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Trois-Rivières
YOUR LINK TO THE HOUSING MARKET
Canada Mortgage and Housing Corporation
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THIRD QUARTER 2002

Multiple Housing Starts Continue to Support Residential Construction in Trois-Rivières

Residential construction was on the rise for a third straight quarter in the Trois-Rivières census metropolitan area (CMA). In fact, for the period from July to September 2002, 134 housing starts were enumerated, for an increase of 31 per cent over the results achieved last year.

Significant Gain for Rental Housing Construction

Once again, it was the rental housing construction segment that was responsible for the increase observed. The 50 new units that were started represent considerable gain over the total recorded in the third quarter of 2001 (6 units). The second phase of the Quartier Richelieu project (40 units), a retirement home located in the Trois-Rivières-Ouest sector, supported this growth.

Single-Family Homes on the Decline

As for single-family home building, a decrease of 17 per cent was noted in the detached housing segment. Following a good start this year, the construction of houses slowed down somewhat. During the first few months of the year, many homes had

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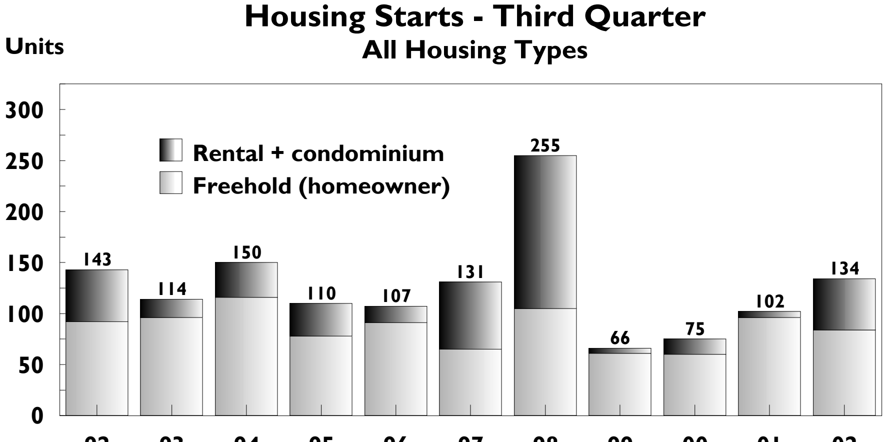
Housing Starts - Third Quarter
All Housing Types



Source: CMHC

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been started thanks to the favourable mortgage rates that prevailed. This slowdown is not the sign of a downward trend, however. A glance at the year-to-date results for 2002 reveals that new constructions are up by 7 per cent in the area. Semi-detached and row home building, for its part, remained stable with 22 starts, just one more than during the third quarter of 2001.

Year-to-Date Results Already Positive

Housing starts are therefore up for a third consecutive quarter. Since January, construction has gotten under way on 447 new dwellings, which ensures that the Trois-Rivières area will post its best year since 1998 for housing starts. Last year, 244 new constructions had been registered during the first nine months of the year.

Elsewhere in the Mauricie Area

The agglomeration of Shawinigan obtained its best performance since 1999, with 71 housing starts. Last year, 55 units had been started during the same period. In La Tuque, there have been 6 new constructions since the beginning of the year, compared to 4 during the corresponding period in 2001.

Conditions Across the Province

The increase in residential construction extends to all urban centres across the province. Since January, 24,682 housing starts have been enumerated in centres with 10,000 or more inhabitants, for a gain of 56 per cent over 2001. The greatest growth was observed in the Trois-Rivières area (83 per cent), followed by Sherbrooke (74 per cent), Chicoutimi-Jonquière (68 per cent), Québec (62 per cent), Montréal (60 per cent) and, lastly, Gatineau (51 per cent).

SPOTLIGHT ON THE 2001 CENSUS

The latest 2001 Statistics Canada census results on households and tenure options reveal certain features particular to Quebec

Essential factors

Household characteristics and trends are essential factors in housing market analysis. A review of the latest results from the 2001 Statistics Canada census revealed some national trends and also certain features specific to Quebec.

Households

In Quebec, there are close to 3 million households, representing around 26 per cent of the 11.5 million households or so in Canada. As shown in the graph, household formation and housing starts are closely linked. They reached a peak at the end of the 1980s, when the baby boomers left their parents to form their own households. The decrease in the number of new households observed over the past decade is therefore the direct cause of the decline in housing starts registered during the same period.

Households are not only becoming less numerous, but they are also getting older. The proportion of households aged over 35 years has increased since 1996. The median age in Quebec is now 38.8 years, up by 2.6 years over the previous census. Over the long term, the aging of the population will represent a challenge for the housing market, which will have to adjust to this change, especially after 2020 when the first baby boomers will be reaching the age of 75 years.

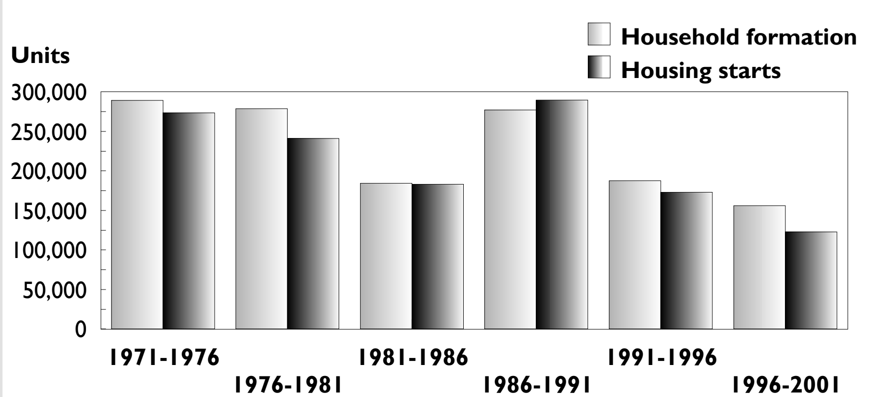
Among the census metropolitan areas (CMAs), household growth rates vary. The Gatineau and Sherbrooke areas post the highest rates, at 9.1 per cent and 7.6 per cent, respectively. Montréal and Québec follow, with rates of 5.7 per cent and 6.9 per cent, while Chicoutimi-Jonquière and Trois-Rivières showed the weakest growth in 2001, at 3.8 per cent and 3.3 per cent, respectively.

Housing tenure options

In 2001, Quebec had the lowest percentage of homeowners (56 per cent, down by 1 per cent from the previous census), in comparison with the national average of 66 per cent. Among the other Canadian provinces, Ontario has 67 per cent of homeowners, and Alberta, 70 per cent. The province with the largest proportion of homeowners is Newfoundland, where more than 78 per cent of households own their home.

Among the CMAs, Montréal has the lowest percentage of homeowners in the country, with just 50 per cent. Chicoutimi-Jonquière is the area where this percentage is the highest in Quebec (62 per cent).

Finally, Quebec has the smallest proportion of single-family homes (41.7 per cent versus 57.4 per cent for Canada). Montréal is in last place in this regard, with a meagre 31.8 per cent. The situation is considerably different when it comes to apartments: in Quebec, 43.2 per cent of households live in an apartment, compared to 27.1 per cent across the country.



Sources: CMHC and Statistics Canada

Table 1
Summary of Activity by intended Market
Trois-Rivières Metropolitan Area

Activity / period	Ownership					Rental	Total
	Freehold *				Condo-minium		
	Detached	Semi	Row	Apart.			
Starts							
Third Quarter 2002	62	22	0	0	0	50	134
Third Quarter 2001	75	16	0	5	0	6	102
Year-to-Date 2002 (Jan.-Sept.)	187	44	0	4	0	212	447
Year-to-Date 2001 (Jan.-Sept.)	175	40	0	5	0	24	244
Under construction **							
Third Quarter 2002	10	8	0	0	0	182	200
Third Quarter 2001	22	10	0	3	0	6	41
Completions							
Third Quarter 2002	69	24	0	4	0	26	123
Third Quarter 2001	71	14	0	5	0	21	111
Year-to-Date 2002	199	52	3	4	0	43	301
Year-to-Date 2001	167	48	0	5	5	42	267
Unoccupied **							
Third Quarter 2002	4	7	0	0	0	6	17
Third Quarter 2001	7	19	0	0	0	12	38
Absorptions***							
Third Quarter 2002	77	37	0	4	0	25	143
Third Quarter 2001	77	25	0	5	0	24	131
Year-to-Date 2002	206	62	3	4	0	40	315
Year-to-Date 2001	179	53	0	5	7	58	302
Duration of inventory (in months)							
2002 Trend	0.2	1.1	0.0	0.0	n /a	0.7	0.5
2001 Trend	0.4	3.2	n /a	0.0	0.0	3.2	1.2

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

*** As at the end of the period shown.*

**** Absorption in second quarter 2002 was incorrect*

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							
Third Quarter 2002	10	2	0	0	0	4	16
Third Quarter 2001	12	6	0	0	0	0	18
Year-to-Date 2002	28	10	0	0	0	20	58
Year-to-Date 2001	16	14	0	0	0	0	30
Zone 2: Trois-Rivières-Ouest							
Third Quarter 2002	19	18	0	0	0	40	77
Third Quarter 2001	22	10	0	3	0	3	38
Year-to-Date 2002	46	30	0	0	0	40	116
Year-to-Date 2001	53	22	0	3	0	9	87
Zone 3: Cap-de-la-Madeleine							
Third Quarter 2002	9	0	0	0	0	0	9
Third Quarter 2001	9	0	0	2	0	0	11
Year-to-Date 2002	31	0	0	0	0	146	177
Year-to-Date 2001	27	2	0	2	0	12	43
Centre (zones 1 to 3)							
Third Quarter 2002	38	20	0	0	0	44	102
Third Quarter 2001	43	16	0	5	0	3	67
Year-to-Date 2002	105	40	0	0	0	206	351
Year-to-Date 2001	96	38	0	5	0	21	160
Zone 4: Outlying Area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
Third Quarter 2002	24	2	0	0	0	6	32
Third Quarter 2001	32	0	0	0	0	3	35
Year-to-Date 2002	82	4	0	4	0	6	96
Year-to-Date 2001	79	2	0	0	0	3	84
TOTAL TROIS-RIVIÈRES MÉTROPOLITAN AREA							
Third Quarter 2002	62	22	0	0	0	50	134
Third Quarter 2001	75	16	0	5	0	6	102
Year-to-Date 2002	187	44	0	4	0	212	447
Year-to-Date 2001	175	40	0	5	0	24	244

Source: CMHC

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

Municipalities	Third Quarter 2002	Third Quarter 2001	Year-to-date (Jan.-Sept.) 2002	Year-to-date (Jan.-Sept.) 2001
Bécancour	11	11	31	21
Champlain	1	2	5	4
Pointe-du-Lac	6	11	20	24
St-Louis-de-France	4	4	15	13
Ste-Marthe-du-Cap	4	3	17	15
St-Maurice	0	1	2	4

Source: CMHC

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

Zone	Ownership				Rental	
	Freehold		Condominium			
	3rd Qrt 2002	3rd Qrt 2001	3rd Qrt 2002	3rd Qrt 2001	3rd Qrt 2002	3rd Qrt 2001
Starts						
Center	58	64	0	0	44	3
Suburbs	26	32	0	0	6	3
Under construction *						
Center	17	33	0	0	179	3
Suburbs	1	2	0	0	3	3
Completed						
Center	64	57	0	0	23	16
Suburbs	33	33	0	0	3	5
Unoccupied *						
Center	10	25	0	0	3	9
Suburbs	1	1	0	0	3	3
Absorbed						
Center	82	67	0	0	25	22
Suburbs	32	35	0	0	0	2
Duration of Inventory (months)**						
Center	0.5	1.5	n / a	0.0	0.4	2.4
Suburbs	0.1	0.1	n / a	0.0	4.5	n / a

* As at the end of the period shown.

** Trend

Source: CMHC

For more information about this publication, please contact:

Pascal-Yvan Pelletier
Market Analyst
Tel.: (418) 649-8102 **E-mail: ppelleti@cmhc.ca**

Table 5 Housing Supply Trois-Rivières Metropolitan Area				
Intended Market	Under Construction	Vacant Units	Short-term Supply	Duration of Supply (months)
	September 2002			Trend 2002
Freehold	18	11	29	1.0
Condominium	0	0	0	n /a
Rental	182	6	188	22.8
	September 2001			Trend 2001
Freehold	35	26	61	2.4
Condominium	0	0	0	0.0
Rental	6	12	18	4.8

Source: CMHC

Tableau 6 Economic Overview Trois-Rivières Metropolitan Area					
	Third Quarter		Trend Jan.-Sept.		Variation (%)
	2001	2002	2001	2002	Trend
Jobs Market					
- Employment Level	67.5	66.5	66.0	64.5	-2.3%
- Unemployement Rate (%)	9.8	9.9	9.2	10.2	n / a
Mortgage Rate (%) (Canada)					
- 1-year	6.0	5.3	6.6	5.2	n / a
- 5-year	7.5	6.9	7.6	7.1	n / a
Annual Inflation Rate (%)	2.3	2.2	2.7	1.5	n / a
Quebec's Consumer Attitudes: Survey					
- Index of Consumer Attitudes (1991 = 100, SA)	112.5	129.6	115.8	132.6	14.5%

Sources: Statistics Canada, Conference Board of Canada, CMHC

Note: Parenthesis indicates negatives values.

Definitions and concepts

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 - Rental Market Report • 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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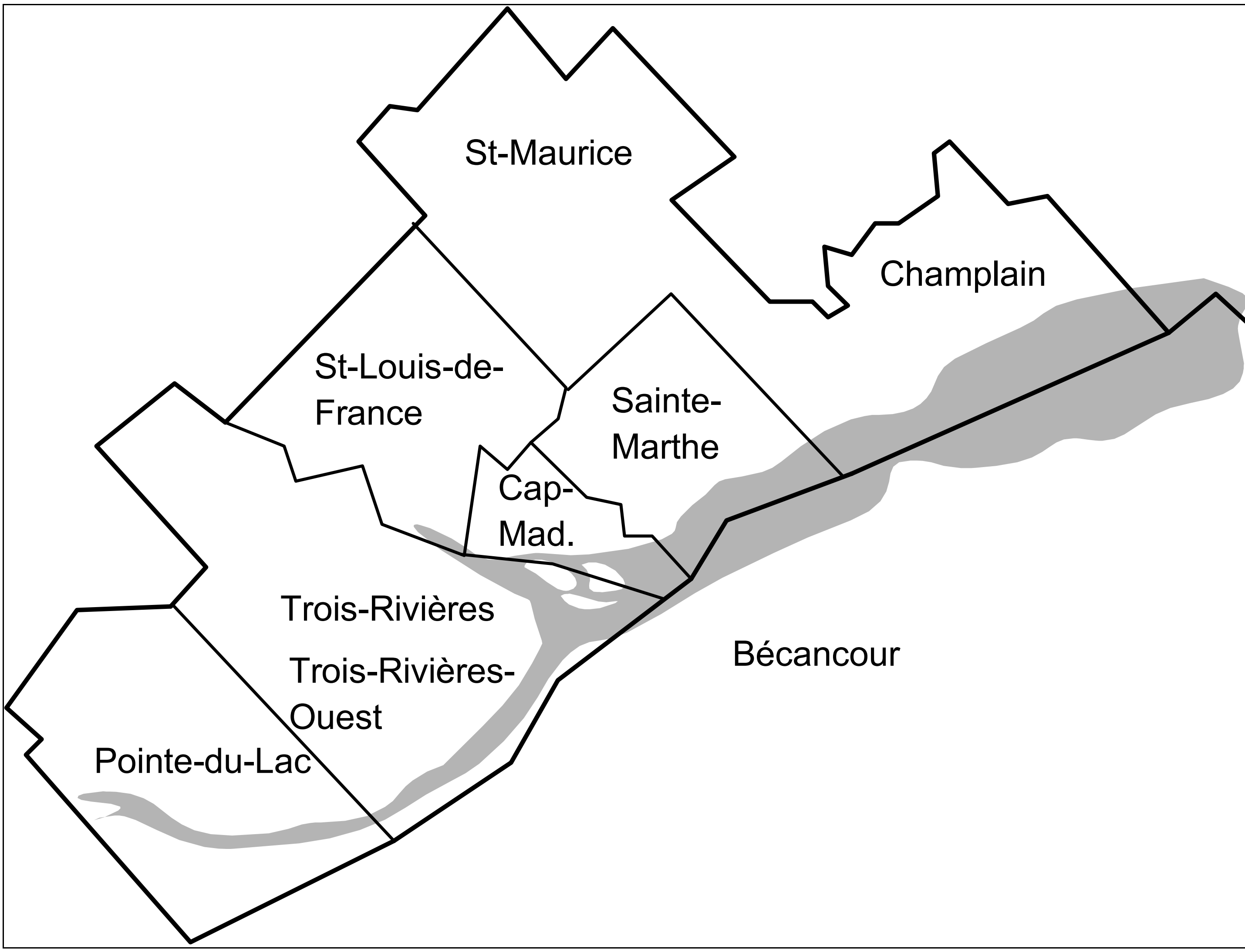
Zones of the Trois-Rivières Metropolitan Area

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



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FORECAST SUMMARY

Trois-Rivières

Fall - Winter 2002

Canada Mortgage and Housing Corporation

Set-Back in Residential Construction and Sales of Existing Homes Forecasted for 2003

Residential Construction

✓ As forecast at the beginning of the year, residential construction will rise considerably this year, as starts should reach 585 units, compared to 324 last year.

✓ This increase is mainly attributable to the apartment segment, where starts went up from 34 units in 2001 to 280 in 2002. Most of these dwellings are intended for the retirement home market, which is doing well.

✓ Single-family home building will rise slightly this year, on account of the good performance of the job market in recent years and the low mortgage rates.

✓ In 2003, housing starts will decline, as fewer apartments will get under way. Out of the 115 apartments that will be started, most will be affordable housing units that will be built thanks to the Accès-Logis program or to a special allowance for less well-off seniors.

✓ The increase in single-family home starts anticipated for 2003 will not be sufficient to offset the shortfall resulting from the decrease in the production of apartments.

Resale Market

✓ In 2002, sales through the Multiple Listing Service (MLS) will reach a peak, at 840 transactions, before going back down to 800 in 2003.

✓ Mortgage rates, which reached their lowest level in the last 40 years at the beginning of 2002, prompted more than one household to purchase a property. This haste on the part of many buyers will result in a slight decline in sales next year, as some households will have bought a home earlier than planned given the favourable economic and financial conditions.

✓ The seller-to-buyer ratio will remain just under 10 to 1. The average price of detached houses will rise by 3.7 per cent in 2002 and by 2.5 per cent in 2003, in line with income growth.

Rental Market

✓ On account of a stronger demand, the rental housing vacancy rate will reach 3.0 per cent in 2002, compared to 4.7 per cent one year earlier. The improvement in youth employment contributed to these tighter conditions.

✓ Rents, for their part, are expected to increase by 1.4 per cent in 2002. In 2003, rents will rise more sharply, and the vacancy rate will fall below 3 per cent.

Mortgage Rates

✓ In the first half of 2003, the rates will rise slightly, which will limit the impact on next year's demand, as most housing choices are made during the first few months of the year.

✓ The rates will rise again on account of the continued economic growth, concern on the financial markets with regard to inflation and monetary tightening measures to come.

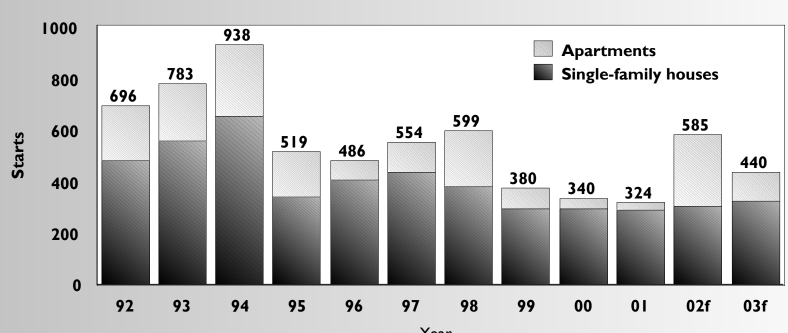
Employment and Economy

✓ The current conditions are favourable to job creation in the area. The economy is therefore continuing its recovery, but at a slower pace than across Quebec.

✓ The forecast calls for 1,000 new jobs this year and 800 in 2003.

Residential Construction

Trois-Rivières Census Metropolitan Area



f: CMHC forecast
Source: CMHC

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FORECAST SUMMARY
Trois-Rivières Metropolitan Area
Fall - Winter 2002

	2000	2001	2002f	2003f
NEW HOME MARKET				
Total housing starts	**337**	**324**	**585**	**440**
Single-family houses	292	290	300	320
Condominiums	3	0	5	5
Apartments	45	34	280	115
Unoccupied units (monthly average)	**90**	**90**	**75**	**70**
Single-family houses	50	50	40	35
RESALE MARKET				
MLS sales (total) - single-family houses	**746**	**824**	**840**	**800**
MLS listings - single-family houses	748	682	650	650
Seller-to-buyer ratio (single-family houses)	12	9.9	9.3	9.8
Average MLS price ($) - detached houses	78,000	75,700	78,500	80,500
- semi-detached houses	64,000	69,700	70,000	70,500
RENTAL MARKET				
Vacancy rate (%)	6.8	4.7	3	2.7
Average rent for a two-bedroom unit ($)	413	419	425	435
Change in average rent (%)	2.5	1.5	1.4	2.4
ECONOMIC OVERVIEW				
Mortgage rate - 1-year (%)	7.85	6.14	5.13	6.18
Mortgage rate - 5-year (%)	8.35	7.41	7.14	7.91
Unemployment rate (%)	10.5	9.3	8.9	8.6
Employment growth (number of jobs)	225	3,300	1,000	800

f: CMHC forecast

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).