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# ORECAST

Trois-Rivières

Fall - Winter 2004

# SUMMARY

Canada Mortgage and Housing Corporation

## Real estate market reaches a peak in 2004

### Residential construction

✓ In the Trois-Rivières census metropolitan area (CMA), residential construction activity will reach a 10-year high in 2004 (720 units, for an increase of 13 per cent) and then slow down next year. CMHC expects 600 new dwellings in 2005, as starts should fall by 17 per cent.

✓ Historically low mortgage rates, lack of choice on the existing home market and the scarcity of rental dwellings continue to be the engines of growth. Freehold housing starts will remain relatively stable in 2004, with 450 new foundations. For next year, the current downturn in employment, the progressive easing of the resale market and the increase in construction costs will cause the level of activity to go down to 300 starts.

✓ Only the rental housing segment will continue to post gains in 2005, thanks to a persistently tight rental market and a booming retirement home market segment.

It should be recalled that Trois-Rivières has the oldest population among the 27 CMAs<sup>1</sup>. While, in 2004, almost all new units were contained in small structures intended for the traditional rental market, 2005 will mark the return of large projects for seniors. The forecast calls for 250 new rental dwellings in 2004 and 280 in 2005.

✓ In a context of rising prices for freehold houses, on both the existing and new home markets, it is surprising not to see any real growth in condominium starts. Condominiums are an affordable housing type that is raising the interest of first-time home buyers and also repeat buyers seeking less maintenance and space. According to our starts surveys, based on building permits, developer-builders continue to favour rental housing construction above all.

### Resale market

✓ Despite a particularly limited supply, 830 homes will change hands in 2004, for

an increase of 4 per cent in Multiple Listing Service (MLS<sup>®</sup>) sales. For 2005, the hike in prices, combined with a new rise in mortgage rates, will slow down the pace to 730 transactions, for a decrease of 10 per cent.

✓ Listings will bottom out in 2004 (at an average of 280 units) and gradually go back up in 2005 (to 360 listings). The market will continue to favour sellers next year. The average price of homeowner houses will attain the \$100,000 mark (+10 per cent) this year. In 2005, prices will rise more moderately, with a gain of 4 per cent, reaching an average of \$104,000.

### Rental market

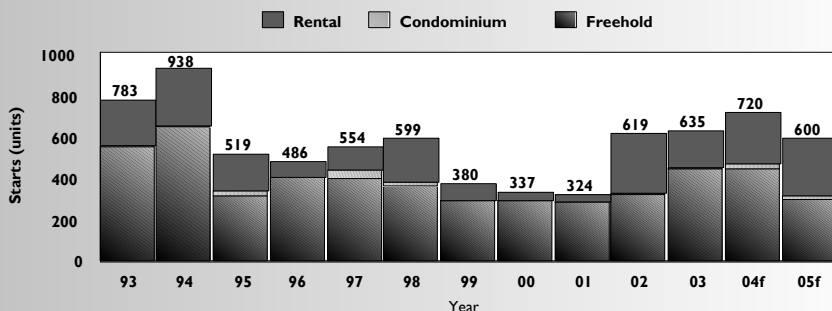
✓ The forecast remains unchanged for the rental housing segment. The exodus of young people, the arrival of new rental units and the strong homeownership trend observed in recent years will help push the vacancy rate back up in the CMA, as this proportion will reach 2 per cent in 2004 and 3 per cent in 2005.

### Employment and economy

✓ In the absence of any major projects, the Trois-Rivières labour market will sustain a decrease of around 1,000 jobs in 2004, offsetting practically all the gains registered in 2003. With a slim increase of 300 jobs in 2005, the labour market will contribute to the upcoming slowdown in the residential construction sector.

## Residential Construction

Trois-Rivières CMA



f: CMHC forecast  
Source: CMHC



<sup>1</sup>According to the 2001 Statistics Canada Census

HOME TO CANADIANS

Canada

# FORECAST SUMMARY

## Trois-Rivières CMA

### Fall - Winter 2004

	2002	2003	2004f	2005f
<b>NEW HOME MARKET</b>				
<b>Total housing starts</b>	<b>619</b>	<b>635</b>	<b>720</b>	<b>600</b>
Freehold	324	449	450	300
Condominium	6	6	20	20
Rental	289	180	250	280
<b>Unoccupied units (monthly average)</b>				
Freehold	23	16	20	40
Rental	3	29	30	40
<b>RESALE MARKET</b>				
<b>MLS<sup>®</sup> sales (total) - freehold</b>	<b>923</b>	<b>799</b>	<b>830</b>	<b>730</b>
<b>MLS<sup>®</sup> listings - freehold</b>	<b>446</b>	<b>301</b>	<b>280</b>	<b>360</b>
Sellers per buyer (freehold)	5.8	4.5	4.0	5.9
Average MLS <sup>®</sup> price (\$) - freehold	82,000	91,000	100,000	104,000
<b>RENTAL MARKET</b>				
Vacancy rate (%)	3.0	1.5	2.0	3.0
Average rent for a two-bedroom unit (\$)	431	436	455	465
Change in average rent (%)	2.9	1.2	4.4	2.2
<b>ECONOMIC OVERVIEW</b>				
Mortgage rate - 1-year (%)	5.17	4.84	4.56	5.48
Mortgage rate - 5-year (%)	7.02	6.39	6.28	6.95
Unemployment rate (%)	9.9	10.7	11.0	10.5
Employment growth (number of jobs)	-900	1,300	-1,000	300

CMHC forecast

Data sources: CMHC, Statistics Canada, Multiple Listing Service (Chambre immobilière de la Mauricie)

(\*) Resale market data is now based on MLS sales. Multiple Listing Service (MLS<sup>®</sup>) is a registered certification mark owned by the Canadian Real Estate Association (CREA).

**For more information about this publication,  
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