter. In fact, while this debt represented 44 per cent of the average price of existing homes (\$186,808*) in June 2002, this proportion fell to 41 per cent (\$208,186*) one year later.



¹Sources: CMHC, Clayton Research Associates Limited and Ipsos-Reid Corporation, The FIRM Residential Mortgage Survey, June 2003

²As newcomers on the labour market, young people have had less time to save, so they have less equity to buy a home

* MLS® (Multiple Listing Service), seasonally adjusted rates

Table I
Summary of Activity by Intended Market
Trois-Rivières Metropolitan Area

Activity / Period	Ownership					Rental	Total
	Freehold*				Condo- minium		
	Single	Semi	Row	Apt.			
Starts							
Fourth quarter 2003	98	28	0	0	6	61	193
Fourth quarter 2002	63	20	0	6	6	77	172
Year-to-date 2003 (Jan.-Dec.)	346	94	7	2	6	180	635
Year-to-date 2002 (Jan.-Dec.)	250	64	0	10	6	289	619
Under construction**							
Fourth quarter 2003	36	30	0	0	6	66	138
Fourth quarter 2002	14	14	0	6	6	244	284
Completions							
Fourth quarter 2003	80	6	7	0	0	28	121
Fourth quarter 2002	59	14	0	0	0	15	88
Year-to-date 2003	323	78	7	8	6	357	779
Year-to-date 2002	258	66	3	4	0	58	389
Unoccupied**							
Fourth quarter 2003	6	3	0	0	2	7	18
Fourth quarter 2002	5	9	0	0	0	3	17
Absorption							
Fourth quarter 2003	79	6	7	0	0	53	145
Fourth quarter 2002	58	12	0	0	0	18	88
Year-to-date 2003	325	99	9	8	1	159	601
Year-to-date 2002	272	108	1	4	0	105	490
Duration of inventory (months)							
Trend 2003	0.2	0.4	0.0	0.0	n.a.	0.5	0.4
Trend 2002	0.2	2.0	0.0	0.0	n.a.	0.9	0.6

* Refers to single-family houses (single-detached, semi-detached and row homes) owned under freehold tenure and owner-occupied duplexes

** At the end of the period shown

Source: CMHC

Table 2
Housing Starts by Zone and by Intended Market
Trois-Rivières Metropolitan Area

Zone / Period	Ownership					Rental	Total
	Freehold				Condo-minium		
	Single	Semi	Row	Apt.			
Zone 1: Trois-Rivières							
Fourth quarter 2003	19	2	0	0	0	27	48
Fourth quarter 2002	8	2	0	0	0	19	29
Year-to-date 2003	57	8	0	0	0	63	128
Year-to-date 2002	36	12	0	0	0	39	87
Zone 2: Trois-Rivières-Ouest							
Fourth quarter 2003	24	20	0	0	0	18	62
Fourth quarter 2002	22	14	0	0	0	12	48
Year-to-date 2003	81	78	7	0	0	81	247
Year-to-date 2002	68	44	0	0	0	52	164
Zone 3: Cap-de-la-Madeleine							
Fourth quarter 2003	9	4	0	0	6	12	31
Fourth quarter 2002	13	4	0	0	6	3	26
Year-to-date 2003	55	6	0	0	6	18	85
Year-to-date 2002	44	4	0	0	6	149	203
Centre (zones 1 to 3)							
Fourth quarter 2003	52	26	0	0	6	57	141
Fourth quarter 2002	43	20	0	0	6	34	103
Year-to-date 2003	193	92	7	0	6	162	460
Year-to-date 2002	148	60	0	0	6	240	454
Zone 4: Outlying area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
Fourth quarter 2003	46	2	0	0	0	4	52
Fourth quarter 2002	20	0	0	6	0	43	69
Year-to-date 2003	153	2	0	2	0	18	175
Year-to-date 2002	102	4	0	10	0	49	165
TOTAL - TROIS-RIVIÈRES METROPOLITAN AREA							
Fourth quarter 2003	98	28	0	0	6	61	193
Fourth quarter 2002	63	20	0	6	6	77	172
Year-to-date 2003	346	94	7	2	6	180	635
Year-to-date 2002	250	64	0	10	6	289	619

Source: CMHC

Table 3
Housing Starts in Outlying Area - Freehold Market
Trois-Rivières Metropolitan Area

Zones	Fourth Quarter		Year-to-Date (Jan.-Dec.)	
	2003	2002	2003	2002
Bécancour	12	8	32	39
Champlain	0	0	3	5
Pointe-du-Lac	11	9	58	29
Saint-Louis-de-France	12	2	27	17
Sainte-Marthe-du-Cap	12	5	33	22
Saint-Maurice	1	2	4	4

Source: CMHC

Table 4
Summary of Activity by Large Zone and by Intended Market
Trois-Rivières Metropolitan Area

Zone	Ownership				Rental	
	Freehold		Condominium		4th Q 2003	4th Q 2002
	4th Q 2003	4th Q 2002	4th Q 2003	4th Q 2002		
Starts						
Centre	78	63	6	6	57	34
Suburbs	48	26	0	0	4	43
Under construction*						
Centre	61	27	6	6	62	201
Suburbs	5	7	0	0	4	43
Completions						
Centre	42	53	0	0	24	12
Suburbs	51	20	0	0	4	3
Unoccupied*						
Centre	9	13	2	0	7	3
Suburbs	0	1	0	0	0	0
Absorption						
Centre	41	50	0	0	45	12
Suburbs	51	20	0	0	8	6
Duration of inventory (months)**						
Centre	0.4	0.7	n.a.	n.a.	0.8	1.2
Suburbs	0.0	0.1	n.a.	n.a.	0.0	0.0

* At the end of the period shown

** Trend

Source: CMHC

**Table 5
Housing Supply
Trois-Rivières Metropolitan Area**

<i>Intended Market</i>	<i>Under Construction</i>	<i>Unoccupied</i>	<i>Short-Term Supply</i>	<i>Duration of Supply (months)</i>
	December 2003			Trend 2003
Freehold	66	9	75	0.2
Condominium	6	2	8	n.a.
Rental	66	7	73	0.5
	December 2002			Trend 2002
Freehold	34	14	48	0.2
Condominium	6	0	6	n.a.
Rental	244	3	247	6.5

Source: CMHC

**Table 6
Economic Overview
Trois-Rivières Metropolitan Area**

	<i>Fourth Quarter</i>		<i>Trend Jan.-Dec.</i>		<i>% Change Trend</i>
	<i>2002</i>	<i>2003</i>	<i>2002</i>	<i>2003</i>	
Labour market					
- Employment level	64.8	65.4	64.6	65.9	2.1%
- Unemployment rate (%)	9.0%	10.3%	9.9%	10.5%	n.a.
Mortgage rates (%) (Canada)					
- 1-year	5.0	4.7	5.2	4.8	n.a.
- 5-year	6.8	6.5	7.0	6.4	n.a.
Annual inflation rate (%)	3.4	1.3	2.0	2.5	n.a.
Quebec consumer attitudes survey					
- Index of Consumer Attitudes (1991 = 100) (seasonally adjusted)	129.4	117.5	131.7	121.5	-7.8%

Sources: Statistics Canada, Conference Board of Canada

Definitions and concepts

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. This quarterly Housing Market publication provides statistical data and analysis of the trends in the Intended Markets for the Trois-Rivières Metropolitan Area.

TARGETED MARKETS - There are three targeted markets: the homeowner market refers to single family homes (detached, semi-detached and townhouse) owned in freehold; the condominium market includes houses and apartments held in joint ownership; and the rental market covers all apartment-type dwellings.

HOUSING STARTS - This phrase refers to the beginning of construction work, usually after the pouring of the concrete footing or at an equivalent stage when the building has no basement.

UNITS IN CONSTRUCTION - Housing for which construction work has started but is not completed. The number of housing units in construction at the end of a period can include corrections made, for various reasons, after the housing starts have been reported.

COMPLETIONS - Number of habitable housing units where the planned work has been completed. In some cases, a unit can be regarded as completed if only ten percent of the work remains to be carried out.

VACANT UNITS - Completed new housing units that have remained unoccupied.

SHORT TERM TOTAL SUPPLY - Total inventory of new housing units, including housing under construction and completed, but vacant.

ABSORPTION - Number of recently completed housing units that have been either sold or rented. The units are included in the inventory at the time that they are completed. Housing units that were sold or rented in advance are not included before the work is completed. The number of absorbed units in the current month is equal to the number of completed but vacant units from the previous month, plus the completions of the current month, minus the completed but vacant units of the current month.

DURATION OF INVENTORY - Time required to absorb the vacant units, that is, the ratio of vacant units to absorbed units (average for the 12 preceding months). This data is expressed in months.

DURATION OF TOTAL SHORT TERM SUPPLY - Time required to absorb vacant and in construction units, that is, the ratio of vacant and in construction units to absorbed units (average for the 12 preceding months). This data is expressed in months.

CMHC Housing Centre Publications

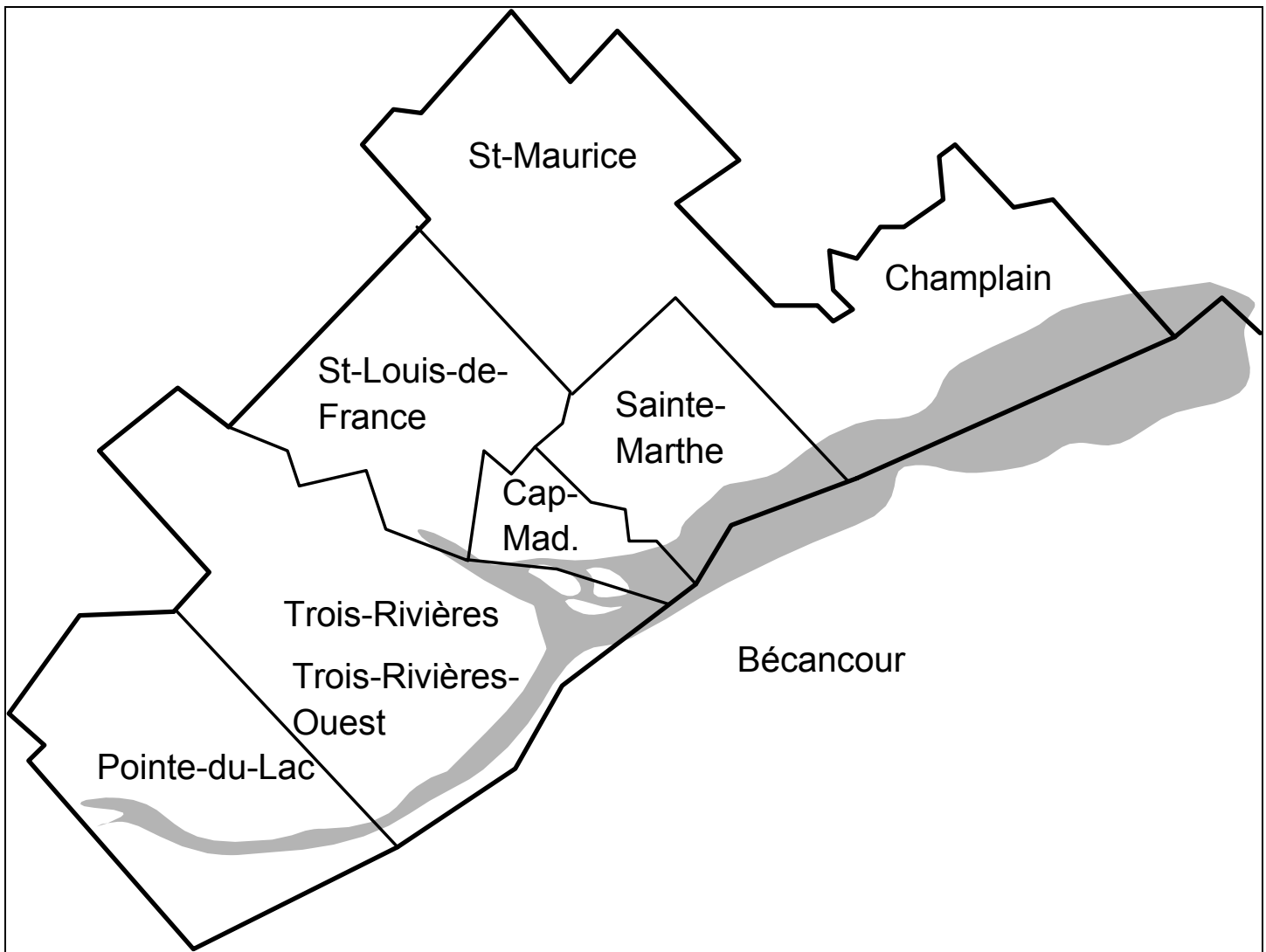
Canada Wide	Québec	Québec Metropolitan Regions
<ul style="list-style-type: none"> • National Housing Outlook • Mortgage Market Trends • Canadian Housing Markets • And several others 	<ul style="list-style-type: none"> • Housing Now • FASTFax • Senior's Homes Market (provincial analysis and by metropolitan region, including a section on Trois-Rivières) 	<ul style="list-style-type: none"> • Housing Market Outlook (Montréal only) • Rental Market Report (1) • FASTFax - Rental Market Report (3) • Resale Market Analysis (2) • Seniors' Homes Market (2) <p>(1) Available for all metropolitan regions: Chicoutimi, Gatineau, Montréal, Québec, Sherbrooke and Trois-Rivières. (2) Available for Montréal and Québec City only. (3) Available for urban centres of 10,000 people and more</p>

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Trois-Rivières Metropolitan Area Zones

Zones	<i>Municipalities and Sectors</i>	<i>Large Zones</i>
1	Trois-Rivières Sector	Centre
2	Trois-Rivières-Ouest Sector	Centre
3	Cap-de-la-Madeleine Sector	Centre
4	Bécancour, Champlain, Pointe-du-Lac, St-Louis-de-France, St-Maurice, Ste-Marthe-du-Cap-de-la-Madeleine.	Outlying



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