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ANALYSIS OF THE RESALE MARKET THIRD QUARTER 2008

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 2008 vs.
3rd Quarter 2007

Sales volume	:	↑	1%
Average price	:	↑	6%
Sellers per buyer	:		5

Resale market very active in the third quarter

According to data from the Quebec Federation of Real Estate Boards, 1,092 properties changed hands through the Multiple Listing Service (MLS)[®] system from July to September 2008, up 1 per cent compared to the same period a year ago. While demand increased in the third quarter, the volume of sales registered in the first nine months of the year was still 2 per cent behind the level recorded during the same period in 2007. As well, it should be noted that resale activity in the Gatineau area had reached a peak in 2007 and that the number of properties sold in the first three quarters of 2008 was above the average for the last five years.

As was the case for demand, listings grew by 2 per cent, year-over-year, in the third quarter of 2008. With

these increases, in both supply and demand, the market remained favourable to sellers, with a ratio of 5 sellers for every buyer. The market is considered balanced when this ratio stands at 8 to 1.

As a result, property selling prices kept on climbing. The average price registered in the 12-month period ending in September was over \$195,000, for a 6-per-cent increase over a year earlier. This hike can be explained by the ever-growing proportion of high-priced home sales. In the third quarter of 2008, 37 per cent of homes sold were priced at \$200,000 or over, compared to only 30 per cent during the same quarter in 2007. Given the economic conditions in the region and the strong labour market, buyers can still afford to purchase upscale homes.

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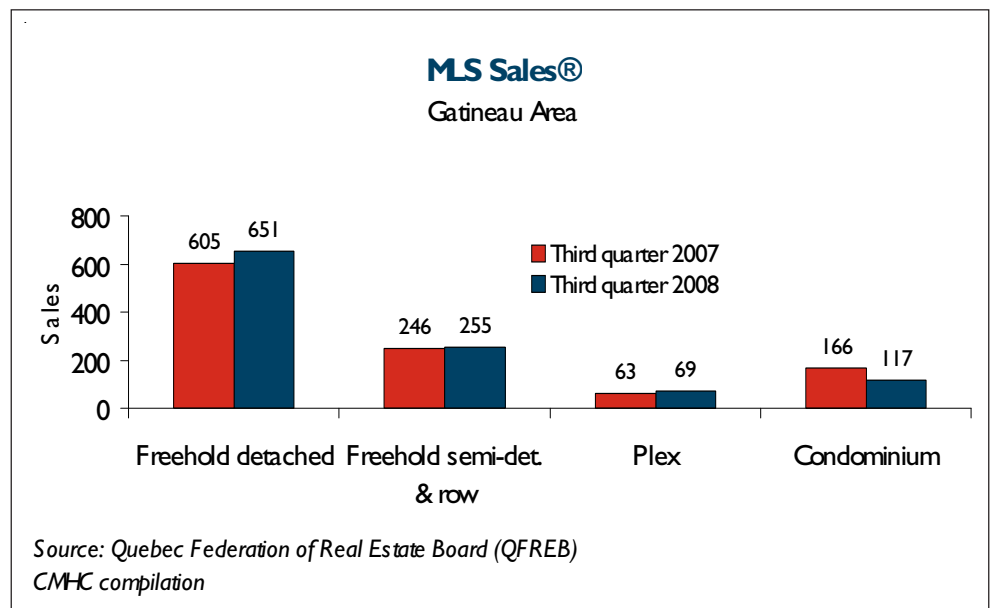


* Le Service inter-agences (SIA) est une marque d'accréditation enregistrée de l'Association canadienne de l'immeuble (ACI)

Demand for single-detached homes rises in the third quarter

The strong sales in the third quarter were largely supported by the demand for single-detached houses. In fact, after having posted a decrease during the first half of the year, sales of single-detached homes climbed by 8 per cent, year-over-year, in the third quarter. Compared to demand, supply was less abundant in the third quarter, with listings increasing by only 2 per cent. Consequently, sellers took advantage of a market favouring them, especially in the case of properties selling for less than \$200,000, for which the seller-to-buyer ratio was 4 to 1. Above this price, the market remained balanced (ratio of 8 to 1). The average selling price of single-detached homes reached \$220,500 in the 12-month period that ended in September, up 7 per cent over a year earlier.

In the case of semi-detached and row homes, sales increased by 4 per cent in the third quarter of 2008, compared to the same quarter in



2007. Although listings rose by 15 per cent, a faster pace than demand, the average price still climbed by 8 per cent, as the seller-to-buyer ratio remained low (3 to 1).

After a strong increase in the third quarter of 2007, condominium sales fell 30 per cent in 2008, back to the level registered in 2006. As was the case in the semi-detached and row home segment, the decrease in demand did not prevent the average price from rising by 6 per cent, to

\$137,600. The small number of listings compared to demand continued to favour sellers on this market (seller-to-buyer ratio of 7 to 1).

As for plexes, 69 properties were sold in the third quarter of 2008, or 6 more than in the third quarter of 2007. The average price decreased slightly, even if this market also favoured sellers (seller-to-buyer ratio of 7 to 1). Given the low inventories of this type of housing, these figures should be considered with caution.

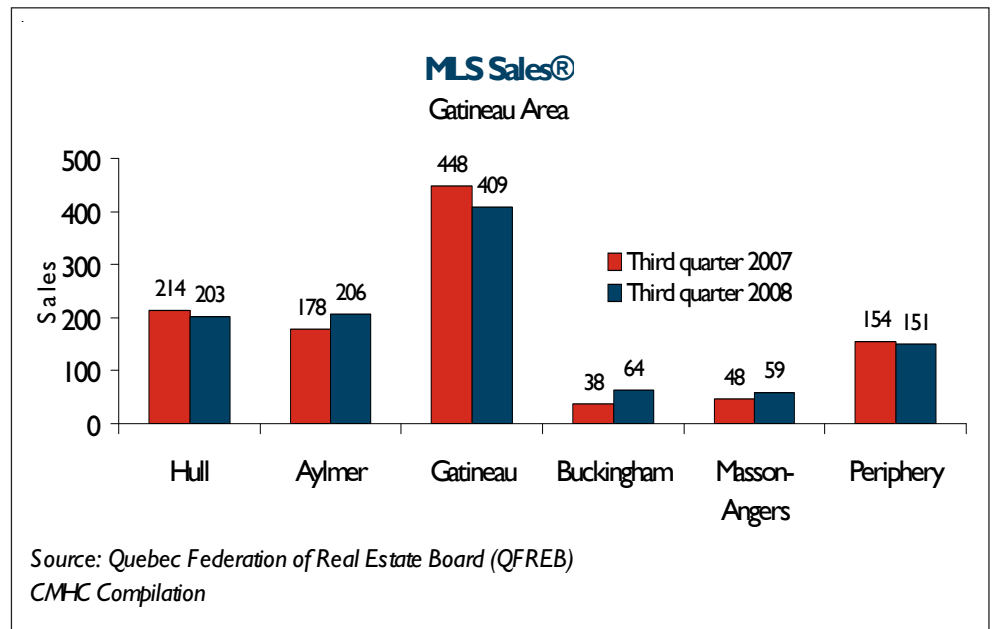
Economic Overview of the Gatineau Area

	3rd Quarter 2007	4th Quarter 2007	1st Quarter 2008	2nd Quarter 2008	3rd Quarter 2008
Mortgage rate – 1-year (1)	7.1	7.3	7.3	6.7	6.8
Mortgage rate – 5-year (1)	7.2	7.5	7.3	6.9	7.0
Good time to make a major outlay for items such as a home (% of positive replies) (2) (3)	53.2	53.7	48.5	40.2	40.2
Job creation (or loss) (3)	300	6,800	9,400	13,000	10,200
Unemployment rate (3)	5.3	4.1	5.1	5.3	4.8
Personal bankruptcies (4)	827	N.A.	850	959	933
Annual inflation rate (2)	1.3%	1.9%	1.2%	3.1%	3.2%

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

For the first nine months of the year, sales were down in the area. In the single-detached home segment, transactions were 5 per cent behind the result for the first three quarters of last year; in the case of condominiums, the decrease was 12 per cent. It is important to mention, however, that this decrease followed a period of record activity on the existing home market in 2007 and that sales remained high compared with the average for the last five years. Transactions of semi-detached and row homes and plexes, for their part, remained stable.



Aylmer remains a popular sector

Of the three most populous sectors in the Gatineau metropolitan area, Aylmer was the only one where sales climbed in the third quarter of 2008. In fact, from July to September, 16 per cent more homes were sold than during the same period in 2007. This increase was mainly due to the strong demand for single-detached homes (+32 per cent). In the Hull sector, the sharp decline in condominium sales (-35 per cent) was sufficient to produce a negative result (-5 per cent) for the third quarter of 2008. In the Gatineau

sector, existing home sales fell by 9 per cent, and the decline extended to all housing types. In the outlying sectors, sales jumped by 68 per cent in Buckingham and by 23 per cent in Masson-Angers. Large percentage changes in these sectors should be considered with caution, though, given the generally low number of homes sold there. In the outlying area overall, the decrease in sales was limited to 2 per cent.

While demand varied differently from one sector to the next, the average values of properties sold increased everywhere across the CMA. The relatively low inventories of homes

for sale on the market favoured sellers in all sectors, except in the outlying area where the market was balanced. It was Aylmer that had the highest average price for single-detached homes. Furthermore, this sector posted the greatest year-over-year increase in the average price of such homes for the 12-month period ending in September (+11 per cent). Elsewhere, the average prices registered increases between 5 per cent and 7 per cent for this housing category. The average prices for all property types combined in the CMA also increased by the same proportions.

Resale Market Conditions in the Outaouais Area - 3rd Quarter 2008

Zones	Intended market	Raw Data										Smoothed Data (trend for the last 4 quarters) ¹												
		Sales					Active Listings (monthly average)					Selling Price					Price							
		3rd Quarter 2008	% Chg. from 3rd Quarter 2007	Year-to-Date 2008	% Chg. from YTD 2007	3rd Quarter 2008	% Chg. from 3rd 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	2007	% Chg. from 2007 Trend	Number	% Chg. from 2007 Trend	2007	% Chg. from 2007 Trend	
	Total	206	16	677	12	359	2	1,094	-6	22,803	9	202,060	9	97	5	-1	74	-5						
	Freehold detached	137	29	398	10	215	-6	701	-7	256,099	11	240,198	9	97	5	-1	79	-5						
	Freehold semi-det. & row	59	9	226	17	83	19	246	4	177,171	7	177,749	5	98	3	0	61	-3						
	Plex	5	25	14	-7	13	18	35	-5	229,876	0	233,941	1	94	7	0	84	-18						
	Condominium	5	-64	39	11	49	14	112	-16	137,550	1	134,087	-1	97	-2	88	-9							
	Total	203	-5	735	-4	351	-16	1,089	-20	187,684	6	178,416	7	96	4	-1	75	-2						
	Freehold detached	72	24	241	-7	110	-16	362	-8	225,136	6	209,045	4	96	4	-1	74	-5						
	Freehold semi-det. & row	40	11	159	4	40	-5	127	-19	193,895	9	193,778	9	97	2	-1	52	-5						
	Plex	31	11	97	-3	68	-20	183	-25	203,822	-6	179,519	-13	95	5	-2	79	-5						
	Condominium	60	-35	238	-7	133	-18	417	-27	135,929	7	131,160	9	97	5	-1	89	7						
	Total	409	-9	1,350	-8	791	4	2,446	-3	187,365	7	174,526	6	97	5	0	72	-3						
	Freehold detached	232	-7	766	-4	489	0	1,550	-5	209,039	5	195,382	5	97	6	0	75	-5						
	Freehold semi-det. & row	105	-9	384	-9	101	13	334	-3	154,065	7	154,124	6	98	2	0	59	-3						
	Plex	21	-5	78	0	72	-8	204	-19	212,707	6	199,583	1	96	7	-2	84	5						
	Condominium	51	-15	122	-28	129	29	358	19	140,359	6	133,778	3	97	9	4	80	2						
	Total	64	68	157	9	86	39	277	41	147,064	7	142,136	8	96	5	1	63	3						
	Freehold detached	39	63	85	-3	61	36	190	39	152,597	7	149,950	6	95	6	1	70	0						
	Freehold semi-det. & row	18	80	58	29	17	21	63	31	134,791	13	137,094	14	97	3	0	53	12						
	Plex	7	75	14	27	8	167	24	85	165,006	**	165,197	**	96	5	1	59	-1						
	Condominium	0	--	0	--	0	--	0	--	**	**	**	**	**	**	**	0	0						
	Total	59	23	214	-3	80	1	263	-1	155,484	8	149,057	7	97	3	-1	65	3						
	Freehold detached	27	50	84	14	43	-19	138	-19	174,703	7	175,873	6	96	5	-2	82	6						
	Freehold semi-det. & row	27	-4	116	-13	28	87	103	54	140,718	7	143,454	7	98	2	1	55	5						
	Plex	4	100	11	-8	9	-18	21	-19	158,406	-5	152,506	-5	96	5	-1	45	-76						
	Condominium	1	--	3	200	0	--	1	--	118,800	3	118,800	3	99	2	2	30	13						
	Total	151	-2	453	-16	567	10	1,525	0	225,462	5	211,253	5	95	9	0	90	0						
	Freehold detached	144	-3	430	-18	547	12	1,471	3	228,620	7	212,691	5	95	10	2	90	0						
	Freehold semi-det. & row	6	200	14	100	5	-29	17	-41	116,347	-23	101,412	-34	96	4	-12	89	-17						
	Plex	1	-67	6	-14	11	-21	26	-46	197,856	-6	183,622	-9	97	12	-10	73	-39						
	Condominium	0	--	3	--	4	-43	11	-50	168,175	**	168,175	**	97	12	**	186	**						
	Total	1,092	1	3,586	-4	2,235	2	6,693	-5	195,194	7	178,120	6	97	5	-1	75	-2						
	Freehold detached	651	8	2,004	-5	1,464	2	4,410	-2	220,509	7	203,783	6	96	6	0	79	-3						
	Freehold semi-det. & row	255	4	957	0	274	15	891	1	163,410	8	160,788	8	98	3	0	57	-1						
	Plex	69	10	220	-1	182	-10	495	-20	203,825	-1	182,136	-9	95	6	-2	77	-8						
	Condominium	117	-30	405	-12	315	1	898	-12	137,446	6	132,899	6	97	7	0	88	5						
	Total	180	-1	457	0	758	28	1,961	22	123,237	1	113,060	4	92	13	2	97	-5						
	Freehold detached	171	-2	435	-1	709	29	1,827	22	123,754	0	112,692	0	92	13	3	97	-5						
	Freehold semi-det. & row	6	100	12	200	13	86	30	50	92,750	27	92,750	24	84	7	-11	23	-54						
	Plex	3	0	8	-11	35	6	99	22	102,531	38	98,846	34	91	30	6	135	43						
	Condominium	0	--	2	0	2	100	4	100	174,250	19	174,250	19	94	10	3	10	-11						
	Total	1,272	1	4,043	-4	2,993	8	8,654	0	187,180	6	173,655	6	96	6	0	77	-2						
	Freehold detached	822	5	2,439	-4	2,173	10	6,238	4	203,399	6	191,168	5	95	7	0	82	-3						
	Freehold semi-det. & row	261	5	969	1	287	17	921	2	163,008	8	160,415	8	98	3	0	58	-2						
	Plex	72	9	228	-2	217	-8	594	-16	199,274	-1	179,457	-9	95	7	-2	80	-5						
	Condominium	117	-30	407	-12	317	1	903	-12	137,728	6	133,083	6	97	7	0	87	5						

* 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 2008

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 2008	% Chg. from 3rd 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	Total	906	6	3,068	0	5	5	54	-3
	Under \$100,000	40	-2	115	-7	4	5	64	3
	\$100,000 to \$149,999	136	-32	601	-19	1	1	45	1
	\$150,000 to \$199,999	352	7	1,249	5	4	4	49	-4
	\$200,000 to \$249,999	199	131	601	517	5	6	58	69
	\$250,000 or over	179	19	502	1	10	11	74	-7
Plex	Total	69	10	220	-1	6	8	62	-7
	Under \$100,000	0	*	5	67	1	6	62	42
	\$100,000 to \$149,999	8	0	39	3	1	-10	50	-20
	\$150,000 to \$199,999	28	47	78	16	5	10	63	-16
	\$200,000 to \$249,999	18	18	45	55	9	7	62	68
	\$250,000 or over	15	-17	53	-12	9	8	102	8
Condominium	Total	651	8	462	0	7	7	62	-2
	Under \$100,000	38	-5	69	0	5	4	32	-5
	\$100,000 to \$149,999	64	-27	306	0	5	6	56	7
	\$150,000 to \$199,999	216	3	67	0	10	10	55	-4
	\$200,000 to \$249,999	160	120	11	11	25	20	62	70
	\$250,000 or over	173	17	9	0	20	18	104	-11

Source: QFREB (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* : Allevy-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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