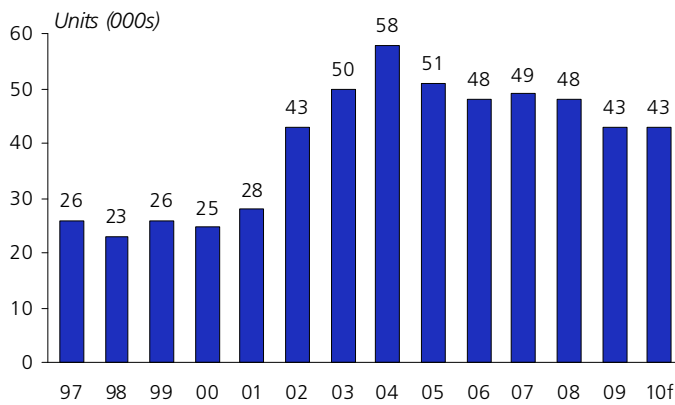




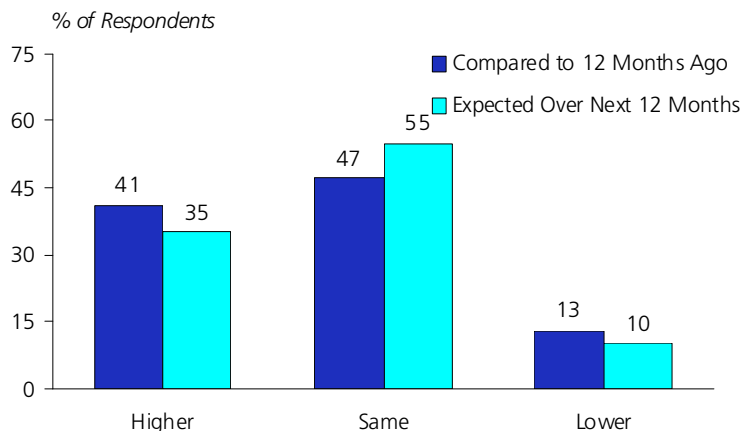
## Quebec Home Builders Forecast Stable Housing Starts and Stronger Renovation Activity

### Total Housing Starts Quebec



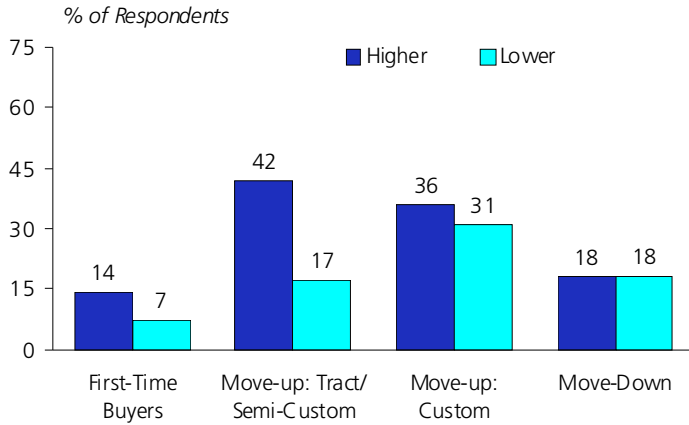
Source: CMHC (historical) and **Pulse Survey** (forecast)

### Change in Renovation Activity Quebec

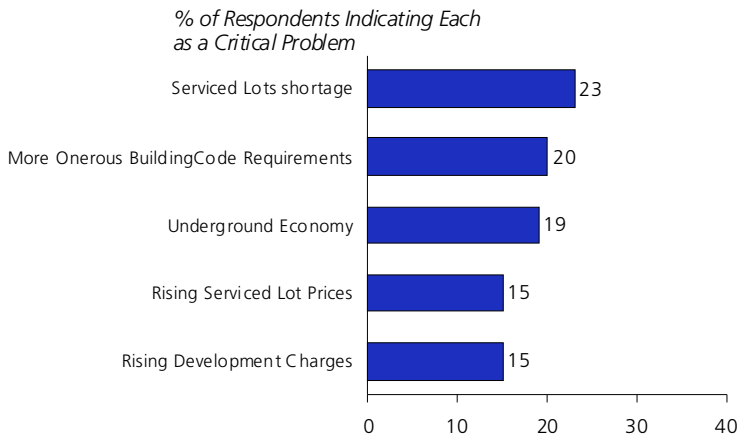


- New home builders in Quebec expect total housing starts to be about 43,000 units in 2010, similar to the 43,403 units started in 2009, according to the latest **Pulse Survey** conducted in December 2009 and January 2010 by the Canadian Home Builders' Association (CHBA) and l'Association provinciale des constructeurs d'habitations du Quebec (APCHQ). Despite the moderation in recent years, starts are expected to remain well above the levels of the latter 1990s/early 2000s.
- Canada-wide, new home builders are expecting about 143,000 starts in 2010, modestly lower than the 149,100 starts in 2009 and well below the levels of the 2002-2008 period.
- On average, Quebec renovators responding to the **Pulse Survey** report increased activity. Almost half of renovators in Quebec report that their renovation activity is higher than 12 months ago, while only 13% reported lower activity.
- On average, renovators in Quebec expect some increase in their renovation activity over the next 12 months.
- The average project reported by renovators in Quebec is some \$15,000 and takes 3 weeks to complete.

## Changes in Traffic Compared to Last Year Quebec



## Top Problems for New Home Builders Quebec



- New home builders and renovators in Quebec on average report no change of full-time employment compared to a year ago and expect no major change over the next year.
- Quebec new home builders report higher traffic on average at new home sales sites in the first-time buyer and the move-up buyer segments compared to last year, and stable traffic within the move-down segment.
- About 1 in 4 new home builders in Quebec report that inventories of started-but-unsold single-detached units are higher this year compared to a year ago while the rest report inventories unchanged.
- New home builders in Quebec are planning some shift to the custom move-up segment, away from tract/semi-custom move-up segment and move-down segment over the next year.
- The most often cited critical problems for Quebec new home builders are shortage and associated rising costs of serviced lots, more onerous building code requirements, the underground economy and rising development charges.
- About 1 in 3 new home builders in Quebec expect new single-detached house prices to increase over the next year, while only about 1 in 10 expect prices to decline.

The **Pulse Survey** was conducted by the CHBA and l'Association provinciale des constructeurs d'habitations du Quebec (APCHQ) with assistance from Canada Mortgage and Housing Corporation and Natural Resources Canada. The survey was tabulated and analyzed by Altus Group Economic Consulting. Copies of the detailed results are available from the CHBA ([chba@chba.ca](mailto:chba@chba.ca)) or APCHQ.