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# ANALYSIS OF THE RESALE MARKET FOURTH QUARTER 2006

## Gatineau Metropolitan Area

### An objective look at housing

Canada Mortgage and Housing Corporation

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

Date Released: First Quarter 2007

#### Market at a glance

4<sup>th</sup> Quarter 2006 vs.  
4<sup>th</sup> Quarter 2005

Sales volume	:	↓	- 5%
Average price	:	↑	5%
Sellers per buyer	:		6

### Resale market: new record set in 2006 despite year-end decrease

Despite a decrease in the fourth quarter, S.I.A./MLS® transactions set a new record in 2006 in the Gatineau area, according to data from the Chambre immobilière de l'Outaouais (CIO). In fact, 977 sales were registered during the last three months of 2006, or 4 per cent fewer than in the final quarter of 2005. The annual results revealed a totally picture, however, as 4,163 homes changed owners in 2006, for an increase of 3 per cent over the year before. This was the highest level of activity recorded since the year 2000.

This seven-year peak was reached in spite of two consecutive quarterly decreases in the sales volume at the end of 2006. It was therefore the intense activity during the first six months that led to such good annual results. It should be recalled that the year started off briskly on the Gatineau resale market, as sales in-

creased by 9 per cent in the first quarter and by 10 per cent in the second.

On the supply side, the rise in listings continued and even picked up the pace in recent months. The number of properties for sale went up by 11 per cent in the fourth quarter of 2006, following small increases of 2 per cent and 3 per cent, respectively, in the second and third quarters. In fact, listings have been rising steadily since 2003.

With the supply of homes increasing slightly faster than the number of sales, the relationship between sellers and buyers has been gradually shifting. In fact, the seller-to-buyer ratio reached 6.3 to 1 at the end of 2006, compared to 5.3 to 1 two years ago. Even if this change has taken place gradually so far, the movement accelerated to some extent during the second half

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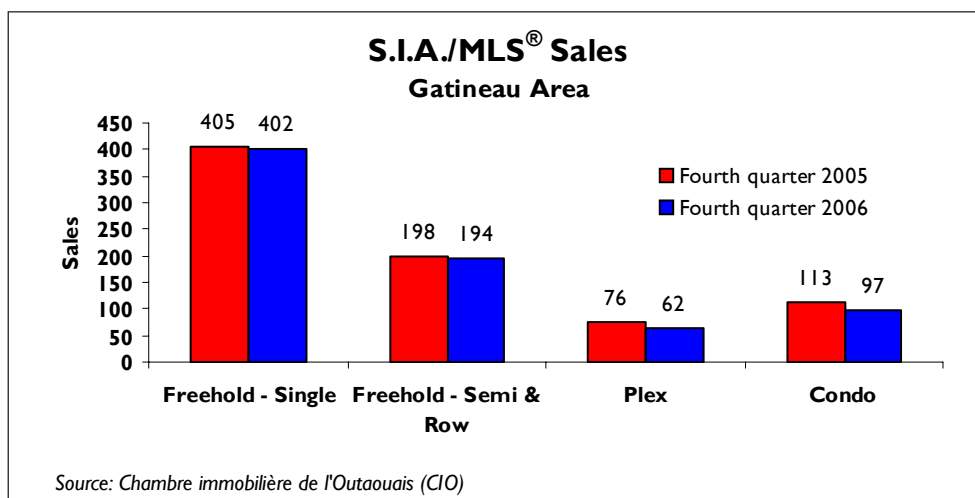
of 2006. It remains to be seen, however, if this acceleration will lead to a strong push toward a balanced market.

In a market that still favours sellers, but where buyers have been gaining more and more negotiating power, it came as no surprise to see that the average price of homes was still on the rise, but much less markedly. In fact, the average price increased by 5 per cent in 2006, compared to annual hikes averaging between 10 per cent and 16 per cent from 2000 to 2004.

## Single-detached homes support resale market activity

The performance of the resale market observed in 2006 was essentially attributable to the demand for freehold single-detached houses. Just over 2,300 homes of this type were sold during the past year, for an increase of 6 per cent over 2005. Demand for this type of housing appears to be weakening slightly, though, as sales of existing single-detached houses fell by 1 per cent during the fourth quarter of 2006. However, this decrease was still smaller than the declines recorded for the other housing types.

Plex sales, for their part, have been showing ups and downs for a long time



now. This market, which is more volatile than the freehold or condominium segments, is partly influenced by the rental housing vacancy rate and has a slightly different buyer profile. For some people, buying a plex is a way to access homeownership at a relatively affordable cost, since the rent collected helps them pay their mortgage. For others, it is an investment.

As for condominiums, they continued to lose ground, after having made gains for over a year. It should be specified that supply steadily declined during the first nine months of 2006. With less choice on the resale market, buyers turned to the new condominium market, where supply was greater, as starts increased by 10 per cent in 2006.

Lastly, the semi-detached and row home segment followed the same trend as the condominium market, with few differences. Sales were down and supply was stagnant. This market was also facing competition from the new home market.

## Buckingham stays on course

While sales fell in Hull, Gatineau, Masson-Angers and the outlying area during the fourth quarter of 2006, they rose significantly in Aylmer and Buckingham. For Aylmer, it was a gain after the decline observed in the third quarter. Buckingham is the only sector where sales have been rising continuously since the beginning of 2006. It should be noted that homes are more affordable there than elsewhere.

## Economic Overview of the Gatineau Area

	4th Quarter 2005	1st Quarter 2006	2nd Quarter 2006	3rd Quarter 2006	4th Quarter 2006
<b>Mortgage rate – 1-year (1)</b>	5.6	5.9	6.4	6.5	6.4
<b>Mortgage rate – 5-year (1)</b>	6.2	6.4	6.8	6.8	6.6
<b>Change in Consumer Confidence Index (2)</b>	9.6%	6.5%	4.1%	-1.4%	-2.2%
<b>Good time to make a major outlay for items such as a home (% of positive replies) (2) (3)</b>	46.4	53.3	53.8	52.0	47.6
<b>Job creation (or loss) (3)</b>	12,400	15,100	5,100	3,800	200
<b>Unemployment rate (3)</b>	5.6	6.3	5.3	4.7	6.0
<b>Personal bankruptcies</b>	377	421	329	380	n.a.
<b>Annual inflation rate (2)</b>	2.1%	2.3%	2.4%	1.2%	0.9%

Sources: Statistics Canada, Conference Board of Canada, Office of the Superintendent of Bankruptcy

Notes: (1) Canada (2) Quebec (3) Seasonally adjusted data

Resale Market Conditions in the Outaouais Area - 4th Quarter 2006																			
Zones	Intended market	Raw Data								Smoothed Data (trend for the last 4 quarters) <sup>1</sup>									
		Sales				Active Listings (monthly average)				Selling Price				Price Sold/Price Listed	Sellers per Buyer	Listing Period (days) <sup>2</sup>	Market Classification		
		3rd Quarter 2006	% Chg. from 3rd Quarter 2005	Year-to-Date 2006	% Chg. from YTD 2005	3rd Quarter 2006	% Chg. from 3rd Quarter 2005	Year-to-Date 2006	% Chg. from YTD 2005	Average	% Chg. from 2005 Trend	Median	% Chg. from 2005 Trend	%	Number	Chg. from 2005 Trend	Number	Chg. from 2005 Trend	
Hull	<b>Total</b>	<b>208</b>	<b>-13</b>	<b>744</b>	<b>4</b>	<b>411</b>	<b>-15</b>	<b>430</b>	<b>-9</b>	<b>173,238</b>	<b>9</b>	<b>162,000</b>	<b>7</b>	<b>96</b>	<b>6</b>	<b>0</b>	<b>81</b>	<b>5</b>	<b>SELLER'S</b>
	Freehold detached	75	14	270	30	142	3	152	10	206,762	12	190,000	6	96	6	0	81	7	SELLER'S
	Freehold semi-det. & row	31	-28	124	-16	39	-32	38	-32	175,060	4	175,000	5	97	3	0	53	-9	SELLER'S
	Plex	27	-13	99	-12	69	5	71	13	204,693	1	192,500	10	95	7	1	85	4	SELLER'S
	Condominium	75	-24	251	2	161	-28	169	-21	126,136	9	120,000	9	96	7	0	94	10	SELLER'S
Aylmer	<b>Total</b>	<b>164</b>	<b>-4</b>	<b>548</b>	<b>10</b>	<b>336</b>	<b>18</b>	<b>342</b>	<b>17</b>	<b>188,885</b>	<b>3</b>	<b>178,750</b>	<b>6</b>	<b>97</b>	<b>6</b>	<b>0</b>	<b>80</b>	<b>0</b>	<b>SELLER'S</b>
	Freehold detached	101	-8	327	7	225	17	232	18	213,591	3	205,000	5	96	7	1	81	-5	SELLER'S
	Freehold semi-det. & row	48	-2	157	4	68	19	67	22	157,711	5	156,000	5	97	4	1	61	-2	SELLER'S
	Plex	3	-57	17	6	9	-10	10	0	**	**	**	**	**	**	**	**	**	**
	Condominium	12	140	47	96	35	35	33	3	113,560	-1	100,000	-13	98	8	-6	144	35	BALANCED
Gatineau	<b>Total</b>	<b>358</b>	<b>-7</b>	<b>1,279</b>	<b>-3</b>	<b>763</b>	<b>5</b>	<b>809</b>	<b>2</b>	<b>170,043</b>	<b>5</b>	<b>158,000</b>	<b>3</b>	<b>97</b>	<b>6</b>	<b>0</b>	<b>74</b>	<b>-6</b>	<b>SELLER'S</b>
	Freehold detached	191	-12	707	-5	483	1	522	-3	191,509	6	179,900	6	97	7	0	81	-8	SELLER'S
	Freehold semi-det. & row	91	-13	361	-5	129	7	139	9	137,061	4	137,500	4	97	4	1	59	1	SELLER'S
	Plex	32	14	86	9	74	16	75	21	195,525	9	193,100	8	96	8	2	80	-3	BALANCED
	Condominium	44	26	125	12	77	26	74	6	127,543	7	122,900	5	97	6	0	74	-23	SELLER'S
Buckingham	<b>Total</b>	<b>54</b>	<b>13</b>	<b>168</b>	<b>10</b>	<b>79</b>	<b>5</b>	<b>95</b>	<b>16</b>	<b>126,978</b>	<b>2</b>	<b>125,000</b>	<b>4</b>	<b>96</b>	<b>5</b>	<b>0</b>	<b>75</b>	<b>0</b>	<b>SELLER'S</b>
	Freehold detached	35	-3	94	18	51	0	60	15	131,210	-4	132,400	-3	96	6	-1	84	4	SELLER'S
	Freehold semi-det. & row	14	40	58	-5	21	24	22	10	118,451	8	120,000	9	97	3	-1	64	2	SELLER'S
	Plex	5	150	16	33	7	0	13	30	**	**	**	**	**	**	**	**	**	**
	Condominium	0	--	0	--	0	--	0	--	**	**	**	**	**	**	**	**	**	**
Masson-Angers	<b>Total</b>	<b>62</b>	<b>9</b>	<b>215</b>	<b>17</b>	<b>95</b>	<b>-3</b>	<b>102</b>	<b>-3</b>	<b>137,944</b>	<b>2</b>	<b>131,500</b>	<b>2</b>	<b>97</b>	<b>5</b>	<b>0</b>	<b>65</b>	<b>-13</b>	<b>SELLER'S</b>
	Freehold detached	25	0	72	1	56	24	53	10	157,446	4	154,900	1	96	8	2	77	-8	BALANCED
	Freehold semi-det. & row	32	7	127	21	28	-32	39	-9	124,028	4	126,700	3	97	3	-1	54	-12	SELLER'S
	Plex	5	150	16	100	8	-27	10	-23	**	**	**	**	**	**	**	**	**	**
	Condominium	0	--	0	--	2	100	1	--	**	**	**	**	**	**	**	**	**	**
Outlying area	<b>Total</b>	<b>131</b>	<b>9</b>	<b>421</b>	<b>26</b>	<b>403</b>	<b>7</b>	<b>388</b>	<b>11</b>	<b>193,478</b>	<b>4</b>	<b>180,000</b>	<b>2</b>	<b>95</b>	<b>9</b>	<b>0</b>	<b>94</b>	<b>-3</b>	<b>BALANCED</b>
	Freehold detached	126	8	410	25	381	4	370	8	193,980	3	180,000	0	95	9	0	94	-3	BALANCED
	Freehold semi-det. & row	2	--	3	200	5	--	4	--	**	**	**	**	**	**	**	**	**	**
	Plex	1	-67	5	-17	12	9	10	25	**	**	**	**	**	**	**	**	**	**
	Condominium	2	--	3	--	5	--	4	--	**	**	**	**	**	**	**	**	**	**
Gatineau CMA	<b>Total</b>	<b>977</b>	<b>-4</b>	<b>3,375</b>	<b>5</b>	<b>2,087</b>	<b>2</b>	<b>2,167</b>	<b>3</b>	<b>172,664</b>	<b>5</b>	<b>159,900</b>	<b>4</b>	<b>96</b>	<b>6</b>	<b>0</b>	<b>79</b>	<b>-2</b>	<b>SELLER'S</b>
	Freehold detached	553	-3	1,880	8	1,338	5	1,388	6	193,582	5	182,000	5	96	7	0	84	-4	SELLER'S
	Freehold semi-det. & row	218	-8	830	-2	290	-1	308	2	143,792	4	140,000	3	97	4	1	58	-3	SELLER'S
	Plex	73	0	239	2	178	5	189	14	192,916	5	185,000	12	95	8	2	83	-3	BALANCED
	Condominium	133	-4	426	12	280	-10	281	-11	125,669	7	120,000	5	97	7	0	94	5	SELLER'S
Outaouais rural part	<b>Total</b>	<b>122</b>	<b>-2</b>	<b>367</b>	<b>5</b>	<b>391</b>	<b>3</b>	<b>385</b>	<b>9</b>	<b>121,008</b>	<b>9</b>	<b>100,000</b>	<b>11</b>	<b>92</b>	<b>9</b>	<b>0</b>	<b>103</b>	<b>1</b>	<b>BALANCED</b>
	Freehold detached	116	-3	351	3	368	2	362	7	121,884	8	102,000	13	93	9	0	103	1	BALANCED
	Freehold semi-det. & row	0	-100	3	-40	2	100	5	150	**	**	**	**	**	**	**	**	**	**
	Plex	6	50	12	100	19	27	17	55	**	**	**	**	**	**	**	**	**	**
	Condominium	0	--	1	--	2	100	2	100	**	**	**	**	**	**	**	**	**	**
Total Outaouais	<b>Total</b>	<b>1,099</b>	<b>-4</b>	<b>3,742</b>	<b>5</b>	<b>2,478</b>	<b>2</b>	<b>2,552</b>	<b>4</b>	<b>166,475</b>	<b>6</b>	<b>155,000</b>	<b>5</b>	<b>96</b>	<b>7</b>	<b>1</b>	<b>82</b>	<b>-1</b>	<b>SELLER'S</b>
	Freehold detached	669	-3	2,231	7	1,706	5	1,751	6	179,848	6	172,500	5	95	8	1	88	-2	BALANCED
	Freehold semi-det. & row	218	-8	833	-2	292	-1	312	3	143,606	4	139,950	3	97	4	1	58	-3	SELLER'S
	Plex	79	3	251	5	197	7	206	16	188,472	5	179,950	10	95	8	2	84	-4	BALANCED
	Condominium	133	-4	427	12	282	-9	283	-11	125,541	7	120,000	5	97	7	0	94	5	SELLER'S

Source: CIO (CMHC compilation and classification)

\* Confidential data or lack of data (fewer than 40 sales in the last 4 quarters).

\*\* There is no market classification when there have been fewer than 40 sales in the last 4 quarters.

## Resale Market Conditions in the Gatineau CMA - 4th Quarter 2006

### Statistics by Price Range

Intended Market	Price Range	Raw Data				Smoothed Data (trend for last 4 quarters)			
		Sales				Sellers per Buyer		Listing Period	
		4th Quarter 2006	% Chg. from 4th Quarter 2005	Year-to-Date 2006	% Chg. from YTD 2005	Trend for 2006 (number)	Trend for 2005 (number)	Trend for 2006 (number)	Chg. from 2005 Trend
Freehold	<b>Total</b>	<b>596</b>	<b>-1</b>	<b>3,340</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>77</b>	<b>-5</b>
	Under \$100,000	33	-8	178	-24	4	4	76	-5
	\$100,000 to \$149,999	170	-13	1,054	-3	4	4	66	-1
	\$150,000 to \$199,999	210	-9	1,172	-2	5	5	71	-3
	\$200,000 or over	183	32	936	30	10	11	93	-12
Plex	<b>Total</b>	<b>62</b>	<b>-18</b>	<b>301</b>	<b>-3</b>	<b>8</b>	<b>6</b>	<b>83</b>	<b>-3</b>
	Under \$100,000	4	300	15	-25	**	**	**	**
	\$100,000 to \$149,999	12	-52	80	-23	5	4	89	1
	\$150,000 to \$199,999	13	-38	86	12	8	7	71	2
	\$200,000 or over	33	14	120	10	10	8	84	-7
Condominium	<b>Total</b>	<b>97</b>	<b>-14</b>	<b>522</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>94</b>	<b>5</b>
	Under \$100,000	22	-37	116	-20	4	5	107	21
	\$100,000 to \$149,999	59	-11	326	8	6	7	81	-5
	\$150,000 to \$199,999	12	20	58	41	10	12	129	11
	\$200,000 or over	4	100	22	214	**	**	**	**

Source: CIO (CMHC compilation)

## NOTES AND DEFINITIONS

### Market zones

- Aylmer** : Gatineau sector corresponding to the former municipality of Aylmer.
- Hull** : Gatineau sector corresponding to the former municipality of Hull.
- Gatineau** : Gatineau sector corresponding to the former municipality of Gatineau.
- Buckingham** : Gatineau sector corresponding to the former municipality of Buckingham.
- Masson-Angers** : Gatineau sector corresponding to the former municipality of Masson-Angers.
- Outlying area** : Cantley, Chelsea, La Pêche, Pontiac, Val-des-Monts.
- Gatineau CMA** : Gatineau census metropolitan area, as defined by Statistics Canada.
- Outaouais rural part** : Allevin-et-Cawood, Aumont, Blue Sea, Boileau, Bois-Franc, Bouchette, Bowman, Bristol, Bryson, Campbell's Bay, Cayamant, Chénéville, Chichester, Clarendon, Déléage, Denholm, Duhamel, Egan-Sud, Fassett, Fort-Coulonge, Gracefield, Grand-Calumet, Grand-Remous, Kazabazua, Lac-des-Plages, Lac-Sainte-Marie, Lac-Simon, L'Ange Gardien, Leslie-Clapham-et-Huddersfield, L'Isle-aux-Allumettes, Lochaber, Lochaber-Partie-Ouest, Low, Maniwaki, Mansfield-et-Pontefract, Mayo, Messines, Montcerf-Lytton, Montebello, Montpellier, Mulgrave-et-Derry, Namur, Northfield, Notre-Dame-de-Bonsecours, Notre-Dame-de-la-Paix, Notre-Dame-de-la-Salette, Papineauville, Plaisance, Portage-du-Fort, Rapides-des-Joachims, Ripon, Saint-André-Avellin, Saint-Émile-de-Suffolk, Sainte-Thérèse-de-la-Gatineau, Saint-Sixte, Shawville, Thorne, Thurso, Val-des-Bois, Val-des-Monts, Waltham, Wright.

### 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

### Indicator definitions

- MEDIAN PRICE:** 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.
- 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.

### Notes

- <sup>1</sup> All data published in this publication is smoothed data, with the exception of sales and active listings.
- <sup>2</sup> The listing period may 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.



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