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Canada Mortgage and Housing Corporation

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Residential construction in Trois-Rivières: remarkable vigour in 2002

In the last few months, the Trois-Rivières census metropolitan area (CMA) posted a significant gain in its level of housing starts (+115 per cent). According to the data drawn from the survey conducted by Canada Mortgage and Housing Corporation (CMHC), 172 dwellings were started between October and December 2002, compared to 80 one year earlier.

The results for all of 2002 are just as impressive. With a total of 619 housing starts, the Trois-Rivières CMA registered its best performance since 1994. In terms of annual growth, this corresponds to a jump of 91 per cent over the level attained in 2001. This vigour was largely attributable to the virtual explosion of rental housing construction: 289 starts compared to 34 in 2001. Nearly 75 per

cent of rental dwellings built in 2002 were intended for seniors. This intense activity resulted from the marked aging of the population in the area and a strong demand for housing units that meet the current requirements of these clients. In addition, according to a CMHC study, the availability of apartments for seniors was relatively limited in Trois-Rivières, where the vacancy rate for such units did not exceed 2.5 per cent in the fall of 2001.

Although not as spectacular, the increase in single-family home building (+12 per cent) should be pointed out. In 2002, there were more starts of this type than in each of the three previous years, as construction got under way on exactly 324 single-family houses. The mortgage

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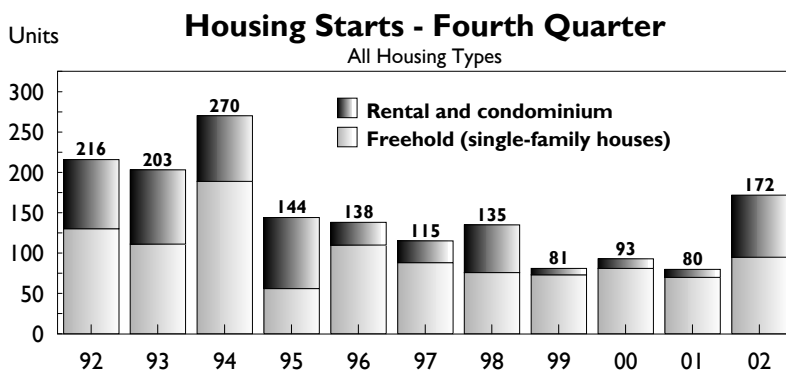
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Source: CMHC



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rates, which have remained at historically low levels since October 2001, and the good performance of the job market were the main reasons for this vigorous housing activity.

Elsewhere in the Mauricie area

Elsewhere in the Mauricie area, the agglomeration of Shawinigan recorded just 3 housing starts in the fourth quarter, compared to 12 the year before. On an annual basis, starts rose by 7 per cent, reaching 101 units. In La Tuque, the year ended with 2 starts, for an increase of 50 per cent in the fourth quarter, and the

annual results reached 8 new single-family homes, compared to 5 in 2001.

Other metropolitan areas across Quebec

While Trois-Rivières was the area that registered the greatest increase in starts in 2002, the other CMAs across the province were not outdone, as they all posted gains: Chicoutimi-Jonquière (77 per cent), Québec (68 per cent), Montréal (55 per cent), Gatineau (54 per cent) and Sherbrooke (46 per cent). At the provincial level, for all centres with 10,000 or more inhabitants, the growth

attained 53 per cent, as 33,512 new dwellings were started.

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Rental Markets in Canada in 2002: tighter conditions in Quebec

Toronto and Vancouver are no longer the tightest rental markets among Canada's census metropolitan areas (CMAs). Instead, Quebec's three largest CMAs are now the ones posting the lowest vacancy rates in the country: Québec (0.3 per cent), Gatineau (0.6 per cent) and Montréal (0.7 per cent). Among the other Canadian CMAs, only Kingston, with 0.9 per cent of its units unoccupied, had a vacancy rate below 1 per cent this past October. This situation results from a major increase in demand attributable to the excellent employment performance and the arrival on the housing market of young people aged from 19 to 24 years, who are more numerous than the group that preceded them. In addition, multiple housing construction is focused mainly on condominiums and retirement homes, while traditional rental housing construction is limited. In the other CMAs across Quebec, the vacancy rates reached 1.8 per cent in Sherbrooke, 3.0 per cent in Trois-Rivières and 4.9 per cent in Chicoutimi-Jonquière.

One striking fact from the last survey was that the vacancy rate rose significantly in Toronto, as it went up from 0.9 per cent in 2001 to 2.5 per cent in 2002. For the first time since the early 1990s, this rate stands above 2 per cent in this area. A considerable decline in the rental housing demand was observed as a result of the strong homeownership trend and the deterioration of the youth employment situation in this part of Ontario. There was also an increase in the supply of non-traditional rental housing, particularly condominiums for rent.

In the majority of the other CMAs across Canada, vacancy rates went up over the last twelve months. These increases, although they were less than one percentage point in most cases, helped many rental markets regain greater flexibility. For Canada overall, the vacancy rate now stands at 1.7 per cent, compared to 1.1 per cent one year earlier. In general, in Quebec, vacancy rates tend to be lower in large urban centres.

In fact, the vacancy rate in Quebec's CMAs (100,000 or more inhabitants) was 0.8 per cent in October 2002, while it was 2.6 per cent in centres with 50,000 to 99,999 inhabitants and 5.5 per cent in centres with 10,000 to 49,999 inhabitants.

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:

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which provide the summary results of the survey

RENTAL MARKET REPORTS

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

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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							
Fourth Quarter 2002	63	20	0	6	6	77	172
Fourth Quarter 2001	49	18	3	0	0	10	80
Year-to-Date 2002 (Jan.-Dec.)	250	64	0	10	6	289	619
Year-to-Date 2001 (Jan.-Dec.)	224	58	3	5	0	34	324
Under construction **							
Fourth Quarter 2002	14	14	0	6	6	244	284
Fourth Quarter 2001	22	16	3	0	0	13	54
Completions							
Fourth Quarter 2002	59	14	0	0	0	15	88
Fourth Quarter 2001	49	12	0	6	0	0	67
Year-to-Date 2002	258	66	3	4	0	58	389
Year-to-Date 2001	216	60	0	11	5	42	334
Unoccupied **							
Fourth Quarter 2002	5	9	0	0	0	3	17
Fourth Quarter 2001	11	17	0	0	0	3	31
Absorptions							
Fourth Quarter 2002	58	12	0	0	0	18	88
Fourth Quarter 2001	45	14	0	6	0	9	74
Year-to-Date 2002	264	74	3	4	0	58	403
Year-to-Date 2001	224	67	0	11	7	67	376
Duration of inventory (in months)							
2002 Trend	0.2	1.5	0.0	0.0	NA	0.6	0.5
2001 Trend	0.6	3.0	NA	0.0	0.0	0.5	1.0

* 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							
Fourth Quarter 2002	8	2	0	0	0	19	29
Fourth Quarter 2001	8	4	0	0	0	4	16
Year-to-Date 2002	36	12	0	0	0	39	87
Year-to-Date 2001	24	18	0	0	0	4	46
Zone 2: Trois-Rivières-Ouest							
Fourth Quarter 2002	22	14	0	0	0	12	48
Fourth Quarter 2001	17	14	3	0	0	0	34
Year-to-Date 2002	68	44	0	0	0	52	164
Year-to-Date 2001	70	36	3	3	0	9	121
Zone 3: Cap-de-la-Madeleine							
Fourth Quarter 2002	13	4	0	0	6	3	26
Fourth Quarter 2001	11	0	0	0	0	6	17
Year-to-Date 2002	44	4	0	0	6	149	203
Year-to-Date 2001	38	2	0	2	0	18	60
Centre (zones 1 to 3)							
Fourth Quarter 2002	43	20	0	0	6	34	103
Fourth Quarter 2001	36	18	3	0	0	10	67
Year-to-Date 2002	148	60	0	0	6	240	454
Year-to-Date 2001	132	56	3	5	0	31	227
Zone 4: Outlying Area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
Fourth Quarter 2002	20	0	0	6	0	43	69
Fourth Quarter 2001	13	0	0	0	0	0	13
Year-to-Date 2002	102	4	0	10	0	49	165
Year-to-Date 2001	92	2	0	0	0	3	97
TOTAL TROIS-RIVIÈRES MÉTROPOLITAN AREA							
Fourth Quarter 2002	63	20	0	6	6	77	172
Fourth Quarter 2001	49	18	3	0	0	10	80
Year-to-Date 2002	250	64	0	10	6	289	619
Year-to-Date 2001	224	58	3	5	0	34	324

Source: CMHC

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

<i>Municipalities</i>	<i>Fourth Quarter</i>		<i>Year-to-date (Jan.-Dec.)</i>	
	<i>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
Bécancour	8	1	39	22
Champlain	0	0	5	4
Pointe-du-Lac	9	2	29	26
St-Louis-de-France	2	4	17	17
Ste-Marthe-du-Cap	5	5	22	20
St-Maurice	2	1	4	5

Source: CMHC

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

<i>Zone</i>	<i>Ownership</i>				<i>Rental</i>	
	<i>Freehold</i>		<i>Condominium</i>		<i>4th Qrt 2002</i>	<i>4th Qrt 2001</i>
	<i>4th Qrt 2002</i>	<i>4th Qrt 2001</i>	<i>4th Qrt 2002</i>	<i>4th Qrt 2001</i>		
Starts						
Center	63	57	6	0	34	10
Suburbs	26	13	0	0	43	0
Under construction *						
Center	27	39	6	0	201	10
Suburbs	7	2	0	0	43	3
Completed						
Center	53	54	0	0	12	0
Suburbs	20	13	0	0	3	0
Unoccupied *						
Center	13	27	0	0	3	0
Suburbs	1	1	0	0	0	3
Absorbed						
Center	50	52	0	0	12	9
Suburbs	20	13	0	0	6	0
Duration of Inventory (months)**						
Center	0.7	1.6	NA	0.0	0.8	0.0
Suburbs	0.1	0.1	NA	0.0	0.0	18.0

* As at the end of the period shown.

** Trend

Source: CMHC

**Table 5
Housing Supply
Trois-Rivières Metropolitan Area**

<i>Intended Market</i>	<i>Under Construction</i>	<i>Vacant Units</i>	<i>Short-term Supply</i>	<i>Duration of Supply (months)</i>
	December 2002			Trend 2002
Freehold	34	14	48	1.7
Condominium	6	0	6	NA
Rental	244	3	247	57.0
	December 2001			Trend 2001
Freehold	41	28	69	2.7
Condominium	0	0	0	0.0
Rental	13	3	16	1.9

Source: CMHC

**Tableau 6
Economic Overview
Trois-Rivières Metropolitan Area**

	<i>Fourth Quarter</i>		<i>Trend Jan.-Dec.</i>		<i>Variation (%) Trend</i>
	<i>2001</i>	<i>2002</i>	<i>2001</i>	<i>2002</i>	
Jobs Market					
- Employment Level	63.8	64.8	65.5	64.6	-1.4%
- Unemployment Rate (%)	10.9%	9.0%	9.6%	9.9%	n.a.
Mortgage Rate (%) (Canada)					
- 1-year	4.7	5.0	6.1	5.2	n.a.
- 5-year	6.9	6.8	7.4	7.0	n.a.
Annual Inflation Rate (%)	1.3	3.4	2.4	2.0	n.a.
Quebec's Consumer Attitudes: Survey					
- Index of Consumer Attitudes (1991 = 100, SA)	110.5	127.9	114.4	131.4	14.8%

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 preceding months). This data is expressed in months.

CMHC Housing Centre Publications

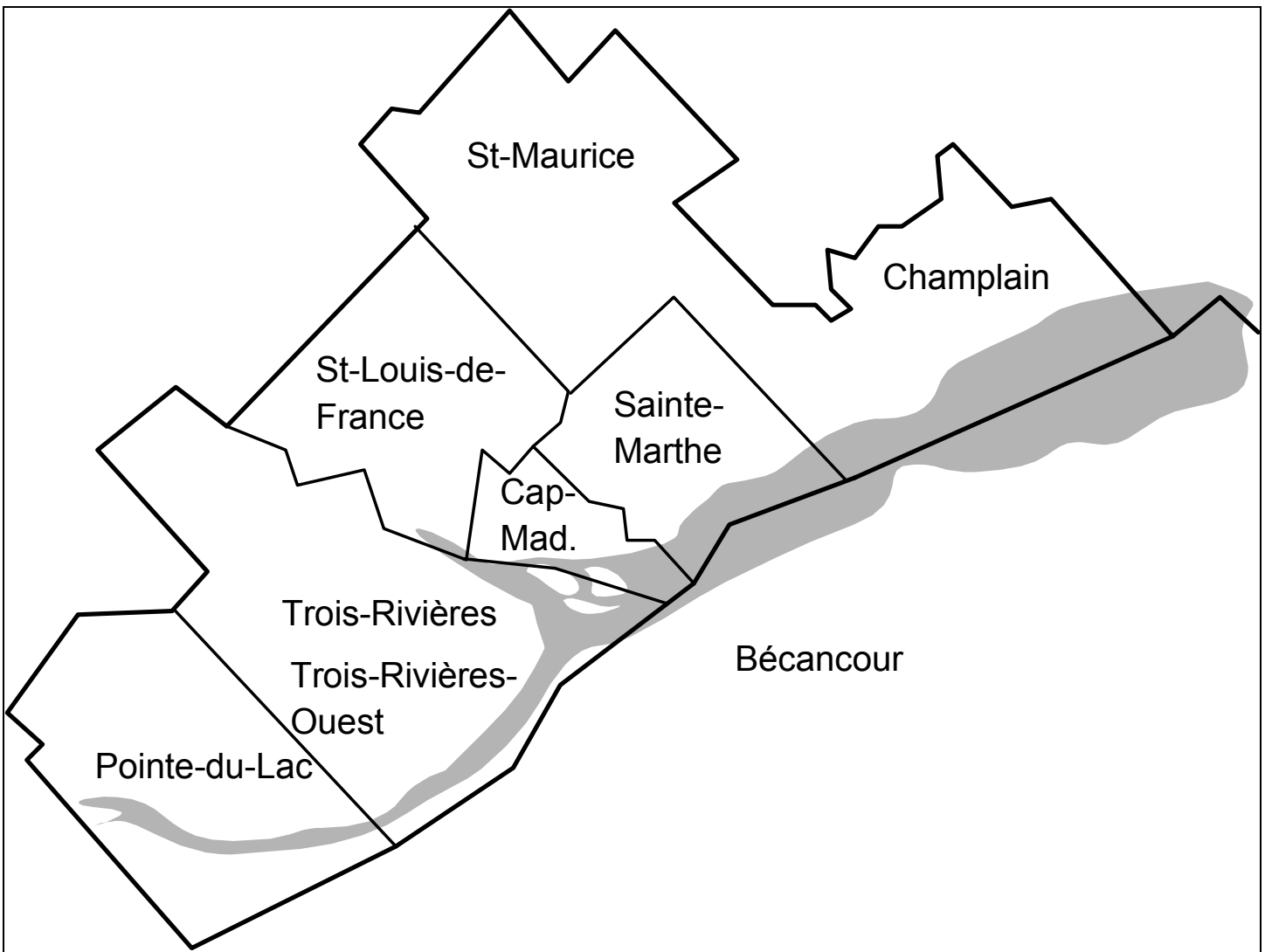
Canada Wide	Québec	Québec Metropolitan Regions
<ul style="list-style-type: none"> • National Housing Outlook • Mortgage Market Trends • Canadian Housing Markets • And several others 	<ul style="list-style-type: none"> • Housing Now • FASTFax • Senior's Homes Market (provincial analysis and by metropolitan region, including a section on Trois-Rivières) 	<ul style="list-style-type: none"> • Housing Market Outlook (Montréal only) • Rental Market Report (1) • FASTFax - Rental Market Report (3) • Resale Market Analysis (2) • Seniors' Homes Market (2) <p>(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</p>

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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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