

# RETIREMENT HOME MARKET STUDY

Sherbrooke 2008



CANADA MORTGAGE AND HOUSING CORPORATION

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# Sherbrooke

## Census Metropolitan Area

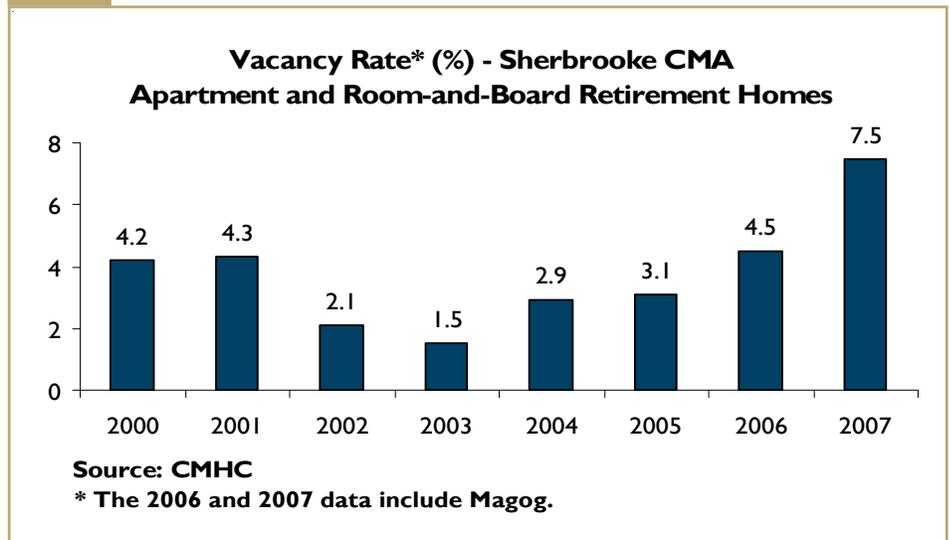
### Vacancy rate rises significantly in 2007

According to the results of the latest private retirement home market survey conducted by CMHC in 2007, the overall vacancy rate for apartment and room-and-board retirement homes registered another major increase in the Sherbrooke census metropolitan area (CMA). After a hike in 2006, the vacancy rate continued to rise in the Sherbrooke area, this time going from 4.5 per cent to 7.5 per cent in 2007, for an increase of 3 percentage points. In fact, this was the fourth vacancy rate hike in a row and the strongest since CMHC began conducting this survey. It should be noted that the addition of Magog to the Sherbrooke CMA in 2007 did not have a significant impact on the results, since the rate would still have reached 7.8 per cent, had Magog been excluded<sup>1</sup>.

### Supply remains stable but demand declines

The vacancy rate increase in the Sherbrooke CMA in 2007 resulted from a weak demand for retirement home units combined with a supply that remained relatively stable. In fact, the growth in the number of

Figure 1



retirement housing units was not as rapid as during the previous year. Between 2006 and 2007, only about 50 new units (mostly rooms) were added to the rental housing stock, for an increase of just under 2 per cent. This small rise in supply cannot fully account for the surge in the vacancy rate.

The strong increase in the rate therefore seems to indicate that demand for retirement home units declined in the Sherbrooke CMA over the past year. Already last year, we had mentioned that the retirement home market development potential could be limited.

In fact, it was expected<sup>2</sup> that the growth in the population aged 75 years or older would be slower over the period from 2006 to 2011 than during the period from 2001 to 2006 (on account of the decrease in the birth rate that followed the Great Depression of 1929-1930), which would cause a slowdown in demand. As well, according to data from the latest censuses, the population aged 75 years or older in the Sherbrooke CMA grew by 17 per cent between 2001 and 2006, compared to 23 per cent between 1996 and 2001.

In addition to these factors, the penetration rate<sup>3</sup> was 24 per cent,

<sup>1</sup> To facilitate comparisons between 2006 and 2007, the 2006 data presented in this document were adjusted to include Magog in the Sherbrooke CMA.

<sup>2</sup> Institut de la statistique du Québec forecasts based on 2001 census data.

<sup>3</sup> Retirement housing units divided by population aged 75 years or older.

the highest among all CMAs across Quebec. Relatively speaking, this means that Sherbrooke was already, in 2006, the area with the most existing units in relation to the population segment aged 75 years or older.

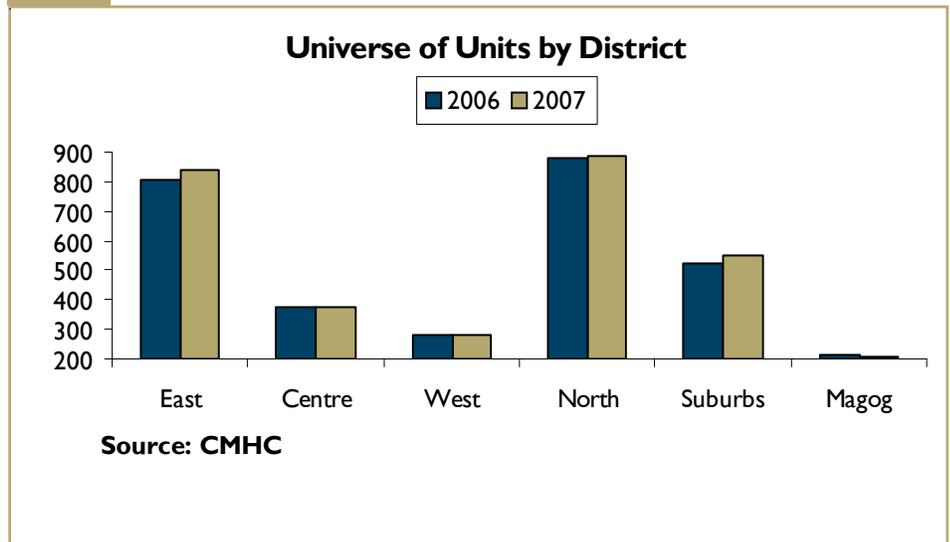
In 2006, the Sherbrooke area was also the CMA with the smallest proportion of homeowner households aged 75 years or older (42 per cent), limiting the retirement home market development potential. In fact, when they sell their properties, homeowner households can get the necessary means to go live in a retirement home. Given that Sherbrooke has a lower percentage of homeowner households aged 75 years or older, there are fewer potential clients for retirement homes.

However, there are households (renters or homeowners) who may choose not to go live in a retirement home, even if they have sufficient financial means to do so. Some may not need the many services offered or may prefer to turn to other housing options, like condominiums or traditional rental housing units.

### Market conditions ease for almost all unit types

The vacancy rate increase in the Sherbrooke area was mainly attributable to the easing of the apartment retirement home market segment, for which the proportion of unoccupied units rose by 4 percentage points between 2006 and 2007 and reached 8.8 per cent.

Figure 2



The vacancy rate for one-bedroom apartments went from 4.1 per cent in 2006 up to 8.3 per cent in 2007. A more in-depth analysis further revealed that, for these units, the vacancy rates increased in all rent ranges (lower, mid and upper).

In fact, only two-bedroom apartments saw their vacancy rate decrease between October 2006 and October 2007, by 2.3 percentage points (from 6.3 per cent in 2006 to 4 per cent in 2007). However, the upper-range segment was not impacted by this movement, which applied only to the lower-range and mid-range segments. It should be noted that the gaps in the average rent levels between two-bedroom and one-bedroom apartments narrowed in most districts of the Sherbrooke area in 2007, which may have prompted some households to move to larger units.

In the case of room-and-board retirement homes, the vacancy rate

hike was definitely more limited than for apartment residences. Up by 1.8 percentage points, the rate rose from 4.2 per cent in 2006 to 6 per cent in 2007. This increase affected only single-occupancy rooms (for which the rate went from 4.4 per cent to 6.2 per cent in 2007), as the number of unoccupied double-occupancy rooms remained at zero in 2007. The easing of the market for single-occupancy rooms was in fact entirely due to the upper-range segment, as the vacancy rates in the less expensive segments decreased between 2006 and 2007. As for bachelor apartments, their vacancy rate followed the general trend, jumping up by 8.3 percentage points (from 4.9 per cent in 2006 to 13.2 per cent in 2007).

Overall, the affordability of the units (in both room-and-board and apartment retirement homes) seems to have been an important factor in 2007, as the proportions of unoccupied units were higher in the more expensive segments.

## Average apartment rent level decreases

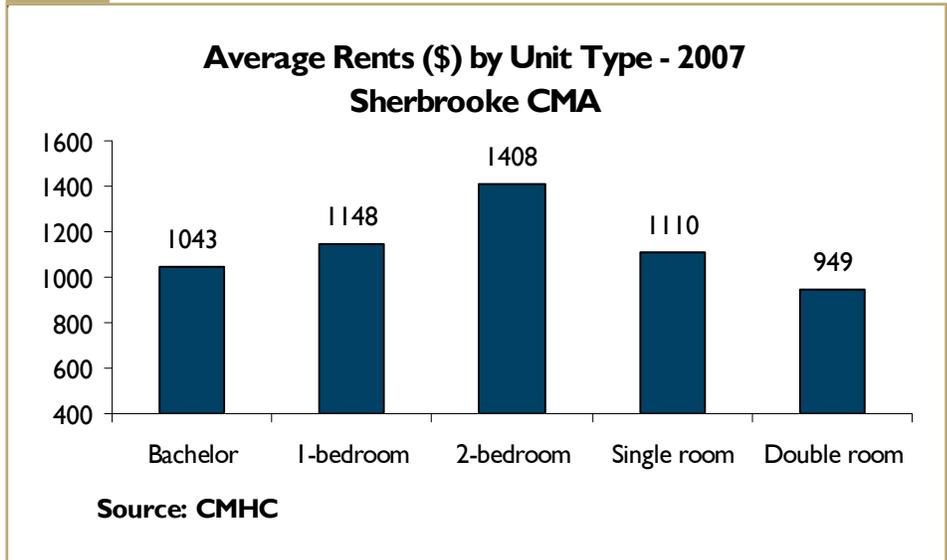
In 2007, the average rent level for apartments in the Sherbrooke CMA decreased slightly, falling from \$1,186 in 2006 to \$1,174 in 2007, down by \$12. While the average rent for one-bedroom apartments decreased by \$29 (from \$1,177 in 2006 to \$1,148 in 2007), the average for two-bedroom units went down by \$17 (from \$1,425 in 2006 to \$1,408 in 2007). Lastly, the average rent for bachelor apartments remained relatively stable, edging up by just \$4, from \$1,039 in 2006 to \$1,043 in 2007.

While the overall decline was small, the average rents varied significantly among the different districts of the city of Sherbrooke. In fact, the eastern district of the city had the highest average rent level in the entire CMA, while the Sherbrooke central district had the lowest.

For the first time in 2007, the average rent levels for room-and-board units exceeded \$1,000 in all districts of the city of Sherbrooke. In fact, the average rent level for single-occupancy rooms rose by \$58 (from \$1,052 in 2006 to \$1,110 in 2007) while, for double-occupancy rooms, the increase was limited to \$29 (from \$920 in 2006 to \$949 in 2007). Given this hike, some households may have decided to wait before going to live in a retirement home.

It was in the Sherbrooke suburbs that room-and-board units were the most expensive, with an average rent level of \$1,164. Given that, in the

Figure 3



suburbs, there are few apartments, compared to the large number of rooms, it may be that rooms do not face strong competition from apartments, which could explain the high average rent level for rooms in this zone.

Finally, the central and western districts of Sherbrooke had the most affordable room-and-board units, with average rent levels of \$1,056.

## Vacancy rate up by 7 percentage points in the East district

The universe of units in the eastern district of the city of Sherbrooke increased in 2007, with the expansion of three existing retirement homes. In fact, around two thirds of all the units inventoried in the Sherbrooke CMA in 2007 were located in this district. It should be noted that, in 2006, the eastern district already had the

highest percentage of vacant units and had also registered the greatest vacancy rate hike over the year before (from 2.9 per cent in 2005 up to 6.5 per cent in 2006).

Considering that the vacancy rate was already relatively high in 2006, the addition of new units did not help the situation, as the rate jumped up by 7 percentage points to 13.5 per cent. With this increase, the eastern district was the zone with the highest vacancy rate in the CMA for the second year in a row.

In addition, it should be recalled that, in 2007, the eastern district also had the highest apartment average rent level across the Sherbrooke CMA. Given that most of the retirement housing units in this district were apartments, the rents may have been a deterrent for people wishing to settle there. This assumption seems plausible since the vacancy rate in the lower-range apartment segment decreased between 2006 and 2007, while conditions eased in the more expensive segment<sup>4</sup>.

<sup>4</sup> The Sherbrooke East district has only lower-range and mid-range retirement apartments.

It should be pointed out that the increase in the supply of units occurred in the district that already had the highest vacancy rate in the CMA in 2006. Perhaps this was done from a long-term perspective, so that residence owners might be present on the market when households from the baby boomer cohort will want to move into retirement homes.

In the northern and central districts of Sherbrooke, where supply remained stable between October 2006 and October 2007, the vacancy rates also increased. The central district of the city had a vacancy rate of 4.5 per cent in 2007, for an increase of 1.8 percentage points over the rate of 2.7 per cent recorded in 2006, while, in the northern district, the rate rose from 4.3 per cent in 2006 to 7.1 per cent in 2007, up by 2.8 percentage points.

Given the relatively stable supply, the increase in unoccupied units can only reflect a decrease in demand for units in these districts. However, it should be noted that the central district had the lowest average rent levels in the CMA (for both apartments and rooms). This may have contributed to slowing the decline in demand observed in this district and could therefore explain why the vacancy rate increase was more limited in the central district than in the northern district of Sherbrooke.

In fact, at the time of our next survey, around 250 new units should be added to the universe of existing units in the northern district. It will be interesting to see if the absorption of these additional

units will be possible in a district where the vacancy rate is on the rise.

In the western district of the city of Sherbrooke, the stock stayed at the same level, and the vacancy rate remained stable at 2.9 per cent in 2007, the lowest rate in the CMA. Within the city of Sherbrooke, the western district still had the fewest retirement housing units and was also one of the most affordable districts in Sherbrooke, for both rooms and apartments.

The Sherbrooke suburbs, for their part, saw their stock grow by 5 per cent, and most of the new units were apartments. Even with the arrival of these new units, demand remained steady, as the vacancy rate went down from 5.5 per cent in 2006 to 4.9 per cent in 2007. The suburbs were in fact the only zone in the Sherbrooke CMA where the number of unoccupied units decreased.

In Magog, the vacancy rate rose for room-and-board units by 2.5 percentage points (from 0.9 per cent in 2006 to 3.4 per cent in 2007). It is quite possible that this result was caused by the arrival of the first apartment retirement home in Magog, which may have attracted households who were living in other residences within this zone.

### **Vacancy rate rises for rooms in mid-size buildings**

Between 2006 and 2007, market conditions eased in the Sherbrooke CMA for room-and-board units in

mid-size buildings (20 to 49 units and 50 to 99 units). The greatest vacancy rate increase was recorded in retirement homes with 50 to 99 units, for which the rate rose from 2.8 per cent to 8.5 per cent, up by 5.7 percentage points. This rate hike was due to the fact that most of the new rooms added to the existing universe were part of buildings of this size. Buildings with 20 to 49 units registered a much smaller increase, as their rate went from 5.5 per cent in 2006 up to 5.8 per cent in 2007.

Smaller buildings (10 to 19 units) and larger structures (100 or more units) posted better rental performances. While the vacancy rate for smaller buildings decreased by 0.2 of a percentage point (from 5.7 per cent in 2006 to 5.5 per cent in 2007), the rate for larger structures fell from 4.2 per cent in 2006 to 3.2 per cent in 2007.

In the apartment retirement home segment, the vacancy rates increased for buildings with 10 to 49 units and structures with 100 or more units. The hike for these larger projects was 5.3 percentage points, as their vacancy rate reached 10.2 per cent (up from 4.9 per cent in 2006). While the vacancy rates for buildings with 100 or more units increased in all rent ranges, the increases were much more pronounced in the more expensive segments. Lastly, it should be noted that the vacancy rate in buildings with 50 to 99 units decreased slightly (from 4.8 per cent in 2006 to 4.1 per cent in 2007).

## Vacancy rate expected to increase

Several factors are pointing to a vacancy rate increase in the Sherbrooke CMA in 2008. From a demographic standpoint, the slower rise in the number of households aged 75 years or older should curb the growth in demand for retirement housing units. In addition, this demographic factor could affect Sherbrooke more particularly. In fact, compared to the other CMAs across Quebec, Sherbrooke is the area where the expected growth in households aged 75 years or older is the weakest, until 2010. As well, the vacancy rates went up in most districts in 2007, suggesting that latent demand has largely been met in Sherbrooke and that effective demand has slowed down.

In fact, the completion of 350 new units in the northern district of Sherbrooke and in Magog could bring the vacancy rate up to 10 per cent in 2008. In addition, in the eastern district, 360 retirement

housing units are expected to be built over the next two years. The addition of these 710 units (350 and 360) in the space of two years will therefore increase the supply of units by 23 per cent over the existing universe in 2007, in a context of weak demand. The vacancy rate could therefore continue to rise over the next two years.

## Around the Province

With the exception of the Saguenay and Trois-Rivières CMAs, conditions on the retirement home market (apartment and room-and-board segments) eased or remained stable in all areas with 100,000 or more inhabitants.

Gatineau was the area where market conditions eased the most. In fact, the vacancy rate there rose by 6.1 percentage points between October 2006 and October 2007 and has now reached 8 per cent (versus 1.9 per cent in 2006). This area of Quebec therefore became the one

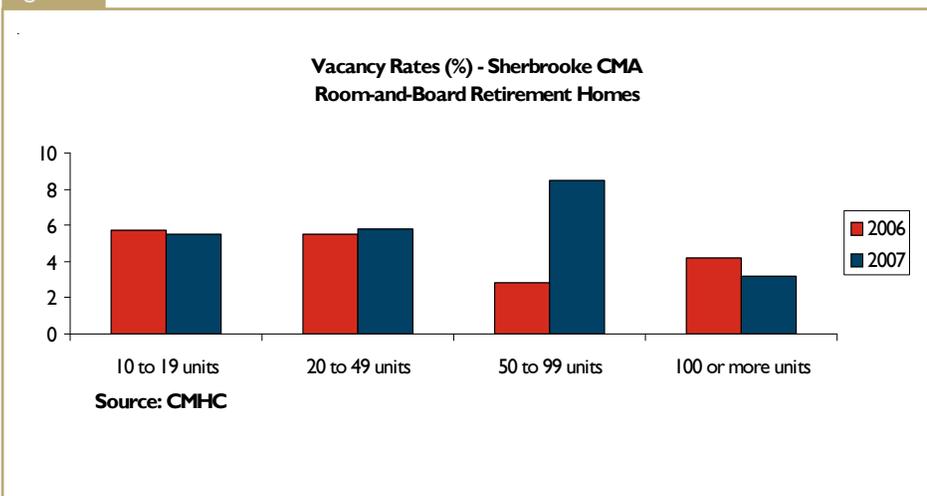
with the highest proportion of unoccupied units in 2007. Less significant easing was also observed in Sherbrooke (where the vacancy rate rose from 4.5 per cent in 2006 to 7.5 per cent in 2007) and Montréal (where the rate went up from 5.3 per cent in 2006 to 6.5 per cent in 2007).

In Saguenay and Trois-Rivières, the vacancy rates went down between 2006 and 2007. In Saguenay, the decrease was 0.5 of a percentage point (from 3.1 per cent in 2006 to 2.6 per cent in 2007), while the market tightened slightly more in Trois-Rivières. In fact, the vacancy rate there has now reached 2 per cent, down by 0.9 of a percentage point from 2006. The Trois-Rivières area therefore had the lowest vacancy rate across Quebec in 2007. In the Québec CMA, the vacancy rate remained stable at 4.5 per cent in 2007.

Between 2001 and 2006, the growth in the number of people aged 75 years or older, that is, the main client group for retirement homes, varied depending on the different Quebec CMAs. The Gatineau and Saguenay areas came in first with increases of about 30 per cent, followed by Trois-Rivières (+24 per cent), Québec (+22 per cent), Montréal (+20 per cent) and Sherbrooke (+17 per cent).

While Gatineau registered the strongest growth in the population aged 75 years or older, this was also the area where, in 2006, the penetration rate was the lowest, at 14 per cent. Relatively speaking, this

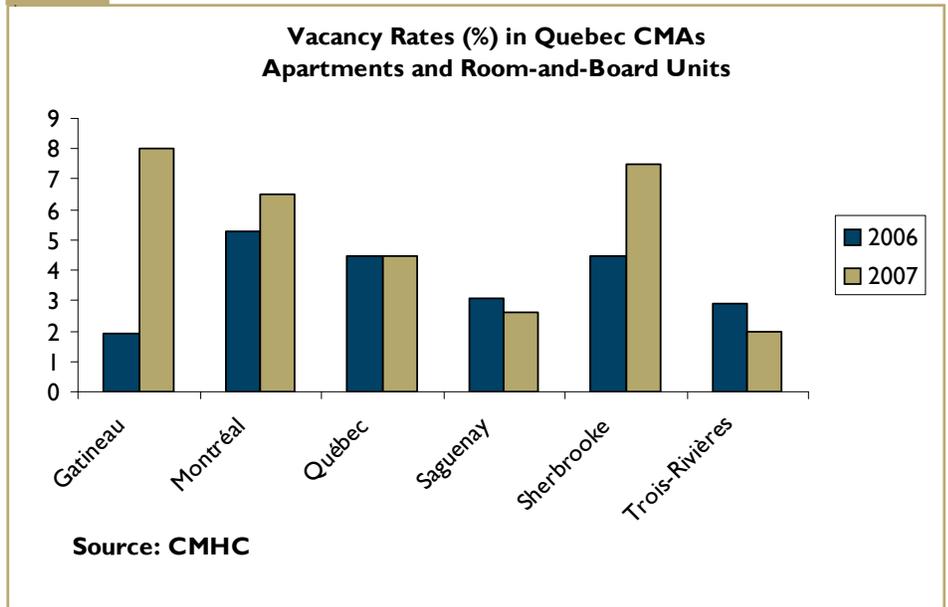
Figure 4



means that the Gatineau area was, in 2006, the market with the fewest existing units for clients aged 75 years or older. In fact, Gatineau also stood out because of the fact that around 60 per cent of all households aged 75 years or older owned their own homes in 2006, the highest proportion among all CMAs across Quebec. If seniors in the Gatineau area behaved similarly to those living in other CMAs, demand for retirement home units could be expected to increase on this market, with a greater proportion of homeowners turning to the rental market.

At the other end of the spectrum from Gatineau, the Sherbrooke area had the highest penetration rate among all Quebec CMAs, at 24 per cent, and also the smallest proportion of homeowner households aged 75 years or older (42 per cent). There consequently remained a much smaller number of

Figure 5



homeowners to potentially attract to the retirement home market. In the other CMAs, just under one in two households aged 75 years or older were homeowners in 2006, with rates of 49 per cent in Saguenay, 47 per cent in Montréal, 46 per cent in Québec and 46 per cent in Trois-Rivières.

The supply of units increased in all CMAs across Quebec between 2006 and 2007. The Gatineau area registered the strongest increase (+21 per cent), which could explain the vacancy rate hike observed in this area. In the Sherbrooke CMA, given that the supply grew by less than 2 per cent in 2007, the smallest increase in Québec, the rise in the vacancy rate therefore resulted from a decrease in demand on the retirement home market.

Figure 6

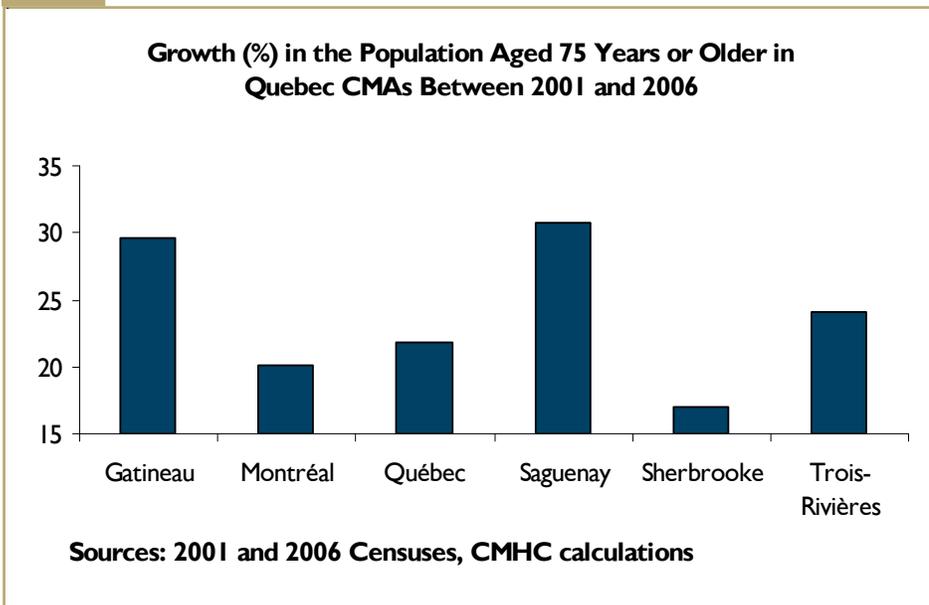
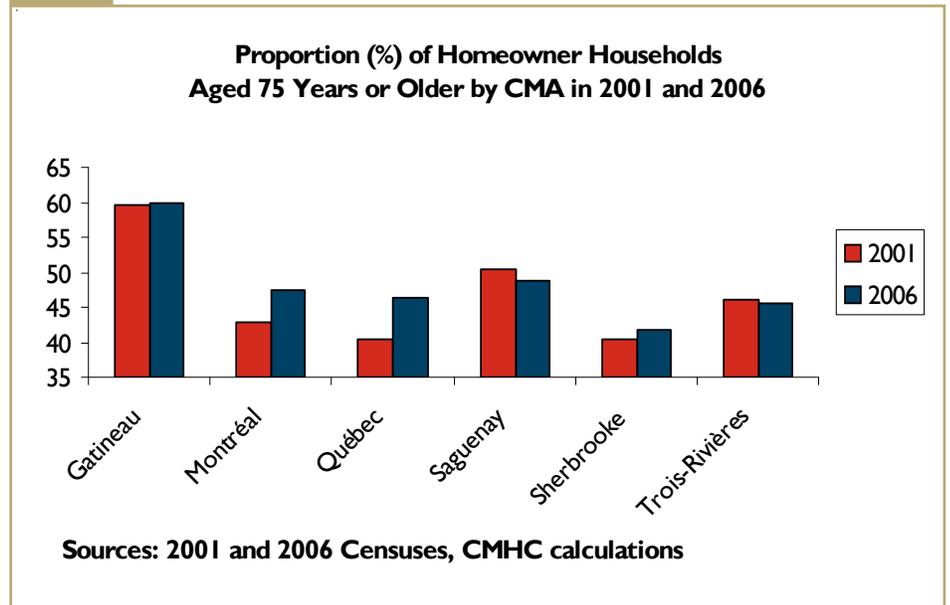


Figure 7



**Tableau 1.1: Universe of Apartment for Seniors  
By Building Size - In Number of Buildings and Units\*  
Private Retirement Homes with 10 or More Units  
Sherbrooke CMA  
2003 à 2007**

| Building size     | 2003         |           | 2004         |           | 2005         |           | 2006**       |           | 2007**       |           |
|-------------------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|
|                   | Apts.        | Res.      |
| Under 50 units    | 125          | 3         | --           | --        | --           | --        | --           | --        | --           | --        |
| 50 to 99 units    | 77           | 4         | 237          | 6         | 289          | 6         | 428          | 7         | 363          | 6         |
| 100 or more units | 838          | 4         | 829          | 4         | 834          | 5         | 1,167        | 7         | 1,240        | 8         |
| <b>Total</b>      | <b>1,040</b> | <b>11</b> | <b>1,142</b> | <b>12</b> | <b>1,199</b> | <b>13</b> | <b>1,671</b> | <b>16</b> | <b>1,679</b> | <b>16</b> |

\* Building size is determined by the sum of the number of beds and apartments.

\*\* Data from 2006 and 2007 includes Magog in the Sherbrooke CMA.

-- Data confidential.

Source: CHMC

**Table 1.2 : Universe of Apartments for Seniors  
By Bedroom Type - In Number of Units  
Private Retirement Homes with 10 or More Units  
Sherbrooke CMA  
2005 to 2007**

| Type               | 2006**       | 2007**       |
|--------------------|--------------|--------------|
| <b>Studio</b>      | 509          | 517          |
| <b>1-bedroom</b>   | 802          | 787          |
| <b>2-bedroom +</b> | 360          | 375          |
| <b>Total</b>       | <b>1,671</b> | <b>1,679</b> |

\*\* Data from 2006 and 2007 includes Magog in the Sherbrooke CMA.

Source : CMHC

**Table 1.3 : Universe of Room-and-Board for Seniors  
By Building Size - In Number of Buildings and Beds \*  
Private Retirement Homes with 10 or More Units  
Sherbrooke CMA  
2003 to 2007**

| Building size     | 2003           |           | 2004           |           | 2005           |           | 2006**       |           | 2007**       |           |
|-------------------|----------------|-----------|----------------|-----------|----------------|-----------|--------------|-----------|--------------|-----------|
|                   | Rooms          | Res.      | Rooms          | Res.      | Rooms          | Res.      | Rooms        | Res.      | Rooms        | Res.      |
| Under 20 units    | 70             | 5         | 70             | 5         | 70             | 5         | 70           | 5         | 73           | 5         |
| 20 to 49 units    | 432            | 11        | 393            | 10        | 441            | 11        | 493          | 12        | 483          | 12        |
| 50 to 99 units    | 581            | 10        | 450            | 8         | 343            | 6         | 472          | 8         | 492          | 7         |
| 100 units or more | --             | --        | --             | --        | 378            | 3         | 378          | 3         | 408          | 4         |
| <b>Total</b>      | <b>\$1,363</b> | <b>28</b> | <b>\$1,193</b> | <b>25</b> | <b>\$1,232</b> | <b>25</b> | <b>1,413</b> | <b>28</b> | <b>1,456</b> | <b>28</b> |

\* The number of units represents the sum of the number of beds and apartments.

\*\* Data from 2006 and 2007 includes Magog in the Sherbrooke CMA.

-- Data confidential.

Source : CMHC

**Table 1.4 : Universe of Retirement Homes for Seniors  
By Detailed Zone  
Number of Units\* and Residences  
Private Retirement Homes with 10 or More Units  
Sherbrooke CMA  
2004 to 2005**

| Sector <sup>1</sup>   | 2004           |              | 2005           |              | 2006**       |           | 2007**       |           |
|-----------------------|----------------|--------------|----------------|--------------|--------------|-----------|--------------|-----------|
|                       | Units          | Res.         | Units          | Res.         | Units        | Res.      | Units        | Res.      |
| East District         | 804            | 9            | 805            | 9            | 805          | 9         | 839          | 9         |
| North District        | 454            | 5            | 452            | 5            | 883          | 8         | 886          | 8         |
| West District         | 191            | 4            | 239            | 5            | 280          | 5         | 280          | 5         |
| Centre District       | 408            | 6            | 407            | 6            | 376          | 5         | 376          | 5         |
| City of Sherbrooke    | 1857           | 24           | 1903           | 25           | 2,344        | 27        | 2,381        | 27        |
| Suburbs               | 478            | 8            | 528            | 8            | 524          | 8         | 549          | 8         |
| Magog                 | 195            | 4            | 190            | 4            | 216          | 4         | 205          | 4         |
| <b>Sherbrooke CMA</b> | <b>2335***</b> | <b>32***</b> | <b>2431***</b> | <b>33***</b> | <b>3,084</b> | <b>39</b> | <b>3,135</b> | <b>39</b> |

\* The number of units represents the sum of the number of beds and apartments.

\*\* Data from 2006 and 2007 includes Magog in the Sherbrooke CMA.

\*\*\* Data from the Sherbrooke CMA does not include Magog.

<sup>1</sup> Geographic territory from before the January 2002 municipal merger.

Source : CMHC

| <b>Table 1.5 : Universe of Retirement Homes for Seniors<br/>                     By Detailed Zone - In Number of Units<br/>                     Private Retirement Homes with 10 or More Units<br/>                     Sherbrooke CMA<br/>                     2007*</b> |              |                   |
|---|--------------|-------------------|
| <b>Sector **</b>  | <b>Beds</b>  | <b>Apartments</b> |
| <b>East District</b>  | 236          | 603               |
| <b>North District</b>   | 275          | 611               |
| <b>West District</b>  | 153          | 127               |
| <b>Centre District</b>  | 139          | 237               |
| <b>City of Sherbrooke</b>   | 803          | 1,578             |
| <b>Suburbs</b>  | 448          | 101               |
| <b>Magog</b>  | 205          | 0                 |
| <b>Sherbrooke CMA</b>   | <b>1,456</b> | <b>1,679</b>      |

\* Data from 2007 includes Magog in the Sherbrooke CMA.

\*\* Geographic territory from before the January 2002 municipal merger.

Source : CMHC

**Table 2.1 : Vacancy Rates of Apartments for Seniors (%)  
By Building Size\*  
Private Retirement Homes with 10 or More Units  
Sherbrooke CMA  
2001 to 2007**

| Building size*    | 2001       | 2002       | 2003       | 2004       | 2005       | 2006**     | 2007**     |
|-------------------|------------|------------|------------|------------|------------|------------|------------|
| Under 50 units    | 1.1        | 2.3        | 2.4        | --         | --         | --         | --         |
| 50 to 99 units    | 0.4        | 3.1        | 3.9        | 5.5        | 6.2        | 4.8        | 4.1        |
| 100 or more units | 3.8        | 0.0        | 0.5        | 0.8        | 1.1        | 4.9        | 10.2       |
| <b>Total</b>      | <b>3.0</b> | <b>0.7</b> | <b>1.0</b> | <b>2.2</b> | <b>2.6</b> | <b>4.8</b> | <b>8.8</b> |

\* Building size is determined by the sum of the number of beds and apartments.

\*\* Data from 2006 and 2007 includes Magog in the Sherbrooke CMA.

-- Data confidential.

Source: CMHC

**Table 2.2 : Vacancy Rates of Apartments for Seniors (%)  
By Bedroom Type  
Private Retirement Homes with 10 or More Units  
Sherbrooke CMA  
1999 to 2007**

| Year   | Studio | 1-bedroom | 2-bedroom + * | Total |
|--------|--------|-----------|---------------|-------|
| 1999   | 2.0    | 7.0       | 11.3 *        | 5.9   |
| 2000   | 3.0    | 0.8       | 1.3           | 1.6   |
| 2001   | 2.8    | 3.4       | 1.6           | 3.0   |
| 2002   | 0.2    | 1.1       | 0.4           | 0.7   |
| 2003   | 0.8    | 1.2       | 0.6           | 1.0   |
| 2004   | 0.8    | 1.4       | 5.7           | 2.2   |
| 2005   | 1.7    | 1.1       | 6.8           | 2.6   |
| 2006** | 4.9    | 4.1       | 6.3           | 4.8   |
| 2007** | 13.2   | 8.3       | 4.0           | 8.8   |

\* Reflects the vacancy rate for units with 2 bedrooms only.

\*\* Data from 2006 and 2007 includes Magog in the Sherbrooke CMA.

Source: CMHC

**Table 2.3 : Vacancy Rates of Room-and-Board for Seniors (%)  
By Building Size\*  
Private Retirement Homes with 10 or More Units  
Sherbrooke CMA  
2002 to 2007**

| Building size     | 2002       | 2003       | 2004       | 2005       | 2006**     | 2007**     |
|-------------------|------------|------------|------------|------------|------------|------------|
| Under 20 units    | 6.6        | 5.7        | 10.0       | 0.0        | 5.7        | 5.5        |
| 20 to 49 units    | 1.8        | 3.2        | 6.4        | 6.1        | 5.5        | 5.8        |
| 50 to 99 units    | 4.4        | 1.4        | 2.2        | 4.7        | 2.8        | 8.5        |
| 100 units or more | --         | --         | --         | 0.5        | 4.2        | 3.2        |
| <b>Total</b>      | <b>3.6</b> | <b>2.0</b> | <b>3.6</b> | <b>3.7</b> | <b>4.2</b> | <b>6.0</b> |

\* The number of units represents the sum of the number of beds and apartments.

\*\* Data from 2006 and 2007 includes Magog in the Sherbrooke CMA.

-- Data confidential.

Source: CMHC

**Table 2.4: Vacancy Rates of Retirement Home for Seniors (%)  
By Unit Type  
Private Retirement Homes with 10 or More Units  
Sherbrooke CMA  
1993 to 2007**

| Year               | Rooms* | Apartments | Total |
|--------------------|--------|------------|-------|
| 1993               | 8.7    | 1.0        | 5.8   |
| 1994               | 6.2    | 2.4        | 4.8   |
| 1995               | 5.9    | 2.1        | 4.6   |
| 1996               | 5.4    | 1.3        | 3.7   |
| 1997               | 6.6    | 2.5        | 5.0   |
| 1998               | 4.0    | 2.3        | 3.4   |
| 1999               | 4.4    | 5.9        | 5.1   |
| 2000*              | 6.0    | 1.6        | 4.2   |
| 2001*              | 5.4    | 3.0        | 4.3   |
| 2002*              | 3.6    | 0.7        | 2.1   |
| 2003*              | 2.0    | 1.0        | 1.5   |
| 2004*              | 3.6    | 2.2        | 2.9   |
| 2005*              | 3.7    | 2.6        | 3.1   |
| 2006* <sup>1</sup> | 4.2    | 4.8        | 4.5   |
| 2007* <sup>1</sup> | 6.0    | 8.8        | 7.5   |

\* Since 2000, the vacancy rate was calculated using the number of beds rather than the number of rooms.

<sup>1</sup> Data from 2006 and 2007 includes Magog in the Sherbrooke CMA.

Source: CMHC

| <b>Table 2.5 : Vacancy Rates of Retirement Homes for Seniors (%)<br/>By Detailed Zone<br/>Private Retirement Homes with 10 or More Units<br/>Sherbrooke CMA<br/>2002 to 2007</b> |             |             |             |             |               |               |
|--|-------------|-------------|-------------|-------------|---------------|---------------|
| <b>Sector *</b>  | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006**</b> | <b>2007**</b> |
| <b>East District</b>   | 0.9         | 1.1         | 3.2         | 2.9         | 6.5           | 13.5          |
| <b>North District</b>  | 1.4         | 0.7         | 2.6         | 2.0         | 4.3           | 7.1           |
| <b>West District</b>   | 0.5         | 1.0         | 3.7         | 7.9         | 2.9           | 2.9           |
| <b>Centre District</b>   | 1.7         | 2.0         | 1.7         | 3.4         | 2.7           | 4.5           |
| <b>City of Sherbrooke</b>  | 1.2         | 1.2         | 2.8         | 3.4         | 4.6           | 8.4           |
| <b>Suburbs</b>   | 4.9         | 2.4         | 3.3         | 2.1         | 5.5           | 4.9           |
| <b>Magog</b>   | 0.0         | 0.5         | 1.0         | 0.5         | 0.9           | 3.4           |
| <b>Sherbrooke CMA</b>  | 2.1***      | 1.5***      | 2.9***      | 3.1***      | 4.5           | 7.5           |

\* Geographic territory from before the January 2002 municipal merger.

\*\* Data from 2006 and 2007 includes Magog in the Sherbrooke CMA.

\*\*\* Data from the Sherbrooke CMA does not included Magog.

Source : CMHC

| <b>Table 3.1 : Average Monthly Rent for a Single Room (\$) Private Retirement Homes with 10 or More Units Sherbrooke CMA 1993 to 2007</b> |                         |
|---|-------------------------|
| <b>Year</b>   | <b>Single room (\$)</b> |
| 1993  | 758                     |
| 1994  | 780                     |
| 1995  | 813                     |
| 1996  | 822                     |
| 1997  | 824                     |
| 1998  | 836                     |
| 1999  | 863                     |
| 2000  | 874                     |
| 2001  | 904                     |
| 2002  | 918                     |
| 2003  | 931                     |
| 2004  | 973                     |
| 2005  | 999                     |
| 2006**  | 1,052                   |
| 2007**  | 1,110                   |

\*\* Data from 2006 and 2007 includes Magog in the Sherbrooke CMA.  
Source: CMHC

**Table 4.1 : Features  
Percentage of Residences Offering a Specific Service  
Private Retirement Homes with 10 or More Units  
Sherbrooke CMA  
2007\***

| <b>Services</b>               | <b>Apartment</b> | <b>Room-and-board</b> |
|-------------------------------|------------------|-----------------------|
| Cable television              | 88               | 100                   |
| Worship service               | 94               | 100                   |
| Banking counter               | 50               | 18                    |
| Hairdresser                   | 81               | 86                    |
| Convenience store             | 44               | 7                     |
| Swimming Pool                 | 44               | 0                     |
| Footpath                      | 56               | 14                    |
| Bedding                       | 38               | 93                    |
| Clothes cleaning              | 31               | 79                    |
| 24-hour on-site medical care  | 50               | 32                    |
| Limited medical care (visits) | 31               | 68                    |
| Housekeeping                  | 88               | 100                   |
| Furniture                     | 50               | 96                    |
| Indoor parking                | 44               | 4                     |
| Outdoor parking               | 100              | 96                    |
| Supervision                   | 94               | 100                   |
| Intercom system               | 69               | 100                   |
| Transportation system         | 19               | 43                    |
| Other services                | 63               | 32                    |

\* Data from 2007 includes Magog in the Sherbrooke CMA.  
Source: CMHC

## DEFINITIONS

**Retirement home:** A housing project intended for and serving clients whose average age is 65 years or older. The project must not be linked to the public health system (admission is not controlled by the government or its representatives). The dwellings can be either apartments or rooms. Retirement homes can offer a variety of support services (supervision, medical care, housekeeping, etc.).

**Apartment retirement home:** A building providing self-contained dwellings, that is, units with a full kitchen and bathroom. A meal service may be mandatory (included in the rental rates), optional (for an additional charge) or unavailable.

**Room-and-board retirement home:** A building providing single occupancy, double occupancy or other types of rooms. As applicable, the bathroom may be private or shared. This type of retirement home offers meals.

**Mixed retirement home:** A building providing both apartments and rooms.

**Privately initiated retirement home:** A building owned by an individual or a private company and not directly subsidized by a public agency. Conversely, all publicly initiated retirement homes, such as low-rent housing and buildings owned and administered by CMHC, the Société d'habitation du Québec (SHQ), a municipal housing bureau or a non-profit organization (NPO), are excluded.

**Vacancy:** A unit is considered to be vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

## ZONE DESCRIPTION – CMA SHERBROOKE

### **Zone 1: East District**

North: City Limits, South: City limits, East: City Limits and West: St-François River

### **Zone 2: Central District**

North: St-François River, South: Galt West and Wellington, East: St-François River and West: Belvédère and Queen North

### **Zone 3: West District**

North: Magog River and Galt West, South: City limits, East: Wellington South and West: Magog River

### **Zone 4: North District**

North: City Limits, South: Magog River, East: St-François River and Queen North

**Suburbs:** Ascot Corner, Ascot, Bromptonville, Brompton Township, Deauville, Hatley Township, Ascot Township, Fleurimont, Compton Station, Lennoxville, North Hatley, Rock Forest, St-Denis-de-Brompton, St-Élie-d'Orford, Stoke and Waterville.

## METHODOLOGY

The **survey universe** includes all privately initiated retirement homes with 10 or more units, enumerated in the Québec census metropolitan area. The survey is conducted in October every year, and the retirement homes covered must have been in operation for at least three months.

The data collected on vacancy rates and rents was compiled by building type, building size, market zone and dwelling type, among other factors.

The **rent data** corresponds to the actual amount paid by tenants for their dwelling. Certain services such as meals, care and recreational activities may be included in the monthly rental rates. Monthly rents (\*) indicated in this publication reflect the average rent for the different dwellings, regardless of the services included. However, some tables make a distinction between rents for apartments with mandatory meals (included in the rent), optional meals (excluded from the rent) and unavailable meals.

Some tables, however, make a distinction between the rents for apartments with mandatory meals (included in the rent) and the rents for apartments with optional meals (excluded from the rent).

Apartment retirement homes are divided into three categories, according to the type of meal service offered. As a result, in certain residences, the rental rates include meal service charges. When the meal service is optional, tenants can purchase a pass that entitles them to a certain number of meals or they can pay for their meals individually. The amount so paid is not included in the monthly rent. Finally, there may also be no meal service available.

In the case of room-and-board retirement homes, meals are included in the rental rates. As well, for double occupancy or other types of rooms, the rates are based on the rent paid by each tenant and not on the total rent paid for the room.

It should be noted that the survey does not aim to measure changes in rents, but rather to provide an indication of rent levels. As well, in each zone, the average rents may be strongly influenced by the presence of retirement homes where the rents are very different from the average, which explains some of the disparities between the zones.

The results for apartment retirement homes also take into account the apartments found in **mixed retirement homes** (including both apartments and rooms). Likewise, the results for room-and-board retirement homes take into account the rooms contained in mixed retirement homes.

## ACKNOWLEDGMENT

The retirement home market survey could not have been conducted without the valuable cooperation of the owners and managers of these retirement homes. We greatly acknowledge their hard work and assistance in providing timely and accurate information.

## CONFIDENTIALITY

The retirement home market survey aims to produce reliable statistics to provide an overview of the market in order to facilitate decision making for the various housing sector stakeholders. All the information collected on vacant units, services and rents is strictly confidential and never disclosed individually. The results are published in the form of averages for all retirement homes in a given category or survey zone.

As well, the survey results are confidential if they are compiled from a universe comprising fewer than three buildings.

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