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Canada Mortgage and Housing Corporation

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VOLUME 8, EDITION 1
FIRST QUARTER 2005

Residential construction still strong in Trois-Rivières

According to the latest statistics released by Canada Mortgage and Housing Corporation (CMHC), the Trois-Rivières census metropolitan area (CMA) posted a solid performance in the first quarter of the year, with an increase of 13 per cent in housing starts. In fact, the 139 new dwellings represent the best first-quarter results for residential construction since 1991.

Multiple housing starts made a significant jump from 36 to 96 units. The last time a higher level was recorded dates back to 1990. The good

performance was attributable to the significant recovery that occurred on the rental market. During the many years when the rental market had a surplus of vacant units, developers were not very inclined to build new housing projects. The situation has now turned around, and the vacancy rate is below the balanced level, which is encouraging developers to start construction on new rental buildings.

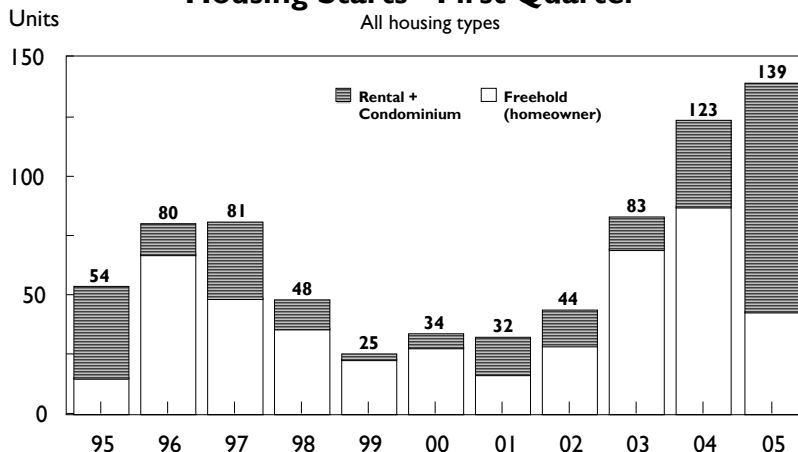
However, the results are less impressive for freehold housing¹. In this segment, a decrease of 51 per cent was observed, as construction got

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Housing Starts - First Quarter



Source: CMHC

under way on 43 houses. The year started off rather calmly, but there is no cause for alarm. The prevailing favourable conditions and persistently tight resale market will stimulate housing starts during the year.

Finally, the condominium market stayed stable for another quarter. Starts of this housing type have remained marginal, as no projects with more than a dozen units have been built since 1997.

Elsewhere in the Mauricie area, the agglomeration of Shawinigan registered a gain. In fact, 20 dwellings were started there in the first quarter of 2005, more than double the number recorded during the same period in 2004 (9 units). In La Tuque, silence reigned on job sites once again this year. No new constructions have been started in 2005, just like in the first quarter of last year.

Across Québec, signs of a slowdown

are being noted in all urban centres with 10,000 or more inhabitants in the province, where housing starts reached 7,172 units in the first quarter, down by 15 per cent from the same period last year. In the other CMAs across Quebec, activity was also down in Gatineau (-52 per cent), Sherbrooke (-36 per cent) and Montréal (-20 per cent). However, increases were recorded in Saguenay (+65 per cent) and Québec (+28 per cent).

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

Resales down in the first quarter

According to Service inter-agences / Multiple Listing Service (S.I.A.[®] / MLS[®]) data, existing single-family home sales went down by 17.4 per cent in the first quarter of 2005 in the Trois-Rivières census metropolitan area (CMA). In fact, 218 such properties were sold from January to March, compared to 264 during the same period in 2004. It was the combined effect of the scarcity of properties listed on the market and the appreciable rise in prices that accounted for this lacklustre performance. Since 2002, the increase in the value of properties sold has reached 39.8 per cent. Single-family houses (detached, semi-detached and row homes) sell for an average of \$105,731 in Trois-Rivières.

The slowdown in sales and the weak rise in the number of properties listed for sale eased the pressure on the market. The seller-to-buyer ratio has now attained 4.3 to 1, after having reached a low point in the middle of 2004 (3.8 sellers per buyer). Obviously, the market is still clearly favourable to sellers, but a

turnaround is under way, just like in several other metropolitan areas across Quebec.

It was in the centre of Trois-Rivières that the decrease in sales was the most pronounced (-30.2 per cent) and market conditions were the

tightest (seller-to-buyer ratio of 3.6 to 1). The competition is therefore fiercer, and buyers are carefully scanning the territory for any "For Sale" signs. Lastly, in the outlying area, we observed a ratio of 5.4 sellers for every buyer, and sales on the rise by 5.2 per cent.

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

Sales are slowing down

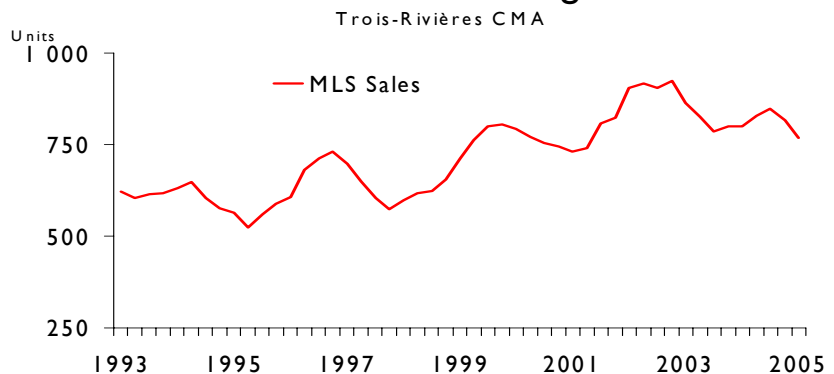


Table I
Summary of Activity by Intended Market
Trois-Rivières Metropolitan Area

Activity / Period	Ownership					Rental	Total
	Freehold*				Condo-minium		
	Single	Semi	Row	Apt.			
Starts							
First quarter 2005	33	10	0	0	0	96	139
First quarter 2004	51	34	0	2	0	36	123
Year-to-date 2005 (Jan.-Mar.)	33	10	0	0	0	96	139
Year-to-date 2004 (Jan.-Mar.)	51	34	0	2	0	36	123
Under construction**							
First quarter 2005	37	18	0	0	6	70	131
First quarter 2004	29	40	0	2	6	63	140
Completions							
First quarter 2005	35	16	0	2	0	95	148
First quarter 2004	58	24	0	0	0	39	121
Year-to-date 2005	35	16	0	2	0	95	148
Year-to-date 2004	58	24	0	0	0	39	121
Unoccupied***							
First quarter 2005	6	8	0	1	0	46	61
First quarter 2004	12	9	0	0	2	7	30
Absorption							
First quarter 2005	31	19	0	1	0	77	128
First quarter 2004	52	18	0	0	0	39	109
Year-to-date 2005	31	19	0	1	0	77	128
Year-to-date 2004	52	18	0	0	0	39	109
Duration of inventory (months)							
Trend 2005	0.2	0.7	n.a.	2.5	n.a.	1.5	0.8
Trend 2004	0.4	1.1	n.a.	n.a.	6.7	0.2	0.4

* 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							
First quarter 2005	8	10	0	0	0	4	22
First quarter 2004	8	26	0	0	0	4	38
Year-to-date 2005	8	10	0	0	0	4	22
Year-to-date 2004	8	26	0	0	0	4	38
Zone 2: Trois-Rivières-Ouest							
First quarter 2005	4	0	0	0	0	68	72
First quarter 2004	10	6	0	2	0	16	34
Year-to-date 2005	4	0	0	0	0	68	72
Year-to-date 2004	10	6	0	2	0	16	34
Zone 3: Cap-de-la-Madeleine							
First quarter 2005	8	0	0	0	0	24	32
First quarter 2004	9	0	0	0	0	16	25
Year-to-date 2005	8	0	0	0	0	24	32
Year-to-date 2004	9	0	0	0	0	16	25
Centre (zones 1 to 3)							
First quarter 2005	20	10	0	0	0	96	126
First quarter 2004	27	32	0	2	0	36	97
Year-to-date 2005	20	10	0	0	0	96	126
Year-to-date 2004	27	32	0	2	0	36	97
Zone 4: Outlying area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
First quarter 2005	13	0	0	0	0	0	13
First quarter 2004	24	2	0	0	0	0	26
Year-to-date 2005	13	0	0	0	0	0	13
Year-to-date 2004	24	2	0	0	0	0	26
TOTAL - TROIS-RIVIÈRES METROPOLITAN AREA							
First quarter 2005	33	10	0	0	0	96	139
First quarter 2004	51	34	0	2	0	36	123
Year-to-date 2005	33	10	0	0	0	96	139
Year-to-date 2004	51	34	0	2	0	36	123

Source: CMHC

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

Zones	First Quarter		Year-to-Date (Jan.-Mar.)	
	2005	2004	2005	2004
Bécancour	4	9	4	9
Champlain	0	0	0	0
Pointe-du-Lac	3	9	3	9
Saint-Louis-de-France	4	3	4	3
Sainte-Marthe-du-Cap	2	3	2	3
Saint-Maurice	0	2	0	2

Source: CMHC

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

Zone	Ownership				Rental	
	Freehold		Condominium		1st Q 2005	1st Q 2004
	1st Q 2005	1st Q 2004	1st Q 2005	1st Q 2004		
Starts						
Centre	30	61	0	0	96	36
Suburbs	13	26	0	0	0	0
Under construction*						
Centre	50	62	6	6	70	59
Suburbs	5	9	0	0	0	4
Completions						
Centre	41	60	0	0	95	39
Suburbs	12	22	0	0	0	0
Unoccupied*						
Centre	14	21	0	2	38	7
Suburbs	1	0	0	0	8	0
Absorption						
Centre	40	48	0	0	73	39
Suburbs	11	22	0	0	4	0
Duration of inventory (months)**						
Centre	0.5	5.3	0.0	n.a.	1.3	2.2
Suburbs	0.1	0.0	n.a.	n.a.	5.6	n.a.

* 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>
	March 2005			Trend 2005
Freehold	55	15	70	1.7
Condominium	6	0	6	30.0
Rental	70	46	116	3.8
	March 2004			Trend
Freehold	71	21	92	2.4
Condominium	6	2	8	26.7
Rental	63	7	70	2.2

Source: CMHC

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

	<i>First Quarter</i>		<i>Trend Jan.-Mar.</i>		<i>% Change</i>
	<i>2004</i>	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>Trend</i>
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	1.8	0.8	1.8	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).

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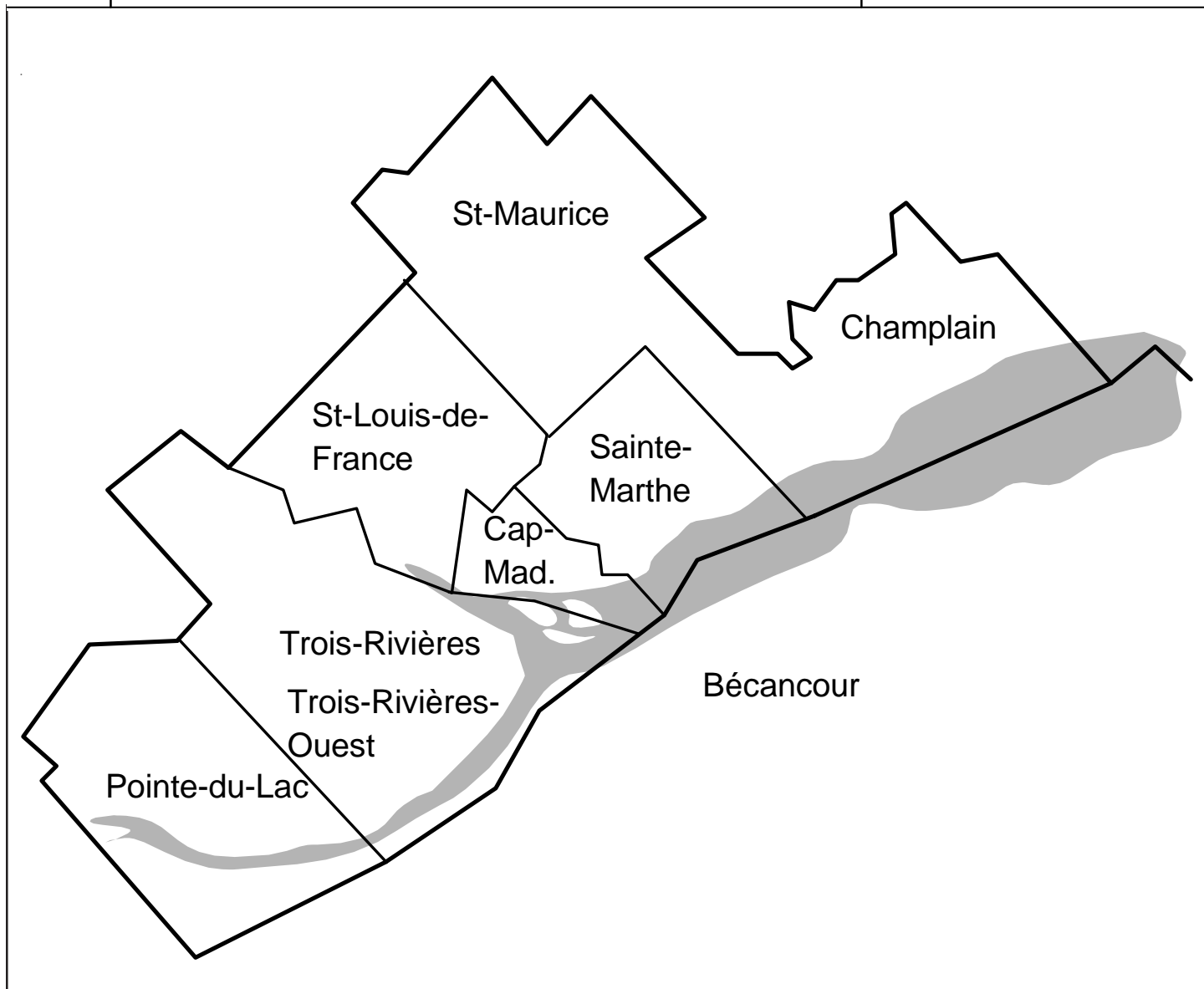
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Trois-Rivières Metropolitan Area Zones

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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