

H

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Trois-Rivières

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Canada Mortgage and Housing Corporation

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VOLUME 6, EDITION 1,
FIRST QUARTER 2003

Residential construction off to a great start in 2003 in Trois-Rivières

According to the latest results of the starts survey conducted by Canada Mortgage and Housing Corporation (CMHC), residential construction jumped up by 89 per cent during the first quarter of 2003 in the Trois-Rivières census metropolitan area. Construction got under way on 83 housing units, compared to 44 in the first three months of last year. The last time a year started off more vigorously dates back to the first quarter of 1994, when 103 new foundations were laid.

This excellent result was attributable to the major increase in freehold housing starts. With 45 new units, the detached home segment garnered most (54 per cent) of the residential construction activity

in the Trois-Rivières area, rising by 96 per cent over the first quarter of last year. However, semi-detached and row homes posted the largest gain. The 24 starts enumerated from January to March 2003 were four times greater than the number recorded during the same period last year. In the multiple housing segment, there was a small decrease in rental apartment construction, as 14 new units were started, or 1 less than in the first quarter of last year. And, just like in the first quarter of 2002, there were no condominium starts this year.

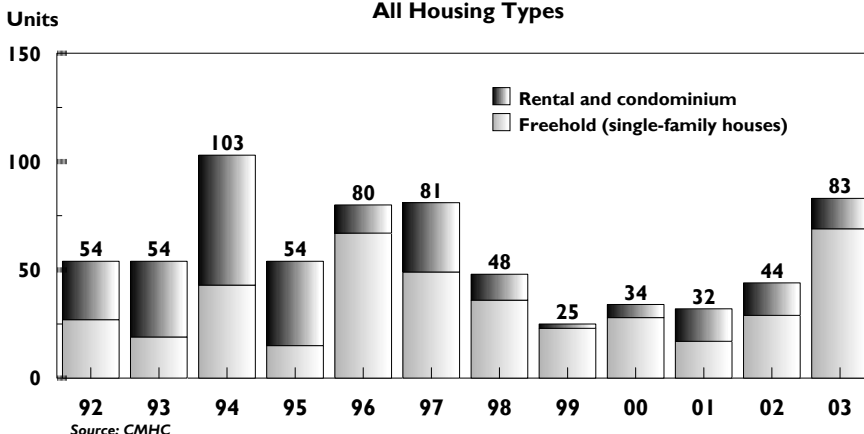
Elsewhere in the Mauricie area, the agglomeration of Shawinigan had 4 starts in the first quarter of 2003, in relation to 2 during the corresponding period in

continued on next page

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Housing Starts - First Quarter
All Housing Types



HOME TO CANADIANS
Canada

2002. In La Tuque, there have been no new constructions since the beginning of the year, compared to just one in the same period in 2002.

Across the province of Quebec

In all urban centres with 10,000 or more inhabitants throughout the province, some 6,350 starts were enumerated between January and March 2003, for an increase of 14 per cent over the results

registered during the same period in 2002. The Québec census metropolitan area posted the greatest gain (90 per cent), very closely followed by the Trois-Rivières area (89 per cent). Residential construction continued to rise significantly in Sherbrooke (47 per cent), while activity remained relatively stable in Montréal (3 per cent) and Gatineau (1 per cent). Conversely, Saguenay sustained a decrease of 44 per cent.

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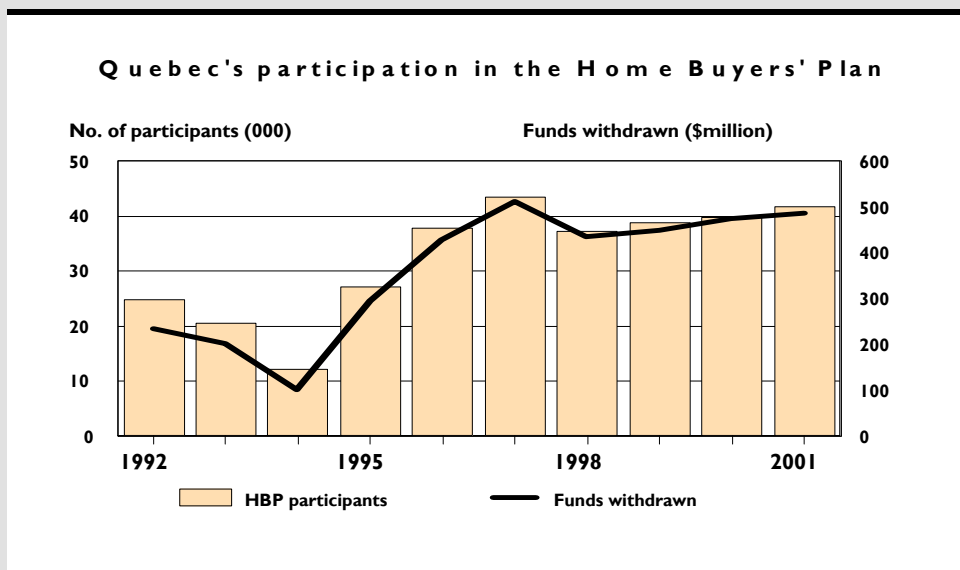
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A Series on RRSP Home Buyers' Plan: Québec

Over 323,000 Québec residents have taken advantage of the Home Buyers' Plan to purchase homes

- The Home Buyers' Plan (HBP) was introduced by the federal government in 1992 to help individuals purchase homes. It allows Canadians, who meet certain eligibility conditions, to withdraw up to \$20,000 tax-free from their Registered Retirement Saving Plans (RRSPs) for this purpose. The amounts withdrawn remain tax-exempt if they are repaid within 15 years.
- Nationally, the second largest number of individuals to ever participate in the Home Buyers' Plan was recorded in 2001. On average, \$12,000 or 7.0 per cent of the Canada MLS average price was withdrawn by home buyers from their RRSPs to acquire a dwelling.
- In Québec, the federal government's Home Buyers' Plan combined with low mortgage rates helped over 41,000 individuals realize their homeowner dreams in 2001 by enabling them to withdraw more than \$487 million in RRSP funds to purchase homes. The average amount withdrawn under the plan was \$11,670.
- Since its inception in 1992, some 323,000 individuals in Québec have participated in the plan channelling \$3.6 billion to the housing market. Nearly 20 per cent of the funds withdrawn have already been repaid.
- Québec has accounted for about 27 per cent of participants and 30 per cent of RRSP funds withdrawn under HBP.



Sources : CMHC, CCRA

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

Activity / period	Ownership					Rental	Total
	Freehold *				Condo-minium		
	Detached	Semi	Row	Apart.			
Starts							
First Quarter 2003	45	24	0	0	0	14	83
First Quarter 2002	23	6	0	0	0	15	44
Year-to-Date 2003 (Jan.-Mar.)	45	24	0	0	0	14	83
Year-to-Date 2002 (Jan.-Mar.)	23	6	0	0	0	15	44
Under construction **							
First Quarter 2003	17	26	0	6	0	250	299
First Quarter 2002	21	10	0	0	0	28	59
Completions							
First Quarter 2003	42	12	0	0	6	8	68
First Quarter 2002	24	12	3	0	0	0	39
Year-to-Date 2003	42	12	0	0	6	8	68
Year-to-Date 2002	24	12	3	0	0	0	39
Unoccupied **							
First Quarter 2003	12	17	0	0	3	7	39
First Quarter 2002	12	20	2	0	0	3	37
Absorptions							
First Quarter 2003	35	4	0	0	3	4	46
First Quarter 2002	23	9	1	0	0	0	33
Year-to-Date 2003	35	4	0	0	3	4	46
Year-to-Date 2002	23	9	1	0	0	0	33
Duration of inventory (in months)							
2003 Trend	0.5	3.0	0.0	0.0	12.0	1.4	1.1
2002 Trend	0.6	3.4	24.0	0.0	NA	0.7	1.2

* Refers to single-family houses (detached, semi-detached and row) owned under freehold tenure.

** As 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		
	Detached	Semi	Row	Apart.			
Zone 1: City of Trois-Rivières							
First Quarter 2003	7	2	0	0	0	4	13
First Quarter 2002	4	2	0	0	0	4	10
Year-to-Date 2003	7	2	0	0	0	4	13
Year-to-Date 2002	4	2	0	0	0	4	10
Zone 2: Trois-Rivières-Ouest							
First Quarter 2003	14	22	0	0	0	4	40
First Quarter 2002	7	4	0	0	0	0	11
Year-to-Date 2003	14	22	0	0	0	4	40
Year-to-Date 2002	7	4	0	0	0	0	11
Zone 3: Cap-de-la-Madeleine							
First Quarter 2003	9	0	0	0	0	0	9
First Quarter 2002	5	0	0	0	0	11	16
Year-to-Date 2003	9	0	0	0	0	0	9
Year-to-Date 2002	5	0	0	0	0	11	16
Centre (zones 1 to 3)							
First Quarter 2003	30	24	0	0	0	8	62
First Quarter 2002	16	6	0	0	0	15	37
Year-to-Date 2003	30	24	0	0	0	8	62
Year-to-Date 2002	16	6	0	0	0	15	37
Zone 4: Outlying Area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
First Quarter 2003	15	0	0	0	0	6	21
First Quarter 2002	7	0	0	0	0	0	7
Year-to-Date 2003	15	0	0	0	0	6	21
Year-to-Date 2002	7	0	0	0	0	0	7
TOTAL TROIS-RIVIÈRES MÉTROPOLITAN AREA							
First Quarter 2003	45	24	0	0	0	14	83
First Quarter 2002	23	6	0	0	0	15	44
Year-to-Date 2003	45	24	0	0	0	14	83
Year-to-Date 2002	23	6	0	0	0	15	44

Source: CMHC

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

<i>Municipalities</i>	<i>First Quarter</i>		<i>Year-to-date (Jan.-Mar.)</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
Bécancour	2	1	2	1
Champlain	1	2	1	2
Pointe-du-Lac	7	3	7	3
St-Louis-de-France	4	1	4	1
Ste-Marthe-du-Cap	1	0	1	0
St-Maurice	0	0	0	0

Source: CMHC

Table 4
Summary of Activities by Large Zones and Intended Market
Trois-Rivières Metropolitan Area

<i>Zone</i>	<i>Ownership</i>				<i>Rental</i>	
	<i>Freehold</i>		<i>Condominium</i>		<i>Ist Qrt 2003</i>	<i>Ist Qrt 2002</i>
	<i>Ist Qrt 2003</i>	<i>Ist Qrt 2002</i>	<i>Ist Qrt 2003</i>	<i>Ist Qrt 2002</i>		
Starts						
Center	54	22	0	0	8	15
Suburbs	15	7	0	0	6	0
Under construction *						
Center	41	30	0	0	201	25
Suburbs	8	1	0	0	49	3
Completed						
Center	40	31	6	0	8	0
Suburbs	14	8	0	0	0	0
Unoccupied *						
Center	26	33	3	0	7	0
Suburbs	3	1	0	0	0	3
Absorbed						
Center	27	25	3	0	4	0
Suburbs	12	8	0	0	0	0
Duration of Inventory (months)**						
Center	1.4	2.0	12.0	0.0	1.7	0.0
Suburbs	0.3	0.1	NA	0.0	0.0	18.0

* As 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>Vacant Units</i>	<i>Short-term Supply</i>	<i>Duration of Supply (months)</i>
	March 2003			Trend 2003
Freehold	49	29	78	2.7
Condominium	0	3	3	12.0
Rental	250	7	257	49.7
	March 2002			Trend 2002
Freehold	31	34	65	2.5
Condominium	0	0	0	NA
Rental	28	3	31	6.8

Source: CMHC

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

	<i>First Quarter</i>		<i>Trend Jan.-Mar.</i>		<i>Variation (%) Trend</i>
	<i>2002</i>	<i>2003</i>	<i>2002</i>	<i>2003</i>	
Jobs Market					
- Employment Level	61.0	66.1	61.0	66.1	8.4%
- Unemployment Rate (%)	12.2%	9.9%	12.2%	9.9%	n.a.
Mortgage Rate (%) (Canada)					
- 1-year	4.8	5.1	4.8	5.1	n.a.
- 5-year	7.1	6.6	7.1	6.6	n.a.
Annual Inflation Rate (%)	1.5	4.2	1.5	4.2	n.a.
Quebec's Consumer Attitudes: Survey					
- Index of Consumer Attitudes (1991 = 100, SA)	131.2	125.8	131.2	125.8	-4.1%

Sources: Statistics Canada, Conference Board of Canada, CMHC

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

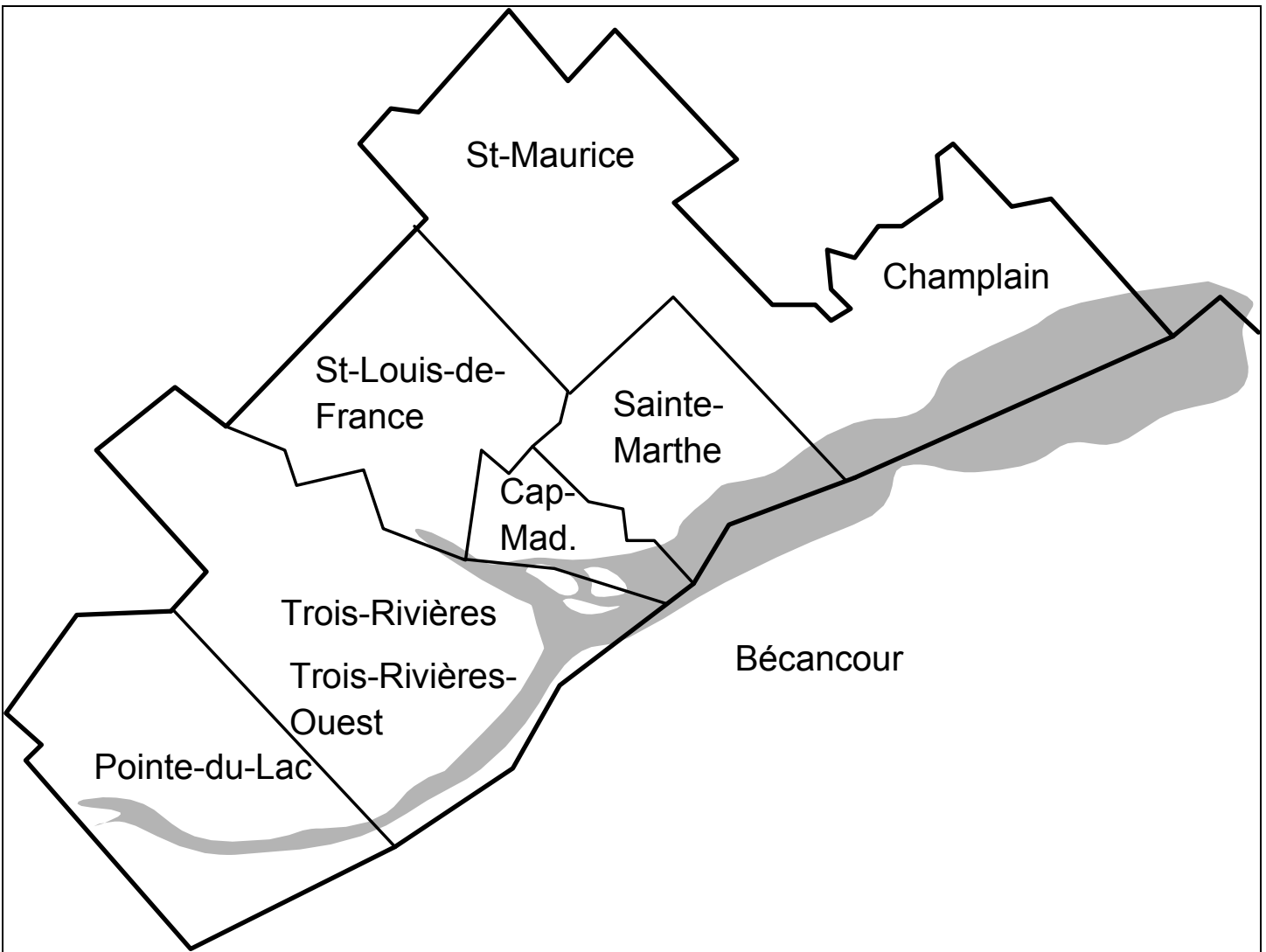
Canada Wide	Québec	Québec Metropolitan Regions
<ul style="list-style-type: none"> • National Housing Outlook • Mortgage Market Trends • Canadian Housing Markets • And several others 	<ul style="list-style-type: none"> • Housing Now • FASTFax • Senior's Homes Market (provincial analysis and by metropolitan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

Zones	Municipalities	Major Zones
1	City of Trois-Rivières	Center
2	City of Trois-Rivières-Ouest	Center
3	City of Cap-de-la-Madeleine	Center
4	Bécancour, Champlain, Pointe-du-Lac, St-Louis-de-France, St-Maurice, Ste-Marthe-du-Cap-de-la-Madeleine.	Suburb



Housing Now is published four times a year for the Trois-Rivières Metropolitan Area. Annual subscription to the Trois-Rivières Housing Now is 55,00 \$ plus applicable taxes. For more information, or to subscribe, contact our Customer Service Center at 1 (866) 855-5711.

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ORECAST

Trois-Rivières

Spring - Summer 2003

Canada Mortgage and Housing Corporation

SUMMARY

Residential construction expected to rise again in 2003

Residential construction

✓ In 2002, residential construction reached its highest level of activity since 1994. This growth was attributable to the retirement home construction segment.

✓ In all, 780 new units will be added to the Trois-Rivières housing stock in 2003, for an increase of just over 25 per cent in relation to last year's results.

✓ In 2003, the increase in housing starts will come from the homeowner housing construction sector, as 365 single-family homes and a major 115-unit condominium project will be built.

✓ This year, two thirds of the 300 new rental units will be started thanks to various government subsidies, and the rest will be intended for seniors.

✓ It is unlikely that the increase in starts will continue over the long term, since the Trois-Rivières census metropolitan area (CMA) population is on the decline. Among other factors, the area has been contending with negative net migration levels since 1997. For 2004, thanks to the good performance of the job market and the scarcity of existing properties for sale, some 425 new dwellings should be built, most of which will be targeted to homeowners.

Resale market

✓ Sales recorded through the Multiple Listing Service (MLS) will sustain a slowdown, as the volume of single-family home resales will reach around 830 units this year and 800 units in 2004. Demand will remain strong but will come up against a declining number of new listings, which will result in a lower volume of transactions.

✓ In this seller's market, prices will keep rising. The average price of a single-family home will attain \$90,000 (+7 per cent) this year and \$95,000 (+6 per cent) in 2004. Still, the Trois-Rivières CMA will remain the most affordable of the six CMAs in Quebec.

Rental market

✓ While the total population was declining, the number of young people aged from 20 to 24 years went up by 7 per cent between 1996 and 2001. Benefiting from improved job market conditions, they boosted demand for rental housing. This "mini baby boom" phenomenon, combined with the low volume of conventional rental housing starts, accounted for the significant decrease in the number of vacant units since 1998.

✓ This year, this effect will be offset by the arrival of new retirement housing units. In 2004, the new subsidized dwellings available for rent will act as a counterbalance and help maintain the Trois-Rivières rental market balanced (vacancy rate of 3 per cent).

Mortgage rates

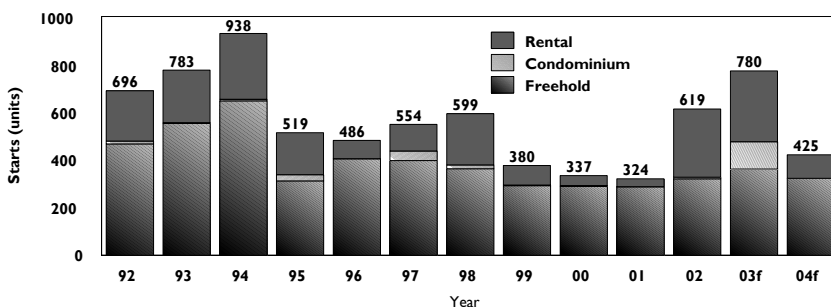
✓ In line with its inflation control policy, the Bank of Canada is raising its official rate. Consequently, mortgage rates will firm up as interest rates will rise this year and in 2004 and should reach 7.01 per cent and 8.18 per cent, respectively, for a five-year term. Since these rates are coming back up from historically low levels, mortgage financing costs will still remain very affordable and continue to stimulate homeownership.

Employment and economy

✓ The announced arrival in the Trois-Rivières CMA of several aircraft manufacturing industries will diversify the employment base and reduce the vulnerability of the Trois-Rivières economy to the performances of the forestry sector.

✓ It is expected that 900 new jobs will be created this year and another 1,400 in 2004.

Residential Construction Trois-Rivières Metropolitan Area



f. CMHC forecast
Source: CMHC



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FORECAST SUMMARY

Trois-Rivières Metropolitan Area

Spring - Summer 2003

	2001	2002	2003f	2004f
NEW HOME MARKET				
Total housing starts	324	619	780	425
Single-family houses	290	324	365	325
Condominiums	0	6	115	0
Apartments	34	289	300	100
Unoccupied units (monthly average)	36	23	35	80
Single-family houses	54	26	20	25
RESALE MARKET				
MLS sales - single-family houses	824	923	830	800
MLS listings - single-family houses	682	446(e)	410	400
Seller-to-buyer ratio (single-family houses)	9.9	5.8	5.9	6.0
Average MLS price (\$) - detached houses	75,900	84,000	90,000	95,000
- semi-detached houses	69,700	69,600	73,000	76,000
RENTAL MARKET				
Vacancy rate (%)	4.7	3.0	3.0	3.0
Average rent for a two-bedroom unit (\$)	419	431	440	448
Change in average rent (%)	1.5	2.8	2.0	1.8
ECONOMIC OVERVIEW				
Mortgage rate - 1-year (%)	6.14	5.17	5.45	6.82
Mortgage rate - 5-year (%)	7.41	7.02	7.01	8.18
Unemployment rate (%)	9.3	9.9	9.5	9.3
Employment growth (number of jobs)	3,300	-900	900	1,400

f: CMHC forecast

e: CMHC estimate

Data sources: CMHC, Statistics Canada, Multiple Listing Service (Chambre immobilière de la Mauricie)

(*) Resale market data is now based on MLS sales. Multiple Listing Service (MLS) is a registered certification mark owned by the Canadian Real Estate Association (CREA).

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