



HOUSING NOW

Trois-Rivières

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Canada Mortgage and Housing Corporation

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Nice summer for the new home market in Trois-Rivières

In the Trois-Rivières census metropolitan area (CMA), the results of the survey conducted by Canada Mortgage and Housing Corporation (CMHC) revealed another increase in residential construction in the third quarter. In all, 208 dwellings were started, for a gain of 23 per cent over the third quarter of 2003.

While rental housing construction dominated the fine days of spring, it was essentially single-detached home building that supported the increase in activity this summer. In fact, 113 new single-detached

home foundations were enumerated during the third quarter, for an increase of 45 per cent. The detached home segment confirmed its role as the driving force behind residential construction in the area, garnering more than half of the starts over the summer. Although semi-detached housing starts sustained a small decrease, with 22 new foundations compared to 27 for the same period in 2003, the homeowner housing segment is in excellent health, with an overall gain of 29 per cent. In all, 135 new freehold homes were started during the past quarter.

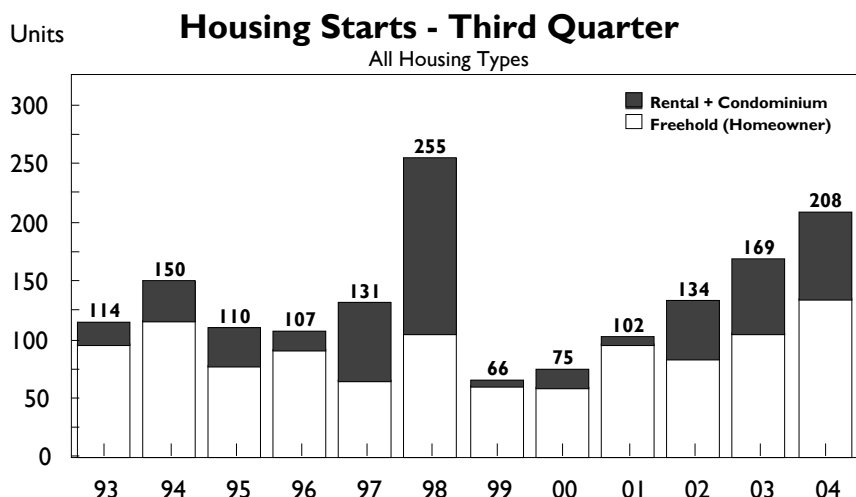
continued on next page

IN THIS ISSUE

- 1 Nice summer for the new home market in Trois-Rivières
- 2 Home Buyers's Plan in Canada and Quebec in 2002

STATISTICAL TABLES: Trois-Rivières CMA

- 3 Summary of Activity by Intended Market
- 4 Housing Starts by Zone and by Intended Market
- 5 Housing Starts in Outlying Area - Freehold Market
- 5 Summary of Activity by Large Zone and by Intended Market
- 6 Housing Supply
- 6 Economic Overview
- 7 Definitions and Concepts
- 8 Trois-Rivières Metropolitan Area Zones



Source : CMHC



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We did not hear the last, however, from the rental construction segment during the summer. This housing type, which takes the form of projects with 4 to 12 units, is built in clusters in the area, and such starts reached a six-year high for a third quarter. In all, 73 new rental dwellings were enumerated, or 9 more than during the same period in 2003. It should be noted that none of these units are intended for the retirement home market.

While the job market has been on a downward trend since the beginning of the year in the Trois-Rivières CMA, the third quarter results continue to show that residential construction firmly remains on an upward course, as it clearly has been for the past two years. On a year-to-date

basis, 594 dwellings have been started since January, for an increase of 34 per cent. The rental housing market is truly on a roll this year, having registered almost double the number of starts since the beginning of the year. Without a doubt, this is the segment that will have been the engine of growth in the residential construction sector throughout 2004.

Elsewhere in the Mauricie area, activity in the agglomeration of Shawinigan jumped up from July to September, as single-family home starts more than doubled there. The construction of 4 rental apartments should also be noted in this sector, where freehold housing construction largely dominates. In all, 84 housing starts have been enumerated in Shawinigan since the

beginning of the year, compared to 70 during the same period in 2003. In La Tuque, only 1 single-detached house was added during the past quarter, bringing the annual total to 5 starts, in relation to 9 one year earlier.

In all urban centres with 10,000 or more inhabitants across the province, 33,865 starts were enumerated from January to September, for a gain of 18 per cent. The Trois-Rivières CMA is once again posting the strongest increase (34 per cent), followed by Sherbrooke (24 per cent). As well, Montréal (23 per cent) is ahead of Gatineau (18 per cent) and Québec (2 per cent). Lastly, the Saguenay area continues to show a decrease since the beginning of the year (-33 per cent).

Home Buyers' Plan in Canada and Quebec in 2002¹

According to the most recent data available, the federal government's Home Buyers' Plan (HBP) helped more than 123,000 Canadians to realize their homeownership dream in 2002. Under this program, participants withdrew over \$1.3 billion in RRSP funds to purchase homes. Since its inception in 1992, some 1.3 million individuals have participated in the program, channelling \$13.2 billion from their RRSPs to the housing market.

To put this in perspective, the 123,000 participants in the plan represented roughly 30 per cent of the existing home sales for the year. In fact, the ratio of HBP participants to MLS®/S.I.A.® sales ranged from 17 per cent in British Columbia to 58 per cent in Quebec. In this last province, it was the Québec census metropolitan area (CMA) that posted the highest proportion of participants, with 65 per cent. Conversely, in the Trois-Rivières CMA, this proportion stood at 37 per cent, which was still well above the Canadian average.

For Canada overall, the average withdrawal under HBP in 2002 was \$10,568, which was 6 per cent of the price of a typical

dwelling sold through the MLS®/S.I.A.® network. This percentage varied across Canada, between 4.5 per cent in British Columbia and 9 per cent in Quebec. Closer to home, the Trois-Rivières CMA came in first (15 per cent) in Quebec, well ahead of Montréal (8 per cent), which brought up the rear, but still largely exceeded the national average.

Another point that well reflects the diversity of housing markets, preferences of home buyers and financial habits in the provinces is the average withdrawal under HBP. Here again, Quebec came out on top in 2002, with an average withdrawal

of \$11,433, while Saskatchewan was in last place, with \$7,309. As for the CMAs in Quebec, Montréal led with an average withdrawal of \$12,073, an amount that also gave this CMA first place in Canada, just ahead of Toronto and Vancouver.

HBP offers a significant avenue to first-time home buyers

A recent survey shows that HBP was used by 48 per cent of first-time buyers who purchased a home in Canada since 2000². HBP was the primary source of down payment for about 35 per cent of first-time buyers.

Home Buyers' Plan - 2002				
	Number of Participants	Average Withdrawal (\$)	Participants/MLS Sales Ratio (%)	Average Withdrawal/Average Selling Price Ratio (%)
Gatineau	1,770	10,651	39.2	9.4
Montréal	20,900	12,073	44.5	8.4
Québec	5,670	11,133	64.6	10.8
Saguenay	860	9,762	59.9	11.6
Sherbrooke	1,000	10,734	45.9	10.1
Trois-Rivières	560	11,196	36.6	14.9
Québec	38,840	11,433	57.8	8.7
Canada	123,110	10,568	29.4	5.6

Sources: CMHC, CRA and MLS

¹ This article was inspired by the third quarter 2004 issue of [CMHC Mortgage Market Trends](#).

² Financial Industry Research Monitor (FIRM) survey, March 2004.

Table I
Summary of Activity by Intended Market
Trois-Rivières Metropolitan Area

Activity / Period	Ownership					Rental	Total
	Freehold*				Condo-minium		
	Single	Semi	Row	Apt.			
Starts							
Third quarter 2004	113	22	0	0	0	73	208
Third quarter 2003	78	20	7	0	0	64	169
Year-to-date 2004 (Jan.-Sept.)	286	80	0	4	0	224	594
Year-to-date 2003 (Jan.-Sept.)	248	66	7	2	0	119	442
Under construction**							
Third quarter 2004	27	10	0	0	6	75	118
Third quarter 2003	19	8	7	0	0	32	66
Completions							
Third quarter 2004	111	38	0	0	0	91	240
Third quarter 2003	86	32	0	0	0	90	208
Year-to-date 2004	295	100	0	4	0	215	614
Year-to-date 2003	243	72	0	8	6	329	658
Unoccupied***							
Third quarter 2004	1	4	0	0	0	11	16
Third quarter 2003	5	3	0	0	0	32	40
Absorption							
Third quarter 2004	115	39	0	2	0	87	243
Third quarter 2003	89	41	0	0	0	227	357
Year-to-date 2004	300	99	0	4	2	211	616
Year-to-date 2003	243	78	0	8	6	300	635
Duration of inventory (months)							
Trend 2004	0.0	0.5	n.a.	n.a.	n.a.	0.5	0.3
Trend 2003	0.2	0.4	n.a.	n.a.	n.a.	1.2	0.7

* 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

**Interested by the Vacancy Rates and Average Rents of the rented apartments,
following the October 2004 Survey?**

You can find them and more in the:

RENTAL MARKET REPORTS

which provide a more in-depth and detailed study of the data collected
(available at the end of december 2004)

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							
Third quarter 2004	35	12	0	0	0	47	94
Third quarter 2003	11	0	0	0	0	12	23
Year-to-date 2004	65	44	0	0	0	69	178
Year-to-date 2003	38	6	0	0	0	36	80
Zone 2: Trois-Rivières-Ouest							
Third quarter 2004	18	6	0	0	0	0	24
Third quarter 2003	18	18	7	0	0	52	95
Year-to-date 2004	49	30	0	2	0	91	172
Year-to-date 2003	57	58	7	0	0	63	185
Zone 3: Cap-de-la-Madeleine							
Third quarter 2004	25	0	0	0	0	23	48
Third quarter 2003	16	2	0	0	0	0	18
Year-to-date 2004	58	0	0	0	0	43	101
Year-to-date 2003	46	2	0	0	0	6	54
Centre (zones 1 to 3)							
Third quarter 2004	78	18	0	0	0	70	166
Third quarter 2003	45	20	7	0	0	64	136
Year-to-date 2004	172	74	0	2	0	203	451
Year-to-date 2003	141	66	7	0	0	105	319
Zone 4: Outlying area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
Third quarter 2004	35	4	0	0	0	3	42
Third quarter 2003	33	0	0	0	0	0	33
Year-to-date 2004	114	6	0	2	0	21	143
Year-to-date 2003	107	0	0	2	0	14	123
TOTAL - TROIS-RIVIÈRES METROPOLITAN AREA							
Third quarter 2004	113	22	0	0	0	73	208
Third quarter 2003	78	20	7	0	0	64	169
Year-to-date 2004	286	80	0	4	0	224	594
Year-to-date 2003	248	66	7	2	0	119	442

Source: CMHC

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

Zones	Third Quarter		Year-to-Date (Jan.-Sept.)	
	2004	2003	2004	2003
Bécancour	11	7	34	20
Champlain	0	1	1	3
Pointe-du-Lac	8	13	37	47
Saint-Louis-de-France	3	2	12	15
Sainte-Marthe-du-Cap	13	9	31	21
Saint-Maurice	4	1	7	3

Source: CMHC

Table 4
Summary of Activity by Large Zone and by Intended Market
Trois-Rivières Metropolitan Area

Zone	Ownership				Rental	
	Freehold		Condominium		3rd Q 2004	3rd Q 2003
	3rd Q 2004	3rd Q 2003	3rd Q 2004	3rd Q 2003		
Starts						
Centre	96	72	0	0	70	64
Suburbs	39	33	0	0	3	0
Under construction*						
Centre	35	27	6	0	60	28
Suburbs	2	7	0	0	15	4
Completions						
Centre	108	89	0	0	85	80
Suburbs	41	29	0	0	6	10
Unoccupied*						
Centre	5	8	0	0	11	28
Suburbs	0	0	0	0	0	4
Absorption						
Centre	115	101	0	0	81	221
Suburbs	41	29	0	0	6	6
Duration of inventory (months)**						
Centre	0.2	0.4	0.0	0.0	0.5	1.3
Suburbs	0.0	0.0	n.a.	n.a.	0.0	0.9

* 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>Unoccupied</i>	<i>Short-Term Supply</i>	<i>Duration of Supply (months)</i>
	September 2004			Trend 2004
Freehold	37	5	42	1.0
Condominium	6	0	6	30.0
Rental	75	11	86	3.9
	September 2003			Trend
Freehold	34	8	42	1.3
Condominium	0	0	0	0.0
Rental	32	32	64	2.4

Source: CMHC

Table 6
Economic Overview
Trois-Rivières Metropolitan Area

	<i>Third Quarter</i>		<i>Trend Jan.-Sept.</i>		<i>% Change</i>
	<i>2003</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>Trend</i>
Labour market					
- Employment level	65.4	65.4	66.1	64.4	-2.5%
- Unemployment rate (%)	11.5%	11.3%	10.5%	8.1%	n.a.
Mortgage rates (%) (Canada)					
- 1-year	4.6	4.6	4.9	3.4	n.a.
- 5-year	6.3	6.4	6.4	4.7	n.a.
Annual inflation rate (%)	1.7	2.1	2.9	1.2	n.a.
Quebec consumer attitudes survey					
- Index of Consumer Attitudes (1991 = 100) (seasonally adjusted)	123.7	121.3	122.8	91.9	-25.1%

Sources: Statistics Canada, Conference Board of Canada

Definitions and Concepts

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 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).

CMHC Market Analysis Centre Publications

National	Province of Quebec	Metropolitan Areas - Province of Quebec
<ul style="list-style-type: none"> • National Housing Market Outlook • Mortgage Market Trends • Canadian Housing Markets • And many more 	<ul style="list-style-type: none"> • Housing Now • Rental Market Report - Highlights 	<ul style="list-style-type: none"> • Housing Market Outlook (Montréal only) • Rental Market Report (1) • Housing Now(1) • Analysis of the Resale Market (2) • Retirement Home Market (1) <p>(1) Available for all metropolitan areas: Saguenay, Gatineau, Montréal, Québec, Sherbrooke and Trois-Rivières (2) Available for Montréal, Québec and Saguenay</p>

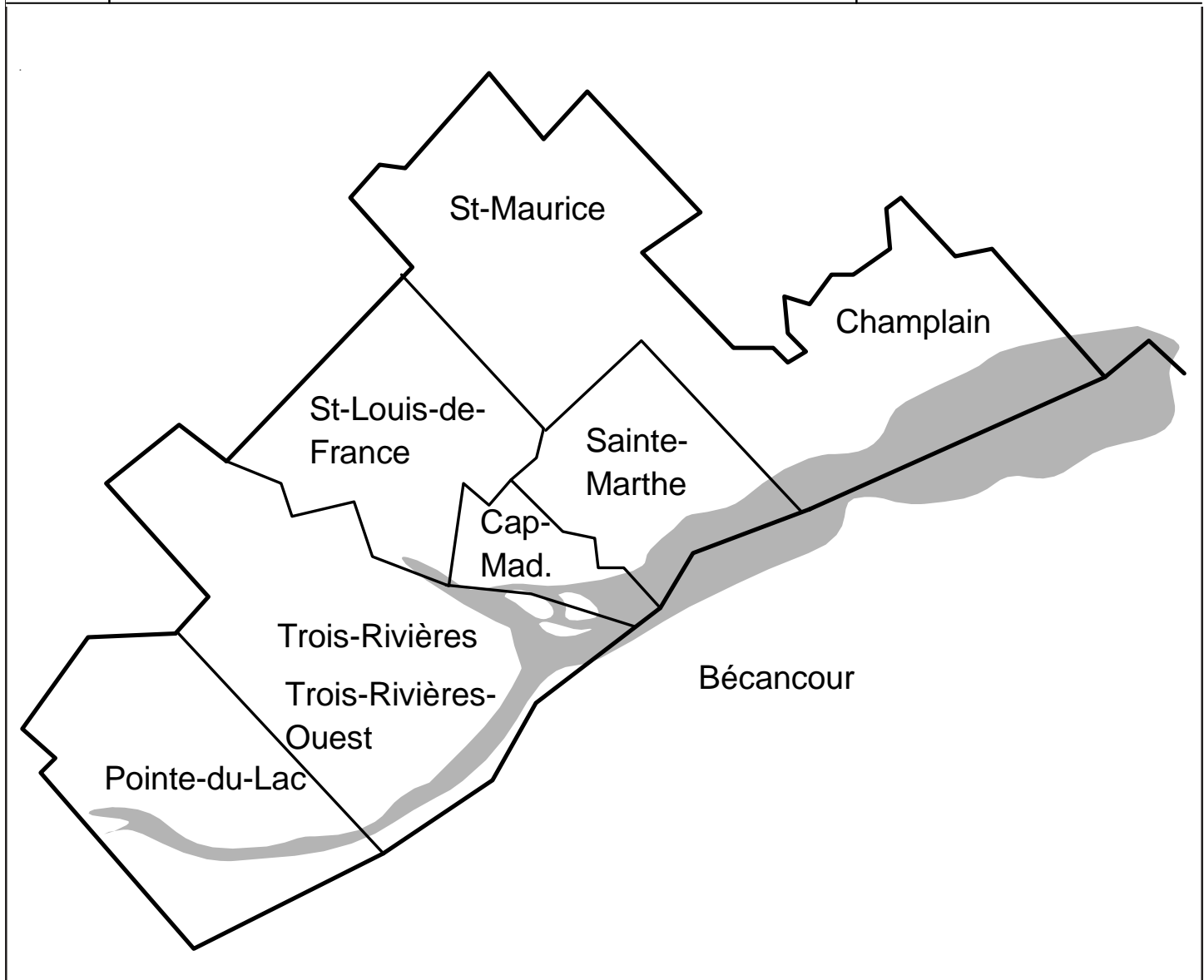
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Trois-Rivières Metropolitan Area Zones

Zones	<i>Municipalities and Sectors</i>	<i>Large Zones</i>
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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