

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

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Fine summer for residential construction

No rest on job sites

The new home market posted a very productive summer. In fact, the number of new dwellings was up by 30 per cent over the third quarter of last year. In all, 453 new housing units were started between the months of July and September, or 102 more than during the same period in 2000.

Following a very busy second quarter, activity did not calm down for

Outaouais home builders, as their order books stayed full.

New homes arrived on the market across the Outaouais area, but demand was relatively stronger in certain municipalities. The best performance was recorded in the outlying sector, where the number of new homes rose by 68 per cent. Aylmer and Hull followed with, respectively, 53 per cent and 49 per cent more dwellings.

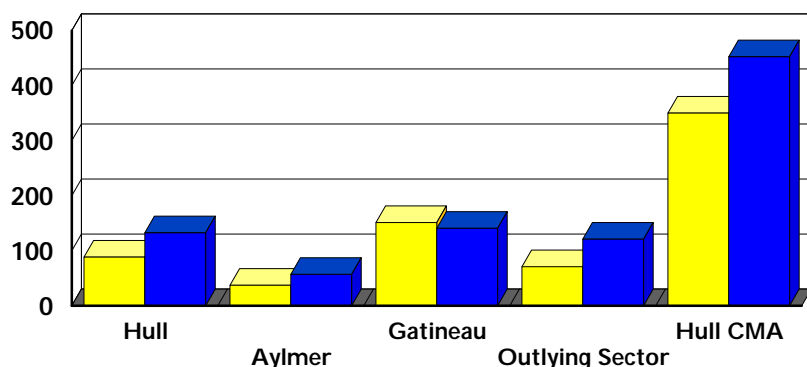
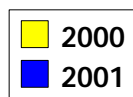
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Housing Starts
Third Quarter



Source: CMHC

In Gatineau, housing starts declined by only 7 per cent from last year. It should be noted, however, that this municipality was still the one with the most starts. As well, the year-to-date figures for 2001 and 2000 revealed that Gatineau posted the most extraordinary gain in new constructions, with 231 more dwellings than in 2000, for an increase of 80 per cent.

On the same comparative basis, Aylmer also registered a remarkable increase of 75 per cent, with a total of 89 more housing units since January. The outlying sector was also in the running as, from January to September, its number of new homes was up by 33 per cent, compared to the same period in 2000. Only the city of Hull did not do as well, with just 8 more dwellings than during the corresponding period last year.

Steady demand for single-family houses

Detached home building continued to rise, as it posted a gain of 40 per cent this past quarter. It goes without saying that these new dwellings were essentially concentrated in Gatineau, which accounted for 288 units. It should be noted, though, that the number of such houses almost doubled in Aylmer, going from 82 units in 2000 up to 153 in 2001.

With the remarkable growth in full-time employment among people aged from 45 to 64 years (+14 per cent since the low point in July 1999) and those aged from 25 to 44 years, it was not surprising to see this market continue to grow. As well, the gains on the job market supported home sales in higher price ranges. While,

in 2000, 165 houses out of 207 (80 per cent) were priced under \$130,000, in 2001, there were 166 homes out of 274 (61 per cent) selling for over \$130,000.

Economic uncertainty

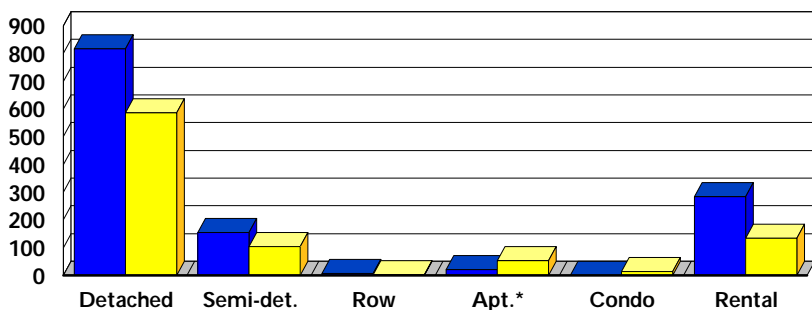
Even if the results achieved on the new home market currently exceed all expectations, it would still be legitimate to analyze this situation with hindsight. In fact, as mentioned earlier, the results at this time are mainly attributable to the strong employment growth that prevailed in 1999 and 2000.

Since labour market conditions deteriorated somewhat in 2001, some apprehension with regard to the future of the real estate market could be justified.

While a thousand new jobs were added to the market, full-time positions were down (-3,500). Since full-time employment is the main incentive for buying a new or existing home, it would therefore be quite logical to fear the negative repercussions of this variable on the real estate sector.

However, given that mortgage rates are below last year's levels by 119 basis points (6 per cent) and that inflation has been kept low by the Bank of Canada, the real estate market should still continue to post some growth. With the recent events on the international scene, though, a slowdown should not be ruled out.

Housing Starts
by Housing Type
January to September



*Homeowner duplex

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Table 1
Summary of Activity by Intended Market
Hull Metropolitan Area

<i>Activity / Period</i>	<i>Ownership</i>		<i>Rental</i>	<i>Total</i>
	<i>Freehold</i>	<i>Condominiums</i>		
<i>Housing Starts</i>				
Third Quarter 2001	389	0	64	453
Third Quarter 2000	294	0	57	351
Year-to-Date 2001 (Jan.-Sept.)	1,004	0	286	1,290
Year-to-Date 2000 (Jan.-Sept.)	752	14	135	901
<i>Under Construction</i>				
September 2001	618	0	289	907
September 2000	393	14	96	503
<i>Completions</i>				
Third Quarter 2001	311	0	30	341
Third Quarter 2000	251	0	36	287
Year-to-Date 2001	699	0	164	863
Year-to-Date 2000	561	49	184	794
<i>Unoccupied</i>				
September 2001	83	0	1	84
September 2000	122	29	6	157
<i>Absorptions</i>				
Third Quarter 2001	341	0	53	394
Third Quarter 2000	255	0	60	315
Year-to-Date 2001	732	25	169	926
Year-to-Date 2000	571	23	194	788
<i>Duration of Inventory (in months)</i>				
September 2001	1.0	0.0	0.1	0.8
September 2000	1.8	13.8	0.3	1.7

Source: CMHC

* Freehold Duplex

Table 2
Housing Starts by Zone and Intended Market
Hull Metropolitan Area

<i>Zone / Period</i>	<i>Ownership</i>					<i>Rental</i>	<i>Total</i>
	<i>Freehold</i>				<i>Condo- miniums</i>		
	<i>Single</i>	<i>Semi</i>	<i>Row</i>	<i>Apart.*</i>			
Zone 1: City of Hull							
Third Quarter 2001	66	10	0	2	0	55	133
Third Quarter 2000	46	4	4	8	0	27	89
Year-to-Date 2001	178	32	0	16	0	90	316
Year-to-Date 2000	130	36	4	34	14	90	308
Zone 2: Aylmer							
Third Quarter 2001	42	12	4	0	0	0	58
Third Quarter 2000	26	10	0	2	0	0	38
Year-to-Date 2001	153	44	8	0	0	2	207
Year-to-Date 2000	82	22	0	2	0	12	118
Zone 3: Gatineau							
Third Quarter 2001	131	4	0	0	0	6	141
Third Quarter 2000	110	6	0	6	0	30	152
Year-to-Date 2001	288	46	0	0	0	188	522
Year-to-Date 2000	230	18	0	10	0	33	291
Zone 4: Periphery							
Third Quarter 2001	104	10	0	4	0	3	121
Third Quarter 2000	62	10	0	0	0	0	72
Year-to-Date 2001	199	34	0	6	0	6	245
Year-to-Date 2000	146	30	0	8	0	0	184
TOTAL HULL METRO							
Third Quarter 2001	343	36	4	6	0	64	453
Third Quarter 2000	244	30	4	16	0	57	351
Year-to-Date 2001	818	156	8	22	0	286	1,290
Year-to-Date 2000	588	106	4	54	14	135	901

Source: CMHC

Table 3
Single-Detached and Semi-Detached Houses Absorbed by Price Range and by Zone
Hull Metropolitan Area - Third Quarter

Type	Less than \$90,000		\$90,000 to \$109,999		\$110,000 to \$129,999		\$130,000 to \$149,999		\$150,000 and more		Total	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Zone 1: City of Hull												
Single	0	0	1	31	6	18	32	5	17	3	56	57
Semi	0	6	12	4	3	1	0	0	0	0	15	11
Zone 2: Aylmer												
Single	0	3	0	5	10	12	11	8	19	3	40	31
Semi	1	0	10	2	4	7	0	0	0	0	15	9
Zone 3: Gatineau												
Single	1	21	14	29	31	19	23	6	26	5	95	80
Semi	6	3	7	10	2	0	0	0	0	0	15	13
Zone 4: Periphery												
Single	5	6	11	14	29	7	14	7	24	5	83	39
Semi	9	11	6	0	0	0	0	1	0	0	15	12
TOTAL HULL METRO												
Single	6	30	26	79	76	56	80	26	86	16	274	207
Semi	16	20	35	16	9	8	0	1	0	0	60	45

Source: CMHC

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which provide a more in-depth and detailed study of the data collected
(available in the beginning of 2002)

To obtain them, please contact our Customer Service at 1-866-855-5711

Table 4					
Housing Demand and Supply					
Hull Metropolitan Area - September 2001					
<i>Type</i>	<i>Under construction</i>	<i>Unoccupied</i>	<i>Short-Term Supply</i>	<i>Absorptions (Trend*)</i>	<i>Supply / Absorption Ratio</i>
Freehold	618	83	701	86	8.2
Condominiums	0	0	0	4	0.0
Rental	289	1	290	17	17.0

Source: CMHC

* 12-Month Average

Table 5					
Economic Overview					
Hull Metropolitan Area					
	<i>Third Quarter</i>		<i>Trend (Jan.-Sept.)</i>		<i>Variation (%)</i>
	<i>2000</i>	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>Trend</i>
Labour Market					
Population 15 years and + (000)	204.1	207.1	203.7	206.2	1.3
Labor Force (000)	143.3	146.8	142.2	144.5	1.6
Employment Level - Total (000)	134.0	135.8	133.8	133.9	0.1
Employment Level - Full Time (000)	116.5	116.1	116.9	112.7	-3.5
Unemployment Rate	6.5%	7.5%	5.9%	7.4%	NA
Mortgage Rates (1) (%)					
1-Year	7.9	6.0	7.9	6.6	NA
5-Year	8.3	7.5	8.4	7.6	NA
Annual Inflation Rate (2)					
	2.5	2.3	2.4	2.7	NA
Consumer Confidence Index (1991=100) (2)					
(Seasonally Adjusted)	120.9	112.6	118.4	114.3	NA

Notes: (1) Canada (2) Province of Québec.

Sources: Statistics Canada, Conference Board of Canada.

Definitions and concepts

Canada Mortgage and Housing Corporation (CMHC) conducts a monthly survey called "Survey on Housing Starts, Completion and Absorption" for all the urban areas in Canada with a population of 10,000 residents or more. This quarterly Housing Market publication provides statistical data and analysis of the trends in the Intended Markets for the Hull Metropolitan Area.

Intended Markets - There are three: the Freehold market refers to Single-Family Houses (Detached, Semi-Detached 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 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

<i>National</i>	<i>Province of Quebec</i>	<i>Metropolitan Areas - Province of Quebec</i>
<ul style="list-style-type: none"> • National Housing Market Outlook • Mortgage Market Trends • Canadian Housing Markets • and many more 	<ul style="list-style-type: none"> • Housing Now • FastFax - Rental Market Report • Renovation Market 	<ul style="list-style-type: none"> • Housing Market Outlook (1) • Rental Market Report (1) • FastFax - Rental Market Report (3) • Analysis of the Resale Market (2) • Retirement Home Market (1) <p>(1) Available for all metropolitan areas: Chicoutimi, Hull, Montréal, Québec, Sherbrooke and Trois-Rivières (2) Available for Montréal and Québec only (3) Available for all urban centres with population of more than 10,000 inhabitants</p>

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Hull Metropolitan Area Zones

<i>Zones</i>	<i>Municipalities</i>	<i>Large zones</i>
1	Hull	Centre
2	Aylmer	Centre
3	Gatineau	Centre
4	Buckingham, Cantley, Chelsea, La Pêche, Masson-Angers, Pontiac, Val-des-Monts.	Peripheral Area

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