HOUSING NOW Gatineau

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Canada Mortgage and Housing Corporation

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SECOND QUARTER 2002

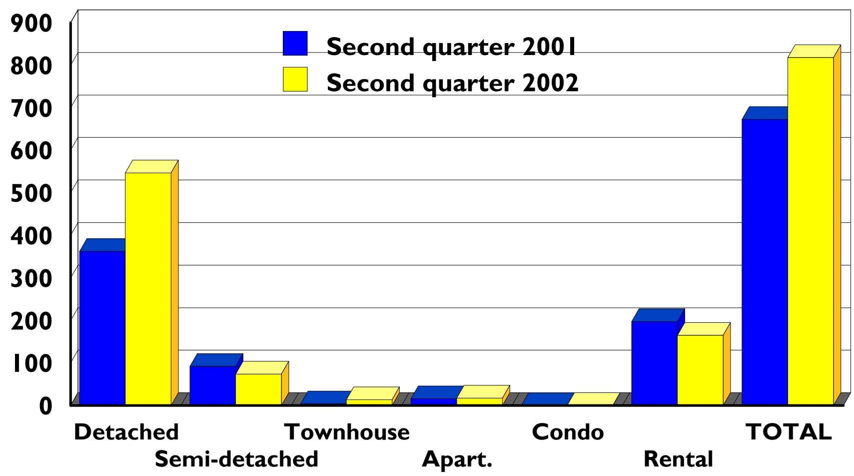
Strong Growth in the Outaouais

Nothing Impedes Residential Construction this Spring

In the second quarter of 2002, there were 818 housing starts or 22% more than during the same period last year. Making the most of a good, and steady economic climate, residential construction flourished in the region.

In all, there were 547 single home starts in the Outaouais, which reflects a 51% increase. At 67%, this housing category has once again taken over the lion's share of the residential construction market. Even though all the sectors of the Gatineau CMA are profiting from the appeal of single homes, the characteristics of each of the sectors are revealed in their respective results.

Housing Starts
By type of housing



IN THIS ISSUE

Single Homes Everywhere and Rental Housing in Hull

With 272 housing starts, the Hull area leads the way in recording a 105% increase.

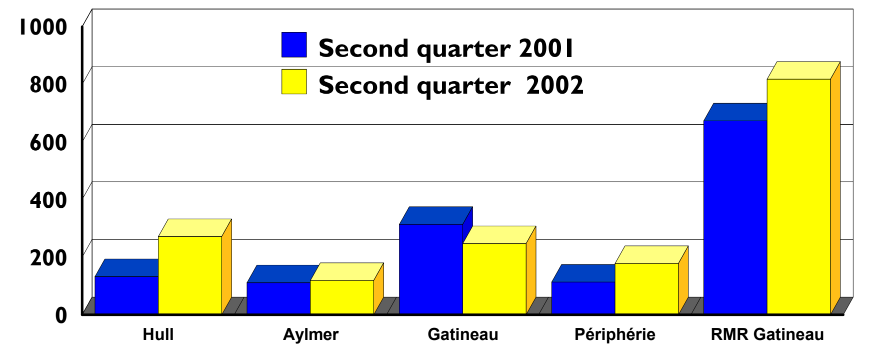
Although single homes made gains of 43%, what stood out in this area were the rental apartment construction starts. From April to June 2002, we counted 143 new units of this type, nine times more than during the same period in 2001. Of this number, one 35-unit building was destined for seniors. The low vacancy rates on both sides of the river, the proximity of services and of the capital, as well as the gradual disappearance of vacant land, all make Hull a choice area for new rental housing. We note that, in the second quarter of 2002, Hull captured 87% of the rental market, which recorded a 17% decline in the Outaouais.

The outskirts also handled themselves well in the second quarter of 2002 and recorded positive results for all types of housing. In total, there were 179 housing starts (+ 57%) in this area, of which 129 were single homes (+ 48%) and 38 were semi-detached (+ 73%).

Traditionally devoted to families wishing to become homeowners, the Aylmer and Gatineau areas are suffering because of their poor performance in terms of housing types other than the single home.

In Aylmer, the situation stabilized in the second quarter of 2002: of 120 housing starts, 86 were single homes, reflecting a 7% growth in both statistics compared with last year. The losses suffered in the semi-detached home category are made up for by townhouse and apartment construction starts, which produce a slight gain in two housing types other than singles.

Housing Starts



Source: SCHL

Gatineau recorded a 21% decline with 247 housing starts. Although this area dominated the single home market in terms of both growth (89%) and volume (215 units), the drop is primarily attributable to the exceptional quarter the Gatineau rental market experienced in 2001.

In actual fact, one retirement project containing 162 rental units came onto the market in Gatineau in May 2001. Even with 16 rental apartment starts in the second quarter of 2002, which outstrips the usual results, the sector cannot surpass its past performance.

Very Tight Resale Market

In the second quarter of 2002, activity in the resale market consolidated to the advantage of the seller and the number of sellers per buyer was 5 as opposed to last year's 9. We recall that the market is in equilibrium when there are 10 sellers for one buyer.

Between June 2001 and June 2002, the average housing price experienced an overall growth of 13%. Roughly 1,200 properties changed hands in this quarter, which corresponds to a 10% decline as compared with last year.

This decline is not attributable to the ever-present demand but to the beginning of a shortage in new listings. If the supply continues to tighten, we should see a steady rise in prices over the coming quarters.

In light of the good economic conditions, well-informed consumers who are confident about the future will not pass up the opportunity to become homeowners by taking advantage of the mortgage rates, which, although on their way up, are still historically low.

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

Activity / Period	Ownership: Freehold**	Ownership: Condominiums	Rental	Total
Housing Starts				
Second Quarter 2002	653	0	165	818
Second Quarter 2001	475	0	198	673
Year-to-Date 2002 (Jan.-June)	883	0	284	1,167
Year-to-Date 2001 (Jan.-June)	615	0	222	837
Under Construction				
June 2002	869	0	326	1,195
June 2001	543	0	255	798
Completions				
Second Quarter 2002	332	0	75	407
Second Quarter 2001	207	0	68	275
Year-to-Date 2002	638	0	250	888
Year-to-Date 2001	388	0	134	522
Unoccupied				
June 2002	144	0	0	144
June 2001	113	0	24	137
Absorptions				
Second Quarter 2002	250	0	239	489
Second Quarter 2001	220	4	115	339
Year-to-Date 2002	584	0	262	846
Year-to-Date 2001	408	63	163	634
Duration of Inventory (in months)				
June 2002	1.4	NA	0.0	1.1
June 2001	1.4	0.0	1.2	1.3

**As per the old delimitations*

Source: CMHC

** * Freehold Duplex*

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

Zone / Period	*Ownership*					*Rental*	*Total*
	Freehold				*Condo-miniums*		
	Single	*Semi*	*Row*	*Apart.*			
Zone 1: Hull							
Second Quarter 2002	117	2	4	6	0	143	272
Second Quarter 2001	82	22	0	14	0	15	133
Year-to-Date 2002	159	38	7	6	0	252	462
Year-to-Date 2001	112	22	0	14	0	35	183
Zone 2: Aylmer							
Second Quarter 2002	86	20	10	4	0	0	120
Second Quarter 2001	80	28	4	0	0	0	112
Year-to-Date 2002	121	34	10	4	0	0	169
Year-to-Date 2001	111	32	4	0	0	2	149
Zone 3: Gatineau							
Second Quarter 2002	215	14	0	2	0	16	247
Second Quarter 2001	114	20	0	0	0	180	314
Year-to-Date 2002	268	26	0	2	0	16	312
Year-to-Date 2001	157	42	0	0	0	182	381
Zone 4: Periphery							
Second Quarter 2002	129	38	0	6	0	6	179
Second Quarter 2001	87	22	0	2	0	3	114
Year-to-Date 2002	158	44	0	6	0	16	224
Year-to-Date 2001	95	24	0	2	0	3	124
TOTAL GATINEAU METRO							
Second Quarter 2002	547	74	14	18	0	165	818
Second Quarter 2001	363	92	4	16	0	198	673
Year-to-Date 2002	706	142	17	18	0	284	1,167
Year-to-Date 2001	475	120	4	16	0	222	837

**As per the old delimitations*

Source: CMHC

Table 3
Single-Detached and Semi-Detached Houses Absorbed by Price Range and by Zone
Gatineau Metropolitan Area* - Second Quarter

Type	Less than $90,000		$90,000 to $109,999		$110,000 to $129,999		$130,000 to $149,999		$150,000 and more		Total	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Zone 1: Hull												
Single	0	0	1	4	13	6	11	12	29	16	54	38
Semi	0	0	23	11	2	3	9	0	2	0	36	14
Zone 2: Aylmer												
Single	0	0	3	2	16	4	14	7	29	11	62	24
Semi	0	2	4	4	6	2	0	0	0	0	10	8
Zone 3: Gatineau												
Single	0	2	3	4	17	16	11	12	11	16	42	50
Semi	2	8	0	7	0	0	0	0	0	0	2	15
Zone 4: Periphery												
Single	1	7	5	8	10	9	1	2	9	3	26	29
Semi	6	7	2	6	0	2	0	1	0	0	8	16
TOTAL GATINEAU METRO												
Single	1	9	12	18	56	35	37	33	78	46	184	141
Semi	8	17	29	28	8	7	9	1	2	0	56	53

**As per the old delimitations*
Source: CMHC

Please take note that the document

FORECAST SUMMARY

usually included each year with the 2nd and 4th Quarters of the **Housing Now** reports,
will be send in the future with the 1st and 3rd Quarters.

For any question, please contact our

CUSTOMER SERVICE DEPARTMENT
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or by Email: **cam_qc@cmhc.ca**

Table 4 Housing Demand and Supply Gatineau Metropolitan Area* - June 2002					
Type	Under construction	Unoccupied	Short-Term Supply	Absorptions (Trend**)	Supply / Absorption Ratio
Freehold	869	144	1,013	106	9.5
Condominiums	0	0	0	0	NA
Rental	326	0	326	30	10.9

*As per the old delimitations
** 12-Month Average
Source: CMHC

Table 5 Economic Overview Gatineau Metropolitan Area*					
	Second Quarter		Trend (Jan.-June)		Variation (%)
	2001	2002	2001	2002	Trend
Labour Market					
Population 15 years and + (000)	206.3	210.1	205.8	209.4	1.8
Labor Force (000)	144.4	147.7	143.4	145.1	1.2
Employment Level - Total (000)	133.4	138.6	132.9	135.0	1.6
Employment Level - Full Time (000)	112.3	117.6	111.1	114.5	3.1
Unemployment Rate	7.7%	6.2%	7.3%	7.0%	n.a.
Mortgage Rates (1) (%)					
1-Year	6.7	5.5	6.9	5.2	n.a.
5-Year	7.7	7.4	7.6	7.2	n.a.
Annual Inflation Rate (2)	3.3	0.9	3.0	1.2	n.a.
Consumer Confidence Index (1991=100) (2) **(Seasonally Adjusted)**	120.0	136.9	117.4	134.1	n.a.

*As per the old delimitations

Notes: (1) Canada (2) Province of Québec.

Sources: Statistics Canada, Conference Board of Canada.

Definitions and concepts

Canada Mortgage and Housing Corporation (CMHC) conducts a monthly survey called ``Survey on Housing Starts, Completion and Absorption`` for all the urban areas in Canada with a population of 10,000 residents or more. This quarterly Housing Market publication provides statistical data and analysis of the trends in the Intended Markets for the Hull 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).

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Gatineau Metropolitan Area Zones

Zones	*Municipalities or 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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