HOUSING NOW
Gatineau
YOUR LINK TO THE HOUSING MARKET
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Canada Mortgage and Housing Corporation
VOLUME 7, EDITION 3
THIRD QUARTER 2004

Very active third quarter for residential construction

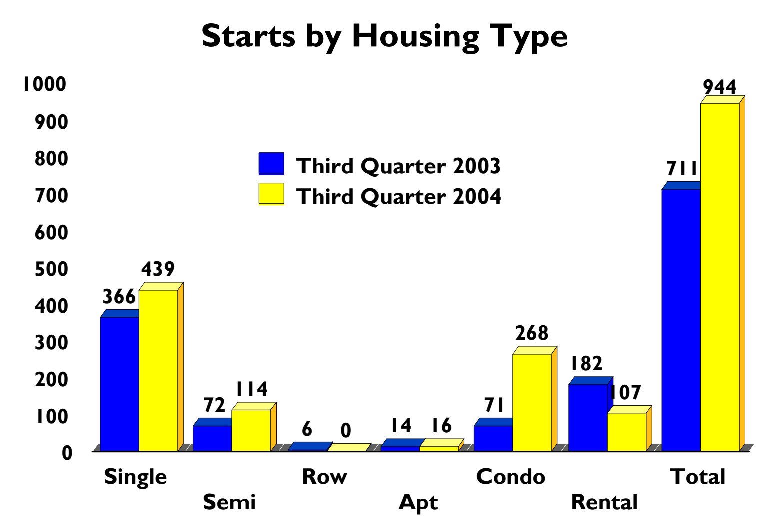
New home market regains strength

In the third quarter of 2004, 944 new dwellings were started, or 233 more than during the same period in 2003, for an increase of 33 per cent on the Outaouais new home market.

As well, on a year-to-date basis, new construction remains stronger this year than last year.

In fact, at the end of September 2003, 1945 starts had been recorded in the Outaouais area, in comparison with 2,289 during the same period in 2004, for a non-negligible gain of 18 per cent.

Although 2004 is not yet over, it can already be seen that this year is not headed for a slowdown. Even if the last few months of the year turned out to be calmer, the final result could still rival the performance posted in 2003.



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Multiple housing construction makes the difference

In the multiple housing segment, activity is looking up. In fact, 391 units of this type were started in the third quarter, or 115 more than during the same quarter last year. While row home building did not contribute to these successful results, apartment construction stimulated activity in this market segment. With rental housing starts down by 41 per cent, it was condominium construction that had to ensure more intense activity on job sites. For this housing type, 268 starts were registered, or 197 more than during the same period last year.

Two trends still co-exist on this market. On the one hand, the declining affordability of houses continues to benefit condominiums. In fact, potential buyers, not wanting to give up on their dream of owning a home, continue to see this type of housing as an interesting alternative. It can effectively be seen that part of the new supply of this type of housing is concentrated in the Gatineau sector, where land costs are lower than in Hull or Aylmer.

For the second trend, it can be noted, on the other hand, that the Hull and Aylmer sectors, for their part, saw the arrival of more expensive condominium apartments. These units are targeted to clients for whom affordability is a less important factor than lifestyle.

As for the other housing types, single- and semi-detached homes were more numerous, with respective gains of 73 and 42 starts over last year.

Aylmer, Masson-Angers and Buckingham are the big winners

The need for affordable dwellings favoured certain housing types, as well as certain sectors. In fact, while construction remained limited in the suburbs, the price increases were so significant that some households had to buy farther away from the urban centres. This particularly benefited the Masson-Angers and Buckingham sectors. In fact, these two sectors had posted a total of 10 starts during the third quarter of 2003, compared to 90 new units, mostly semi-detached homes, from July to September 2004.

In Aylmer, the supply of upscale homes shows that demand for dwellings in this category has not yet completely run dry. Activity is up for all housing types, but single-detached home building is the driving force behind the growth, with 99 more starts than last year. Condominium construction also seems to have found a new niche in this sector as, since the beginning of the year, there have been 54 such starts, while this housing type was absent from the market in 2003.

In the Hull and Gatineau sectors, activity remained stable, essentially fuelled by condominium starts. The outlying area, for its part, was not left out, with a gain of 15 per cent.

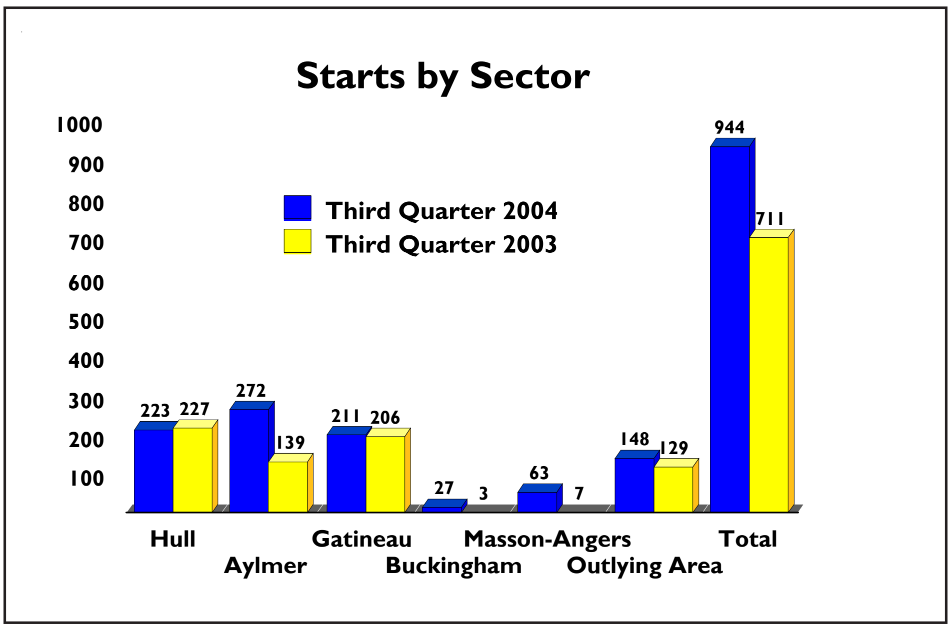

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Table 1
Summary of Activity by Intended Market
Gatineau Metropolitan Area*

Activity / Period	Ownership		Rental	Total
	Freehold**	Condominium		
Starts				
Third quarter 2004	569	268	107	944
Third quarter 2003	458	71	182	711
Year-to-date 2003	1,478	573	238	2,289
Year-to-date 2003	1,300	71	574	1,945
Under construction				
September 2004	662	316	138	1,116
September 2003	547	71	381	999
Completions				
Third quarter 2004	513	346	114	973
Third quarter 2003	731	27	379	1,137
Year-to-date 2003	1,356	516	334	2,206
Year-to-date 2003	1,680	30	636	2,346
Unoccupied				
September 2004	15	97	23	135
September 2003	1	0	0	1
Absorption				
Third quarter 2004	502	249	47	798
Third quarter 2003	742	27	346	1,115
Year-to-date 2003	1,348	419	267	2,034
Year-to-date 2003	1,811	30	602	2,443
Duration of inventory (months)				
September 2004	0.1	2.8	0.5	0.6
September 2003	0.0	0.0	0.0	0.0

Source: CMHC

** As per former delimitation*

*** Refers to single-family houses (single-detached, semi-detached and row homes) owned under freehold tenure and owner-occupied duplexes*

Table 2
Housing Starts by Zone and by Intended Market
Gatineau Metropolitan Area*

Zone / Period	Ownership					Rental	Total
	Freehold				Condo-minium		
	Single	Semi	Row	Apt.**			
Zone 1: Hull							
Third quarter 2004	12	0	0	0	153	58	223
Third quarter 2003	58	30	3	10	0	126	227
Year-to-date 2003	62	0	34	2	262	111	471
Year-to-date 2003	166	52	3	16	0	304	541
Zone 2: Aylmer							
Third quarter 2004	180	34	0	0	22	36	272
Third quarter 2003	81	28	3	2	0	25	139
Year-to-date 2003	358	116	3	4	54	45	580
Year-to-date 2003	196	88	6	8	0	47	345
Zone 3: Gatineau							
Third quarter 2004	87	14	0	4	93	13	211
Third quarter 2003	98	4	0	2	71	31	206
Year-to-date 2003	359	24	5	14	257	50	709
Year-to-date 2003	360	34	0	12	71	219	696
Zone 4: Buckingham							
Third quarter 2004	11	14	0	2	0	0	27
Third quarter 2003	3	0	0	0	0	0	3
Year-to-date 2003	17	18	0	2	0	8	45
Year-to-date 2003	10	6	0	0	0	0	16
Zone 5: Masson-Angers							
Third quarter 2004	11	52	0	0	0	0	63
Third quarter 2003	1	6	0	0	0	0	7
Year-to-date 2003	22	88	0	0	0	24	134
Year-to-date 2003	14	22	0	0	0	4	40
Zone 6: Outlying area							
Third quarter 2004	138	0	0	10	0	0	148
Third quarter 2003	125	4	0	0	0	0	129
Year-to-date 2003	334	0	0	16	0	0	350
Year-to-date 2003	291	6	0	10	0	0	307
TOTAL - GATINEAU METROPOLITAN AREA							
Third quarter 2004	439	114	0	16	268	107	944
Third quarter 2003	366	72	6	14	71	182	711
Year-to-date 2003	1,152	246	42	38	573	238	2,289
Year-to-date 2003	1,037	208	9	46	71	574	1,945

Source: CMHC

** As per former delimitation*

*** Owner-occupied duplexes*

Table 3 Single-Detached and Semi-Detached Houses Absorbed by Price Range and by Zone Gatineau Metropolitan Area* - Third Quarter												
Type	***Under $90,000***		***$90,000 to $109,999***		***$110,000 to $129,999***		***$130,000 to $149,999***		***$150,000 or over***		***Total***	
	2004	***2003***	***2004***	***2003***	***2004***	***2003***	***2004***	***2003***	***2004***	***2003***	***2004***	***2003***
Zone 1: Hull												
Single	0	0	0	0	0	0	0	7	10	102	10	109
Semi	0	0	0	0	0	0	0	10	0	12	0	22
Zone 2: Aylmer												
Single	0	0	0	0	0	4	1	11	123	69	124	84
Semi	0	0	0	2	4	20	36	26	36	6	76	54
Zone 3: Gatineau												
Single	0	0	0	1	0	39	15	48	68	138	83	226
Semi	0	0	10	2	0	12	0	0	0	2	10	16
Zone 4: Buckingham												
Single	0	0	0	1	0	3	0	1	5	2	5	7
Semi	0	0	0	2	0	4	0	0	0	0	0	6
Zone 5: Masson-Angers												
Single	0	0	0	0	0	3	1	9	11	2	12	14
Semi	0	0	32	0	6	8	20	0	0	0	58	8
Zone 4: Outlying area												
Single	0	0	1	1	3	10	7	10	85	115	96	136
Semi	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL - GATINEAU METROPOLITAN AREA												
Single	0	0	1	3	3	59	24	86	302	428	330	576
Semi	0	0	42	6	10	44	56	36	36	20	144	106

Source: CMHC

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RENTAL MARKET REPORTS

which provide a more in-depth and detailed study of the data collected

(available at the end of december 2004)

Table 4
Housing Demand and Supply
Gatineau Metropolitan Area* - September 2004

Type	*Under Construction*	*Unoccupied*	*Short-Term Supply*	*Absorption (Trend**)*	*Supply / Absorption Ratio*
Freehold	662	15	677	161.0	4.2
Condominium	316	97	413	34.9	11.8
Rental	138	23	161	42.0	3.8

Source: CMHC

** As per former delimitation*

*** 12-month average*

Table 5
Economic Overview
Gatineau Metropolitan Area*

	Third Quarter		*Trend (Jan.-Sept.)*		*% Change*
	2003	*2004*	*2003*	*2004*	*Trend*
Labour market					
Population 15 years + (000)	216.6	222.6	215.3	221.0	2.7
Labour force (000)	158.3	158.7	153.6	155.3	1.2
Employment level - total (000)	148.7	149.3	143.5	145.4	1.3
Employment level - full-time (000)	124.4	127.2	119.9	122.6	2.3
Unemployment rate	6.1%	5.9%	6.6%	6.4%	n.a.
Mortgage rates (1) (%)					
1-year	4.6	4.6	4.9	4.5	n.a.
5-year	6.3	6.4	6.4	6.2	n.a.
Annual inflation rate (2)	1.7	2.1	2.9	1.6	n.a.
Index of Consumer Confidence (1991=100) (2)	123.7	121.3	122.8	122.5	n.a.

Sources: Statistics Canada, Conference Board of Canada

** As per former delimitation*

Notes: (1) Canada (2) Province of Quebec

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 Gatineau Metropolitan Area.

Intended Markets - There are three: the Freehold market refers to Single-Family Houses (Detached, Semi-Detached 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 basement will not be a part of the structure.

Under Construction - Refers to units that have started but 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).

Gatineau Metropolitan Area Zones

Zones	*Municipalities of Sectors*	*Large zones*
1	Hull	Centre
2	Aylmer	Centre
3	Gatineau	Centre
4	Buckingham, Cantley, Chelsea, La Pêche, Masson-Angers, Pontiac, Val-des-Monts.	Peripheral Area

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