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Construction still red-hot this spring in Trois-Rivières

In the Trois-Rivières census metropolitan area (CMA), residential construction jumped up by 38 per cent in the second quarter of 2004, compared to the same period in 2003. In all, 263 housing starts were enumerated between April and June, or 73 more units than one year earlier. These figures were drawn from the latest starts surveys conducted by Canada Mortgage and Housing Corporation (CMHC).

This spring, it was rental housing that sprouted like mushrooms. In fact, 115 starts were recorded in this segment, or 72 more than in the second quarter of 2003. While the number of new foundations intended for the homeowner housing market remained stable, the

construction of rental apartments really took off, garnering almost half of the starts. Obviously, developers and builders are responding positively to the scarcity of rental dwellings and seeking to meet demand. The units being added to the rental housing stock are taking the form of projects comprising 6 to 20 units. With a total of 122 new detached houses and 26 semi-detached homes, the single-family (freehold) housing market remains the spearhead of residential construction in the Trois-Rivières area. This market segment, which had one more start than in the second quarter of 2003, posted a quarterly result that was close to the average for the last 10 years.

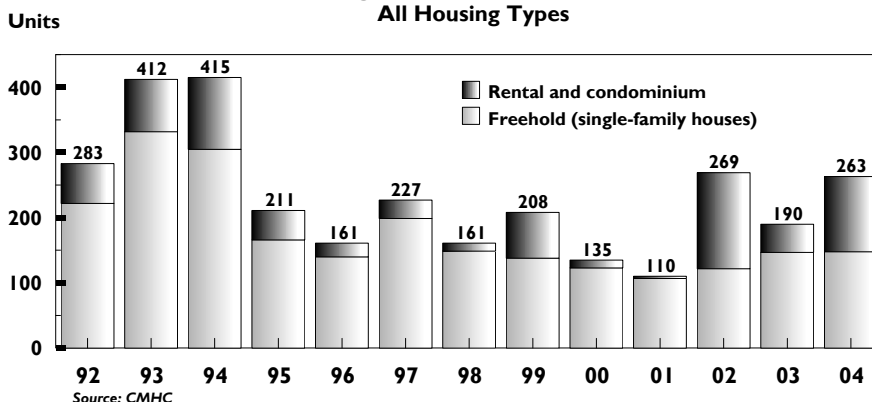
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Housing Starts - Second Quarter
All Housing Types



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In Trois-Rivières, the residential construction results since the beginning of the year reflect the levels recorded in the last quarter: excellent. Overall, housing starts reached 386 units in the first half of 2004, for an increase of 41 per cent over the first six months of 2003. Single-family home building remained vigorous with 235 new foundations, for a gain of 8 per cent. Rental housing starts also did well, as they posted the best mid-year results, with almost triple the number of new units. In fact, 151 new dwellings were added to the rental housing stock in the

first half of this year, compared to 55 during the corresponding period in 2003. It should be noted that condominiums remain absent from the surveys for the moment.

Elsewhere in the Mauricie area, the agglomeration of Shawinigan registered a slight decline in residential construction since the beginning of the year. In fact, 44 single-family home foundations were laid, in comparison with 53 during the same period in 2003. The situation remained stable in La Tuque, with 4 new single-detached houses from January to

June 2004, compared to 3 one year earlier.

In all urban centres with 10,000 or more inhabitants across the province, 23,364 starts were enumerated in the first half of 2004, for a gain of 29 per cent. The Trois-Rivières CMA is posting the strongest increase (41 per cent), followed by Montréal (38 per cent). As well, Sherbrooke (29 per cent) is ahead of Québec (16 per cent) and Gatineau (9 per cent). Lastly, Saguenay is the only area that is showing a decrease since the beginning of the year (-52 per cent).

Prices on Trois-Rivières market reach record levels

On the Trois-Rivières CMA resale market, 281 transactions were recorded through the MLS®/S.I.A.® network in the second quarter of 2004, or 14 per cent more than during the same period last year¹. The vitality of the existing home market is indisputable and, for the first time in the area, the average price of single-family homes exceeded the \$100,000 mark. Mortgage rates hit a new low in March, such that buyers remained very active in the second quarter. This strong demand, combined with a persistently limited supply, stimulated the surge in prices.

Sales of detached houses and condominiums accounted for the growth observed in the second quarter of 2004. In fact, during this period, 226 detached home transactions and 15 condominium sales were registered, for respective gains of 30 and 7 units in relation to one year earlier. It is interesting to note that some of the condominiums that were sold came directly from the new home market. With 17 transactions, semi-detached home sales remained stable. The same held true for the smaller row home market segment, as only 3 houses of this type changed hands in the second quarter. Duplex sales, for their part, fell slightly, with 22 transactions, compared to 20 during the same period last year.

On the single-family home market, active listings went down for a fourteenth straight quarter. In all, 236 dwellings were listed on the MLS®/S.I.A.® network, down by 11 per cent from the second quarter of 2003. This drop was much less pronounced, however, than the decreases observed in the last two years. More and more new listings are effectively fuelling the resale market but, for the moment, the increase in the number of new sellers wishing to take advantage of the price increase is not sufficient to meet the very strong demand. Supply remains scarce, and this is affecting prices. In fact, the price for a freehold house posted an impressive gain of 23 per cent, reaching an average of \$108,529 in the second quarter. From April to June, a third of all transactions recorded in the Trois-Rivières area were for over \$100,000. The central sectors of the CMA² were naturally the ones that propelled the average price above this threshold. Another indicator that the market is increasingly favourable to sellers: the number of listings per sale continued to fall, attaining 4.

Elsewhere in the Mauricie area, 112 sales were registered in the agglomeration of Shawinigan during the second quarter, compared to 94 one year earlier. The transactions included 94 detached houses, 3 semi-detached dwellings, 1 row home and 12 duplexes. Here, as well, scarce listings and higher prices characterized the resale market. From April to June, the average price for a homeowner house climbed by 6 per cent to \$85,455. During the same period, 150 active listings were recorded, for a decrease of 20 per cent from one year earlier. In addition, the market is becoming more and more favourable to sellers, but less markedly than in the Trois-Rivières CMA. There were 6 listings for every sale in the agglomeration of Shawinigan.

¹Small farms, country homes, mobile homes and cottages are not included in the sales figures.

²Trois-Rivières, Trois-Rivières-Ouest and Cap-de-la-Madeleine sectors.

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							
Second quarter 2004	122	24	0	2	0	115	263
Second quarter 2003	125	22	0	2	0	41	190
Year-to-date 2004 (Jan.-June)	173	58	0	4	0	151	386
Year-to-date 2003 (Jan.-June)	170	46	0	2	0	55	273
Under construction**							
Second quarter 2004	25	26	0	0	6	93	150
Second quarter 2003	27	20	0	0	0	58	105
Completions							
Second quarter 2004	126	38	0	4	0	85	253
Second quarter 2003	115	28	0	8	0	231	382
Year-to-date 2004	184	62	0	4	0	124	374
Year-to-date 2003	157	40	0	8	6	239	450
Unoccupied**							
Second quarter 2004	5	5	0	2	0	7	19
Second quarter 2003	8	12	0	0	0	169	189
Absorption							
Second quarter 2004	133	42	0	2	2	85	264
Second quarter 2003	119	33	0	8	3	69	232
Year-to-date 2004	185	60	0	2	2	124	373
Year-to-date 2003	154	37	0	8	6	73	278
Duration of inventory (months)							
Trend 2004	0.2	0.6	n.a.	10.0	n.a.	0.2	0.3
Trend 2003	0.3	1.7	n.a.	n.a.	n.a.	17.4	4.5

* 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							
Second quarter 2004	22	6	0	0	0	18	46
Second quarter 2003	20	4	0	0	0	20	44
Year-to-date 2004	30	32	0	0	0	22	84
Year-to-date 2003	27	6	0	0	0	24	57
Zone 2: Trois-Rivières-Ouest							
Second quarter 2004	21	18	0	0	0	75	114
Second quarter 2003	25	18	0	0	0	7	50
Year-to-date 2004	31	24	0	2	0	91	148
Year-to-date 2003	39	40	0	0	0	11	90
Zone 3: Cap-de-la-Madeleine							
Second quarter 2004	24	0	0	0	0	4	28
Second quarter 2003	21	0	0	0	0	6	27
Year-to-date 2004	33	0	0	0	0	20	53
Year-to-date 2003	30	0	0	0	0	6	36
Centre (zones 1 to 3)							
Second quarter 2004	67	24	0	0	0	97	188
Second quarter 2003	66	22	0	0	0	33	121
Year-to-date 2004	94	56	0	2	0	133	285
Year-to-date 2003	96	46	0	0	0	41	183
Zone 4: Outlying area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
Second quarter 2004	55	0	0	2	0	18	75
Second quarter 2003	59	0	0	2	0	8	69
Year-to-date 2004	79	2	0	2	0	18	101
Year-to-date 2003	74	0	0	2	0	14	90
TOTAL - TROIS-RIVIÈRES METROPOLITAN AREA							
Second quarter 2004	122	24	0	2	0	115	263
Second quarter 2003	125	22	0	2	0	41	190
Year-to-date 2004	173	58	0	4	0	151	386
Year-to-date 2003	170	46	0	2	0	55	273

Source: CMHC

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

Zones	Second Quarter		Year-to-Date (Jan.-June)	
	2004	2003	2004	2003
Bécancour	14	11	23	13
Champlain	1	1	1	2
Pointe-du-Lac	20	27	29	34
Saint-Louis-de-France	6	9	9	13
Sainte-Marthe-du-Cap	15	11	18	12
Saint-Maurice	1	2	3	2

Source: CMHC

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

Zone	Ownership				Rental	
	Freehold		Condominium		2nd Q 2004	2nd Q 2003
	2nd Q 2004	2nd Q 2003	2nd Q 2004	2nd Q 2003		
Starts						
Centre	91	88	0	0	97	33
Suburbs	57	61	0	0	18	8
Under construction*						
Centre	47	44	6	0	75	44
Suburbs	4	3	0	0	18	14
Completions						
Centre	106	85	0	0	81	188
Suburbs	62	66	0	0	4	43
Unoccupied*						
Centre	12	20	0	0	7	169
Suburbs	0	0	0	0	0	0
Absorption						
Centre	115	91	2	3	81	26
Suburbs	62	69	0	0	4	43
Duration of inventory (months)**						
Centre	0.5	0.9	0.0	0.0	0.2	30.3
Suburbs	0.0	0.0	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>
	June 2004			Trend 2004
Freehold	51	12	63	1.6
Condominium	6	0	6	30.0
Rental	93	7	100	3.0
	June 2003			Trend
Freehold	47	20	67	2.1
Condominium	0	0	0	0.0
Rental	58	169	227	23.4

Source: CMHC

Table 6
Economic Overview
Trois-Rivières Metropolitan Area

	Second Quarter		Trend Jan.-June		% Change Trend
	2003	2004	2003	2004	
Labour market					
- Employment level	66.7	64.5	66.4	63.9	-3.8%
- Unemployment rate (%)	10.1%	10.7%	10.0%	10.6%	n.a.
Mortgage rates (%) (Canada)					
- 1-year	5.1	4.6	5.1	4.4	n.a.
- 5-year	6.2	6.5	6.4	6.2	n.a.
Annual inflation rate (%)	2.8	2.1	3.5	1.4	n.a.
Quebec consumer attitudes survey					
- Index of Consumer Attitudes (1991 = 100) (seasonally adjusted)	120.7	121.1	122.3	123.2	0.7%

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

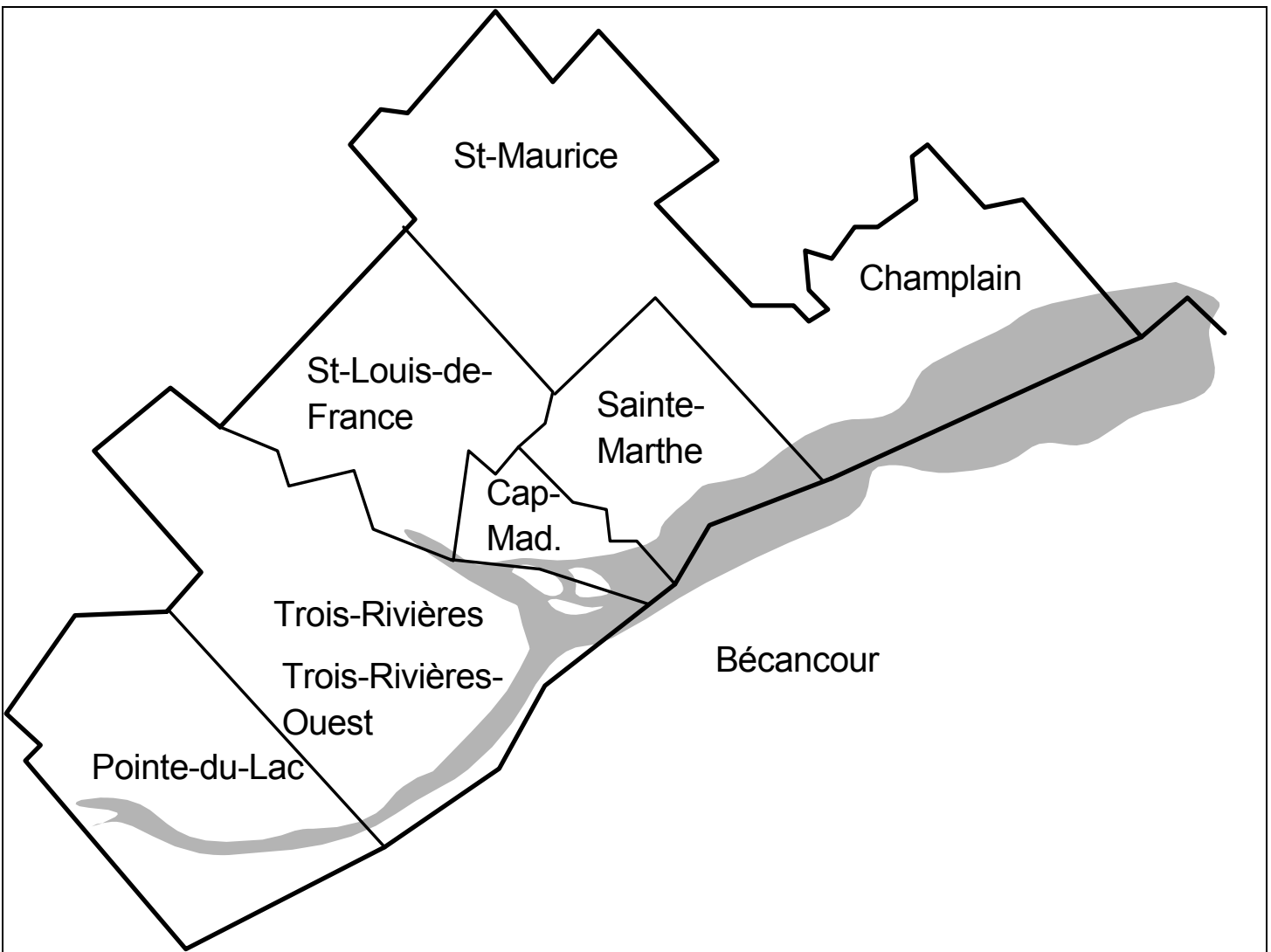
Canada Wide	Québec	Québec Metropolitan Regions
<ul style="list-style-type: none"> • National Housing Outlook • Mortgage Market Trends • Canadian Housing Markets • And several others 	<ul style="list-style-type: none"> • Housing Now • FASTFax • Senior's Homes Market (provincial analysis and by metropolitan 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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