

H

OUSING NOW

YOUR LINK TO THE HOUSING MARKET Trois-Rivières

Residential Construction Off to a Strong Start this Year in Trois-Rivières

Canada Mortgage and Housing Corporation

www.cmhc.ca

In the Trois-Rivières census metropolitan area (CMA), activity remained red hot on residential job sites in the first quarter of 2006. According to the latest statistics released by Canada Mortgage and Housing Corporation (CMHC), total starts went up by 71 per cent over the corresponding quarter in 2005. In absolute terms, 237 dwellings got under way from January to March 2006, compared to 139 one year earlier.

All market segments posted gains in starts. The strongest increase was registered in the semi-detached and row home category, where starts more than quadrupled. While construction had begun on 10 such dwellings in the first quarter of 2005,

48 units of this type have been started since the beginning of 2006.

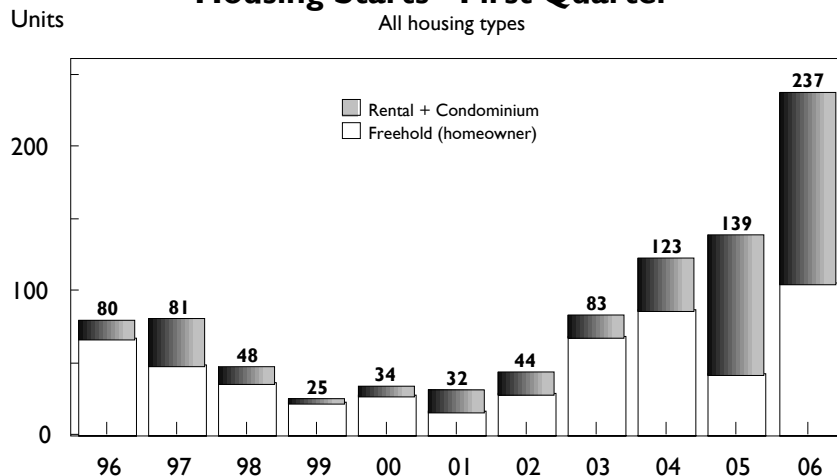
In the single-detached home segment, the gain was also significant on the Trois-Rivières territory. Detached housing starts went from 33 units in the first quarter 2005 up to 57 in the first quarter of 2006. The good job market performance recorded in the area in 2005 continued to stimulate residential construction. As well, the still affordable mortgage rates and a persistently tight resale market, where the choice of properties for sale remained limited, also contributed to the increase of 73 per cent in starts of this type.

SECOND QUARTER 2006

IN THIS ISSUE

- 1 Residential Construction Off to a Strong Start this Year in Trois-Rivières
- 2 Resale Market Remains Active
- STATISTICAL TABLES:**
Trois-Rivières CMA
- 3 Summary of Activity by Intended Market
- 4 Housing Starts by Zone and by Intended Market
- 5 Housing Starts in Outlying Area - Freehold Market
- 5 Summary of Activity by Large Zone and by Intended Market
- 6 Housing Supply
- 6 Economic Overview
- 7 Definitions and Concepts
- 7 Trois-Rivières Metropolitan Area Zones

Housing Starts - First Quarter



Source : CMHC

Finally, rental housing starts did not do too poorly. In this market segment, activity was very strong during the first few months of 2006, as was the case in the two previous years. In all, 132 rental housing units were added to the market from January to March 2006, compared to 96 during the same period one year earlier. This 38-per-cent increase in rental housing starts was attributable to the rental market situation in the area.

Elsewhere in the Mauricie area, activity was also supported in the agglomera-

tion of Shawinigan. In all, 28 dwellings (20 single-detached houses and 8 rental housing units) were started during the first quarter of 2006, compared to 17 one year earlier (13 single-detached houses and 4 rental housing units). In La Tuque, however, housing activity was much more moderate. From January to March 2006, only one house was started, but there had not been any at all during the corresponding period in 2005.

In all urban centres with 10,000 or more inhabitants across Quebec,

7,698 starts were enumerated during the first three months of 2006, for an increase of 8 per cent over the same period in 2005. The Trois-Rivières CMA posted the strongest increase (+71 per cent), followed by Gatineau (+39 per cent) and Montréal (+9 per cent). The other CMAs in the province sustained decreases, with the most significant decline having been registered in Saguenay (-55 per cent). Lastly, starts fell by 19 per cent in Québec and by 17 per cent in Sherbrooke.

Resale Market Remains Active

In the first three months of 2006, the resale market remained dynamic in the Trois-Rivières census metropolitan area (CMA). After a slight slowdown during the previous quarter, the resale market showed some renewed activity. In fact, according to Service inter-agences / Multiple Listing Service (S.I.A.® / MLS®) data, property sales¹ jumped up by 10.6 per cent over the same period last year as, in all, 241 transactions were concluded on the Trois-Rivières territory from January to March 2006. The continued favourable economic context, including a job market that stayed very strong throughout 2005 in the area, along with still affordable mortgage rates, partly accounted for this situation. As well, the rental market situation, which remained tight, also had a positive impact on the resale market. The combined effects of these factors therefore supported resale market activity in the Trois-Rivières area.

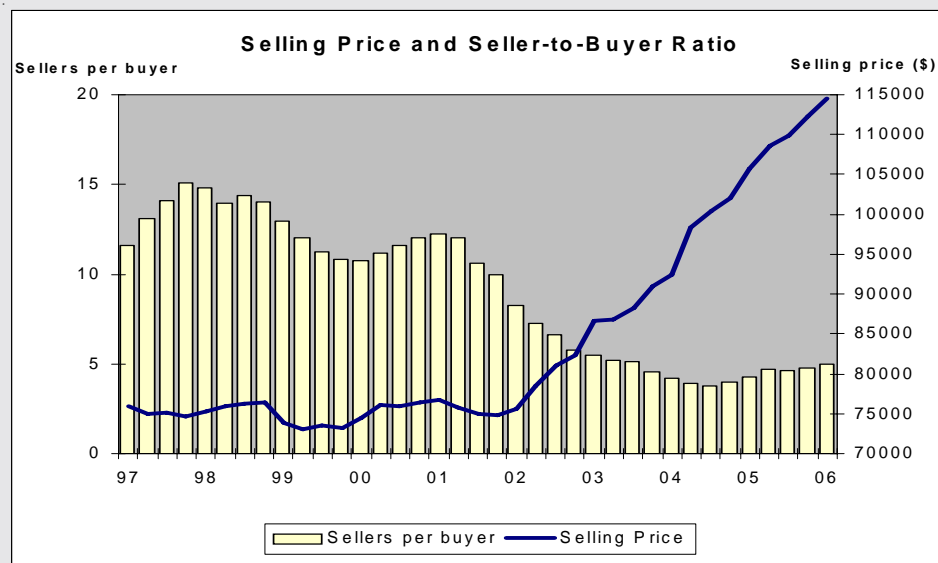
On the supply side, the number of properties for sale also increased. During the first quarter of 2006, listings rose at a slightly faster pace than sales, which led to a moderate growth in the number of sellers per buyer. As a result, the seller-to-buyer ratio went up from 4.3 to 1 in the first quarter of 2005 to 5.0 to 1 during the first quarter of 2006. This increase in the seller-to-buyer ratio in the area is a sign that the resale market, while still below the balanced range², is gradually starting to ease. The effect of this increase in the ratio

was felt on the average price of single-family homes³, which went up more modestly. While hikes of close to 10 per cent had been registered in 2005, the increase in the average price of properties was 8.4 per cent in the first quarter of 2006. During this period, single-family homes were selling for an average price of \$114,500 in the Trois-Rivières area.

The central sector, which comprises the former municipalities of Trois-Rivières, Trois-Rivières-Ouest and Cap-de-la-Madeleine, had the tightest market, with a seller-to-buyer ratio of 4.2 to 1 and an average price of \$121,450, up by 9.6 per cent over the corresponding quarter in 2005. Con-

versely, the outlying sector had the least tight market, with a ratio of 6.3 to 1 and an average price of \$103,800, up by 6.6 per cent over the first quarter of 2005.

Elsewhere in the Mauricie area, market conditions, which were somewhat less tight than in the Trois-Rivières CMA, also eased. In the agglomeration of Shawinigan, 76 properties changed hands during the first quarter of 2006, down by nearly 14 per cent from the corresponding quarter in 2005. This decrease in transactions, combined with the increase in properties for sale, drove up the seller-to-buyer to 6.0 to 1.



¹ Small farms, country homes, mobile homes and cottages are not included in the sales figures.

² The balanced range for the seller-to-buyer ratio is between 8 and 10 to 1, indicating a market where neither buyers nor sellers are favoured.

³ Single-family homes include detached, semi-detached and row houses.

Table I
Summary of Activity by Intended Market
Trois-Rivières Metropolitan Area

Activity / Period	Ownership					Rental	Total
	Freehold*				Condo-minium		
	Single	Semi	Row	Apt.			
Starts							
First quarter 2006	57	48	0	0	0	132	237
First quarter 2005	33	10	0	0	0	96	139
Year-to-date 2006 (Jan.-March)	57	48	0	0	0	132	237
Year-to-date 2005 (Jan.-March)	33	10	0	0	0	96	139
Under construction**							
First quarter 2006	34	38	0	0	0	193	265
First quarter 2005	37	18	0	0	6	70	131
Completions							
First quarter 2006	49	16	3	0	6	55	129
First quarter 2005	35	16	0	2	0	95	148
Year-to-date 2006	49	16	3	0	6	55	129
Year-to-date 2005	35	16	0	2	0	95	148
Unoccupied**							
First quarter 2006	3	15	0	0	0	30	48
First quarter 2005	6	8	0	1	0	46	61
Absorption							
First quarter 2006	49	16	3	1	6	63	138
First quarter 2005	31	19	0	1	0	77	128
Year-to-date 2006	49	16	3	1	6	63	138
Year-to-date 2005	31	19	0	1	0	77	128
Duration of inventory (months)							
Trend 2006	0.1	1.6	n.a.	n.a.	n.a.	1.0	0.6
Trend 2005	0.2	0.7	n.a.	2.5	n.a.	1.5	0.8

* Refers to single-family houses (single-detached, semi-detached and row homes) owned under freehold tenure and owner-occupied duplexes

** At the end of the period shown

Source: CMHC

Table 2
Housing Starts by Zone and by Intended Market
Trois-Rivières Metropolitan Area

Zone / Period	Ownership					Rental	Total
	Freehold				Condo-minium		
	Single	Semi	Row	Apt.			
Zone 1: Trois-Rivières							
First quarter 2006	13	38	0	0	0	24	75
First quarter 2005	8	10	0	0	0	4	22
Year-to-date 2006	13	38	0	0	0	24	75
Year-to-date 2005	8	10	0	0	0	4	22
Zone 2: Trois-Rivières-Ouest							
First quarter 2006	11	10	0	0	0	44	65
First quarter 2005	4	0	0	0	0	68	72
Year-to-date 2006	11	10	0	0	0	44	65
Year-to-date 2005	4	0	0	0	0	68	72
Zone 3: Cap-de-la-Madeleine							
First quarter 2006	8	0	0	0	0	20	28
First quarter 2005	8	0	0	0	0	24	32
Year-to-date 2006	8	0	0	0	0	20	28
Year-to-date 2005	8	0	0	0	0	24	32
Centre (zones 1 to 3)							
First quarter 2006	32	48	0	0	0	88	168
First quarter 2005	20	10	0	0	0	96	126
Year-to-date 2006	32	48	0	0	0	88	168
Year-to-date 2005	20	10	0	0	0	96	126
Zone 4: Outlying area (Bécancour, Champlain, Pointe-du-Lac, etc.)							
First quarter 2006	25	0	0	0	0	44	69
First quarter 2005	13	0	0	0	0	0	13
Year-to-date 2006	25	0	0	0	0	44	69
Year-to-date 2005	13	0	0	0	0	0	13
TOTAL - TROIS-RIVIÈRES METROPOLITAN AREA							
First quarter 2006	57	48	0	0	0	132	237
First quarter 2005	33	10	0	0	0	96	139
Year-to-date 2006	57	48	0	0	0	132	237
Year-to-date 2005	33	10	0	0	0	96	139

Source: CMHC

Table 3
Housing Starts in Outlying Area - Freehold Market
Trois-Rivières Metropolitan Area

Zones	First Quarter		Year-to-Date (Jan.-March)	
	2006	2005	2006	2005
Bécancour	6	4	6	4
Champlain	0	0	0	0
Pointe-du-Lac	8	3	8	3
Saint-Louis-de-France	4	4	4	4
Sainte-Marthe-du-Cap	6	2	6	2
Saint-Maurice	1	0	1	0

Source: CMHC

Table 4
Summary of Activity by Large Zone and by Intended Market
Trois-Rivières Metropolitan Area

Zone	Ownership				Rental	
	Freehold		Condominium		1st Q 2006	1st Q 2005
	1st Q 2006	1st Q 2005	1st Q 2006	1st Q 2005		
Starts						
Centre	80	30	0	0	88	96
Suburbs	25	13	0	0	44	0
Under construction*						
Centre	65	50	0	6	98	70
Suburbs	7	5	0	0	95	0
Completions						
Centre	47	41	6	0	55	95
Suburbs	21	12	0	0	0	0
Unoccupied*						
Centre	18	14	0	0	28	38
Suburbs	0	1	0	0	2	8
Absorption						
Centre	48	40	6	0	62	73
Suburbs	21	11	0	0	1	4
Duration of inventory (months)**						
Centre	0.7	0.5	0.0	0.0	0.9	1.3
Suburbs	0.0	0.1	n.a.	n.a.	4.0	5.6

* At the end of the period shown

** Trend

Source: CMHC

Table 5
Housing Supply
Trois-Rivières Metropolitan Area

<i>Intended Market</i>	<i>Under Construction</i>	<i>Unoccupied</i>	<i>Short-Term Supply</i>	<i>Duration of Supply (months)</i>
Freehold Condominium Rental	March 2006			Trend 2006
	72	18	90	2.1
	0	0	0	0.0
	193	30	223	7.3
	March 2005			Trend 2005
	55	15	70	1.7
Freehold	6	0	6	30.0
Condominium	70	46	116	3.8
Rental				

Source: CMHC

Table 6
Economic Overview
Trois-Rivières Metropolitan Area

	<i>First Quarter</i>		<i>Trend Jan.-March</i>		<i>% Change</i>
	2005	2006	2005	2006	<i>Trend</i>
Labour market					
- Employment level	65.9	67.9	65.9	67.9	3.0%
- Unemployment rate (%)	10.6%	8.9%	10.6%	8.9%	n.a.
Mortgage rates (%) (Canada)					
- 1-year	4.9	5.9	4.9	5.9	n.a.
- 5-year	6.1	6.4	6.1	6.4	n.a.
Annual inflation rate (%)	2.1	2.2	2.1	2.2	n.a.
Quebec consumer attitudes survey					
- Index of Consumer Attitudes (1991 = 100) (seasonally adjusted)	123.3	115.9	123.3	115.9	-6.0%

Sources: Statistics Canada, Conference Board of Canada

Definitions and Concepts

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 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).

Trois-Rivières Metropolitan Area Zones

Zones	Municipalities and Sectors	Large Zones
1	Trois-Rivières Sector	Centre
2	Trois-Rivières-Ouest Sector	Centre
3	Cap-de-la-Madeleine Sector	Centre
4	Bécancour, Champlain, Pointe-du-Lac, St-Louis-de-France, St-Maurice, Ste-Marthe-du-Cap-de-la-Madeleine.	Outlying

CMHC – HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years.

Together with other housing stakeholders, we help ensure that Canada maintains one of the best housing systems in the world. We are committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country.

For more information, visit our website at www.cmhc.ca

You can also reach us by phone at 1 800 668-2642 or by fax at 1 800 245-9274.

Outside Canada call (613) 748-2003 or fax to (613) 748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1 800 668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is now available for **free** on CMHC's website. You can now view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to www.cmhc.ca/housingmarketinformation

For more information on MAC and the wealth of housing market information available to you, visit us today at www.cmhc.ca/housingmarketinformation

To subscribe to priced, printed editions of the national standardized product suite or regional specialty publications, call 1 800 668-2642.

©2006 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of any CMHC Market Analysis publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or entire CMHC Market Analysis publications, please contact: the Canadian Housing Information Centre (CHIC) at chic@cmhc.gc.ca; (613) 748-2367 or 1 800 668-2642

For permission, please use the following information:
Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.