

H

HOUSING NOW *Chicoutimi-Jonquière*

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

www.cmhc.ca

VOLUME 5, EDITION 3,
THIRD QUARTER 2002

RETIREMENT HOME CONSTRUCTION DRIVES HOUSING STARTS

In the Chicoutimi-Jonquière census metropolitan area (CMA), 235 housing starts were recorded during the third quarter of 2002, for a significant increase of 167 per cent over the corresponding period in 2001. These results marked renewed growth following the decrease registered in the previous quarter.

As revealed by the CMHC retirement home market survey conducted in 2001, this market is very tight, with a vacancy rate of just 2.5 per cent. And, with the aging of the population, many investors see Chicoutimi-Jonquière as an area that offers interesting potential for launching new projects.

Rental Market

The housing starts gain posted in the Chicoutimi-Jonquière CMA resulted mainly from retirement housing construction. In fact, out of the 148 rental dwellings that were started during this past quarter, 120 are intended for seniors. The current intense activity on the retirement home market is attributable to several factors.

Single-Family Home Building Performance

The construction of detached houses also did very well with 79 starts, for an increase of 25 per cent over the third quarter of 2001. In the semi-detached and row home segment, the number of new units also rose, as 8 such starts were

IN THIS ISSUE

Analysis

Retirement Home Construction Drives Housing Starts	1
Rental Market	1
Single-Family Home Building Performance	1
Year-to-date Results for 2002	2
Elsewhere in the Lac-Saint-Jean Area	2
Conditions Across the Province	2
Spotlight on the 2001 Census	2

Tables

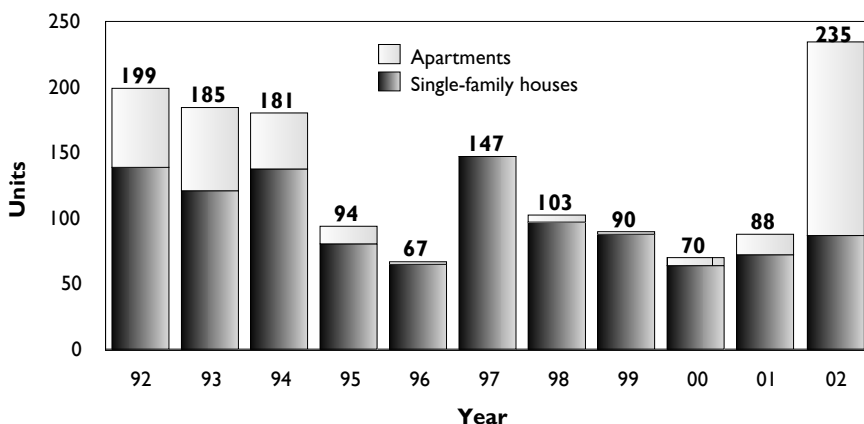
1. Summary of Activity by Intended Market	3
2. Housing Starts by Zone and by Intended Market	4
3. Detached and Semi-Detached Houses Absorbed by Price Range	5
4. Housing Supply	5
5. Housing Starts by Agglomeration and by Intended Market - Lac-Saint-Jean	6
6. Economic Overview	7

Definitions and Concepts

Chicoutimi-Jonquière Metropolitan Area Zones	8
---	----------

Total Housing Starts

Third Quarter
Chicoutimi-Jonquière Metropolitan Area



Source: CMHC



HOME TO CANADIANS
Canada

enumerated, compared to 4 last year. The low mortgage rates observed since the beginning of the year are the main reason for this vigorous home building activity.

Year-to-Date Results for 2002

Overall, the results for the first nine months of 2002 are positive. In fact, housing starts are up by 68 per cent over 2001. Once again, thanks to the different retirement home projects, the rental housing segment came in first with 188 starts, compared to 31 in 2001. Detached housing came in second with an increase of 8 per cent. Semi-detached and row homes, for their part, sustained a decrease of 43 per cent, for a total of 12

houses in 2002.

Elsewhere in the Lac-Saint-Jean Area

Dolbeau-Mistassini is the only municipality that posted a gain in housing starts in the third quarter of 2002, with 15 new detached houses, compared to 7 during the same period in 2001. Roberval recorded a decrease of 50 per cent, as construction got under way on just 4 detached homes. In Alma, total housing starts fell by 4 per cent this past quarter. While rental housing construction was up by 88 per cent, detached home building was down by 42 per cent, in relation to 2001. Finally, Saint-Félicien was added to the survey this year, and 7 detached

housing starts were enumerated there during the three-month period ending in September.

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.

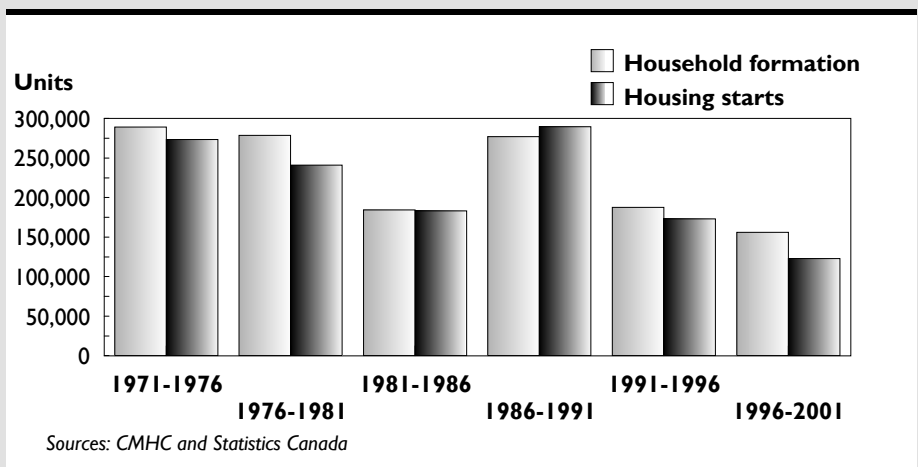


Table I
Summary of Activity by Intended Market
Chicoutimi-Jonquière Metropolitan Area

Activity / period	Ownership					Rental	Total
	Freehold *				Condo-minium		
	Detached	Semi-det.	Row	Apart.			
Starts							
Third Quarter 2002	79	8	0	12	0	136	235
Third Quarter 2001	63	4	0	5	0	16	88
Year-to-Date 2002	202	12	0	14	0	174	402
Year-to-Date 2001	187	21	0	7	0	24	239
Under construction **							
Third Quarter 2002	70	8	0	10	0	143	231
Third Quarter 2001	60	5	0	5	0	18	88
Completions							
Third Quarter 2002	114	4	0	6	0	2	126
Third Quarter 2001	88	10	0	2	0	6	106
Year-to-Date 2002	173	8	0	6	0	91	278
Year-to-Date 2001	158	16	0	4	0	22	200
Unoccupied **							
Third Quarter 2002	1	2	0	0	0	6	9
Third Quarter 2001	2	0	0	0	0	4	6
Absorptions***							
Third Quarter 2002	114	4	0	6	0	23	147
Third Quarter 2001	90	10	0	2	0	14	116
Year-to-Date 2002	174	6	0	9	0	87	276
Year-to-Date 2001	160	16	0	4	0	24	204
Short term Supply							
Third Quarter 2002	71.0	10.0	0.0	10.0	0.0	149.0	240.0
Third Quarter 2001	62.0	5.0	0.0	5.0	0.0	22.0	94.0

* Refers to single-family houses (detached, semi-detached and row) owned under freehold tenure and duplex occupied by the owner(s).

** 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
Chicoutimi-Jonquière Metropolitan Area

<i>Zone / period</i>	<i>Ownership</i>					<i>Rental</i>	<i>Total</i>
	<i>Freehold</i>				<i>Condo- minium</i>		
	<i>Detached</i>	<i>Semi-det.</i>	<i>Row</i>	<i>Apart.</i>			
Zone 1: City of Chicoutimi							
Third Quarter 2002	27	2	0	4	0	8	41
Third Quarter 2001	20	0	0	0	0	8	28
Year-to-Date 2002	54	2	0	6	0	12	74
Year-to-Date 2001	40	7	0	2	0	10	59
Zone 2: Jonquière							
Third Quarter 2002	19	6	0	2	0	106	133
Third Quarter 2001	14	2	0	5	0	8	29
Year-to-Date 2002	70	8	0	2	0	140	220
Year-to-Date 2001	60	6	0	5	0	14	85
Zone 3: La Baie							
Third Quarter 2002	4	0	0	0	0	0	4
Third Quarter 2001	7	0	0	0	0	0	7
Year-to-Date 2002	14	0	0	0	0	0	14
Year-to-Date 2001	16	2	0	0	0	0	18
Centre (zones 1 to 3)							
Third Quarter 2002	50	8	0	6	0	114	178
Third Quarter 2001	41	2	0	5	0	16	64
Year-to-Date 2002	138	10	0	8	0	152	308
Year-to-Date 2001	116	15	0	7	0	24	162
Zone 4: Outlying Area (Lac Kénogami, Larouche, Laterrière, St-Fulgence, etc.)							
Third Quarter 2002	29	0	0	6	0	22	57
Third Quarter 2001	22	2	0	0	0	0	24
Year-to-Date 2002	64	2	0	6	0	22	94
Year-to-Date 2001	71	6	0	0	0	0	77
TOTAL CHICOUTIMI-JONQUIÈRE MÉTROPOLITAN AREA							
Third Quarter 2002	79	8	0	12	0	136	235
Third Quarter 2001	63	4	0	5	0	16	88
Year-to-Date 2002	202	12	0	14	0	174	402
Year-to-Date 2001	187	21	0	7	0	24	239

Source: CMHC

Table 3**Detached and Semi-Detached Houses Absorbed by price Range - Third Quarter
Chicoutimi-Jonquière Metropolitan Area**

Type	Under \$70,000		\$70,000 to \$89,999		\$90,000 to \$109,999		\$110,000 to \$129,999		\$130,000 or over	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Detached	3	9	16	13	29	20	32	25	34	23
Semi-Det.	0	2	1	4	2	2	0	0	1	2
Total	3	11	17	17	31	22	32	25	35	25
Market Share (%)	3.0	10.0	14.0	14.0	25.0	22.0	28.0	28.0	30.0	26.0

Source: CMHC

Table 4**Housing Supply / Third Quarter 2002
Chicoutimi-Jonquière Metropolitan Area**

	<i>Intended Market</i>			
	<i>Freehold</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Under construction	88	0	143	231
Vacant Inventory	3	0	6	9
Short-Term Supply	91	0	149	240
Short-Term Supply Duration (in months, trend)	n/a	n/a	n/a	n/a

Source: CMHC

For more information about this publication,
please contact:

Benoît Allaire

Market Analyst
Tel.: (418) 649-8100
ballaire@cmhc.ca

**Table 5
Housing Starts by Agglomeration and by Intended Market
Lac-St-Jean**

Agglomeration / period	Ownership					Rental	Total
	Freehold				Condo-minium		
	Detached	Semi-det.	Row	Apart.			
Alma							
Third Quarter 2002	11	0	0	2	0	13	26
Third Quarter 2001	11	8	0	4	0	4	27
Year-to-Date 2002	43	0	0	2	0	16	61
Year-to-Date 2001	30	10	5	6	0	4	55
Dolbeau-Mistassini							
Third Quarter 2002	15	0	0	0	0	0	15
Third Quarter 2001	7	2	0	0	0	0	9
Year-to-Date 2002	24	2	0	0	0	0	26
Year-to-Date 2001	24	4	0	2	0	0	30
Roberval							
Third Quarter 2002	2	0	0	0	0	0	2
Third Quarter 2001	4	0	0	0	0	0	4
Year-to-Date 2002	6	0	0	0	0	4	10
Year-to-Date 2001	14	6	0	0	0	0	20
Saint-Félicien							
Third Quarter 2002	7	0	0	0	0	0	7
Third Quarter 2001	**	**	**	**	**	**	**
Year-to-Date 2002	21	0	0	0	0	0	21
Year-to-Date 2001	**	**	**	**	**	**	**

Source: CMHC

**Interested by the Vacancy Rates and Average Rents of the rented apartments,
following the October 2002 Survey?**

You can find them and more in the:

FASTFAXES

which provide the summary results of the survey
(available at the end of november 2002)

RENTAL MARKET REPORTS

which provide a more in-depth and detailed study of the data collected
(available in the beginning of 2003)

To obtain them, please contact our Customer Service at 1-866-855-5711

Table 6
Economic Overview
Chicoutimi-Jonquière Metropolitan Area

	2001		2002		
	3rd Quart.	4th Quart.	1st Quart.	2nd Quart.	3rd Quart.
Mortgage Rate (%) (Canada)					
- 1-year	6.0	4.7	4.8	5.5	5.3
- 5-year	7.5	6.9	7.1	7.4	6.9
Inflation (Province of Quebec)					
- Inflation Rate (%)	2.3	1.3	1.5	0.9	2.3
- Consumers Price Index (1992=100)	113.7	113.1	113.9	115.0	116.3
Quebec's Consumer Attitudes: Survey					
- Index of Consumer Attitudes (1991 = 100, SA)	112.5	110.5	131.2	136.9	129.6
Jobs Market					
- Jobs Creation (Loss) compare to the last quarter	- Total 2,100	2,600	400	-700	-2,300
	- Full Time 3,600	2,600	2,400	-4,600	-2,500
- Jobs Creation (Loss) compare to the same quarter last year	- Total 73,000	72,000	70,000	68,900	70,700
	- Full Time 60,300	56,700	53,900	53,100	57,800
- Unemployment Rate (%)	10.7	11.4	13.6	12.3	9.7

Sources: Statistics Canada, Conference Board of Canada, CMHC

Note: Parenthesis indicates negatives values.

Please take note that the document

FORECAST SUMMARY

usually included each year with the 2nd and 4th Quarters of the **Housing Now** reports, will be send in the future with the 1st and 3rd Quarters.

For any question, please contact our

CUSTOMER SERVICE DEPARTMENT

at

1-866-855-5711

or by Email: cam_qc@cmhc.ca

Definitions and Concepts

Canada Mortgage and Housing Corporation (CMHC) conducts a monthly survey called "Survey on Housing Starts, Completion and Absorption" for all the urban areas in Canada with a population of 10,000 residents or more. This quarterly Housing Market publication provides statistical data and analysis of the trends in the Intended Markets for the Chicoutimi-Jonquière Metropolitan Area.

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 b

ut 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).

Chicoutimi-Jonquière Metropolitan Area Zones

Zones	Municipalities	Large zone
1	Chicoutimi	Centre
2	Jonquière	Centre
3	La Baie	Centre
4	Lac Kénogami, Larouche, Laterrière, St-Fulgence, St-Honoré, Shipshaw, Canton Tremblay.	Peripheral Area

Housing Now is published four times a year for the Chicoutimi Metropolitan Area. Annual Subscription to the Chicoutimi Housing Now is \$55.00 plus applicable taxes. For more information, or to subscribe, contact our Customer Service Centre at 1-866-855-5711.

© 2002 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada

Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this

publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.

F

ORECAST

Chicoutimi-
Jonquière

Fall - Winter 2002

SUMMARY

Canada Mortgage and Housing Corporation

Decrease in Activity Anticipated for 2003

➤ The 2001 census results revealed that the population in the Chicoutimi-Jonquière census metropolitan area (CMA) declined by 3.4 per cent between 1996 and 2001. However, households increased by 3.8 per cent over the same period.

2002. Given the employment difficulties registered for the second half of the year, starts should decrease slightly in 2003, reaching about 250 units.

➤ Chicoutimi-Jonquière is still one of the least expensive areas in the country for housing. The situation is not bound to change, as we anticipate rental increases of less than 1 per cent for 2002 and 2003.

Residential Construction

➤ In 2002, the Chicoutimi-Jonquière CMA will end the year with 620 housing starts.

➤ Thanks to the construction of retirement homes, the rental market has been the driving force behind residential construction in 2002. So far, during the first 10 months of the year, almost 300 units intended for seniors have been started. The total for 2002 is expected to reach some 345 units, taking into account the traditional rental housing segment.

➤ In 2003, the rental market should post around 60 additional units, divided between the traditional and retirement housing segments.

➤ Detached, semi-detached and row housing starts will attain 275 units in

Rental Market

➤ In 2002, the apartment vacancy rate will stay in the range of 4 per cent to 5 per cent, where it has been hovering since 1997. The many rental housing starts should push this rate back up slightly in 2002, to around 4.9 per cent.

➤ Vacancies will remain practically nil in apartment retirement homes during 2002. Demand is strong in this market segment on account of the aging population.

➤ In 2003, the situation will change, when two major retirement homes will begin their operations. The vacancy rate will go back up in this segment and, consequently, on the overall rental market. In fact, for 2003, it is expected that the rate will rise above the upper limit of the range and reach 5.5 per cent.

Resale Market

➤ Sales through the Multiple Listing Service (MLS) will rise slightly in 2002. Following strong sales in recent years, the choice of homes for sale is now more limited. Consequently, average prices will go up by 4.8 per cent in 2002.

➤ For 2003, the slowdown on the job market should affect this market and bring about a decrease in sales and an increase in prices in line with inflation.

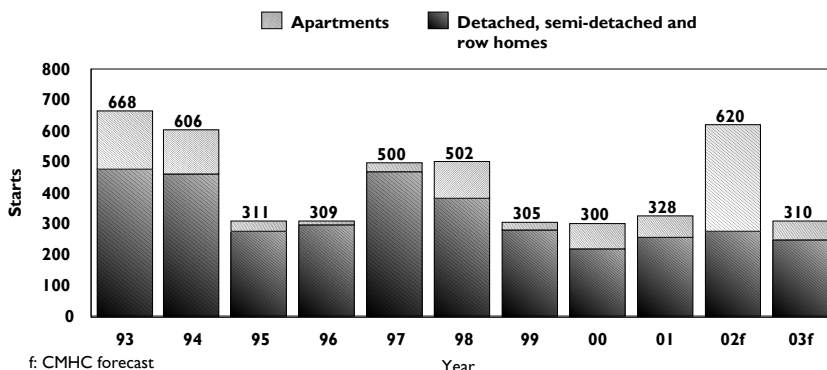
Mortgage Rates

➤ Mortgage rates will start rising around mid-year 2003 and will follow the changes in the key policy interest rate set by the Bank of Canada.

Employment and Economy

➤ In the Chicoutimi-Jonquière CMA, the lumber crisis caused some job losses as of the second quarter of 2002. The contraction of the job market should come to an end with the arrival of the new year and, as a result, 2003 will close with a gain of about 1 per cent in the level of employment.

Residential Construction Chicoutimi-Jonquière Metropolitan Area



f: CMHC forecast
Source: CMHC



HOME TO CANADIANS
Canada

FORECAST SUMMARY

Chicoutimi-Jonquière Metropolitan Area

Fall - Winter 2002

	2000	2001	2002f	2003f
RESALE MARKET				
MLS sales*	848	969	990	875
Average price (\$)	82,331	85,480	89,620	91,000
NEW HOME MARKET				
Starts				
Total	296	320	620	310
Single-family homes	223	255	275	250
Condominiums	0	0	0	0
Rental housing units	73	65	345	60
Average price (\$)				
Detached houses	106,196	108,197	117,281	120,000
Semi-detached houses	75,538	76,364	80,000	81,500
RENTAL MARKET				
Vacancy rate (%)	4.4	4.4	4.9	5.5
Rent for a 2-bedroom unit (\$)	438	439	440	441
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
Job creation (number)	3,125	-100	-3,500	825
Unemployment rate (%)	11.3	9.7	10.2	10.5

f: CMHC forecast

Data sources: CMHC, Statistics Canada, Multiple Listing Service (Chambre immobilière du Saguenay-Lac-Saint-Jean)

(*) 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).

*For more information about this publication,
please contact:*

Benoît Allaire
Market Analyst
ballaire@cmhc.ca
(418) 649-8100

© 2002 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada Mortgage and Housing

Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this publication are based on various sources

believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.