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ANALYSIS OF THE RESALE MARKET THIRD 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

3rd Quarter 2007 vs.
3rd Quarter 2006

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

Resale market continues to grow

According to data from the Chambre immobilière de l'Outaouais (CIO), 1,060 sales were registered through the Multiple Listing Service® (MLS®) in the Gatineau area during the third quarter of 2007, for a gain of 6 per cent over the same quarter in 2006. As well, the 170 sales that were recorded in the rural part of the Outaouais region represent a similar increase (+6 per cent). The resale market has remained vigorous since the beginning of the year.

However, in the Gatineau area, after rising for six months, residential property listings fell by 3.9 per cent in the third quarter. For all housing types combined, the market

therefore remained favourable to sellers, with a ratio of 6 sellers for every buyer. At the same time, prices (for all housing types combined) rose by an average of 5 per cent in the third quarter of 2007, compared to the same quarter in 2006—the same rate at which they have been increasing since the beginning of the year. In the Gatineau area, the average price for all housing types combined reached \$179,754 in the third quarter of 2007.

Current economic conditions favour the resale market. In fact, job creation continues to grow, and the unemployment rate, at 5.3 per cent in the third quarter of 2007—although higher than during the

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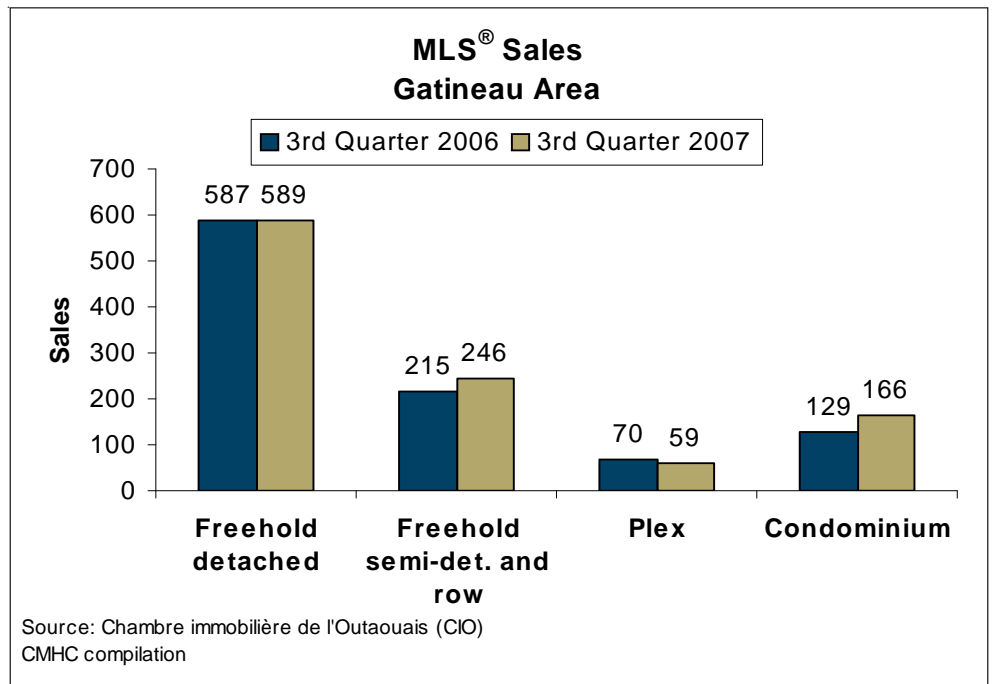
Canada 

third quarter of 2006—still indicates a strong job market. As well, despite the mortgage crisis in the United States, interest rates are relatively low in Canada. In addition, new mortgage financing options, such as loans with amortization periods extending beyond 25 years, are making home buying easier and therefore encouraging households to access homeownership.

Affordable home sales tending to increase

In the overall Gatineau area, the good performance of the resale market was attributable to increases in sales of all housing types, except for properties with 2 to 5 housing units (plexes). The fact that this market segment is small results in significant volatility in sales. It is therefore difficult to identify the trend in this segment.

Single-detached home sales, at 589 units, remained stable in the third



quarter of 2007, in comparison with the third quarter of 2006. Conversely, over the same period, semi-detached and row home sales rose by 14 per cent and condominium sales, by 29 per cent. In the third quarter of 2007, the average price of semi-detached and row houses was \$150,830 and the average price of condominiums

stood at \$129,793. Consequently, there was a greater increase in demand for houses priced at less than \$150,000.

This shift toward affordable homes observed in Gatineau has been due to the types of buyers and the gradual erosion of the capacity to pay of

Economic Overview of the Gatineau Area

	3rd Quarter 2006	4th Quarter 2006	1st Quarter 2007	2nd Quarter 2007	3rd Quarter 2007
Mortgage rate – 1-year (1)	6.5	6.4	6.5	6.8	7.1
Mortgage rate – 5-year (1)	6.8	6.6	6.6	7.0	7.2
Change in Consumer Confidence Index (2)	-1.4%	-2.2%	4.9%	0.2%	0.0%
Good time to make a major outlay for items such as a home (% of positive replies) (2) (3)	52.0	47.6	50.3	53.4	53.2
Job creation (or loss) (3)	3,800	200	1,200	4,100	300
Unemployment rate (3)	4.7	6.0	7.1	5.3	5.3
Personal bankruptcies	380	409	379	393	391
Annual inflation rate (2)	1.2%	1.0%	1.3%	1.5%	1.3%

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

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

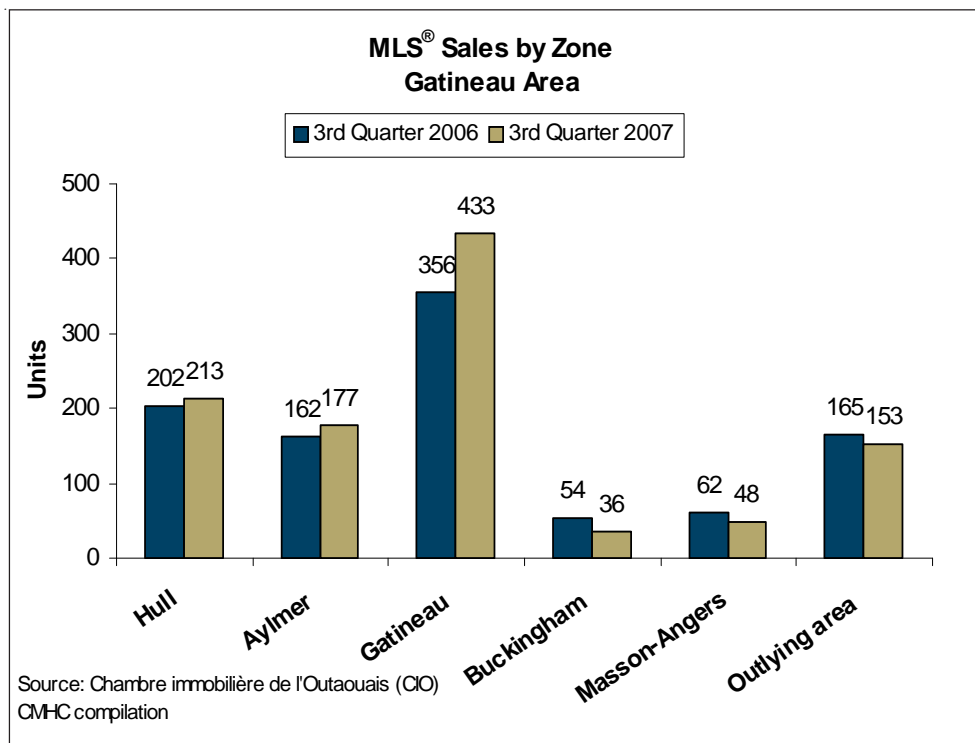
households. First, in Gatineau, the main home buyer group is composed of young families who want to access homeownership and whose incomes and down payments are more limited than those of experienced buyers. Second, gradually rising prices and mortgage rates have reduced the borrowing capacity of these young families.

Gatineau sector ahead of the pack

In the Gatineau sector, sales rose by 22 per cent in the third quarter of 2007, compared to the same quarter in 2006, thanks to a more varied supply of dwellings and more affordable home prices than in neighbouring sectors. In fact, the average price for all housing types combined stood at \$174,446 in Gatineau, versus \$176,708 in Hull and \$199,449 in Aylmer.

In the Hull sector, sales increased by 5 per cent and, in Aylmer, by 9 per cent. The other sectors registered decreases, as sales fell by 33 per cent in Buckingham, by 23 per cent in Masson-Angers and by 7 per cent in the outlying area.

The central sectors are therefore more popular than the sectors located farther away from the core of the National Capital. In addition, since Buckingham and Masson-Angers have smaller housing stocks than the central sectors of Gatineau, their markets are more volatile.



Lastly, the outlying area, where there are mainly single-detached houses, for which the average price was \$205,261 in the third quarter, presently does not seem to be meeting the demand for affordable homes.

Market conditions tighter for semi-detached and row homes

With the greater demand for semi-detached and row homes and a slight decrease in listings of dwellings of this type, the seller-to-buyer ratio fell to 3 to 1 in this segment, making this market the tightest by far. However, given the competition from the other housing types, on both the new and

existing home markets, prices did not soar. In fact, the price increase for semi-detached and row houses (+6 per cent) was similar to the gains registered for the other housing types.

The other market segments, with 6 homes for sale for every buyer, were still classified as seller's markets, with listing periods at less than 77 days. The listing periods noted in the third quarter of 2007 were 3 days shorter than during the same period last year.

In short, like in previous quarters, the level of activity recorded during the third quarter of 2007 will help the resale market reach a new peak in the Gatineau area.

Resale Market Conditions in the Outaouais Area - 3rd Quarter 2007

Zones	Intended market	Raw Data										Smoothed Data (trend for the last 4 quarters) ¹									
		Sales					Active Listings (monthly average)					Selling Price					Price				
		3rd Quarter 2007	% Chg. from 3rd Quarter 2006	Year-to-Date 2007	% Chg. from YTD 2006	3rd Quarter 2007	% Chg. from 3rd Quarter 2006	Year-to-Date 2007	% Chg. from YTD 2006	Average	% Chg. from 2006 Trend	Median	% Chg. from 2006 Trend	Sold/Price Listed	%	Number	% Chg. from 2006 Trend	Listing Period (days) ²	Market Classification		
	Total	213	5	769	5	400	5	175,708	4	168,500	5	96	6	1	78	-2	SELLERS				
	Freehold detached	59	-20	261	-2	128	-12	208,203	2	200,000	5	96	5	0	77	-3	SELLERS				
	Freehold semi-det. & row	36	20	154	25	44	13	178,224	4	176,950	1	98	3	0	55	0	SELLERS				
	Plex	26	4	98	3	75	10	216,647	6	210,000	12	94	7	0	93	13	SELLERS				
	Condominium	92	26	256	3	153	-4	127,617	4	120,000	1	97	7	1	88	-5	SELLERS				
	Total	177	9	604	11	338	0	199,449	7	185,000	5	97	6	0	79	-2	SELLERS				
	Freehold detached	105	4	362	12	220	-3	223,070	6	220,000	7	96	7	0	85	0	SELLERS				
	Freehold semi-det. & row	54	15	194	24	66	-1	164,936	6	167,000	9	97	4	0	63	4	SELLERS				
	Plex	4	33	14	-18	10	11	20	**	**	**	**	**	**	**	**	**				
	Condominium	14	27	34	-23	41	17	136,187	16	134,000	34	97	12	4	101	-42	BUYERS				
	Total	433	22	1,433	13	704	-8	174,446	3	165,000	5	97	5	-1	75	1	SELLERS				
	Freehold detached	237	24	772	10	456	-6	197,731	4	185,000	4	97	6	-1	82	0	SELLERS				
	Freehold semi-det. & row	116	29	420	17	88	-31	143,749	7	145,000	7	97	3	-1	61	5	SELLERS				
	Plex	20	-35	70	-18	64	-15	200,708	3	194,950	3	96	9	2	84	-1	BALANCED				
	Condominium	60	36	171	37	96	23	132,039	4	127,995	4	97	6	1	76	2	SELLERS				
	Total	36	-33	138	-18	59	-25	136,174	7	129,900	4	97	5	-1	57	-22	SELLERS				
	Freehold detached	22	-37	84	-11	43	-16	143,611	8	140,000	4	96	5	-1	68	-22	SELLERS				
	Freehold semi-det. & row	10	-29	45	-22	13	-38	119,684	2	199,950	0	97	3	-1	39	-29	SELLERS				
	Plex	4	-20	9	-44	3	-57	4	**	**	**	**	**	**	**	**	**				
	Condominium	0	**	0	**	0	**	**	**	**	**	**	**	**	**	**	**	**			
	Total	48	-23	220	2	79	-17	143,906	4	139,500	7	97	4	-1	61	-10	SELLERS				
	Freehold detached	18	-28	73	1	53	-5	162,911	5	167,250	8	97	8	1	74	-6	BALANCED				
	Freehold semi-det. & row	28	-13	134	6	17	-36	130,930	6	133,500	7	98	2	-1	48	-10	SELLERS				
	Plex	2	-60	12	-25	10	11	**	**	**	**	**	**	**	**	**	**				
	Condominium	0	**	1	**	0	-100	**	**	**	**	**	**	**	**	**	**	**			
	Total	153	-7	536	3	495	7	204,720	10	200,000	14	95	9	1	92	-4	BALANCED				
	Freehold detached	148	-8	522	3	469	2	205,261	10	200,000	13	95	9	1	92	-4	BALANCED				
	Freehold semi-det. & row	2	0	7	75	7	17	**	**	**	**	**	**	**	**	**	**				
	Plex	3	200	7	17	13	30	**	**	**	**	**	**	**	**	**	**				
	Condominium	0	-100	0	-100	6	20	**	**	**	**	**	**	**	**	**	**	**			
	Total	1,060	6	3,700	7	2,075	-4	179,754	5	168,000	6	97	6	0	77	-3	SELLERS				
	Freehold detached	589	0	2,074	5	1,368	-3	201,751	6	192,000	7	96	7	0	83	-3	SELLERS				
	Freehold semi-det. & row	246	14	954	15	235	-18	150,830	6	148,000	7	98	3	-1	58	0	SELLERS				
	Plex	59	-16	210	-11	175	-1	205,849	8	200,000	11	95	8	1	91	8	BALANCED				
	Condominium	166	29	462	10	297	6	129,793	5	125,000	4	97	7	1	85	-8	SELLERS				
	Total	170	6	431	-1	508	14	122,517	9	110,000	22	92	10	1	107	7	BALANCED				
	Freehold detached	164	6	417	-1	478	13	123,660	9	112,000	19	92	10	2	107	8	BALANCED				
	Freehold semi-det. & row	3	**	3	50	1	-50	**	**	**	**	**	**	**	**	**	**				
	Plex	3	-50	9	-25	28	56	**	**	**	**	**	**	**	**	**	**				
	Condominium	0	**	2	100	1	-50	**	**	**	**	**	**	**	**	**	**				
	Total	1,230	6	4,131	6	2,583	-1	173,955	6	165,000	8	96	6	0	80	-2	SELLERS				
	Freehold detached	753	2	2,491	4	1,846	1	188,935	7	181,000	6	95	7	0	87	-2	SELLERS				
	Freehold semi-det. & row	249	16	957	15	235	-19	150,690	6	148,000	7	98	3	-1	58	0	SELLERS				
	Plex	62	-18	219	-11	203	4	200,406	8	195,000	12	95	9	2	91	5	BALANCED				
	Condominium	166	29	464	10	299	6	129,852	5	125,000	4	97	7	1	85	-8	SELLERS				

* 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 - 3rd 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			
		3rd Quarter 2007	% Chg. from 3rd 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	835	4	3,028	8	6	6	78	-2
	Under \$100,000	32	-29	109	-28	4	4	86	4
	\$100,000 to \$149,999	206	-15	768	-14	3	4	63	-4
	\$150,000 to \$199,999	327	12	1,175	20	4	5	68	-4
	\$200,000 or over	270	21	976	27	10	10	92	-5
Plex	Total	59	-16	210	-11	8	7	91	8
	Under \$100,000	0	-100	4	-43	**	**	**	**
	\$100,000 to \$149,999	9	-59	40	-41	7	4	92	4
	\$150,000 to \$199,999	17	-29	62	-15	10	7	97	31
	\$200,000 or over	33	50	104	20	8	9	88	-6
Condominium	Total	166	29	462	10	7	6	85	-8
	Under \$100,000	23	21	70	-20	4	4	88	-11
	\$100,000 to \$149,999	113	23	309	15	6	5	81	-3
	\$150,000 to \$199,999	23	92	66	43	10	10	93	-34
	\$200,000 or over	7	17	17	-6	**	**	**	**

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* : Allevyn-et-Cawood, Aumond, Blue Sea, Boileau, Bois-Franc, Bouchette, Bowman, Bristol, Bryson, Campbell's Bay, Cayamant, Chénéville, Chichester, Clarendon, Déléage, 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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