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Canada Mortgage and Housing Corporation

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Residential construction off to a great start this year in Trois-Rivières

The harsh winter climate did not curb residential construction in the Trois-Rivières census metropolitan area (CMA). With a total of 123 new dwellings started in the first quarter of 2004, the CMA posted a remarkable gain of 48 per cent, or 40 more housing units than in the first quarter of 2003. These figures were drawn from the latest starts surveys conducted by Canada Mortgage and Housing Corporation (CMHC).

In the first quarter, all housing market segments registered increases, except for the condominium market, which, like last year, was absent from the surveys. With 51 starts, the single-detached home segment showed a gain of 13 per cent. In the semi-detached and row home market, 36 new foundations were enumerated, for an increase of 50 per cent over the same period in 2003. The homeowner housing market, including single-detached, semi-detached and row homes, therefore still garnered the lion's share of residential construction in the Trois-Rivières area. However, from January to March, it was the construction of rental apartments that posted the greatest gain. With 36 new units, rental housing construction more than doubled, as 14 such starts had been enumerated in the first quarter of 2003. The scarcity of available rental dwellings and the low interest rates seem to have renewed the appeal of the rental market.

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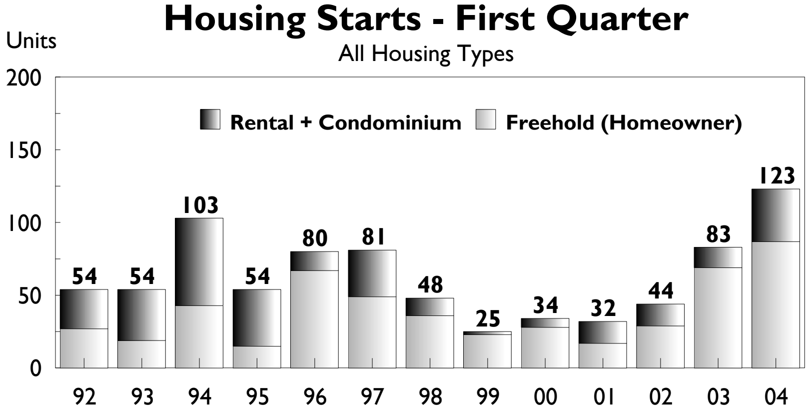
Housing Starts - First Quarter

All Housing Types



Source : CMHC

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Overall, residential construction is doing wonderfully well in Trois-Rivières, as the last time a level of activity comparable to the 2004 results was observed dates back to the first quarter of 1991.

Elsewhere in the Mauricie area, the agglomeration of Shawinigan registered a gain. In fact, 9 new dwellings were started there in the first quarter of 2004 (7 single-detached and 2 semi-detached homes), or 5 more than during the same period in 2003. While no homes had been started at the same time last year in La Tuque, 2 new single-detached house foundations were laid from January to March 2004.

In all urban centres with 10,000 or more inhabitants across Quebec, 8,412 starts were enumerated during the first quarter of 2004, for an increase of 33 per cent. The Gatineau CMA posted the greatest gain (90 per cent), followed by Sherbrooke (62 per cent). Still in terms of residential construction activity, Trois-Rivières (48 per cent) ranked ahead of Montréal, which showed the same increase as the province (33 per cent). Lastly, housing starts were down slightly in the Québec CMA (-3 per cent) and the Saguenay area (-15 per cent).

A glance at the resale market reveals that transactions levelled off in the Trois-Rivières CMA during the first quarter of 2004. According to Multiple Listing Service MLS®/S.I.A.® data, 291 transactions were recorded from January to March 2004, or 1 more than in the same period last year[1]. The resale market remains very dynamic, as this was the third best first quarter since 1996. The stabilization of sales was primarily due to the increasingly limited choice of homes, and not to a decrease in demand, with buyers still wanting to take advantage of the historically low rates.

Like the overall activity, single-detached home sales were stable, with 230 transactions in 2004, compared to 228 in 2003. The multiple housing segment, however, posted mixed performances. With 29 sales, semi-detached houses lost some ground in relation to last year, when 34 transactions had been registered during the same period. Duplex sales, for their part, literally jumped. In fact, 23 such transactions were recorded during this past winter, or 8 more than from January to March 2003. Row home sales remained marginal, as 5 dwellings of this type changed hands in the first quarter, or 3 more than in 2003. Condominiums brought up the rear with 4 transactions, compared to 11 last year.

Overall, active listings continued to decline, but at a slower pace than in 2003. As a result, on the homeowner housing market, 293 homes were listed on the MLS®/S.I.A.® network, or 23 per cent fewer than during the first quarter of 2003. This scarcity led to an increase of 5 per cent in the average price of freehold homes, which reached $93,800, and brought about tighter conditions on the market, in favour of sellers. In fact, the proportion of listings to sales, commonly known as the seller-to-buyer ratio, fell to 4.2 to 1 in the first quarter of 2004.

Elsewhere in the Mauricie area, there were 105 sales were in the agglomeration of Shawinigan during the first quarter of 2004, compared to 106 in 2003. More specifically, 96 single-detached houses, 2 semi-detached homes, 1 row dwelling and 6 duplex units were enumerated. Here again, the price adjustment mechanism went full tilt as supply tightened on the resale market. From January to March 2004, the average price of homeowner houses rose by 18 per cent to $81,700. During this same period, 169 active listings were enumerated, for a decrease of 18 per cent from 2003. The resale market is becoming more and more favourable to sellers, with 6.2 listings per sale in the first quarter.

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

Table 1
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 2004	51	34	0	2	0	36	123
First quarter 2003	45	24	0	0	0	14	83
Year-to-date 2004 (Jan.-Mar.)	51	34	0	2	0	36	123
Year-to-date 2003 (Jan.-Mar.)	45	24	0	0	0	14	83
Under construction*							
First quarter 2004	29	40	0	2	6	63	140
First quarter 2003	17	26	0	6	0	250	299
Completions							
First quarter 2004	58	24	0	0	0	39	121
First quarter 2003	42	12	0	0	6	8	68
Year-to-date 2004	58	24	0	0	0	39	121
Year-to-date 2003	42	12	0	0	6	8	68
Unoccupied*							
First quarter 2004	12	9	0	0	2	7	30
First quarter 2003	12	17	0	0	3	7	39
Absorption							
First quarter 2004	52	18	0	0	0	39	109
First quarter 2003	35	4	0	0	3	4	46
Year-to-date 2004	52	18	0	0	0	39	109
Year-to-date 2003	35	4	0	0	3	4	46
Duration of inventory (months)							
Trend 2004	0.4	0.9	0.0	0.0	n.a.	0.4	0.5
Trend 2003	0.6	3.8	0.0	0.0	n.a.	2.2	1.3

** 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

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 2004	8	26	0	0	0	4	38
First quarter 2003	7	2	0	0	0	4	13
Year-to-date 2004	8	26	0	0	0	4	38
Year-to-date 2003	7	2	0	0	0	4	13
Zone 2: Trois-Rivières-Ouest							
First quarter 2004	10	6	0	2	0	16	34
First quarter 2003	14	22	0	0	0	4	40
Year-to-date 2004	10	6	0	2	0	16	34
Year-to-date 2003	14	22	0	0	0	4	40
Zone 3: Cap-de-la-Madeleine							
First quarter 2004	9	0	0	0	0	16	25
First quarter 2003	9	0	0	0	0	0	9
Year-to-date 2004	9	0	0	0	0	16	25
Year-to-date 2003	9	0	0	0	0	0	9
Centre (zones 1 to 3)							
First quarter 2004	27	32	0	2	0	36	97
First quarter 2003	30	24	0	0	0	8	62
Year-to-date 2004	27	32	0	2	0	36	97
Year-to-date 2003	30	24	0	0	0	8	62
Zone 4: Outlying area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
First quarter 2004	24	2	0	0	0	0	26
First quarter 2003	15	0	0	0	0	6	21
Year-to-date 2004	24	2	0	0	0	0	26
Year-to-date 2003	15	0	0	0	0	6	21
TOTAL - TROIS-RIVIÈRES METROPOLITAN AREA							
First quarter 2004	51	34	0	2	0	36	123
First quarter 2003	45	24	0	0	0	14	83
Year-to-date 2004	51	34	0	2	0	36	123
Year-to-date 2003	45	24	0	0	0	14	83

Source: CMHC

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

Zones	First Quarter 2004	First Quarter 2003	Year-to-Date (Jan.-Mar.) 2004	Year-to-Date (Jan.-Mar.) 2003
Bécancour	9	2	9	2
Champlain	0	1	0	1
Pointe-du-Lac	9	7	9	7
Saint-Louis-de-France	3	4	3	4
Sainte-Marthe-du-Cap	3	1	3	1
Saint-Maurice	2	0	2	0

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 2004	1st Q 2003	1st Q 2004	1st Q 2003	1st Q 2004	1st Q 2003
Starts						
Centre	61	54	0	0	36	8
Suburbs	26	15	0	0	0	6
Under construction*						
Centre	62	41	6	0	59	201
Suburbs	9	8	0	0	4	49
Completions						
Centre	60	40	0	6	39	8
Suburbs	22	14	0	0	0	0
Unoccupied*						
Centre	21	26	2	3	7	7
Suburbs	0	3	0	0	0	0
Absorption						
Centre	59	36	0	3	39	4
Suburbs	11	3	0	0	0	0
Duration of inventory (months)*						
Centre	0.6	1.5	n.a.	n.a.	0.6	2.8
Suburbs	0.0	0.3	n.a.	n.a.	0.0	0.0

** At the end of the period shown*

*** Trend*

Source: CMHC

Table 5
Housing Supply
Trois-Rivières Metropolitan Area

Intended Market	*Under Construction*	*Unoccupied*	*Short-Term Supply*	*Duration of Supply (months)*
	March 2004			***Trend 2004***
Freehold	71	21	92	0.2
Condominium	6	2	8	n.a.
Rental	63	7	70	0.4
	March 2003			***Trend 2003***
Freehold	49	29	78	0.2
Condominium	0	3	3	n.a.
Rental	250	7	257	6.8

Source: CMHC

Table 6
Economic Overview
Trois-Rivières Metropolitan Area

	First Quarter		*Trend Jan.-Mar.*		*% Change*
	2003	*2004*	*2003*	*2004*	*Trend*
Labour market					
- Employment level	66.1	63.3	66.1	63.3	-4.2%
- Unemployment rate (%)	9.9%	10.5%	9.9%	10.5%	n.a.
Mortgage rates (%) (Canada)					
- 1-year	5.1	4.3	5.1	4.3	n.a.
- 5-year	6.6	5.9	6.6	5.9	n.a.
Annual inflation rate (%)	4.2	0.6	4.2	0.6	n.a.
Quebec consumer attitudes survey					
- Index of Consumer Attitudes (1991 = 100) (seasonally adjusted)	124.0	125.3	124.0	125.3	1.1%

Sources: Statistics Canada, Conference Board of Canada

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.

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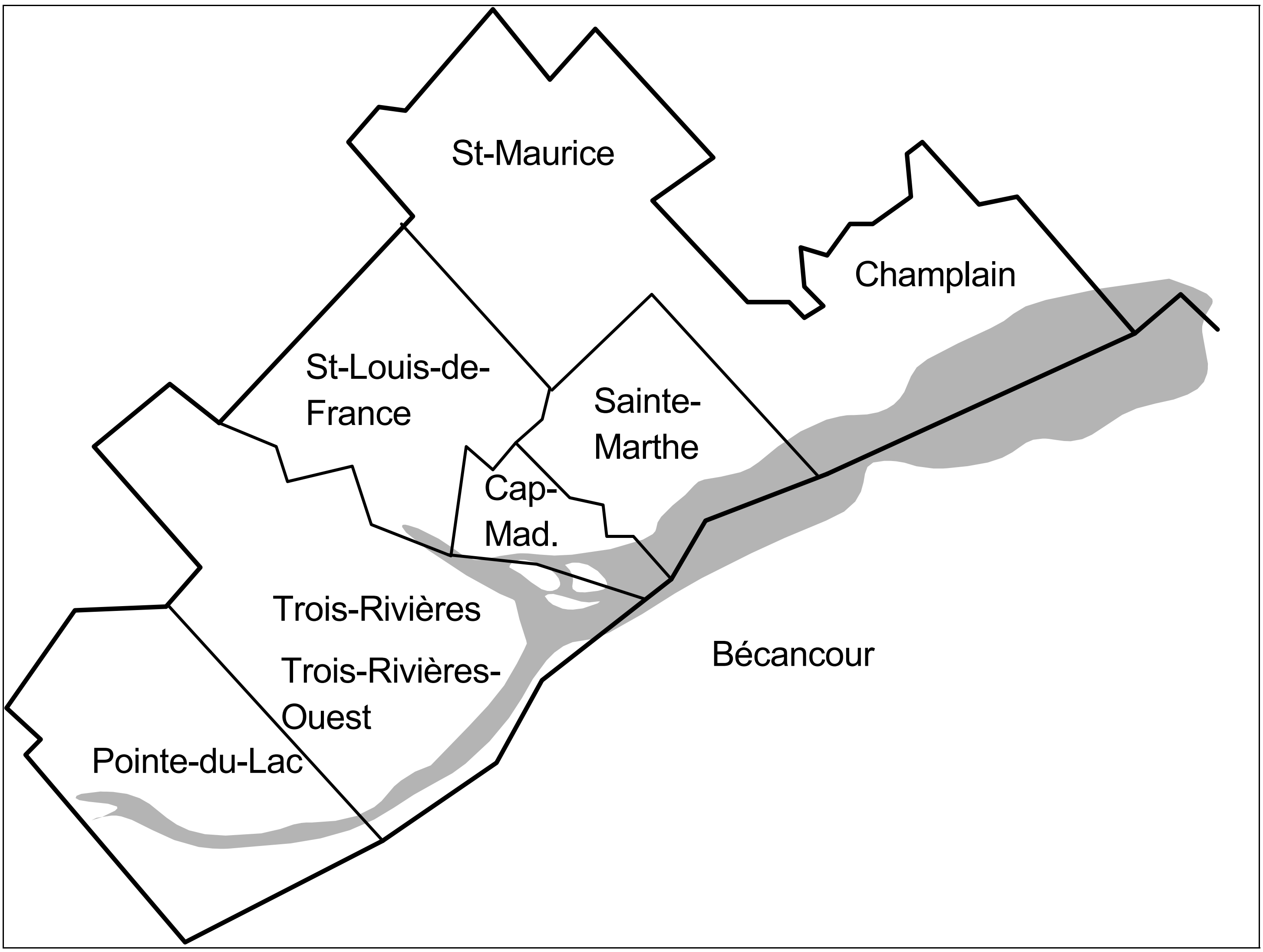
Trois-Rivières Metropolitan Area Zones

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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