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# ANALYSIS OF THE RESALE MARKET SECOND QUARTER 2008

**Gatineau Area**

## An objective look at housing

Canada Mortgage and Housing Corporation

[www.cmhc.ca](http://www.cmhc.ca)

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### Market at a glance

2<sup>nd</sup> Quarter 2008 vs.  
2<sup>nd</sup> Quarter 2007

Sales volume	:	stable	0%
Average price <sup>1</sup>	:	↑	6%
Sellers per buyer <sup>1</sup>	:		6

### A stable resale market

In the Gatineau CMA, 1,527 existing homes were sold through the Multiple Listings Service® (MLS®) in the second quarter of 2008, the same volume as a year ago. However, the number of houses that have changed hands since the beginning of the year has dropped by 171, down 6.4 per cent compared to the first half of 2007.

In the second quarter, listings continued to decrease. Supply—which has now been falling for four quarters in a row—reached 2,673 units, down 7 per cent year-over-year.

As demand stayed stable and supply decreased, the market remained favourable to sellers. The seller-to-buyer ratio is now 6 to 1. Even though the resale market tightened, price gains slowed down and

moved closer to the inflation rate. The average price recorded for the 12-month period ending in the second quarter of 2008 was close to \$192,000, up 6.1 per cent over the same period a year earlier.

### Existing single-detached houses lost ground

Buyers' interest has gradually shifted from existing single-detached homes to multiples. While sales of single-detached homes dropped 5 per cent in the second quarter of 2008, demand increased by 10 per cent for condominiums and by 7 per cent for semi-detached and row houses. Sales of plexes (properties with two to five units) remained stable. More affordable, semi-detached and row houses sold

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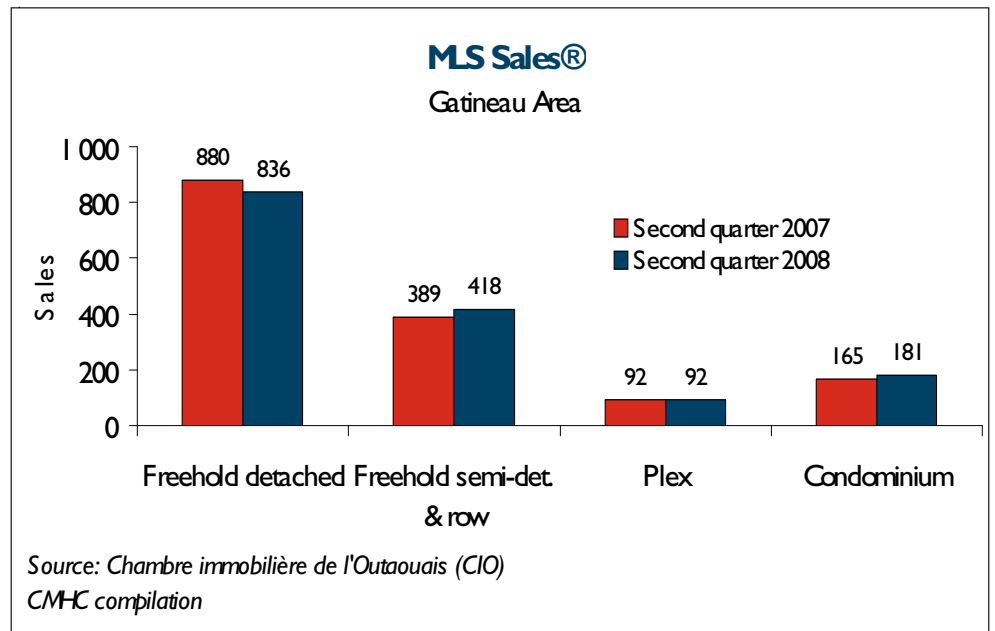
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during the past year ending in the second quarter of 2008 recorded an average price of about \$160,500, or \$58,000 less than the average for single-detached homes. However, condominiums posted the lowest average selling price (\$135,000).

The greater demand for more affordable housing was coupled with a reduction in supply, proof that the market favours sellers. The seller-to-buyer ratio was only 2 to 1 in the semi-detached and row housing segment during the period from July 2007 to June 2008. There were slightly more sellers in the condominium and plex market segments (with seller-to-buyer ratios of 6 to 1 and 7 to 1, respectively). In the single-detached housing segment, the market also remained favourable to sellers (ratio of 6 to 1).

## Increasing demand in Aylmer despite high prices

For a third consecutive year, sales in the Aylmer sector increased in the second quarter. In all, 300 homes



changed hands from April to June 2008, up 21 per cent over the second quarter of 2007. However, supply dropped by 15 per cent, helping to keep the seller-to-buyer ratio at 6 to 1. The average selling price reached \$218,500, a 7-per-cent increase year-over-year. Aylmer and the outlying area (\$224,000) were the only sectors where the average selling prices were above the CMA average (\$192,000).

In the Hull sector, resales dropped by 8 per cent in the second quarter, but this decline followed two years of strong growth on the market (+15 per cent in 2006 and +12 per cent in 2007). In addition to demand, the volume of houses for sale also decreased (22 per cent), putting upward pressure on prices (+5 per cent).

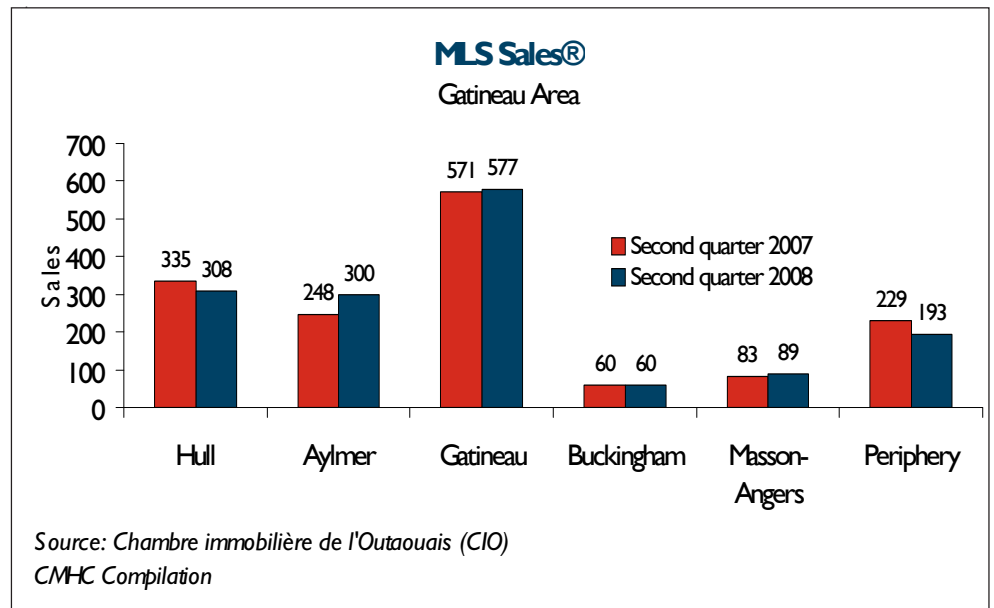
## Economic Overview of the Gatineau Area

	2nd Quarter 2007	3rd Quarter 2007	4th Quarter 2007	1st Quarter 2008	2nd Quarter 2008
<b>Mortgage rate – 1-year (1)</b>	6.8	7.1	7.3	7.3	6.7
<b>Mortgage rate – 5-year (1)</b>	7.0	7.2	7.5	7.3	6.9
<b>Good time to make a major outlay for items such as a home (% of positive replies) (2) (3)</b>	53.4	53.2	53.7	48.5	40.2
<b>Job creation (or loss) (3)</b>	4,100	300	6,800	9,400	13,000
<b>Unemployment rate (3)</b>	5.3	5.3	4.1	5.1	5.3
<b>Personal bankruptcies (4)</b>	854	N/A	850	870	959
<b>Annual inflation rate (2)</b>	1.5%	1.3%	1.9%	1.2%	3.1%

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

Notes: (1) Canada (2) Quebec (3) Seasonally adjusted data (4) CMA Ottawa-Gatineau

With the exception of the Masson-Angers sector, where sales of existing homes jumped by 7 per cent, market activity tended to slow down in the more remote sectors. Following a decrease in the second quarter of 2007, the number of houses sold in Buckingham remained unchanged in the second quarter of this year. In the outlying area, sales fell by 16 per cent. It must be mentioned, though, that the low volume of transactions in this sector can cause greater data volatility.



**Resale Market Conditions in the Outaouais Area - 2nd Quarter 2008**

Zones	Intended market	Raw Data										Smoothed Data (trend for the last 4 quarters) <sup>1</sup>									
		Sales					Active Listings (monthly average)					Selling Price					Price				
		2nd Quarter 2008	% Chg. from 2nd Quarter 2007	Year-to-Date 2008	% Chg. from YTD 2007	2nd Quarter 2008	% Chg. from 2nd Quarter 2007	Year-to-Date 2008	% Chg. from YTD 2007	Average	% Chg. from 2007 Trend	Median	% Chg. from 2007 Trend	2007	% Chg. from 2007 Trend	Number	% Chg. from 2007 Trend	Listing Period (days) <sup>2</sup>	Market Classification		
	<b>Total</b>	300	21	471	10	407	-15	390	-12	218,287	7	197,620	7	97	6	0	74	<b>SELLERS</b>			
	Freehold detached	172	12	261	2	256	-7	242	-6	253,615	10	238,636	10	97	6	-1	79	SELLERS			
	Freehold semi-det. & row	99	24	167	20	83	-13	81	-1	173,146	6	173,302	4	98	3	0	60	SELLERS			
	Plex	7	40	9	-18	12	-27	11	-18	241,056	4	234,875	1	94	8	2	91	**			
	Condominium	22	144	34	62	30	-39	31	-32	138,907	4	135,664	2	97	10	1	94	BALANCED			
	<b>Total</b>	308	-8	533	-4	373	-22	367	-22	184,292	5	174,340	5	96	5	0	76	<b>SELLERS</b>			
	Freehold detached	81	-33	170	-16	129	-1	124	-4	226,488	8	211,292	8	96	4	-1	77	SELLERS			
	Freehold semi-det. & row	73	7	119	2	44	-14	42	-24	190,340	7	189,151	7	98	2	-1	51	SELLERS			
	Plex	42	-14	66	-8	58	-33	58	-28	206,750	0	183,188	-6	94	6	0	79	SELLERS			
	Condominium	112	14	178	9	139	-32	140	-30	132,513	5	128,123	8	97	6	0	90	SELLERS			
	<b>Total</b>	577	1	943	-8	927	-1	870	-6	183,670	5	171,327	5	97	5	-1	71	<b>SELLERS</b>			
	Freehold detached	336	5	535	-3	569	-1	527	-7	204,976	3	191,312	3	97	6	-1	76	SELLERS			
	Freehold semi-det. & row	162	-2	280	-8	109	-5	114	-8	151,657	7	151,188	5	98	2	-1	59	SELLERS			
	Plex	33	10	57	2	75	-11	66	-24	208,511	6	197,317	0	96	8	0	78	BALANCED			
	Condominium	46	-19	71	-35	121	16	114	16	137,476	5	132,066	3	96	6	1	80	SELLERS			
	<b>Total</b>	60	0	93	-12	106	40	99	36	142,893	5	138,699	6	97	4	-1	57	<b>SELLERS</b>			
	Freehold detached	29	-15	46	-28	73	58	65	42	149,295	5	141,775	0	96	5	0	64	SELLERS			
	Freehold semi-det. & row	26	13	40	14	21	15	23	36	132,800	10	133,940	11	98	3	0	49	SELLERS			
	Plex	5	67	7	0	10	71	9	82	148,950	**	151,935	**	97	4	-2	48	**			
	Condominium	0	**	0	**	0	**	0	**	**	**	**	**	**	**	**	0	0	**		
	<b>Total</b>	89	7	155	-10	92	8	95	4	153,101	7	147,552	8	97	4	0	61	<b>SELLERS</b>			
	Freehold detached	32	23	57	2	44	-25	48	-18	172,663	6	174,663	9	95	6	-1	76	SELLERS			
	Freehold semi-det. & row	54	4	89	-16	37	93	37	44	141,550	7	141,550	7	98	2	0	51	SELLERS			
	Plex	3	-25	7	-30	6	-26	6	-19	157,127	-1	156,140	4	98	6	2	45	**			
	Condominium	0	-100	2	100	0	-100	1	-50	117,950	3	117,950	3	98	4	-51	22	**			
	<b>Total</b>	193	-16	303	-21	268	-6	299	-6	223,794	7	208,423	8	95	13	1	91	<b>BUYERS</b>			
	Freehold detached	186	-18	287	-24	516	2	459	-2	226,164	8	210,312	8	95	8	0	90	BALANCED			
	Freehold semi-det. & row	4	300	8	60	7	-29	6	-48	132,523	-8	112,992	-23	74	9	-6	80	**			
	Plex	2	100	5	25	8	-54	9	-50	220,973	22	203,964	14	99	16	-4	94	**			
	Condominium	1	**	3	**	3	-67	4	-52	168,175	-40	168,175	-40	97	37	4	184	**			
	<b>Total</b>	1,527	0	2,498	-6	2,673	-7	2,520	-8	191,889	6	174,922	5	97	6	-1	74	<b>SELLERS</b>			
	Freehold detached	836	-5	1,356	-10	1,587	-1	1,465	-4	217,886	7	201,852	7	96	6	-1	79	SELLERS			
	Freehold semi-det. & row	418	7	703	-1	301	-2	303	-4	160,392	8	157,808	7	98	2	-1	56	SELLERS			
	Plex	92	0	151	-6	168	-23	157	-25	204,656	3	184,503	-4	95	7	0	77	SELLERS			
	Condominium	181	10	288	-3	293	-20	289	-18	134,820	5	130,608	5	97	6	0	89	SELLERS			
	<b>Total</b>	182	2	281	2	895	14	791	13	123,540	3	110,183	2	91	16	2	101	<b>BUYERS</b>			
	Freehold detached	172	-2	268	0	634	21	560	19	124,358	3	111,108	1	92	11	2	101	BUYERS			
	Freehold semi-det. & row	5	400	6	500	11	22	9	31	87,606	**	88,417	**	82	9	-31	47	**			
	Plex	4	33	5	-17	36	22	32	34	96,131	11	97,923	11	91	27	13	110	BUYERS			
	Condominium	1	**	2	0	1	0	1	-7	174,250	19	174,250	19	94	11	-6	10	**			
	<b>Total</b>	1,709	0	2,779	-6	3,568	-2	3,311	-4	184,244	6	170,623	5	96	7	0	77	<b>SELLERS</b>			
	Freehold detached	1,008	-4	1,624	-8	2,221	5	2,024	1	201,075	6	189,235	6	96	7	0	83	SELLERS			
	Freehold semi-det. & row	423	8	709	0	312	-2	312	-4	160,098	7	157,412	7	98	3	0	57	SELLERS			
	Plex	96	1	156	-6	204	-18	189	-19	200,000	4	182,627	-4	95	8	1	78	BALANCED			
	Condominium	182	10	290	-3	294	-20	290	-18	134,963	5	130,588	5	97	6	0	88	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 - 2nd Quarter 2008

### 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 2008	% Chg. from 2nd Quarter 2007	Year-to-Date 2008	% Chg. from YTD 2007	Trend for 2008 (number)	Trend for 2007 (number)	Trend for 2008 (number)	Chg. from 2007 Trend
Freehold	<b>Total</b>	<b>1,254</b>	<b>-1</b>	<b>2,059</b>	<b>-7</b>	<b>9</b>	<b>10</b>	<b>136</b>	<b>-9</b>
	Under \$100,000	34	-23	68	-18	9	9	212	42
	\$100,000 to \$149,999	216	-16	383	-29	6	7	125	-6
	\$150,000 to \$199,999	471	-9	781	-9	7	8	128	-9
	\$200,000 or over	533	18	827	13	15	17	144	-18
Plex	<b>Total</b>	<b>92</b>	<b>0</b>	<b>151</b>	<b>-6</b>	<b>7</b>	<b>7</b>	<b>77</b>	<b>-10</b>
	Under \$100,000	1	0	5	67	3	4	105	85
	\$100,000 to \$149,999	16	-6	31	3	5	5	67	-15
	\$150,000 to \$199,999	32	0	50	4	8	7	65	-31
	\$200,000 or over	43	2	65	-18	8	8	88	4
Condominium	<b>Total</b>	<b>181</b>	<b>10</b>	<b>288</b>	<b>-3</b>	<b>6</b>	<b>6</b>	<b>88</b>	<b>5</b>
	Under \$100,000	10	-44	23	-50	4	4	84	10
	\$100,000 to \$149,999	112	7	184	-4	5	6	84	1
	\$150,000 to \$199,999	51	59	69	50	9	10	98	4
	\$200,000 or over	8	-20	12	0	22	17	120	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

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

<sup>2</sup> 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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