



RESIDENTIAL REAL ESTATE IN QUÉBEC: STRONG MOMENTUM IN THE HIGHER PRICE RANGES

The province's residential real estate market is currently enjoying strong momentum in the higher price ranges. Over the last 12 months (June 2016 to May 2017), the number of properties sold at \$500,000 or more increased by 20 per cent for single-family homes and by 33 per cent for condominiums compared to the equivalent period one year earlier. In addition, sales of single-family homes at more than \$1,000,000 grew by 26 per cent. It should be noted the market's solid performance in the higher price ranges in Québec is not solely attributable to the Montréal area.

Experienced buyers are very active

Québec's residential real estate market as a whole has been surprisingly strong since last fall, in a context where [mortgage tightening measures introduced in October](#) were designed to once again curb the enthusiasm of first-time buyers. However, activity from households that are not buying their first property has clearly more than compensated for this. Strong job creation¹, an increase in net migration², a high level of consumer confidence and stable mortgage rates are creating the most favourable conditions for the resale market.

Over the last 12 months (June 2016 to May 2017), the number of properties sold at \$500,000 or more increased by 20 per cent for single-family homes and by 33 per cent for condominiums.

In addition, sales of single-family homes at more than \$1,000,000 grew by 26 per cent.

¹ Québec had some 83,000 more jobs in May 2017 as compared to May 2016, according to Statistics Canada.

² Including the balance of non-permanent residents, net migration increased from 27,610 people in 2015 to 45,608 people in 2016, according to preliminary data from the Institut de la statistique du Québec.

It is also important to remember that over the past few months, due to a drop in the number of properties for sale, market conditions have once again given sellers the upper hand in many areas in the lower and medium price ranges. This makes it much easier for second- and third-time buyers who want to move up to a higher-end property, as they can sell their current home at advantageous conditions.

Similarly, the context is also excellent for many households that have accumulated a high net worth. Some people use their accumulated wealth to buy a second home, sometimes an expensive one.

Sales of single-family homes at \$500,000 or more are growing at a good pace

As we can see in [Table 1](#) (in the Annex), there were 4,429 single-family home sales concluded at \$500,000 or more in Québec through the real estate broker's Centris® system during the 12-month period from June 2016 to May 2017. This is a 20 per cent increase compared to the equivalent period one year earlier. Sales in this price range increased significantly in the areas of Gatineau (+40 per cent), Sherbrooke (+26 per cent) and Montréal (+22 per cent). Areas that have a significant number of resort properties are also doing quite well: sales of single-family homes at \$500,000 or more are up in the agglomerations of Saint-Sauveur (+16 per cent), Mont-Tremblant (+58 per cent), Granby³ (+65 per cent), Sainte-Adèle (+94 per cent), Magog (24 sales compared to 17) and Sainte-Agathe-des-Monts (24 sales compared to 21). In fact, activity in this price range has increased everywhere in the province over the past year, except in the Québec City area, where sales in the \$500,000+ price range fell by 18 per cent.

One in twelve homes in Québec sells for more than \$500,000

For the province as a whole, sales at \$500,000 or more accounted for 8 per cent of all single-family home transactions in the last 12 months (see [Table 2](#) in the Annex), which represents approximately one in twelve homes. This proportion is of course much higher in the Montréal area, where it reached 15 per cent, which is about one in seven homes.

Furthermore, [Table 1](#) also indicates that there has been an improvement in most other real estate market indicators in this price range. Generally speaking, except for the Québec City area, the number of active listings is decreasing, selling times are becoming shorter and the number of months of inventory is falling. It should be noted that average selling times are always longer in the higher price ranges. Likewise, the number of months of inventory is always higher, so that market conditions most often clearly give buyers the upper hand. Only on the Island of Montréal

Second- and third-time buyers can sell their current home at advantageous conditions.

Areas that have a significant number of resort properties are also doing quite well: sales of single-family homes at \$500,000 or more are up in the agglomerations of Saint-Sauveur (+16 per cent), Mont-Tremblant (+58 per cent), Granby (+65 per cent), Sainte-Adèle (+94 per cent), Magog (24 sales compared to 17) and Sainte-Agathe-des-Monts (24 sales compared to 21).

Average selling times are always longer in the higher price ranges.

³ The agglomeration of Granby includes the city of Bromont.

does the market for single-family homes over \$500,000 currently favour sellers and is showing selling times of less than 100 days. Because prices are much higher, a home selling for \$500,000 or more on the Island of Montréal is not necessarily a high-end property (39 per cent of sales are concluded in this price range).

Some 1,090 condominium sales were concluded at \$500,000 or more in the past year, an impressive jump of 33 per cent.

Significant increase in condominium sales at \$500,000 or more

As for condominiums, sales in the \$500,000 or more price range are also steadily progressing. In the last 12 months (June 2016 to May 2017), these transactions represented just over 6 per cent of all condominium sales in Québec (see [Table 3](#) in the Annex).

As we can see in [Table 4](#) (in the Annex), some 1,090 condominium sales were concluded at \$500,000 or more in the past year, an impressive jump of 33 per cent. Of course, the Island of Montréal (926 sales, +30 per cent) has the lion's share of these transactions, but the following areas also turned in a solid performance: the Québec City area (38 sales, +12 per cent), the South Shore of Montréal (37 sales, +28 per cent), Laval (31 sales, +55 per cent) and Mont-Tremblant (26 sales compared to 16).

It is also interesting to note that the average selling time for units at \$500,000 or more (136 days) is not much higher than that of the overall condominium market (132 days), and has fallen slightly (-6 days) over the past year.

With respect to market conditions, the number of months of inventory⁴ varies from 14 months on the Island of Montréal to 44 months in the Québec City area, which, in both cases, gives buyers the upper hand when negotiating properties in this price range.

Sales of single-family homes at \$1,000,000 or more are also gaining ground

Finally, [Table 5](#) (in the Annex) shows single-family home sales of \$1,000,000 or more in certain urban centres across the province. Although the 768 transactions in this price range accounted for only 1.4 per cent of the province's single-family home sales from June 2016 to May 2017, this segment nevertheless registered strong growth of 26 per cent. This growth was not only attributable to the Island of Montréal (560 sales, +24 per cent), as there were also marked increases on Montréal's South Shore (58 sales, +61 per cent) in Mont-Tremblant (21 compared to 13) and in the rest of the province (56 sales, +60 per cent).

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⁴ The number of months of inventory corresponds to the ratio between active listings and sales, calculated on the basis of the last 12 months.

Table 1 - Single-family home market at \$500,000 or more
June 2016 to May 2017

	Single-family homes							
	Sales		Active listings		Average selling time (days)		Number of months of inventory	
		Variation*		Variation*		Variation*		Variation*
Province of Québec	4,429	20%	6,227	-4%	129	-8	17	-4
Montréal Metropolitan Area	3,621	22%	3,482	-8%	114	-2	12	-4
Island of Montréal	2,218	22%	1,382	-15%	97	-5	7	-3
Laval	274	5%	431	-0%	125	-9	19	-1
North Shore of Montréal	319	26%	687	-6%	187	9	26	-9
South Shore of Montréal	677	29%	745	-2%	123	9	13	-4
Vaudreuil-Soulanges	133	13%	236	-4%	152	-18	21	-4
Québec City Metropolitan Area	175	-18%	578	7%	177	-0	40	9
Agglomeration of Québec	118	-16%	310	11%	175	10	32	8
Northern Periphery of Québec City	45	-4%	186	5%	178	-13	50	4
North Shore of Québec City	12	--	82	-2%	--	--	--	--
Gatineau Metropolitan Area	125	40%	227	-1%	128	-28	22	-9
City of Gatineau	74	42%	112	-8%	135	2	18	-10
Periphery of Gatineau	51	38%	115	7%	119	-70	27	-8
Sherbrooke Metropolitan Area	67	26%	172	-3%	202	-71	31	-9
City of Sherbrooke	26	--	64	7%	--	--	--	--
City of Magog	24	--	52	10%	--	--	--	--
Periphery of Sherbrooke	17	--	57	-20%	--	--	--	--
Saguenay Metropolitan Area	5	--	35	7%	--	--	--	--
Trois-Rivières Metropolitan Area	5	--	15	--	--	--	--	--
Agglomeration of Mont-Tremblant	38	58%	120	10%	312	-88	38	-17
Agglomeration of Saint-Sauveur	51	16%	198	-10%	249	-8	47	-13
Agglomeration of Granby	33	65%	84	2%	201	-4	31	-19
Agglomeration of Sainte-Adèle	31	94%	111	-1%	247	-66	43	-41
Agglomeration of Sainte-Agathe-des-Monts	24	--	80	2%	--	--	--	--
Agglomeration of Saint-Jean-sur-Richelieu	21	--	50	-19%	--	--	--	--
Elsewhere in Québec	233	15%	1 075	5%	208	0	0	0

* Variation compared to the period of June 2015 to May 2016

**Table 2 - Proportion of single-family home sales at \$500,000 or more and at \$1,000,000 or more
June 2016 to May 2017**

	Single-family homes						
	Total sales	\$500,000 or more		\$1,000,000 or more		Most expensive sale	
		Number	Proportion	Number	Proportion	Amount	City or borough
Province of Québec	56,146	4,429	8%	768	1,4%		
Montréal Metropolitan Area	23,888	3,621	15%	663	2,8%		
Island of Montréal	5,628	2,218	39%	560	10,0%	\$8,245,000	Westmount
Laval	2,987	274	9%	16	0,5%	\$1,850,000	Sainte-Dorothée
North Shore of Montréal	7,200	319	4%	21	0,3%	\$2,600,000	Lorraine
South Shore of Montréal	6,347	677	11%	58	0,9%	\$3,350,000	Mont-Saint-Hilaire
Vaudreuil-Soulanges	1,726	133	8%	8	0,5%	\$1,820,000	Hudson
Québec City Metropolitan Area	4,730	175	4%	16	0,3%		
Agglomeration of Québec	3,033	118	4%	7	0,2%	\$1,300,000	Les Rivières
Northern Periphery of Québec City	769	45	6%	6	0,8%	\$1,995,000	Fossambault-sur-le-Lac
North Shore of Québec City	928	12	1%	3	0,3%	\$1,200,000	Chutes-des-la-Chaudière-Ouest
Gatineau Metropolitan Area	3,410	125	4%	6	0,2%		
City of Gatineau	2,689	74	3%	5	0,2%	\$1,600,000	Hull
Periphery of Gatineau	721	51	7%	1	0,1%	\$1,000,000	Chelsea
Sherbrooke Metropolitan Area	1,352	67	5%	14	1,0%		
City of Sherbrooke	949	26	3%	1	0,1%	\$1,150,000	Rock Forest Sainte-Élie Deauville
City of Magog	209	24	11%	8	3,8%	\$4,100,000	Magog
Periphery of Sherbrooke	194	17	9%	5	2,6%	\$1,710,000	Saint-Denis-de-Brompton
Saguenay Metropolitan Area	904	5	1%	-	0,0%	\$750,000	Chicoutimi
Trois-Rivières Metropolitan Area	806	5	1%	1	0,1%	\$1,200,000	Trois-Rivières
Agglomeration of Mont-Tremblant	189	38	20%	12	6,3%	\$3,300,000	Mont-Tremblant
Agglomeration of Saint-Sauveur	726	51	7%	9	1,2%	\$2,475,000	Saint-Adolphe-d'Howard
Agglomeration of Granby	580	33	6%	5	0,9%	\$2,325,000	Bromont
Agglomeration of Sainte-Adèle	417	31	7%	3	0,7%	\$1,465,000	Estérel
Agglomeration of Sainte-Agathe-des-Monts	249	24	10%	-	0,0%	\$875,000	Sainte-Agathe-des-Monts
Agglomeration of Saint-Jean-sur-Richelieu	970	21	2%	1	0,1%	\$1,030,000	Saint-Jean-sur-Richelieu
Elsewhere in Québec	17,925	233	1%	38	0,2%	\$4,650,000	Lac-Brome

Table 3 - Condominium market at \$500,000 or more
June 2016 to May 2017

	Condominiums							
	Sales		Active listings		Average selling time (days)		Number of months of inventory	
		Variation*		Variation*		Variation*		Variation*
Province of Québec	1,090	33%	1,513	1%	136	-6	17	-5
Montréal Metropolitan Area	1,002	31%	1,294	0%	130	-6	15	-5
Island of Montréal	926	30%	1,113	-2%	126	-7	14	-5
Laval	31	55%	100	35%	170	-19	39	-6
North Shore of Montréal	8	--	16	--	--	--	--	--
South Shore of Montréal	37	28%	63	1%	131	-44	20	-5
Québec City Metropolitan Area	38	12%	139	23%	134	-72	44	4
Sherbrooke Metropolitan Area	13	--	12	--	--	--	--	--
Gatineau Metropolitan Area	1	--	13	--	--	--	--	--
Trois-Rivières Metropolitan Area	1	--	0	--	--	--	--	--
Agglomeration of Mont-Tremblant	26	--	27	--	--	--	--	--
Elsewhere in Québec	9	--	28	--	--	--	--	--

* Variation compared to the period of June 2015 to May 2016

Source: QFREB by the Centris® system

**Table 4 - Proportion of condominium sales at \$500,000 or more
June 2016 to May 2017**

	Condominiums				
	Total sales	\$500,000 \$ or more		Most expensive sale	
		Number	Proportion	Amount	City or borough
Province of Québec	56,146	4,429	8%		
Montréal Metropolitan Area	23,888	3,621	15%		
Island of Montréal	5,628	2,218	39%	\$5,745,645	Ville-Marie
Laval	2,987	274	9%	\$1,448,570	Sainte-Dorothée
North Shore of Montréal	7,200	319	4%	\$514 627*	Lorraine
South Shore of Montréal	6,347	677	11%	\$1,325,000*	Saint-Lambert
Québec City Metropolitan Area	4,730	175	4%	\$1,550,000	La Cité - Limoilou
Sherbrooke Metropolitan Area	3,410	125	4%	\$918,691*	Jacques-Cartier (Sherbrooke)
Gatineau Metropolitan Area	1,352	67	5%	\$518,000	Hull
Trois-Rivières Metropolitan Area	806	5	1%	\$626,560*	Trois-Rivières
Agglomeration of Mont-Tremblant	189	38	20%	\$1,900,000	Mont-Tremblant
Elsewhere in Québec	17,925	233	1%	\$830,000	Rimouski

New unit, excluding GST and QST

Source: QFREB by the Centris® system

Table 5 - Single-family homes that sold for \$1,000,000 or more
June 2016 to May 2017

	Single-family homes			
	Sales		Average selling time (days)	
		Variation*		Variation*
Province of Québec	768	26%	158	1
Montréal Metropolitan Area	663	25%	139	2
Island of Montréal	560	24%	131	-2
Laval	16	--	210	--
North Shore of Montréal	21	--	256	--
South Shore of Montréal	58	61%	166	26
Vaudreuil-Soulanges	8	--	--	--
Québec City Metropolitan Area	16	--	--	--
Sherbrooke Metropolitan Area	14	--	--	--
Gatineau Metropolitan Area	6	--	--	--
Trois-Rivières Metropolitan Area	1	--	--	--
Agglomeration of Mont-Tremblant	12	--	--	--
Other areas	56	60%	311	72

* Variation compared to the period of June 2015 to May 2016

Source: QFREQ by the Centris® system