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# ANALYSIS OF THE RESALE MARKET THIRD QUARTER 2006

## Québec Metropolitan Area

### An objective look at housing

Canada Mortgage and Housing Corporation

[www.cmhc.ca](http://www.cmhc.ca)

Date Released : Fourth Quarter 2006

#### Market at a glance

#### 3rd Quarter 2006 vs 3rd Quarter 2005

Sales volume	:	↓	2.6%
Median price	:	↑	7.4%
Sellers per buyer	:		5.6

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## SALES SHOW UPS AND DOWNS

Since the fourth quarter of 2005, sales of existing properties have shown ups and downs in the Québec census metropolitan area (CMA). After decreasing in the first quarter, transactions then rose but subsequently fell again in the third quarter. According to Service inter-agences / Multiple Listing Service (S.I.A. / MLS)<sup>®</sup> data, 1,412 properties were sold from July to September, or 38 fewer units (-2.6 per cent) than during the same period last year. However, this level of activity exceeds the average for a summer quarter (1,256 transactions) observed over the period from 2000 to 2005. Sales of existing properties therefore remained very strong, but the quarterly results indicate that activity is levelling off.

More and more "For Sale" signs have been appearing on the territory. Over the summer, there were 3,363 of them, or 335 more (+11 per cent) than during the same period in 2005. Among these new listings, 173 were

for single-detached houses, 122, for condominiums, and the rest, for duplexes and semi-detached and row homes. The rapid rise in the supply of condominiums since the beginning of the year is starting to slow, while the growth in listings of detached homes is picking up.

The increase in the number of properties for sale, while transactions were practically stable, caused the seller-to-buyer ratio to ease and reach a level of 5.6 to 1<sup>1</sup>. This ratio has been on the rise for almost three years now. The resale market is therefore a seller's market overall. However, while the condominium segment could be considered as a balanced market (seller-to-buyer ratio of 7.6 to 1), the semi-detached and row home segment was still overheating (seller-to-buyer ratio of 3.3 to 1), in all zones of the Québec CMA.

For all housing types combined, prices rose considerably (+7.4 per cent) be-

<sup>1</sup> It should be noted that, on a balanced market, which equally favours buyers and sellers, the seller-to-buyer ratio stands between 8 and 10 to 1. A ratio below 8 to 1 signifies a seller's market, while a ratio above 10 to 1 indicates a buyer's market.

\* Multiple Listing Service (MLS) is a registered certification mark owned by the Canadian Real Estate Association (CREA)



CHAMBRE IMMOBILIERE DE QUEBEC



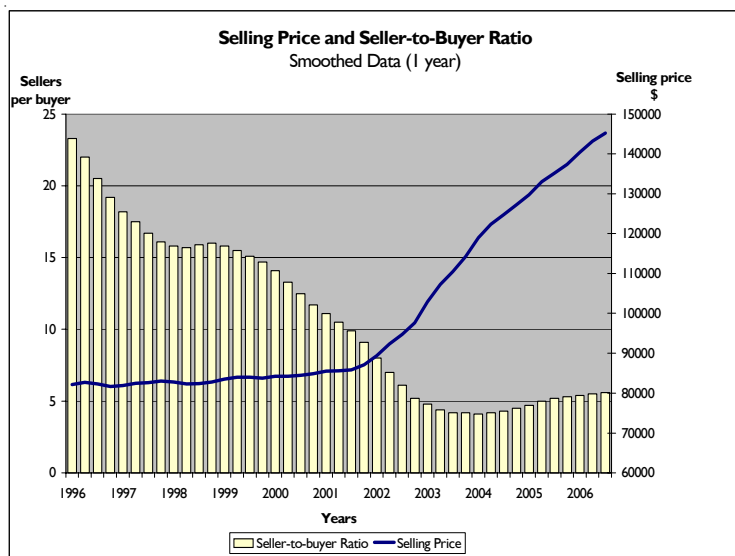
tween the third quarter of 2005 and the third quarter of 2006, and the median price reached \$145,200<sup>2</sup>. As the market eased, the increase in prices slowed down, with the growth having decreased from 12.9 per cent in the third quarter of 2004 to 8.4 per cent and then to 7.4 per cent, in the third quarters of 2005 and 2006, respectively. On the condominium market, where conditions have eased the most, the median price rose by just 5.7 per cent.

### Two zones still overheating on the north shore

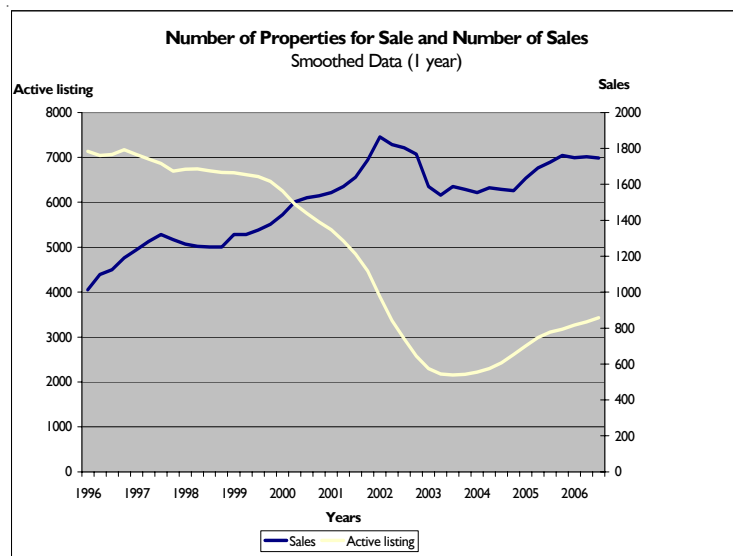
In zones 3 (Québec Des Rivières and L'Ancienne-Lorette) and 5 (Val-Bélair, Saint-Émile, etc.), resale market conditions were still very tight, even overheating. These two zones alone account for one quarter of the transactions having taken place this year in the area. In the case of zone 3, its location right in the heart of the Québec CMA and its competitive prices make it a sector of choice for households. The median price for single-detached houses was \$155,600 there in the third quarter, compared to \$202,700 in nearby zone 4 (Sainte-Foy, Sillery, etc.). Zone 5, located in the extension of zone 3, also managed to do

well with a lower median price (\$148,100) than in most other zones and easy access to the heart of the CMA, the site of a large part of the economic and cultural life of the Québec area.

Another sector that stands out from the others, zone 2 (Québec Haute-Ville) has had a balanced market for the past year. There are many listings but relatively few buyers, as this sector has the highest prices for single-detached homes and condominiums.



Source : CIQ (CMHC compilation)







Source : CIQ (CMHC compilation)

Seller-to-Buyer Ratios and Sales by Price Range									
Property type	Price range	Seller-to-Buyer Ratio 3rd Q 2006	Seller-to-Buyer Ratio 3rd Q 2005	Sales 3rd Q 2006	Annual Change (%)	Sales (year-to-date)	Annual Change (%)	Listing Period (days)	Annual Change (days)
Detached	Under \$100,000	3.7	3.4	34	-47.7	136	-37.0	40	1
	\$100,000 to \$124,999	3.0	2.5	46	-43.9	193	-49.1	35	-7
	\$125,000 to \$149,999	3.0	3.4	213	-31.5	884	-24.4	43	-3
	\$150,000 to \$199,999	5.2	5.8	341	13.3	1315	22.8	61	-4
	\$200,000 or over	11.1	10.9	237	24.1	796	21.3	91	4
	All prices	5.5	5.3	871	-8.3	3324	-4.8	57	2
Semi-det. & row	Under \$100,000	3.9	2.3	8	-38.5	24	-57.9	30	-8
	\$100,000 to \$124,999	2.2	2.4	40	-38.5	198	-37.5	36	1
	\$125,000 to \$149,999	2.8	3.6	91	40.0	334	51.8	36	-8
	\$150,000 or over	6.3	6.0	47	42.4	155	43.5	50	-6
		All prices	3.3	3.0	186	5.7	711	1.3	38
Condominium	Under \$100,000	7.5	5.9	55	-24.7	235	-21.4	68	8
	\$100,000 to \$124,999	5.4	6.2	86	83.0	308	24.7	80	19
	\$125,000 to \$149,999	7.8	7.4	58	-1.7	236	9.8	74	9
	\$150,000 to \$199,999	9.0	8.4	59	11.3	230	31.4	85	3
	\$200,000 or over	12.5	11.9	42	35.5	134	39.6	92	26
	All prices	7.6	6.5	300	14.1	1143	10.8	78	14

Source : CIQ (CMHC compilation)

## RESALE MARKET CONDITIONS IN THE QUÉBEC AREA - 3rd QUARTER 2006 vs 3rd QUARTER 2005

	<b>Jobs</b>	<b>Chg.</b>		<b>Rate</b>	<b>Chg.</b>		<b>Index</b>	<b>Chg.</b>		<b>Rate</b>	<b>Chg.</b>
Employment	380700	-0.5%	Unemployment rate	4,9	-1.0	Consumer confidence	119.3	6,8%	Mortgage rate - 5-year	6.8	1,0
											



: very favourable



: favourable



: unfavourable



: very unfavourable

## RESALE MARKET CONDITIONS IN THE QUÉBEC AREA - 3rd QUARTER 2006 vs 3rd QUARTER 2005

Market	Type	Sales		Median Selling Price		Selling Price / Listing Price		Selling Price / Mun. Assess.		Active Listings		Sellers-to-Buyer		Listing Period (days)		Market Classification
			% Chg.		% Chg.		%		%		% Chg.		Chg.		Chg.	
Québec CMA	All types	1,412	-2.6	145,214	7.4	95.6	149	3,363	11.1	5.6	0.4	56	2	SELLER'S		
	Detached	871	-8.3	156,331	8.9	95.6	147	1,972	9.6	5.5	0.2	57	2	SELLER'S		
	Duplex	55	-9.8	148,390	10.1	94.6	154	148	14.7	5.3	0.1	41	-7	SELLER'S		
	Semi-det. & row	186	5.7	127,774	7.5	96.0	154	268	8.1	3.3	0.3	38	-3	OVERHEATING		
	Condominium	300	14.1	123,088	5.7	95.0	149	975	14.3	7.6	1.1	78	14	SELLER'S		
Zone 1	All types	70	-35.2	129,862	9.1	94.1	165	241	24.9	6.3	0.7	58	8	SELLER'S		
	Detached	14	-46.2	136,012	3.5	93.7	158	38	31.0	4.2	0.3	51	14	n.a.		
	Semi-det. & row	3	-25.0	n.a.	n.a.	n.a.	n.a.	14	40.0	n.a.	n.a.	n.a.	n.a.	n.a.		
	Condominium	39	-27.8	127,034	11.7	94.1	166	162	25.6	8.6	1.3	83	16	BALANCED		
Zone 2	All types	74	10.4	164,634	-3.1	94.5	153	265	0.4	8.8	1.1	91	27	BALANCED		
	Detached	11	10	324,383	16	92	163	24	14	7	1	111	34	n.a.		
	Semi-det. & row	3	0	n.d.	n.d.	n.d.	n.d.	7	0	n.d.	n.d.	n.d.	n.d.	n.a.		
	Condominium	57	5.6	154,293	-3.6	94.3	150	231	0.4	9.3	1.1	92	27	BALANCED		
Zone 3	All types	164	-3.0	140,838	4.2	96.0	152	312	14.7	4.4	0.2	48	-2	OVERHEATING		
	Detached	93	-10.6	155,603	4.5	96.0	149	187	19.1	4.7	0.1	52	1	OVERHEATING		
	Semi-det. & row	35	12.9	128,142	9.3	96.0	157	38	0.0	2.4	0.1	30	1	OVERHEATING		
	Condominium	29	-3.3	119,625	4.2	95.8	153	72	5.9	6.1	0.7	81	17	SELLER'S		
Zone 4	All types	233	7.9	176,290	6.4	95.0	144	546	11.9	5.6	0.3	59	3	SELLER'S		
	Detached	130	-7.8	202,657	9.5	95.0	144	291	4.7	5.4	0.1	60	5	SELLER'S		
	Semi-det. & row	28	3.7	160,334	6.8	95.9	147	65	47.7	3.7	0.3	40	-8	OVERHEATING		
	Condominium	72	50.0	140,761	11.1	95.0	139	184	14.3	7.0	0.7	77	14	SELLER'S		

## RESALE MARKET CONDITIONS IN THE QUÉBEC AREA - 3rd QUARTER 2006 vs 3rd QUARTER 2005

Market	Type	Sales	% Chg.	Meaian Selling Price	% Chg.	Selling Price / Listing Price	%	Selling Price / Mun. Assess.	%	Active Listings	% Chg.	Sellers-to-Buyer	Chg.	Listing Period (aays)	Chg.	Market Classification
Zone 5	All types	198	16.5	141,705	9.9	96.0		155		376	24.5	4.4	0.1	43	-8	OVERHEATING
	aetachea	154	11.6	148,078	10.7	96.0		153		315	30.7	4.7	0.1	48	-5	OVERHEATING
	Semi-aet. & row	35	45.8	124,156	9.2	96.6		160		31	-8.8	2.7	-0.2	33	-21	OVERHEATING
	Conaominium	4	33.3	n.a.	n.a.	n.a.		n.a.		9	-25.0	n.a.	n.a.	n.a.	n.a.	n.a.
Zone 6	All types	219	4.3	141,384	7.3	95.0		154		532	16.7	5.9	0.8	59	3	SELLER'S
	aetachea	141	-2.1	155,054	9.1	95.0		153		309	3.7	5.7	0.2	56	-3	SELLER'S
	Semi-aet. & row	24	9.1	130,332	9.3	96.1		159		39	30.0	3.9	1.4	48	14	OVERHEATING
	Conaominium	50	22.0	99,855	6.6	94.5		153		167	42.7	8.0	3.0	76	10	BALANCED
Zone 7	All types	191	-12.0	139,101	7.1	95.3		152		522	7.6	6.5	0.4	62	2	SELLER'S
	aetachea	137	-14.9	151,216	10.0	95.1		151		390	8.0	6.8	0.6	65	3	SELLER'S
	Semi-aet. & row	21	0.0	120,955	9.5	95.8		159		25	-13.8	3.3	-0.2	44	-3	OVERHEATING
	Conaominium	24	33.3	95,793	10.4	94.8		152		78	27.9	7.1	-1.2	70	-4	SELLER'S
Zone 8	All types	169	-14.2	142,094	6.3	96.3		137		372	-5.8	5.3	0.4	63	11	SELLER'S
	aetachea	126	-17.6	154,736	10.2	96.0		136		294	3.2	5.7	0.6	68	13	SELLER'S
	Semi-aet. & row	22	-21.4	125,309	7.1	96.7		143		23	-43.9	3.3	0.1	44	-1	OVERHEATING
	Conaominium	15	25.0	120,273	-4.3	98.7		139		38	-28.3	5.2	-0.4	62	10	n.a.
Zone 9	All types	94	-2.1	139,067	9.3	95.5		133		196	13.3	5.5	0.2	56	2	SELLER'S
	aetachea	65	-11.0	144,371	8.2	95.3		132		123	-5.4	5.5	-0.3	59	3	SELLER'S
	Semi-aet. & row	15	-6.3	128,519	8.2	96.7		133		26	73.3	3.8	0.8	46	1	n.a.
	Conaominium	10	233.3	128,243	17.2	97.5		147		34	61.9	9.2	3.7	94	46	n.a.

Please note that the prices presented in this report concern median data. The median is the middle value separating a group into two equal parts. For example, a median price of \$100,000 means that half of the properties sell for \$100,000 or less and the other half sell for \$100,000 or more.

Interpretation of the "Median Price / Municipal Assessment" ratio: For example, a ratio of 107% indicates that a house assessed at \$100,000 could sell for \$107,000.

Listing period: Please note that the median listing period could be underestimated. In fact, when a property is again listed for sale after the mandate has expired or when the real estate agent changes, the calculation does not take into account the previous listing period.

N/A: The market classification is not available when there are fewer than 20 transactions. The other data is also not available where the number of transactions is less than 5.

Note: All data published in this publication is smoothed data, with the exception of sales and active listings.

\* Raw data: data observed for the current quarter

\* Smoothed data: average for the last four quarters in order to reduce any major variations from one quarter to the next and provide a clearer trend.

Source : CIQ (compilation SCHL)

### Québec Metropolitan Area - Market Zones

Zone 1: Québec Basse-Ville (Limoulou, St-Roch, St-Sauveur), Vanier

Zone 2: Québec Haute-Ville (St-Jean-Baptiste, Champlain, Montcalm)

Zone 3: Ancienne-Lorette, Neufchâtel, Duberger, Les Saules, Lebourgneuf

Zone 4: Ste-Foy, Sillery, Cap-Rouge, St-Augustin

Zone 5: Val-Bélair, St-Émile, Loretteville, Lac St-Charles, Valcartier, Shannon, Lac St-Joseph, Ste-Catherine, Fossambault

Zone 6: Charlesbourg, Lac Beauport, Lac Delage, Stoneham-Tewkesbury, Ste-Brigitte de Laval

Zone 7: Beauport, Boischâtel, L'Ange-Gardien, Côte de Beaupré, Île d'Orléans

Zone 8: Charny, St-Romuald, St-Jean-Chrysostôme, St-Nicolas, St-Rédempteur, Breakeyville, St-Lambert, St-Étienne

Zone 9: Lévis, Pintendre, St-Henri

### MARKET CLASSIFICATION TYPES

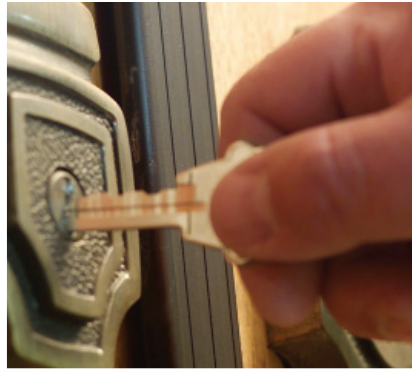
**BALANCED:** Market where neither sellers nor buyers are favoured; sales volume steadily progressing over a long period; prices increasing at or slightly above inflation.

**BUYER'S:** Market where buyers are favoured; surplus of listings; few sales; long listing periods; prices decreasing or increasing below inflation.

**DECLINING:** Extreme buyer's market; prices down significantly; further price decreases to be expected.

**SELLER'S:** Market where sellers are favoured; shortage of listings in relation to demand; short listing periods; prices increasing above inflation.

**OVERHEATING:** Extreme seller's market; sales and prices up considerably; further price increases to be expected.



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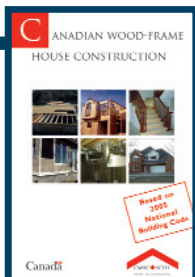
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