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ANALYSIS OF THE RESALE MARKET SECOND QUARTER 2007

Gatineau Area

An objective look at housing

Canada Mortgage and Housing Corporation

www.cmhc.ca

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Market at a glance

2nd Quarter 2007 vs.
2nd Quarter 2006

Sales volume	:	↑	7%
Average price	:	↑	5%
Sellers per buyer	:		6

Resale market maintains its momentum

After having posted a gain of 11 per cent at the beginning of the year, existing home sales continued to rise in the second quarter. This time, 1,518 sales were registered through the Multiple Listing Service® (MLS®) in the Gatineau area, for an increase of 7 per cent over the same period in 2006. As a result, since January, 2,650 homes have changed owners, or 8 per cent more than during the first six months of last year.

In the second quarter, supply was at a standstill. There were, on average, 2,410 homes for sale from April to June, or slightly more than in the second quarter of last year (+0.5 per cent). This was the smallest quarterly rise in listings since 2002.

With demand still strong and supply stagnant, the market has remained favourable to sellers (6 sellers per buyer). Prices have therefore continued to rise above inflation as, according to the trend for the last four quarters, the average price of homes has reached just under \$177,900, up by 6 per cent.

The economic environment in Gatineau continues to support residential construction in the area. Employment in general has grown moderately in recent months, but full-time employment, which has a greater impact on housing demand, has kept rising at a good pace, since the middle of 2005.

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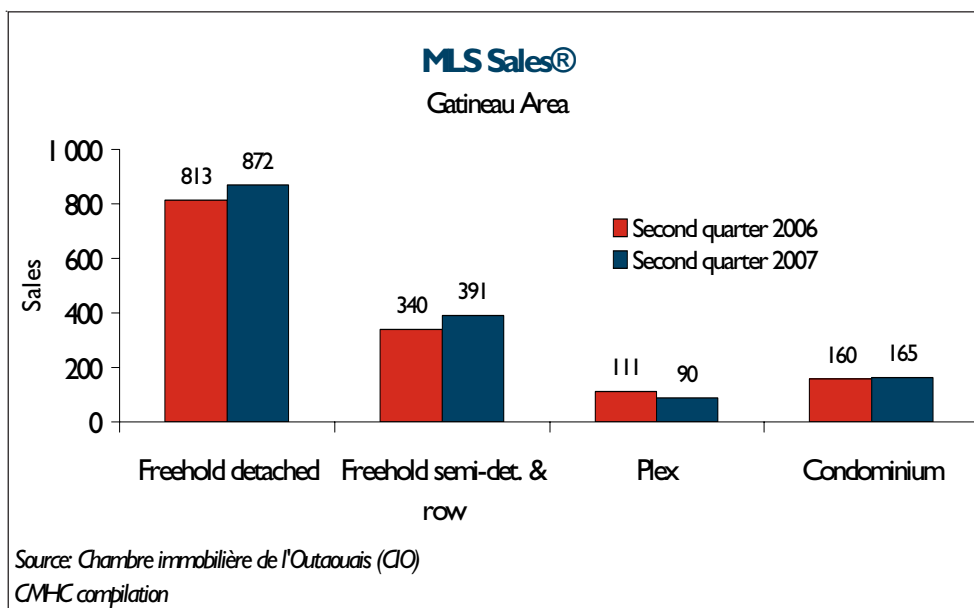


Canada 

Existing townhouses gain in popularity

Semi-detached and row homes were in demand on the resale market. In fact, sales of such houses rose by 15 per cent in the second quarter. However, there were relatively few homes of this type in the area. At the time of the 2001 Census, the Gatineau area had 17,655 semi-detached and row homes, representing just 17 per cent of the housing stock. By comparison, single-detached houses accounted for 49 per cent of the stock. The strong activity pushed down listings by 7 per cent. Consequently, the market was extremely favourable to sellers (3 sellers per buyer), and the average price went up by 6 per cent.

Sales of single-detached homes and condominiums also increased in the second quarter, but to a lesser extent, with gains of 7 per cent and 3 per cent, respectively. The market was almost balanced for these two housing types, as each had a ratio of 7 sellers per



buyer. Still, the price hikes were between 6 per cent and 7 per cent.

As for plexes (structures with 2 to 5 housing units), this market segment was slightly lagging behind, with 90 sales (-19 per cent). It should be noted that supply also declined (-5 per cent). Plexes were the only housing type for which

the market was balanced (ratio of 8 to 1), and this was reflected in the prices and the listing periods. In fact, the trend for the last four quarters shows an increase of 3 per cent in the average price. In addition, plexes were the only housing type for which the average listing period increased significantly (+10 days).

Economic Overview of the Gatineau Area

	2nd Quarter 2006	3rd Quarter 2006	4th Quarter 2006	1st Quarter 2007	2nd Quarter 2007
Mortgage rate – 1-year (1)	6,4	6,5	6,4	6,5	6,8
Mortgage rate – 5-year (1)	6,8	6,8	6,6	6,6	7,0
Change in Consumer Confidence Index (2)	4,1%	-1,4%	-2,2%	4,9%	0,2%
Good time to make a major outlay for items such as a home (% of positive replies) (2) (3)	53,8	52,0	47,6	50,3	53,4
Job creation (or loss) (3)	5 100	3 800	200	1 200	4 100
Unemployment rate (3)	5,3	4,7	6,0	7,1	5,3
Personal bankruptcies	329	380	409	379	393
Annual inflation rate (2)	2,4%	1,2%	1,0%	1,3%	1,5%

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

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

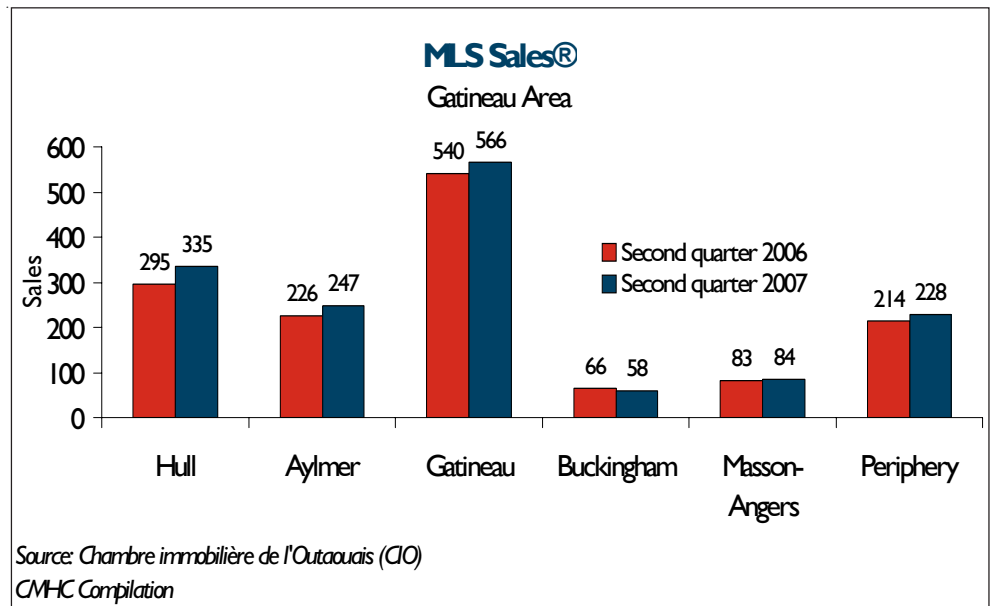
Most sectors register gains

Sales increased almost everywhere across the Gatineau area. Only the Buckingham sector sustained a decrease (-12 per cent). The volume was relatively low there, however, and the difference was in fact only 8 sales. As well, listings have been on the decline for three quarters in this sector. The decrease in sales reflected the scarce supply more than an actual decline in demand. In fact, the number of sellers per buyer dropped from 6 to 4 since last year.

Conversely, the more central sectors recorded significant gains. Hull registered the greatest increase (+14 per cent), with 335 sales in the second quarter, followed by Aylmer, with a gain of 9 per cent. The zone corresponding to the former city of Gatineau, for its part, still garnered the largest share of the activity (over one third), with 566 sales, or 5 per cent more than in the second quarter of last year.

The outlying area also did well, with 228 transactions in the second quarter of 2007, for a gain of 7 per cent over the same period last year. Still the only sector in the Gatineau area where the market has been balanced since 2005, the outlying zone even saw its number of sellers per buyer rise from 8 to 9 since last year. Buyers therefore have more bargaining power in the outlying area than in the city of Gatineau.

In the Masson-Angers sector, activity remained essentially at the same level as last year (84 sales, versus 83 last



year). Just like in Buckingham, supply was on the decline. The stable sales therefore do not necessarily indicate a stagnant demand.

Affordable properties sought

On the freehold (single-detached, semi-detached and row) home market, the seller-to-buyer ratio was very different depending on whether the price of the home was below or above \$200,000. While the number of sellers per buyer stood between 3 and 4 for homes priced at under \$200,000, the ratio was 10 to 1 for more expensive properties. In fact, this market has been balanced since 2001.

In the plex segment, buyers were in a better position to negotiate than before. The market for homes priced from

\$150,000 to \$199,999 was in fact balanced.

Just like the freehold home market, the condominium segment was twofold. The market for condominiums priced at under \$150,000 was favourable to sellers (between 4 and 6 sellers per buyer), while the market for more expensive condominiums was balanced (ratio of 11 to 1). In fact, it can be noted that the average listing period got significantly longer for more expensive condominiums. According to the trend for the last four quarters, it took an average of 119 days to sell a condominium priced from \$150,000 to \$199,999, or 24 days more than last year.

Resale Market Conditions in the Outaouais Area - 2nd Quarter 2007																			
Zones	Intended market	Raw Data								Smoothed Data (trend for the last 4 quarters) ¹									
		Sales				Active Listings (monthly average)				Selling Price				Price Sold/ Price Listed	Sellers per Buyer	Listing Period (days) ²	Market Classification		
		2nd Quarter 2007	% Chg. from 2nd Quarter 2006	Year-to-Date 2007	% Chg. from YTD 2006	2nd Quarter 2007	% Chg. from 2nd Quarter 2006	Year-to-Date 2007	% Chg. from YTD 2006	Average	% Chg. from 2006 Trend	Median	% Chg. from 2006 Trend	%	Number	Chg. from 2006 Trend	Number	Chg. from 2006 Trend	
Hull	Total	335	14	557	5	468	8	467	8	174 546	5	167 800	7	96	6	1	81	4	SELLER'S
	Freehold detached	120	20	202	6	135	-18	134	-13	205 381	3	195 000	4	96	5	-1	79	2	SELLER'S
	Freehold semi-det. & row	68	66	118	27	53	71	59	59	177 682	5	176 950	4	98	3	0	58	-1	SELLER'S
	Plex	49	9	73	4	81	16	75	7	208 102	0	204 000	9	94	7	1	96	15	SELLER'S
	Condominium	98	-10	164	-7	198	16	199	16	126 069	6	118 750	6	97	7	1	92	6	SELLER'S
Aylmer	Total	247	9	427	12	426	16	398	16	197 934	6	184 000	6	97	6	0	82	1	SELLER'S
	Freehold detached	154	13	257	15	271	7	257	8	221 525	5	217 500	7	96	7	1	85	-1	SELLER'S
	Freehold semi-det. & row	80	14	140	27	94	24	84	29	162 537	5	165 000	9	97	4	1	63	1	SELLER'S
	Plex	4	-60	10	-29	14	56	13	18	**	**	**	**	**	**	**	**	**	**
	Condominium	9	-10	20	-39	47	57	44	42	**	**	**	**	**	**	**	**	**	**
Gatineau	Total	566	5	1 007	10	840	-4	844	1	174 075	4	164 000	5	97	6	0	77	2	SELLER'S
	Freehold detached	312	1	540	5	545	-3	543	0	197 825	5	185 000	6	97	7	0	83	0	SELLER'S
	Freehold semi-det. & row	167	6	306	14	117	-24	127	-11	142 101	7	145 000	9	97	3	0	63	6	SELLER'S
	Plex	30	-14	50	-7	69	-20	74	-1	195 913	1	190 000	-1	96	9	2	84	-2	BALANCED
	Condominium	57	43	111	37	108	38	101	40	130 917	5	126 000	5	97	6	1	75	-1	SELLER'S
Buckingham	Total	58	-12	102	-11	68	-38	67	-35	134 598	5	129 700	4	96	4	-2	63	-15	SELLER'S
	Freehold detached	33	0	62	5	46	-31	46	-28	141 851	4	139 250	2	96	5	-1	73	-14	SELLER'S
	Freehold semi-det. & row	23	-4	35	-20	17	-32	17	-23	119 954	3	122 250	5	97	3	-1	44	-24	SELLER'S
	Plex	2	-78	5	-55	5	-71	4	-75	**	**	**	**	**	**	**	**	**	**
	Condominium	0	--	0	--	0	--	0	--	**	**	**	**	**	**	**	**	**	**
Masson-Angers	Total	84	1	173	13	83	-25	93	-13	142 934	5	137 000	5	97	4	-1	65	-9	SELLER'S
	Freehold detached	27	0	56	19	54	-4	56	8	162 446	7	164 450	6	97	7	1	77	-4	SELLER'S
	Freehold semi-det. & row	52	11	106	12	22	-50	30	-32	129 461	6	132 000	6	98	2	-2	51	-11	SELLER'S
	Plex	4	-56	10	-9	7	-30	7	-30	**	**	**	**	**	**	**	**	**	**
	Condominium	1	--	1	--	0	-100	0	-100	**	**	**	**	**	**	**	**	**	**
Outlying area	Total	228	7	384	9	526	6	496	9	198 554	6	190 000	9	95	9	1	97	4	BALANCED
	Freehold detached	226	8	375	9	493	4	461	5	199 213	5	192 000	9	95	8	0	96	2	BALANCED
	Freehold semi-det. & row	1	0	5	150	8	60	10	150	**	**	**	**	**	**	**	**	**	**
	Plex	1	-67	4	-20	17	55	18	80	**	**	**	**	**	**	**	**	**	**
	Condominium	0	-100	0	-100	8	100	7	133	**	**	**	**	**	**	**	**	**	**
Gatineau CMA	Total	1 518	7	2 650	8	2 410	1	2 364	4	177 867	5	166 241	6	96	6	0	80	1	SELLER'S
	Freehold detached	872	7	1 492	8	1 544	-2	1 495	1	199 178	5	189 000	6	96	7	0	86	0	SELLER'S
	Freehold semi-det. & row	391	15	710	16	312	-7	328	4	149 039	6	146 000	7	97	3	0	60	1	SELLER'S
	Plex	90	-19	152	-8	193	-5	190	-1	197 319	3	190 000	6	95	8	1	94	10	BALANCED
	Condominium	165	3	296	2	361	27	351	26	128 626	7	124 000	8	97	7	1	90	4	SELLER'S
Outaouais rural part	Total	170	-7	262	-5	501	8	450	10	120 116	11	109 000	25	92	10	1	104	7	BALANCED
	Freehold detached	167	-5	254	-5	476	8	429	11	120 663	11	109 900	26	92	10	2	104	8	BALANCED
	Freehold semi-det. & row	0	-100	0	-100	1	-83	1	-83	**	**	**	**	**	**	**	**	**	**
	Plex	3	-40	6	0	24	14	20	25	**	**	**	**	**	**	**	**	**	**
	Condominium	0	--	2	100	0	-100	1	-50	**	**	**	**	**	**	**	**	**	**
Total Outaouais	Total	1 688	5	2 912	7	2 911	2	2 814	5	172 040	6	163 000	8	96	7	1	83	2	SELLER'S
	Freehold detached	1 039	5	1 746	6	2 020	0	1 924	3	186 480	6	179 500	7	95	7	0	89	2	SELLER'S
	Freehold semi-det. & row	391	14	710	16	313	-8	329	2	149 039	6	146 000	7	97	3	-1	60	0	SELLER'S
	Plex	93	-20	158	-8	217	-4	210	1	192 351	3	185 000	6	95	8	1	94	8	BALANCED
	Condominium	165	3	298	2	361	27	352	26	128 695	7	124 000	8	97	7	1	90	3	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 - 2nd Quarter 2007

Statistics by Price Range

Intended Market	Price Range	Raw Data				Smoothed Data (trend for last 4 quarters)			
		Sales		Sellers per Buyer		Listing Period			
		2nd Quarter 2007	% Chg. from 2nd Quarter 2006	Year-to-Date 2007	% Chg. from YTD 2006	Trend for 2007 (number)	Trend for 2006 (number)	Trend for 2007 (number)	Chg. from 2006 Trend
Freehold	Total	1 263	10	2 202	11	6	6	80	1
	Under \$100,000	42	-26	79	-25	4	4	87	7
	\$100,000 to \$149,999	272	-23	565	-13	3	4	66	-1
	\$150,000 to \$199,999	508	28	851	24	4	5	70	-3
	\$200,000 or over	441	27	707	29	10	10	96	-1
Plex	Total	90	-19	152	-8	8	7	94	10
	Under \$100,000	3	0	4	-20	**	**	**	**
	\$100,000 to \$149,999	17	-41	31	-33	6	4	90	-1
	\$150,000 to \$199,999	27	-4	45	-8	9	7	95	27
	\$200,000 or over	43	-16	72	11	9	9	96	5
Condominium	Total	165	3	296	2	7	6	90	4
	Under \$100,000	19	-44	47	-31	4	4	87	-5
	\$100,000 to \$149,999	106	12	196	11	6	6	83	-1
	\$150,000 to \$199,999	31	35	43	26	11	10	119	24
	\$200,000 or over	9	13	10	-17	**	**	**	**

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, Denholm, L'Ange-Gardien, La Pêche, Pontiac, Val-des-Monts.

Gatineau CMA : Gatineau census metropolitan area, as defined by Statistics Canada.

Outaouais rural part* : Alayn-et-Cawood, Aumond, Blue Sea, Boileau, Bois-Franc, Bouchette, Bowman, Bristol, Bryson, Campbell's Bay, Cayamant, Chénéville, Chichester, Clarendon, Délage, Duhamel, Egan-Sud, Fassett, Fort-Coulonge, Gracefield, Grand-Calumet, Grand-Remous, Kazabazua, Lac-des-Plages, Lac-Sainte-Marie, Lac-Simon, 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.

*Note: Denholm and L'Ange-Gardien are no longer part of the Outaouais rural part but are taken into account in the area of Gatineau as established by Statistics Canada in the 2006 Census.

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.

SELLER'S: Market where sellers are favoured; shortage of listings in relation to demand; short listing periods; prices increasing above inflation.

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

¹ All data published in this publication is smoothed data, with the exception of sales and active listings.

² 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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