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Construction dips slightly in Trois-Rivières

In the second quarter of 2005, residential construction activity showed signs of slowing down in the Trois-Rivières census metropolitan area (CMA). According to the latest statistics released by Canada Mortgage and Housing Corporation (CMHC), housing starts declined by 17 per cent in the second quarter of 2005, in relation to the same period in 2004. In all, 217 dwellings were started from April to June 2005, compared to 263 during the same period last year.

Rental housing construction was largely responsible for the drop that was recorded. Housing starts in this market segment fell by nearly half. In all, 60 rental housing starts were

enumerated in the second quarter of 2005, compared to 115 during the same period in 2004, for a decrease of 48 per cent.

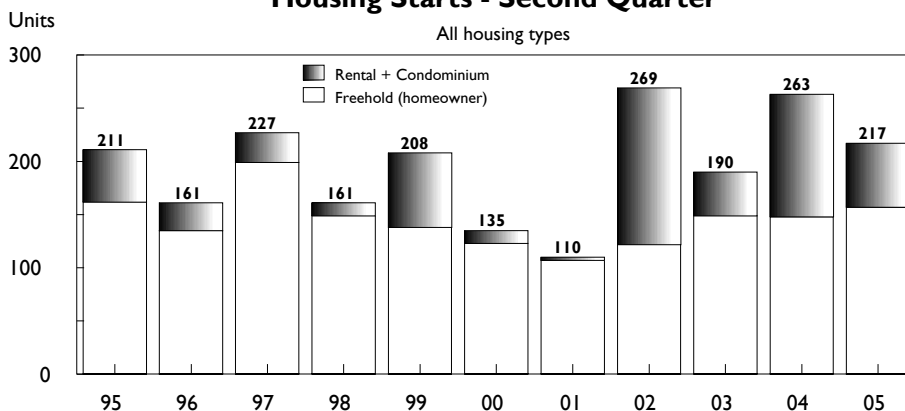
The results were more positive for the freehold housing market¹. Housing starts in this segment nudged up by 6 per cent, as construction got under way on 157 houses during the second quarter of 2005. In all, 133 new detached houses, or 11 more than during the same period last year, and 24 semi-detached homes were started. The condominium market drew a blank for the second straight year.

The mid-year results show a slight slowdown in residential construction in the Trois-Rivières CMA, much like

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Housing Starts - Second Quarter



Source : CMHC

¹ The freehold housing market comprises detached, semi-detached and row homes, as well as duplexes.

the second quarter performance. Overall, housing starts fell by close to 8 per cent during the first half of 2005. In all, 356 starts were enumerated from January to June 2005, compared to 386 for the first half of 2004. Freehold housing starts decreased by 15 per cent, as construction got under way on 200 new houses during the first half of 2005. However, the wind is changing for rental housing construction, as 156 such starts were registered during the first half of 2005, compared to 151 in the first half of 2004, for a gain of 3 per cent.

Elsewhere in the Mauricie area, residential construction rose by 27 per cent in the agglomeration of Shawinigan during the first six months of the year. From January to June 2005, 56 housing units were started, compared to 44 during the same period last year. In La Tuque, activity remained stable, as 4 new homes got under way in the first half of 2005, just like last year.

In all urban centres with 10,000 or more inhabitants across Quebec, 19,696 starts were enumerated

during the first six months of 2005, for a decrease of 16 per cent in relation to the first six months of 2004. Since the beginning of the year, the Saguenay CMA posts the greatest increase (+53 per cent). Québec (+1 per cent) is the only other CMA where housing starts are up over 2004. Housing activity is down in the other CMAs across the province. Gatineau shows the greatest drop (-34 per cent), followed by Sherbrooke (-25 per cent), Montréal (-20 per cent) and Trois-Rivières (-8 per cent).

Prices continue to rise on the Trois-Rivières market despite the decrease in sales

During the second quarter of 2005, 224 transactions¹ were concluded through the Service inter-agences / Multiple Listing Service (S.I.A.[®] / MLS[®]) in the Trois-Rivières census metropolitan area (CMA). Sales of existing single-family homes fell by 8.9 per cent from the same period last year. In addition to this small decrease in the sales volume, there was an increase in the number of properties for sale on the market, following several quarters characterized by a short supply of existing properties.

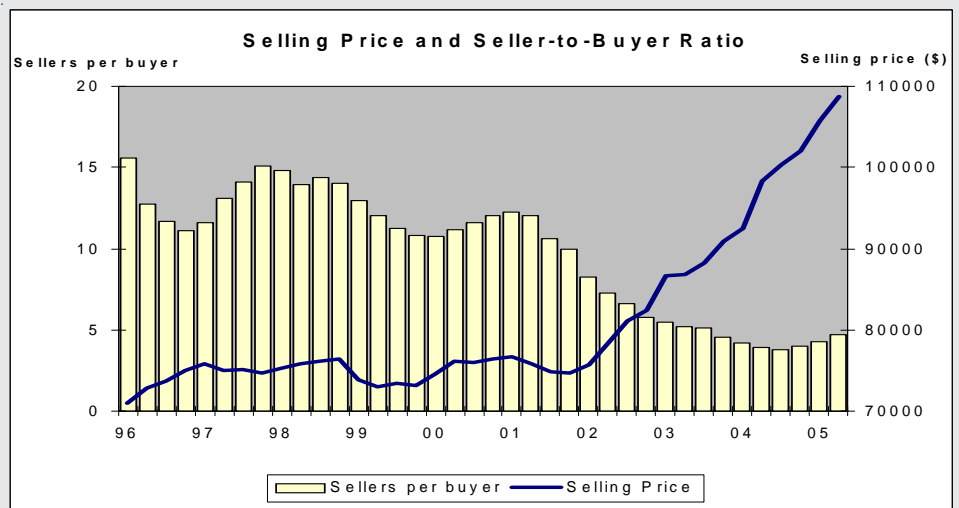
Despite this slowdown, the price of existing properties continued to rise. In the second quarter of 2005, the average price of single-family houses (detached, semi-detached and row homes) reached \$108,671 in the Trois-Rivières CMA, up by 10.5 per cent over the same quarter in 2004. While the supply of properties increased, the seller-to-buyer ratio remained relatively low (4.7 to 1), reflecting a market that remained favourable to sellers². This therefore explains the continued rise in existing property prices. However, this price increase has been tending to slow down from quarter to quarter,

as the seller-to-buyer ratio has been rising. In fact, this ratio was up for a third consecutive quarter, which suggests a gradual slowdown on the resale market.

It was the outlying area of Trois-Rivières³ that sustained the greatest decrease in sales (-10.6 per cent) and posted the highest seller-to-buyer ratio (6.3 to 1). The average price of properties attained \$104,356 in this sector. Conversely, in the centre of Trois-Rivières, the market seemed tighter, as sales showed the smallest decrease (-7.9 per cent), and the seller-to-buyer ratio was also lower

(3.8 to 1). In this zone, properties were selling for an average of \$111,282.

Elsewhere in the Mauricie area, there were 94 sales in the agglomeration of Shawinigan during the second quarter of 2005, for a decrease of 4.1 per cent from the second quarter of 2004. Properties there were selling for an average price of \$90,202, up by 6.9 per cent over the same period in 2004. With a seller-to-buyer ratio of 6.2 to 1, on the rise for a third consecutive quarter, the market is increasingly tending toward a better balance between sellers and buyers.



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

² It should be noted that, on a balanced market, where neither buyers nor sellers are favoured, the seller-to-buyer ratio is between 8 and 10 to 1.

³ The outlying area of Trois-Rivières comprises the municipalities of Sainte-Marthe-du-Cap, Saint-Louis-de-France, Pointe-du-Lac, Bécancour, Nicolet, Saint-Maurice and Champlain. The centre of Trois-Rivières includes the former municipalities of Trois-Rivières, Trois-Rivières-Ouest and Cap-de-la-Madeleine.

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 2005	133	24	0	0	0	60	217
Second quarter 2004	122	24	0	2	0	115	263
Year-to-date 2005 (Jan.-June)	166	34	0	0	0	156	356
Year-to-date 2004 (Jan.-June)	173	58	0	4	0	151	386
Under construction**							
Second quarter 2005	33	20	0	0	6	75	134
Second quarter 2004	25	26	0	0	6	93	150
Completions							
Second quarter 2005	137	22	0	0	0	55	214
Second quarter 2004	126	38	0	4	0	85	253
Year-to-date 2005	172	38	0	2	0	150	362
Year-to-date 2004	184	62	0	4	0	124	374
Unoccupied***							
Second quarter 2005	3	3	0	0	0	21	27
Second quarter 2004	5	5	0	2	0	7	19
Absorption							
Second quarter 2005	140	27	0	1	0	80	248
Second quarter 2004	133	42	0	2	2	85	264
Year-to-date 2005	171	46	0	2	0	157	376
Year-to-date 2004	185	60	0	2	2	124	373
Duration of inventory (months)							
Trend 2005	0.1	0.3	n.a.	n.a.	n.a.	0.7	0.4
Trend 2004	0.2	0.6	n.a.	10.0	n.a.	0.2	0.3

* 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

THE RETIREMENT HOME MARKET STUDY

CMHC's Quebec Market Analysis Center publishes annual surveys of all private retirement homes in the province's six census metropolitan areas: **Montreal, Quebec, Gatineau, Sherbrooke, Trois-Rivières and Saguenay.**

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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 2005	20	10	0	0	0	4	34
Second quarter 2004	22	6	0	0	0	18	46
Year-to-date 2005	28	20	0	0	0	8	56
Year-to-date 2004	30	32	0	0	0	22	84
Zone 2: Trois-Rivières-Ouest							
Second quarter 2005	17	14	0	0	0	14	45
Second quarter 2004	21	18	0	0	0	75	114
Year-to-date 2005	21	14	0	0	0	82	117
Year-to-date 2004	31	24	0	2	0	91	148
Zone 3: Cap-de-la-Madeleine							
Second quarter 2005	20	0	0	0	0	42	62
Second quarter 2004	24	0	0	0	0	4	28
Year-to-date 2005	28	0	0	0	0	66	94
Year-to-date 2004	33	0	0	0	0	20	53
Centre (zones 1 to 3)							
Second quarter 2005	57	24	0	0	0	60	141
Second quarter 2004	67	24	0	0	0	97	188
Year-to-date 2005	77	34	0	0	0	156	267
Year-to-date 2004	94	56	0	2	0	133	285
Zone 4: Outlying area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
Second quarter 2005	76	0	0	0	0	0	76
Second quarter 2004	55	0	0	2	0	18	75
Year-to-date 2005	89	0	0	0	0	0	89
Year-to-date 2004	79	2	0	2	0	18	101
TOTAL - TROIS-RIVIÈRES METROPOLITAN AREA							
Second quarter 2005	133	24	0	0	0	60	217
Second quarter 2004	122	24	0	2	0	115	263
Year-to-date 2005	166	34	0	0	0	156	356
Year-to-date 2004	173	58	0	4	0	151	386

Source: CMHC

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

Zones	Second Quarter		Year-to-Date (Jan.-June)	
	2005	2004	2005	2004
Bécancour	21	14	25	23
Champlain	1	1	1	1
Pointe-du-Lac	19	20	22	29
Saint-Louis-de-France	15	6	19	9
Sainte-Marthe-du-Cap	17	15	19	18
Saint-Maurice	3	1	3	3

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 2005	2nd Q 2004
	2nd Q 2005	2nd Q 2004	2nd Q 2005	2nd Q 2004		
Starts						
Centre	81	91	0	0	60	97
Suburbs	76	57	0	0	0	18
Under construction*						
Centre	47	47	6	6	75	75
Suburbs	6	4	0	0	0	18
Completions						
Centre	84	106	0	0	55	81
Suburbs	75	62	0	0	0	4
Unoccupied*						
Centre	6	12	0	0	17	7
Suburbs	0	0	0	0	4	0
Absorption						
Centre	92	115	0	2	76	81
Suburbs	76	62	0	0	4	4
Duration of inventory (months)**						
Centre	0.2	0.5	n.a.	0.0	0.6	0.2
Suburbs	0.0	0.0	n.a.	n.a.	2.8	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 2005			Trend 2005
Freehold	53	6	59	1.4
Condominium	6	0	6	--
Rental	75	21	96	3.2
	June 2004			Trend
Freehold	51	12	63	1.6
Condominium	6	0	6	30.0
Rental	93	7	100	3.0

Source: CMHC

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

	Second Quarter		Trend Jan.-June		% Change
	2004	2005	2004	2005	Trend
Labour market					
- Employment level	61.9	66.8	61.9	66.8	7.9%
- Unemployment rate (%)	11.0%	10.7%	11.0%	10.7%	n.a.
Mortgage rates (%) (Canada)					
- 1-year	4.3	4.9	4.3	4.9	n.a.
- 5-year	5.9	6.1	5.9	6.1	n.a.
Annual inflation rate (%)	0.8	2.1	0.8	2.1	n.a.
Quebec consumer attitudes survey					
- Index of Consumer Attitudes (1991 = 100) (seasonally adjusted)	125.3	123.3	125.3	123.3	-1.6%

Sources: Statistics Canada, Conference Board of Canada

Definitions and Concepts

Intended Markets - There are three: the freehold market refers to Single-Family Houses (Detached, SemiDetached and Row) owned under freehold; the condominium segment comprises houses and apartments held under divided co-ownership; and finally the rental market encompasses apartments dwellings.

Housing Starts - Refer to the beginning of construction work on a building, usually when the concrete has been laid for the whole of the footing around the structure, or equivalent stage where a basement will not be a part of the structure.

Under Construction - Refers to units that have started but are not complete. The number of the units under construction at the end of a period may take into account certain adjustment that took place, for various reasons, after the starts have been reported.

Completions - Refer to 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 - Refer to new completed units that have remained unoccupied.

Total Short Term Supply - Refers to the total supply of new units and includes units under construction and units that are completed but not occupied.

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

Absorption - Refers to newly completed units which 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 quarter minus completed and unoccupied units for the current quarter.

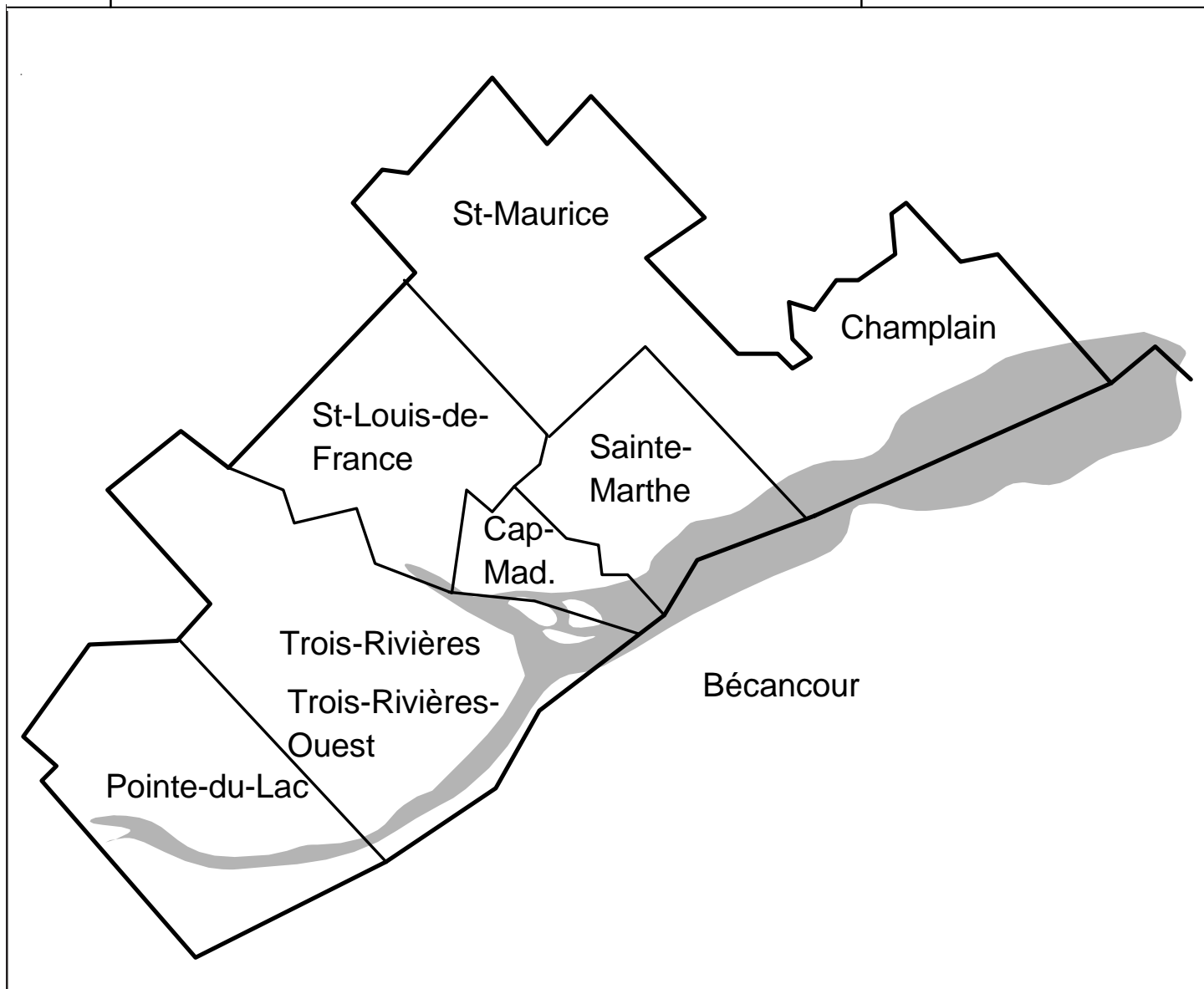
Duration of inventory - Refers to the period necessary for the absorption of unoccupied units, i. e. the ratio between unoccupied units and absorbed units (average for the last twelve months).

CMHC Market Analysis Centre Publications

National	Province of Quebec	Metropolitan Areas - Province of Quebec
<ul style="list-style-type: none"> • Housing Now • Housing Market Outlook • Monthly Housing Statistics • Housing Information Monthly • And many more 	<ul style="list-style-type: none"> • Housing Now • Rental Market Report - Highlights 	<ul style="list-style-type: none"> • Housing Market Outlook (1) • Rental Market Report (1) • Housing Now(1) • Analysis of the Resale Market (2) • Retirement Home Market (1) <p>(1) Available for all metropolitan areas: Saguenay, Gatineau, Montréal, Québec, Sherbrooke and Trois-Rivières (2) Available for Montréal, Québec Saguenay, Gatineau and Trois-Rivières.</p>

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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