



T H E

RETIREMENT HOME

MARKET STUDY



2005 GATINEAU

Retirement Home Market Study

2005 Gatineau

Table of Contents

List of Statistical Tables.....	3
Shortage persists.....	4
Stable rents and new constructions.....	6
Very different situation in Ottawa.....	7
Gatineau has a younger population.....	7
Penetration rate: fewer seniors live in retirement homes.....	8
Demographic outlook for people aged 65 years or older.....	9
Positive net migration for people aged 50 years or older.....	10
Gatineau seniors have a higher income than the average for Quebec overall.....	11
Summary.....	12
Provincial Results.....	13
Statistical Tables.....	14
Methodology.....	20
Definitions.....	21
Acknowledgment.....	22
Confidentiality.....	22

List of Statistical Tables

1. Universe

Table 1.1	Number of Apartment Units by Bedroom Type	14
Table 1.2	Number of Room-and-Board Units by Building Size	14
Table 1.3	Number of Room-and-Board Units by Room Type	15

2. Vacancy rates

Table 2.1	Apartment Vacancy Rates by Bedroom Type	16
Table 2.2	Room-and-Board Vacancy Rates by Building Size	16
Table 2.3	Room-and-Board Vacancy Rates by Room Type	17

3. Average rents

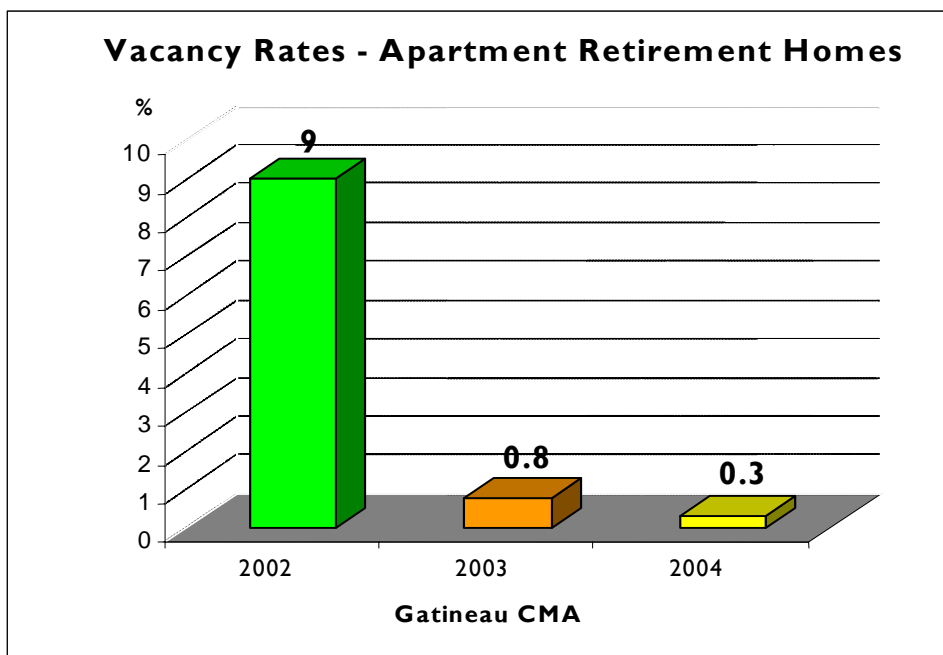
Table 3.1	Average Apartment Rents by Bedroom Type	18
Table 3.2	Average Room-and-Board Rents by Building Size	18
Table 3.3	Average Room-and-Board Rents by Room Type	19

Gatineau

Census Metropolitan Area

Shortage persists

The results of the retirement home market survey conducted by CMHC in the fall of 2004 revealed that, once again this past year, very few units were available, as the vacancy rates remained below the 1-per-cent mark in 2004. With an overall vacancy rate of 0.6 per cent, just like last year, the Gatineau retirement home market can be qualified as facing a shortage. In fact, it was the Gatineau CMA that posted the lowest vacancy rate. At the provincial level, vacancies were up, as market conditions eased in all other CMAs, which saw their vacancy rates rise slightly.

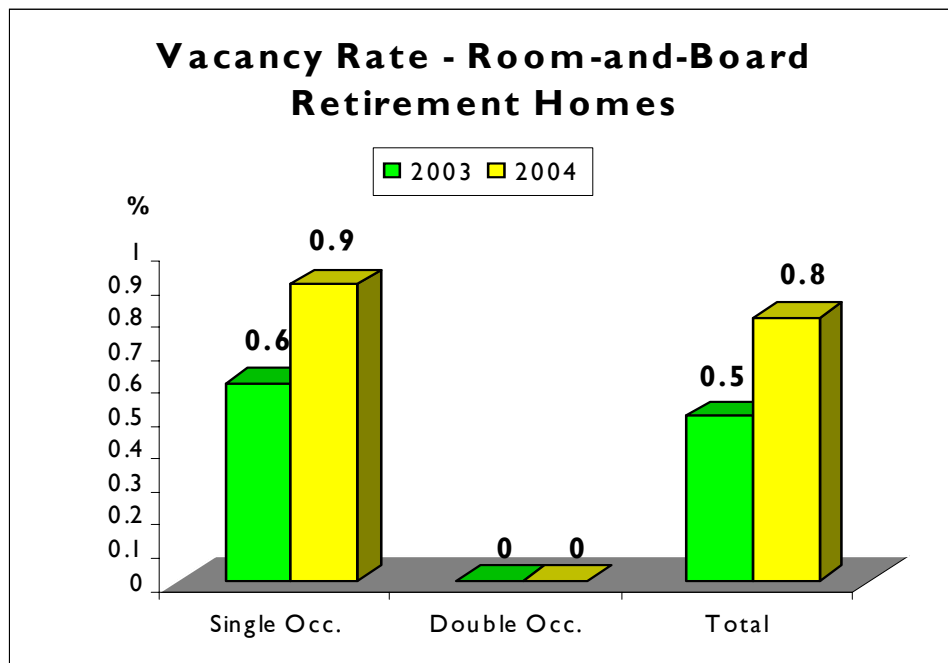


Source: CMHC

The vacancy rate in apartment retirement homes went down from 9.0 per cent in 2002 to 0.8 per cent in 2003, and then fell to 0.3 per cent in 2004. Therefore, at the time of last survey, only 3 units out of 1,000 were unoccupied. Even though the vacancy rate was low in 2003, the number of available apartments did not increase in 2004, remaining constant at 357 units.

No apartments with one or two bedrooms have been available since 2003, while some bachelor units have remained vacant. Two-bedroom apartments have posted no vacancies since 2002. Clients seem to prefer larger buildings and more space.

In the room-and-board retirement home segment, market conditions remained almost as tight. The vacancy rate rose from 0.5 per cent in 2003 to 0.8 per cent in 2004, even though there was a small decrease in the number of units in room-and-board retirement homes. In fact, there were 761 such units in 2003, compared to 753 in 2004. Just like in the case of apartments, seniors first opt for larger rooms. In fact, since 2003, no double-occupancy rooms have been vacant, while a number of single-occupancy rooms have remained available.

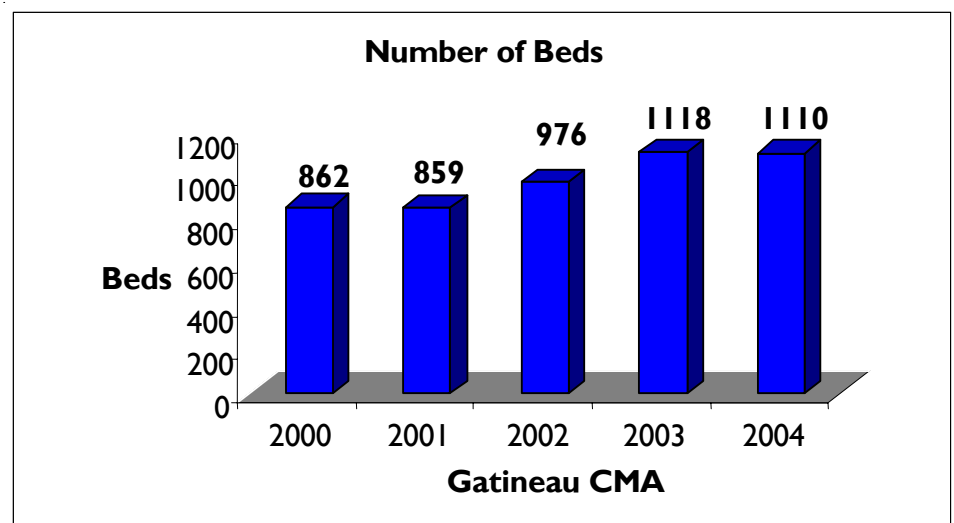


Source: CMHC

Stable rents and new constructions

Given the low vacancy rates, it may seem surprising that the supply of units decreased in relation to 2003, from 1,118 to 1,110 units. However, it is important to note that the low vacancy rates did incite developers to build new retirement homes. In fact, new units have arrived on the market since July 2004 but were not included in the survey data. It would appear that about one hundred units were absorbed very rapidly. As well, since September 2004, construction has started on around one hundred more units, which should be available in the summer of 2005. These projects and others that recently got under way will increase the supply of available units and should drive up the vacancy rate.

Even with a very low vacancy rate, the upcoming increase in the supply of units allowed rents to remain stable. In relation to last year, the rent hikes were small for all retirement home types. The average unit rents rose from \$1,513 to \$1,532 (+1.3 per cent) in room-and-board retirement homes and from \$1,337 to \$1,360 (+1.7 per cent) in apartment residences. These increases were close to the inflation rate, which reached 1.8 per cent between October 2003 and September 2004.



Source: CMHC

Very different situation in Ottawa

In Ottawa, where the population is older than in Gatineau, the overall vacancy rate for retirement homes reached 9.8 per cent in 2004, which was quite far from the rate of 0.6 per cent registered in Gatineau. At the time of the 2001 census, people aged 65 years or older accounted for 11.4 per cent of the population in Ottawa, compared to 9.0 per cent in Gatineau. The Ottawa market got tighter in relation to the year before, when the vacancy rate had attained 17.3 per cent. An increase in the supply of beds led to a slight decrease in rents in most types of retirement homes. Since the residence types are segmented differently, it is difficult to compare the rents charged in Ottawa with the rental rates requested in Gatineau. As well, in spite of the shortage of units in Gatineau, there was no migration of people aged 65 years or older to Ottawa, where units are available. The provincial border is certainly discouraging many seniors from moving.

Gatineau has a younger population

In Gatineau, the retirement housing stock is limited and relatively recent. In fact, the 1,110 beds in this area represent the smallest supply among all CMAs across Quebec. As for the age of the retirement homes, most have been in operation only since the mid- to late 1980s, and a few date from the late 1990s or early 2000s.

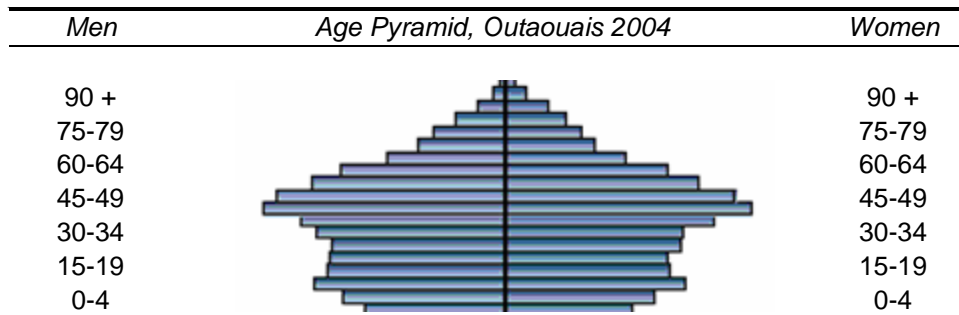
Gatineau has a relatively young population compared to the other CMAs in Quebec. The 26,234 people aged 65 years or older accounted for 9.5 per cent of the population in 2004, the smallest proportion of seniors among all CMAs. Elsewhere, this segment represented between 13 per cent and 16 per cent of the population. The same held true for people aged 75 years or older, who accounted for 4 per cent of the population in Gatineau, in comparison with 6 per cent to 7 per cent in the other CMAs.

Percentage of People Aged 65 Years or Older in the Total Population by CMA - 2004	
Saguenay	13.8
Québec	13.5
Sherbrooke	13.4
Trois-Rivières	16.0
Montréal	13.0
Gatineau	9.4

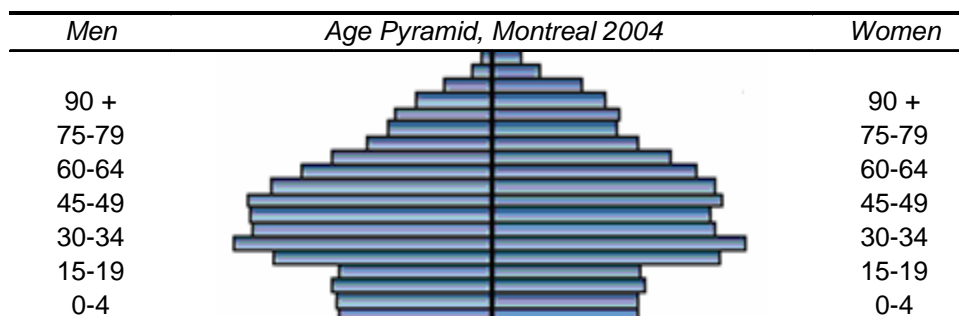
Source : Statistics Canada

Compilation : Institut de la Statistique du Québec

The age pyramid for the Outaouais well illustrates the significant proportion of people aged under 65 years in the area, in comparison with an area like Montréal.



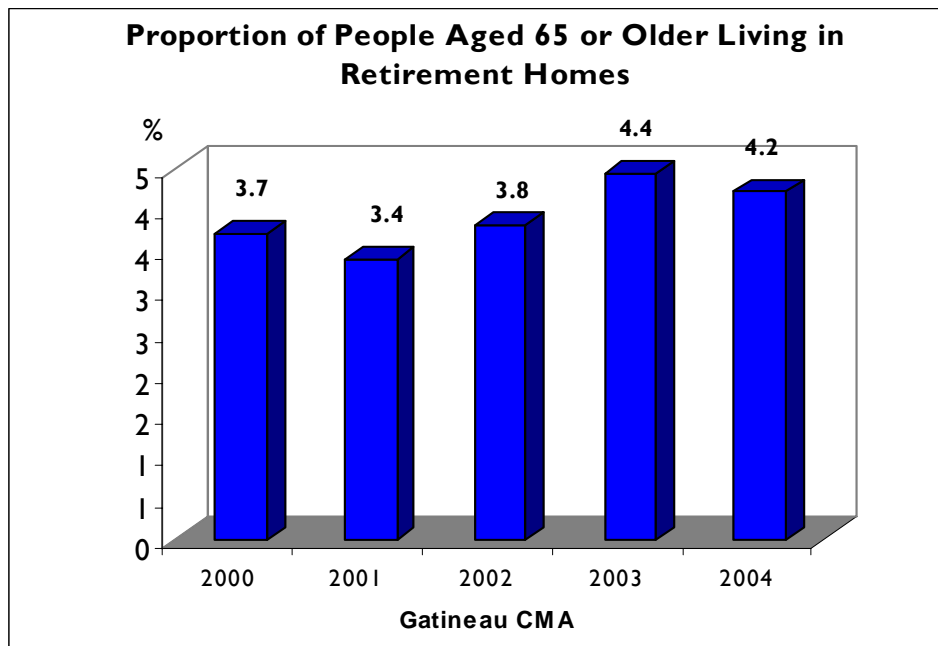
Source : ISQ



Source : ISQ

Penetration rate: fewer seniors live in retirement homes

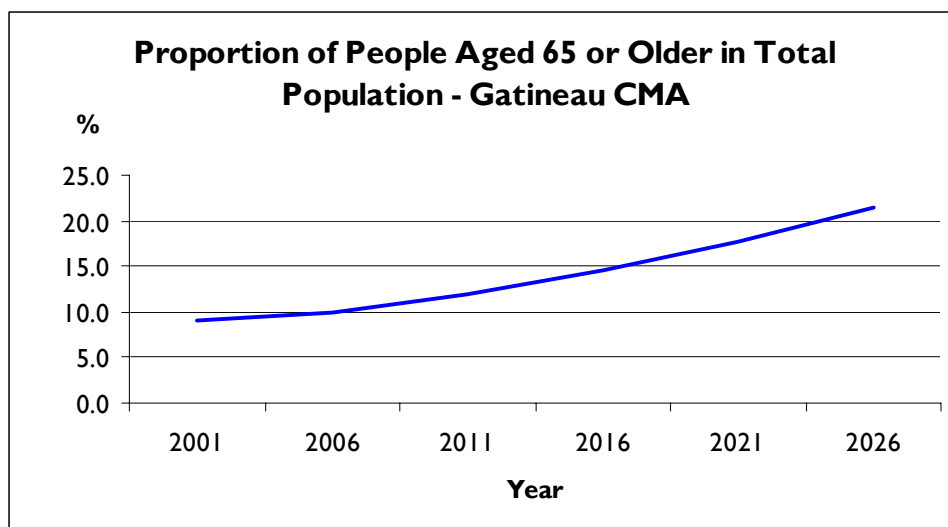
In 2004, very few people aged 65 years or older lived in retirement homes. More specifically, only 4 per cent lived in such residences in 2004, compared to rates of 10 per cent in Trois-Rivières and Sherbrooke. Since 2000, the penetration rate has been rising gradually. This proportion went up from 3.8 per cent in 2000 to 4.4 per cent in 2003, and then fell to 4.2 per cent this year. However, the low vacancy rates should allow the new units that will soon be available on the market to find takers rapidly. The penetration rate should therefore resume its slow upward course in 2005.



Source : Statistics Canada
 Compilation : ISQ, CMHC

Demographic outlook for people aged 65 years or older

In terms of the demographic outlook for this segment of the population, the Institut de la statistique du Québec anticipates that, in the Gatineau CMA, the proportion of the population aged 65 years or older will have risen slowly over five years to reach 10 per cent of the total population by 2006, for an increase of 20 per cent over five years. On average, 926 people aged 65 years will have been added every year in the CMA.



Source : ISQ

Over the longer term, the aging of the baby boomers will boost the growth in the proportion of people aged 65 years or older. This segment will grow by 24 per cent over the period from 2006 to 2011 and even more rapidly during the period from 2011 to 2016 such that, by 2016, people aged 65 years or older will account for 14.6 per cent of the population.

In relation to the other CMAs, Gatineau will post the strongest growth in its population aged 65 years or older during the period from 2001 to 2026 (+185 per cent), compared to an average of 100 per cent for all the CMAs. The proportion of people aged 65 years or older in the Gatineau population will therefore move closer to the average for all the CMAs. By 2026, this proportion will be similar to the level for Montréal but will remain far behind the levels attained in Trois-Rivières and Saguenay. Even with the significant growth in its senior segment, Gatineau will still have a relatively young population compared to the other CMAs, with the exception of Montréal.

Percentage of People Aged 65 Years and Older by CMA – 2001-2026						
CMA	Gatineau	Saguenay	Québec	Sherbrooke	Trois-Rivières	Montréal
2001	9.0	12.6	12.9	13.3	15.4	12.7
2006	10.0	14.5	14.2	14.1	17.0	13.4
2011	11.9	17.4	16.8	16.0	19.6	14.8
2016	14.6	21.0	20.1	18.7	23.0	16.6
2021	17.8	25.5	23.7	21.6	26.9	18.7
2026	21.5	30.4	27.3	24.7	31.1	21.2

Source: ISQ

Positive net migration for people aged 50 years or older

The migration statistics for the population aged 50 years or older in the Outaouais Administrative Region show that people do not leave the area when they retire. According to the Statistics Canada censuses, net migration levels are positive for all groups aged 50 years or older. Since 1991, the Gatineau area has attracted more people aged 65 years or older than it has lost. For example, from 1996 to 2001, 191 people aged 65 years or older came to live in Gatineau. Once they have retired, seniors stay in Gatineau, and others move there.

Outaouais Administrative Region – Net Migration by Population Segment and by Period		
	1991-1996	1996-2001
50-54	173	40
55-59	98	74
60-64	110	87
65-69	52	57
70-74	42	41
75-79	13	33
80+	31	60
Total	519	392

Source: ISQ

Gatineau seniors have a higher income than the average for Quebec overall

At the time of the 2001 census, Gatineau had the second highest average income for people aged 65 years or older among the CMAs in Quebec. This average stood at \$23,073, compared to \$21,619 for Quebec overall. Also, between 1995 and 2000, seniors in Gatineau saw their income grow at a faster pace than the average for Quebec, as their average income went up by 8.0 per cent, compared to 7.1 per cent for Quebec overall.

However, even though their average income was higher than the provincial average, Gatineau seniors had to pay higher average rents. Room-and-board units and one-bedroom apartments were more expensive there than elsewhere in the province.

Average Income of People Aged 65 and Older by CMA - 2000 - in Dollars	
Saguenay	19,506
Québec	22,423
Sherbrooke	20,813
Trois-Rivières	19,960
Montréal	23,802
Gatineau	23,073
Total Quebec CMA's	21,619

Source : ISQ

A review of the results by income range reveals that nearly one quarter of this population segment earned less than \$12,000 in 2000, compared to 28 per cent in 1995. As for the median income, it stood at \$16,928 in 2000, which means that 50 per cent of seniors had a lower income.

Income of People Aged 65 and older - Gatineau CMA		
	1995	2000
\$	%	%
Less than 12,000	28	24
12,000 to 14,999	17	17
15,000 to 19,999	20	20
20,000 to 29,999	16	17
30,000 to 39,999	9	10
40,000 to 49,999	4	5
60,000 and more	3	4
	\$	\$
Average Income	21,382	23,073
Median Income	15,793	16,928

Source : ISQ

Summary

Despite the current shortage, the supply of units that will be added to the Gatineau retirement housing stock in 2005 should drive up the vacancy rate. For the moment, Gatineau has a small market, compared to the other CMAs. However, this area presents a certain growth potential for the coming years, as the aging of the population will pick up the pace.

Provincial Results

At the time of the October 2003 survey, the retirement home markets in Quebec's six census metropolitan areas (CMAs) had been qualified as tight, almost everywhere. After the latest survey (October 2004), we would now describe the market as easing, almost everywhere. In fact, with the exception of the Gatineau CMA, where the vacancy rate reached 0.6 per cent, the other five CMAs attained vacancy rates ranging from 2.9 per cent to 4.5 per cent, in 2004, for all retirement home types combined.

It should be recalled that, in October 2003, the apartment retirement home market was tight everywhere except in Saguenay, where the vacancy rate stood at 10.9 per cent. This situation, qualified as temporary, was resolved in 2004, as the surplus of units is now a thing of the past, with a vacancy rate of 2.9 per cent.

The rate of 0.6 per cent observed in Gatineau was exactly the same as one year earlier. The expected arrival of over a hundred units in 2005 will reduce the pressure on this market, which undoubtedly needs new units.

In closing, it should be noted that, for the Montréal, Québec, Sherbrooke and Trois-Rivières CMAs, apartment vacancy rates vary between 2 per cent and 3 per cent. As for the room-and-board market, the Québec and Trois-Rivières CMAs reached respective vacancy rates of 5.9 per cent and 6.3 per cent, well above the levels observed in the Sherbrooke and Montréal CMAs, where the rates attained 3.0 per cent and 3.6 per cent, respectively.

Markets Easing Almost Everywhere

Vacancy Rates in 2004 (%)

CMA	Rooms		Apartments		Total	
	2003	2004	2003	2004	2003	2004
Gatineau	0.5	0.8	0.8	0.3	0.6	0.6
Montréal	3.2	3.0	1.1	2.8	1.7	2.9
Saguenay	5.3	3.2	10.9	2.6	7.7	2.9
Sherbrooke	2.0	3.6	1.0	2.2	1.5	2.9
Québec	3.4	5.9	1.2	2.1	1.9	3.5
Trois-Rivières	4.7	6.3	1.8	2.5	3.3	4.5

Source: CMHC 2004 Retirement Home Market Survey

Table 1.1

**Universe of Apartments for Seniors
By Bedroom Type - In Number of Units
Private Retirement Homes with 10 or More Units
Gatineau CMA
2003 to 2004**

Type	2003	2004
Studio	100	100
1-bedroom	146	146
2-bedroom	111	111
Total	357	357

Source : CMHC

Table 1.2

**Universe of Room-and-Board for Seniors
By Building Size and Number of Beds
Private Retirement Homes with 10 or More Units
Gatineau CMA
2003 to 2004**

Building Size	2003	2004
10 to 49 units	**	**
50 to 99 units	**	**
100 units and more	567	558
Total	761	753

**: Data confidential because less than 3 buildings.

Source : CMHC

Table 1.3

**Universe of Room-and-Board for Seniors
By Room Type and Number of Beds
Private Retirement Homes with 10 or More Units
Gatineau CMA
2003 to 2004**

Type	2003	2004
Single Room	647	645
Double Room	114	108
Total	761	753

Source : CMHC

Table 2.1

**Vacancy Rates of Apartments for Seniors (%)
By Bedroom Type
Private Retirement Homes with 10 or More Units
Gatineau CMA
2003 to 2004**

Type	2003	2004
Studio	**	**
1-bedroom	0.0	0.0
2-bedroom	0.0	0.0
Total	0.8	0.3

** : Data confidential because less than 3 buildings.
Source : CMHC

Table 2.2

**Vacancy Rates of Room -and-Board for Seniors (%)
By Building Size
Private Retirement Homes with 10 or More Units
Gatineau CMA
2003 to 2004**

Building Size	2003	2004
10 to 49 units	**	**
50 to 99 units	**	**
100 units and more	0.4	1.1
Total	0.5	0.8

** : Data confidential because less than 3 buildings.
Source : CMHC

Table 2.3

**Vacancy Rates of Room-and-Board for Seniors (%)
By Room Type
Private Retirement Homes with 10 or More Units
Gatineau CMA
2003 to 2004**

Type	2003	2004
Single Room	0.6	0.9
Double Room	0.0	0.0
Total	0.5	0.8

Source : CMHC

Table 3.1

**Average Apartment Rents for Seniors
By Bedroom Type
Private Retirement Homes with 10 or More Units
Gatineau CMA
2003 to 2004**

Type	2003	2004
Studio	**	**
1-bedroom	\$1,515	\$1,533
2-bedroom	\$1,230	\$1,235
Total	\$1,337	\$1,360

** : Data confidential because less than 3 buildings.
Source : CMHC

Table 3.2

**Average Room -and- Board Rents for Seniors
By Building Size
Private Retirement Homes with 10 or More Units
Gatineau CMA
2003 to 2004**

Building Size	2003	2004
10 to 49 units	**	**
50 to 99 units	**	**
100 units and more	\$1,516	\$1,538
Total	\$1,513	\$1,532

** : Data confidential because less than 3 buildings.
Source : CMHC

Table 3.3

**Average Room-and-Board Rents for Seniors
By Room Type
Private Retirement Homes with 10 or More Units
Gatineau CMA
2003 to 2004**

Type	2003	2004
Single Room	\$1,598	\$1,614
Double Room	\$1,031	\$1,042
Total	\$1,513	\$1,532

Source : CMHC

Methodology

The **survey universe** includes all privately initiated retirement homes with 10 or more units, enumerated in the Gatineau 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.

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.

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.

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.

This CMHC report gives the results of the annual survey conducted in the fall of 2004 on the privately initiated retirement home market in the Gatineau metropolitan area. This annual report presents vacancy rates, rents and an analysis of the main results derived from the information provided by the people in charge questioned at the time of the survey.

These CMHC survey results are the most comprehensive data on the retirement home market in the Gatineau metropolitan area. They are useful to lenders, mortgage brokers, property managers, investors, appraisers, owners, tenants, housing advisors and decision makers, various government departments and agencies, as well as several related industries.

*For further information about the Products and Services offered by the
CMHC market Analysis Centre,*

Please contact our Customer Service:

1 866 855-5711

or by

Email: **cam_qc@cmhc.ca**

or visit our Web site: **www.cmhc.ca**

© 2005 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this publication may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation. The information, analyses and opinions contained in this publication are based on various sources believed reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibilities.