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Canada Mortgage and Housing Corporation

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Housing starts losing speed in the second quarter

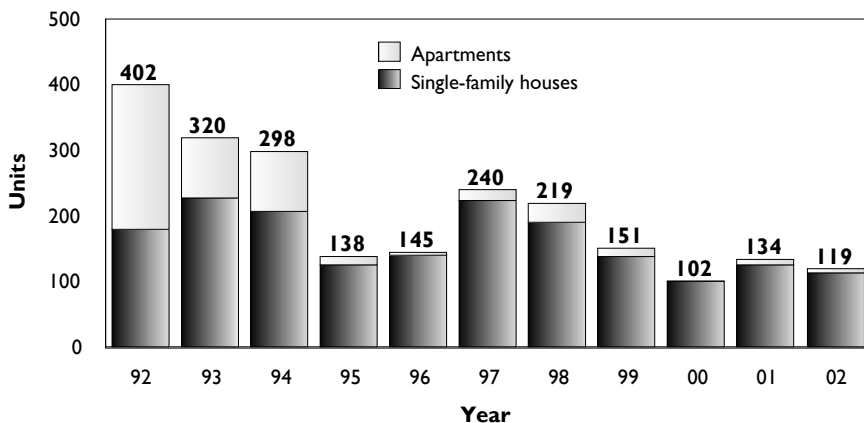
According to the latest data compiled by Canada Mortgage and Housing Corporation (CMHC), there were 119 housing starts during the second quarter of 2002 in the Chicoutimi-Jonquière census metropolitan area (CMA). This result represents a decrease of 11 per cent in relation to the 134 starts that were enumerated during the same period last year and marks a first decline after four consecutive quarters of growth.

Single-family home building went down by 5 starts in the second quarter of 2002, compared to the same period last year.

This segment, which accounts for around 80 per cent of all residential construction activity, sustained the repercussions of a job market that has been quite sluggish for the last 18 months.

According to CMHC's survey, rental housing starts also lost speed in the Chicoutimi-Jonquière CMA this past quarter. During the three-month period that ended in June, five apartments were started, or three fewer than in the corresponding period last year.

Total Housing Starts
Second Quarter
Chicoutimi-Jonquière Metropolitan Area



Source: CMHC

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HOME TO CANADIANS
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Elsewhere in the Lac-Saint-Jean area

Residential construction was very vigorous in Alma, where 33 starts were recorded in the second quarter of 2002, for a gain of 32 per cent over the same period in 2001. This increase was attributable to the fact that 30 single-family houses were started there, or 14 more than in the second quarter of 2001. In Roberval, the growth was weaker, with 1 more start, for a total of 8 units. The construction of 4 additional rental units offset the decline in single-family home building. In Dolbeau-Mistassini, there was a decrease of 8 starts, mainly due to the single-family home segment (-6 units). And, lastly, Saint-Félicien was added to the survey this year, and 13 single-family home

starts were enumerated there for the three-month period that ended in June.

First half of 2002 posts a gain

This situation observed in the second quarter in the Chicoutimi-Jonquière CMA was different from that which prevailed in the first three months of the year when, thanks to two retirement home projects with 19 and 12 units, apartment starts had attained a level of 35 units. This performance posted at the beginning of the year in the rental housing segment offset the downturn in starts recorded in the second quarter. The first six months of 2002 therefore ended with positive results compared to the first half of 2001. For

this period, CMHC enumerated 167 new starts, for a gain of 16 units.

Provincial results

The mid-year results for residential construction are positive for all of Quebec. Since the beginning of the year, 16,747 starts have been enumerated in urban centres with 10,000 or more inhabitants, up by 51 per cent over the first half of 2001. The greatest gain was recorded in the Trois-Rivières area (120 per cent), followed by Sherbrooke (89 per cent), Québec (70 per cent), Montréal (51 per cent), Gatineau (39 per cent) and Chicoutimi-Jonquière (11 per cent).

SPOTLIGHT ON HOUSING INVENTORIES

Newly completed and unoccupied housing inventory levels partly account for the renewed activity in the residential construction sector

Inventories of all types of newly completed and unoccupied housing are now at their lowest levels ever recorded by CMHC. This means that, to meet current demand, it has become necessary to build more housing rather than continue to draw on existing inventories.

In recent years, some builders and real estate developers experienced difficulties in selling off their inventories of properties. Today, even with the strong housing demand, they have remained cautious in the face of the risks associated with maintaining large inventories of properties.

This situation is very similar to that prevailing on the rental market. This last segment is in fact very tight, as the national average vacancy rate for a dwelling with three or more bedrooms is around 1 per cent. In all metropolitan areas across Quebec, rental housing units are scarce. The results of the 2001 rental market survey revealed that vacancy rates went down in all census metropolitan areas throughout Quebec. On the rental markets in Montréal (0.6 per cent), Hull (0.6 per cent) and Québec (0.8 per cent), these rates are

now below the 1-per-cent mark. In Sherbrooke, the rate fell from 4.7 per cent to 2.3 per cent in October 2001. However, the markets in Trois-Rivières (4.7 per cent) and Chicoutimi-Jonquière (4.4 per cent) are not as tight. This means that new housing will have to be built to meet part of the demand, as there are not enough unoccupied rental units.

Consequently, given that demand remains robust, residential construction should progress well over the next few years, considering that both new housing inventories and the rental housing vacancy rate are at very low levels. The vigorous construction activity observed during the first half of this year in all metropolitan areas effectively confirms this trend.

New Unoccupied Housing Inventories at Very Low Levels
Canada

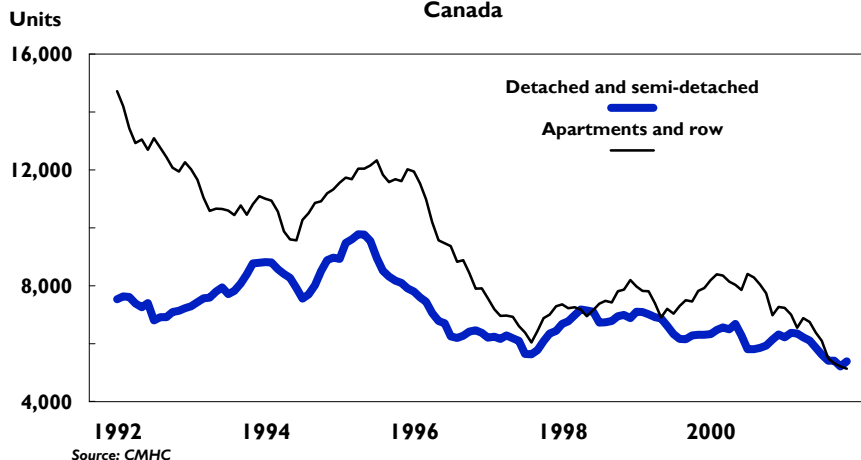


Table I
Summary of Activity by Intended Market
Chicoutimi-Jonquière Metropolitan Area

Activity / period	Ownership					Rental	Total
	Freehold *				Condo-minium		
	Detached	Semi-det.	Row	Apart.			
Starts							
Second Quarter 2002	110	4	0	2	0	3	119
Second Quarter 2001	115	11	0	2	0	6	134
Year-to-Date 2002 (Jan.-June)	123	4	0	2	0	38	167
Year-to-Date 2001 (Jan.-June)	124	17	0	2	0	8	151
Under construction **							
Second Quarter 2002	105	4	0	4	0	9	122
Second Quarter 2001	85	13	0	0	0	8	106
Completions							
Second Quarter 2002	33	0	0	0	0	81	114
Second Quarter 2001	54	4	0	2	0	10	70
Year-to-Date 2002	59	4	0	0	0	89	152
Year-to-Date 2001	70	6	0	2	0	16	94
Unoccupied **							
Second Quarter 2002	1	2	0	0	0	27	30
Second Quarter 2001	4	0	0	0	0	6	10
Absorptions							
Second Quarter 2002	35	0	0	3	0	12	50
Second Quarter 2001	53	4	0	2	0	6	65
Year-to-Date 2002	60	2	0	3	0	18	83
Year-to-Date 2001	70	6	0	2	0	6	84
Short term Supply							
Second Quarter 2002	106	6	0	4	0	36	152
Second Quarter 2001	89	13	0	0	0	14	116

* Refers to single-family houses (detached, semi-detached and row) owned under freehold tenure and duplex occupied by the owner(s).

** As at the end of the period shown.

Source: CMHC

Table 2
Housing Starts by Zone and by Intended Market
Chicoutimi-Jonquière Metropolitan Area

Zone / period	Ownership					Rental	Total
	Freehold				Condo-minium		
	Detached	Semi-det.	Row	Apart.			
Zone 1: City of Chicoutimi							
Second Quarter 2002	23	0	0	2	0	0	25
Second Quarter 2001	18	3	0	2	0	0	23
Year-to-Date 2002	27	0	0	2	0	4	33
Year-to-Date 2001	20	7	0	2	0	2	31
Zone 2: Jonquière							
Second Quarter 2002	47	2	0	0	0	3	52
Second Quarter 2001	43	4	0	0	0	6	53
Year-to-Date 2002	51	2	0	0	0	34	87
Year-to-Date 2001	46	4	0	0	0	6	56
Zone 3: La Baie							
Second Quarter 2002	9	0	0	0	0	0	9
Second Quarter 2001	9	2	0	0	0	0	11
Year-to-Date 2002	10	0	0	0	0	0	10
Year-to-Date 2001	9	2	0	0	0	0	11
Centre (zones 1 to 3)							
Second Quarter 2002	79	2	0	2	0	3	86
Second Quarter 2001	70	9	0	2	0	6	87
Year-to-Date 2002	88	2	0	2	0	38	130
Year-to-Date 2001	75	13	0	2	0	8	98
Zone 4: Outlying Area (Lac Kénogami, Larouche, Laterrière, St-Fulgence, etc.)							
Second Quarter 2002	31	2	0	0	0	0	33
Second Quarter 2001	45	2	0	0	0	0	47
Year-to-Date 2002	35	2	0	0	0	0	37
Year-to-Date 2001	49	4	0	0	0	0	53
TOTAL CHICOUTIMI-JONQUIÈRE MÉTROPOLITAN AREA							
Second Quarter 2002	110	4	0	2	0	3	119
Second Quarter 2001	115	11	0	2	0	6	134
Year-to-Date 2002	123	4	0	2	0	38	167
Year-to-Date 2001	124	17	0	2	0	8	151

Note: Each zone are determined by the city limit before the fusion

Source: CMHC

Table 3**Detached and Semi-Detached Houses Absorbed by price Range - Second Quarter
Chicoutimi-Jonquière Metropolitan Area**

Type	Under \$70,000		\$70,000 to \$89,999		\$90,000 to \$109,999		\$110,000 to \$129,999		\$130,000 or over	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Detached	3	1	6	15	7	16	6	13	13	8
Semi-Detached	0	2	0	2	0	0	0	0	0	0
Total	3	3	6	17	7	16	6	13	13	8
Market Share	9%	2%	17%	28%	20%	30%	17%	25%	37%	15%

Source: CMHC

Table 4**Housing Supply / Second Quarter 2002
Chicoutimi-Jonquière Metropolitan Area**

	Intended Market			
	<i>Freehold</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Under construction	113	0	9	122
Vacant Inventory	3	0	27	30
Short-Term Supply	116	0	36	152
Short-Term Supply Duration (in months, trend)	5.9	NA	12.0	6.7

Source: CMHC

For more information about this publication,
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Table 5
Housing Starts by Agglomeration and by Intended Market
Lac-St-Jean

Agglomeration / period	Ownership					Rental	Total
	Freehold				Condo-minium		
	Detached	Semi-det.	Row	Apart.			
Alma							
Second Quarter 2002	30	0	0	0	0	3	33
Second Quarter 2001	16	2	5	2	0	0	25
Year-to-Date 2002	32	0	0	0	0	3	35
Year-to-Date 2001	19	2	5	2	0	0	28
Dolbeau-Mistassini							
Second Quarter 2002	9	2	0	0	0	0	11
Second Quarter 2001	15	2	0	2	0	0	19
Year-to-Date 2002	9	2	0	0	0	0	11
Year-to-Date 2001	17	2	0	2	0	0	21
Roberval							
Second Quarter 2002	4	0	0	0	0	4	8
Second Quarter 2001	7	0	0	0	0	0	7
Year-to-Date 2002	4	0	0	0	0	4	8
Year-to-Date 2001	10	6	0	0	0	0	16
Saint-Félicien							
Second Quarter 2002	13	0	0	0	0	0	13
Second Quarter 2001	**	**	**	**	**	**	**
Year-to-Date 2002	14	0	0	0	0	0	14
Year-to-Date 2001	**	**	**	**	**	**	**

Source: CMHC

** St-Félicien since 2002, is a new agglomeration with more than 10,000 inhabitants. Data are not available prior to 2002.

Obtain low cost data on the Chicoutimi-Jonquière market

Each housing market is unique and it is impossible to meet all needs in a single publication. However, we can respond to specific requests to help you better understand your market.

In addition to supplying long term statistical data, we can develop special compilations based on your own criteria.

Contact us!

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Table 6
Economic Overview
Chicoutimi-Jonquière Metropolitan Area

	2001			2002		
	2nd Q.	3rd Q.	4th Q.	1st Q.	2nd Q.	
Mortgage Rate (%) (Canada)						
- 1-year	6.7	6.0	4.7	4.8	5.5	
- 5-year	7.7	7.5	6.9	7.1	7.4	
Inflation (Province of Quebec)						
- Inflation Rate (%)	3.3	2.3	1.3	1.5	0.9	
- Consumers Price Index (1992=100)	113.9	113.7	113.1	113.9	115.0	
Quebec's Consumer Attitudes: Survey						
- Index of Consumer Attitudes (1991 = 100, SA)	120.0	112.5	110.5	131.2	136.9	
Jobs Market						
- Jobs Creation (Loss) compare to the last quarter	- Total	3,800	3,400	(1,000)	(2,000)	(1,100)
	- Full Time	6,200	2,600	(3,600)	(2,800)	(800)
- Jobs Creation (Loss) compare to the same quarter last year	- Total	3,600	2,100	2,600	4,200	(700)
	- Full Time	5,000	3,600	3,400	2,400	(4,600)
- Unemployment Rate (%)		10.8	10.7	11.4	13.6	12.3

Sources: Statistics Canada, Conference Board of Canada, CMHC

Note: Parenthesis indicates negatives values.

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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1-866-855-5711

or by Email: cam_qc@cmhc.ca

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 Chicoutimi-Jonquière Metropolitan Area.

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 b

ut 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).

Chicoutimi-Jonquière Metropolitan Area Zones

Zones	Municipalities	Large zone
1	Chicoutimi	Centre
2	Jonquière	Centre
3	La Baie	Centre
4	Lac Kénogami, Larouche, Laterrière, St-Fulgence, St-Honoré, Shipshaw, Canton Tremblay.	Peripheral Area

Housing Now is published four times a year for the Chicoutimi Metropolitan Area. Annual Subscription to the Chicoutimi Housing Now is \$55.00 plus applicable taxes. For more information, or to subscribe, contact our Customer Service Centre at 1-866-855-5711.

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