HOUSING NOW

Trois-Rivières

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Canada Mortgage and Housing Corporation

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HOUSING STARTS FOR SENIORS GIVE A BOOST TO CONSTRUCTION

Residential construction in the Trois-Rivières census metropolitan area (CMA) slowed in the second quarter. According to the latest data from the Canada Mortgage and Housing Corporation (CMHC), there were 190 housing starts between April and June 2003, a 29% decrease compared to the same period in 2002.

It is the rental construction market that draws our attention: housing starts fell by 71%. A total of 43 dwellings were started during the last quarter, but this must not be viewed as a decline in rental construction. It must be remembered that a 135-unit seniors housing start swelled figures in the second quarter of 2002.

Growth continues in single-family dwellings. There were 147 housing starts, an increase of 20% over the same quarter of 2002. Very affordable mortgage rates and a tight resale market favour construction of single-family dwellings.

In the Trois-Rivières CMA, the mid-year report is similar to that of the last quarter. Overall, residential housing starts fell by 13% compared to the two firsts quarters of 2002 and 273 new dwellings were started.

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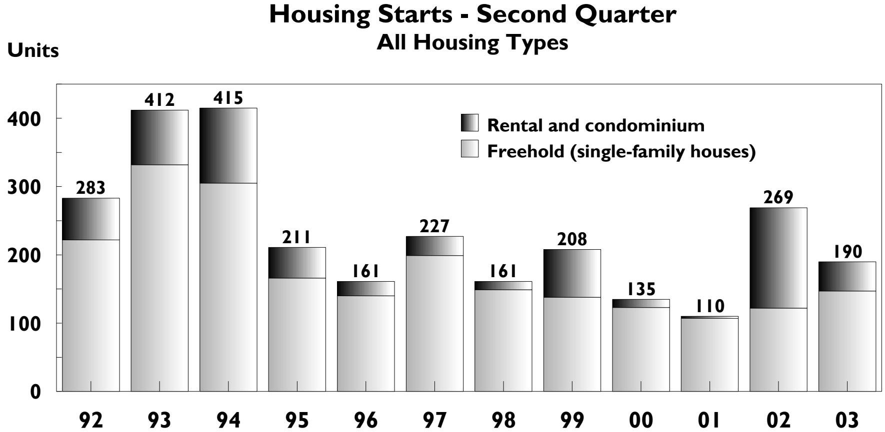
Housing Starts - Second Quarter
All Housing Types



Source: CMHC

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This decrease can be attributed to the rental market (-65%) which saw 57 apartment starts. On the other side, the single-family house market experienced a growth of 43%. A total of 216 houses were started, including 46 semi-detached and row houses, a strong increase for these two housing types (+77%).

Elsewhere in the Mauricie area, residential construction activity imposed in the community of Shawinigan in 2003. In fact, with 53 housing starts, growth was 33% above the first quarter of 2002. In La Tuque, only 3 dwellings were started during the first six months of this year, compared to 5 last year.

Elsewhere across the province

The growth in residential construction is evident throughout the province. Since the beginning of the year, 18,049 housing starts have been recorded in urban centres of 10,000 people or more, an increase of 8% over the first half of 2002. Of the six CMAs in Quebec, the strongest growth was in the Saguenay Region (62%), the Québec region (19%), Sherbrooke (16%), Gatineau (6%) and Montréal (4%). Trois-Rivières is the only region to see a decline (-13%).

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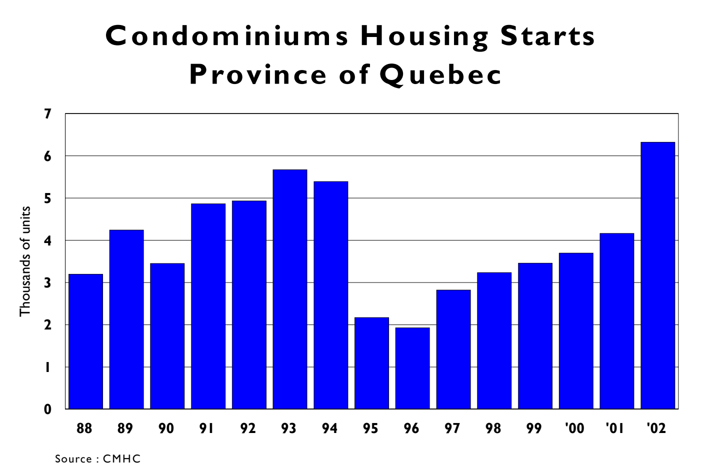
Why are condominiums gaining in popularity?

Condominium construction has reached new highs in Quebec. In 2002, there were more than 6,300 condominium housing starts province-wide, a 50% increase over the previous year. To date in 2003, growth is up 30% en route to another record year of activity.

With characteristics well suited to urban living, condominiums are perceived as a phenomenon of large cities, particularly Montreal. This is evidenced by Montreal's 90% share of all new sites. However, CMHC's latest housing start surveys revealed that condominium projects have grown considerably, particularly in the metropolitan Quebec City area (up 63% over last year) and that sites have sprung up in some smaller urban areas such as Saint-Georges and Sainte-Marie de Beauce, for example.

Of course, condominiums are a product of choice in densely populated areas with few new lots available, which means they are expensive. However, the new popularity of condominiums is also attributable to their intrinsically attractive characteristics. First of all, at a time when the population is aging and the size of households is shrinking, condominiums are perfectly suited to small households not wishing to devote much time to maintaining their units. For example, in recent years, condos have attracted a relatively new clientele, that of the boomers whose children have left home. Typically, they are second- or third-time purchasers, which has expanded the market for high-end condos. Although apartments generally come to mind when discussing condominiums, one must bear in mind that increasing numbers of row housing are being offered as condominiums, meaning that they are becoming increasingly better suited to smaller families. Secondly, condominium projects are generally well located near services or downtown areas. Finally, condos being generally more affordable than single-family houses attract a significant share of first-time buyers. Demand is even stronger these days due to the scarcity of available rental housing and historically low mortgage rates.



On the whole, several structural and economic factors have combined such that the construction of units in this segment of the market will produce trends that should be monitored closely in the next few years.

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							
Second Quarter 2003	125	22	0	2	0	41	190
Second Quarter 2002	102	16	0	4	0	147	269
Year-to-Date 2003 (Jan.-June)	170	46	0	2	0	55	273
Year-to-Date 2002 (Jan.-June)	125	22	0	4	0	162	313
Under construction **							
Second Quarter 2003	27	20	0	0	0	58	105
Second Quarter 2002	17	10	0	4	0	158	189
Completions							
Second Quarter 2003	115	28	0	8	0	231	382
Second Quarter 2002	106	16	0	0	0	17	139
Year-to-Date 2003	157	40	0	8	6	239	450
Year-to-Date 2002	130	28	3	0	0	17	178
Unoccupied **							
Second Quarter 2003	8	12	0	0	0	169	189
Second Quarter 2002	12	20	0	0	0	5	37
Absorptions							
Second Quarter 2003	119	33	0	8	3	69	232
Second Quarter 2002	106	16	2	0	0	15	139
Year-to-Date 2003	154	37	0	8	6	73	278
Year-to-Date 2002	129	25	3	0	0	15	172
Duration of inventory (in months)							
2003 Trend	0.3	1.7	NA	0.0	0.0	17.5	4.5
2002 Trend	0.6	3.8	0.0	0.0	NA	1.3	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							
Second Quarter 2003	20	4	0	0	0	20	44
Second Quarter 2002	14	6	0	0	0	12	32
Year-to-Date 2003	27	6	0	0	0	24	57
Year-to-Date 2002	18	8	0	0	0	16	42
Zone 2: Trois-Rivières-Ouest							
Second Quarter 2003	25	18	0	0	0	7	50
Second Quarter 2002	20	8	0	0	0	0	28
Year-to-Date 2003	39	40	0	0	0	11	90
Year-to-Date 2002	27	12	0	0	0	0	39
Zone 3: Cap-de-la-Madeleine							
Second Quarter 2003	21	0	0	0	0	6	27
Second Quarter 2002	17	0	0	0	0	135	152
Year-to-Date 2003	30	0	0	0	0	6	36
Year-to-Date 2002	22	0	0	0	0	146	168
Centre (zones 1 to 3)							
Second Quarter 2003	66	22	0	0	0	33	121
Second Quarter 2002	51	14	0	0	0	147	212
Year-to-Date 2003	96	46	0	0	0	41	183
Year-to-Date 2002	67	20	0	0	0	162	249
Zone 4: Outlying Area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
Second Quarter 2003	59	0	0	2	0	8	69
Second Quarter 2002	51	2	0	4	0	0	57
Year-to-Date 2003	74	0	0	2	0	14	90
Year-to-Date 2002	58	2	0	4	0	0	64
TOTAL TROIS-RIVIÈRES MÉTROPOLITAN AREA							
Second Quarter 2003	125	22	0	2	0	41	190
Second Quarter 2002	102	16	0	4	0	147	269
Year-to-Date 2003	170	46	0	2	0	55	273
Year-to-Date 2002	125	22	0	4	0	162	313

Source: CMHC

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

Municipalities	*Second Quarter* 2003	*Second Quarter* 2002	*Year-to-date (Jan.-June)* 2003	*Year-to-date (Jan.-June)* 2002
Bécancour	11	19	13	20
Champlain	1	2	2	4
Pointe-du-Lac	27	11	34	14
St-Louis-de-France	9	10	13	11
Ste-Marthe-du-Cap	11	13	12	13
St-Maurice	2	2	2	2

Source: CMHC

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

Zone	*Ownership*				*Rental*	
	Freehold		*Condominium*			
	2nd Qrt 2003	*2nd Qrt 2002*	*2nd Qrt 2003*	*2nd Qrt 2002*	*2nd Qrt 2003*	*2nd Qrt 2002*
Starts						
Center	88	65	0	0	33	147
Suburbs	61	57	0	0	8	0
Under construction *						
Center	44	23	0	0	44	158
Suburbs	3	8	0	0	14	0
Completed						
Center	85	72	0	0	188	14
Suburbs	66	50	0	0	43	3
Unoccupied *						
Center	20	32	0	0	169	5
Suburbs	0	0	0	0	0	0
Absorbed						
Center	91	73	3	0	26	9
Suburbs	69	51	0	0	43	6
Duration of Inventory (months)**						
Center	0.9	1.7	0.0	NA	30.3	1.5
Suburbs	0.0	0.0	NA	NA	0.0	0.0

* As at the end of the period shown.

** Trend

Source: CMHC

Table 5 **Housing Supply** **Trois-Rivières Metropolitan Area**				
Intended Market	***Under Construction***	***Vacant Units***	***Short-term Supply***	***Duration of Supply (months)***
	June 2003			***Trend 2003***
Freehold	47	20	67	0.2
Condominium	0	0	0	0.0
Rental	58	169	227	2.0
	June 2002			***Trend 2002***
Freehold	31	32	63	0.2
Condominium	0	0	0	NA
Rental	158	5	163	3.4

Source: CMHC

Tableau 6 **Economic Overview** **Trois-Rivières Metropolitan Area**					
	Second Quarter		***Trend Jan.-June***		***Variation (%)***
	2002	***2003***	***2002***	***2003***	***Trend***
Jobs Market					
- Employment Level	66.0	66.7	63.5	66.4	4.6%
- Unemployement Rate (%)	8.6%	10.1%	10.4%	10.0%	n.a.
Mortgage Rate (%) (Canada)					
- 1-year	5.5	5.1	5.2	5.1	n.a.
- 5-year	7.4	6.2	7.2	6.4	n.a.
Annual Inflation Rate (%)	0.9	2.9	1.2	3.6	n.a.
Quebec's Consumer Attitudes: Survey					
- Index of Consumer Attitudes (1991 = 100, SA)	136.9	127.3	134.1	126.6	-5.6%

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 preceeding months). This data is expressed in months.

CMHC Housing Centre Publications

Canada Wide	Québec	Québec Metropolitan Regions
• National Housing Outlook • Mortage Market Trends • Canadian Housing Markets • And several others	• Housing Now • FASTFax • Senior's Homes Market (provincial analysis and by metropolitan region, including a section on Trois-Rivières)	• Housing Market Outlook (Montréal only) • Rental Market Report (1) • FASTFax - Rental Market Report (3) • Resale Market Analysis (2) • Seniors' Homes Market (2) (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

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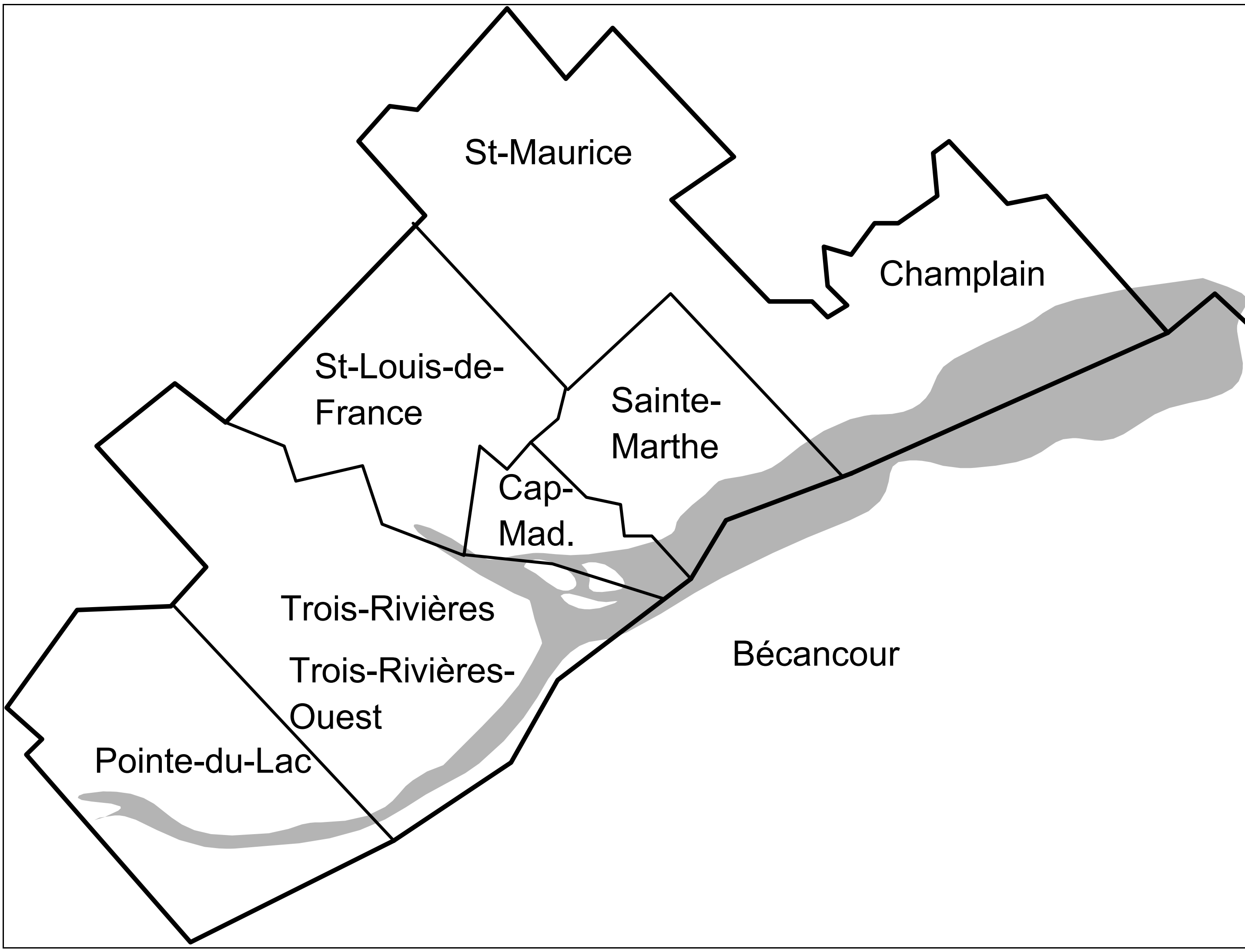
Trois-Rivières Metropolitan Area Zones

Zones	*Municipalities and Sectors*	*Large Zones*
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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