



LAND TITLE SOLUTIONS

**JLR PUBLICATION**

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# Real Estate: The Median Gap Between the Sale Price in 2016 and the Assessment Roll in Montreal

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HIGHLIGHTS:

- Approximately 50% of condominiums and single-family homes sold in the Montreal urban agglomeration were acquired at a price of at least 1% higher than their value based on the property assessment roll of 2017-2019.
- Properties valued at less than \$ 200,000 represent the ones with the largest gap between the price and the assessment roll.
- The median gap between the sale price and the municipal assessment roll was -1% for condominiums valued at more than \$ 800,000.
- The median gap between the sale price and the municipal assessment roll was + 6% for single-family homes sold in Verdun in 2016.

During 2016, the median price of properties on the Montreal Island rose slightly, thanks to a resale market growth. However, the variation in prices was not uniform across the agglomeration. The geographic location and the value of a residence greatly influence the price variation over the years.

This report compares the price of homes sold in 2016 to their value in the land role of 2017-2019. The data presented indicate the median of the gaps between the purchase price and the roll value of the property. The Montreal assessment roll for 2017-2019 was released at the end of 2016 and reflects the value of a property as of July 1, 2015. Consequently, in 2016, higher selling prices than their actual assessments indicate a growth in the value of residences. However, in some sectors, 50% or more of acquisitions in 2016 occurred at a lower price than the municipal assessment.

VARIOUS FINDINGS BY VALUE RANGES

According to the deeds of sale published in the Quebec Land Registry compiled by JLR and the value of the dwellings on the property assessment roll, the median gap between the purchase price in 2016 and the value of the property assessment roll was +1% in the Montreal urban agglomeration, for both condominiums and single-family homes.

Chart 1: Median gap between the price paid for a residence in 2016 and its value on the assessment roll for 2017-2019 in the Montreal urban agglomeration

Property roll value	Condominiums	Single-family homes
Less than \$ 200,000	+4 %	+7 %
\$ 200,000 to less than \$ 400,000	+1 %	+2 %
\$ 400,000 to less than \$ 600,000	0 %	0 %
\$ 600,000 to less than \$ 800,000	0 %	+2 %
\$ 800,000 to less than \$ 1,000,000	-1 %	+1 %
More than \$ 1,000,000	-1 %	+1 %
All values combined	+1 %	+1 %

Residential properties valued at less than \$ 200,000 on the Montreal Island were sold at prices considerably higher than their July 1, 2015, value based on the property assessment roll. On the other hand, the most expensive properties seem to have gained less value.

The highly positive premium for the assessment of the properties in the lower value range can be explained by a more frequent overbid on inexpensive dwellings. The months of inventory is much lower for cheaper residences according to statistics published by the Quebec Federation of Real Estate Boards. Lower-value properties are in a seller's market which can create an outbid and hence, a rise in prices.

The luxury condominium sector appears to be experiencing a more difficult 2016 year in line with the variations that have been measured. Few acquisitions of more than \$ 800,000 have been made in this sector, so caution must be exercised in interpreting the data, but the results indicate a certain slowdown in this market.

The value range in which a property is positioned influences its price evolution, but its location also has an important impact.

## RESULTS BASED ON LOCATION

Verdun (including Nun's Island) stands out with a median gap between purchase prices in 2016 and assessments of +6% for single-family homes and +4% for condominiums. The median sale of a single-family home was also made at a price 6% higher than the evaluation at Mont-Royal and Sud-Ouest. Strong demand for these sectors compared to the supply may have led prices to higher levels than the values attributed to these properties as of July 1, 2015.

For other boroughs and cities, the housing market seemed less dynamic based on the gap between prices and the municipal assessment. The median gap in the single-family home sector was -2% in Dorval, -1% in Mercier-Hochelaga-Maisonneuve, -2% in Montréal-Nord, -1% in Rivière-des-Prairies/Pointe-aux-Trembles and -3% in Saint-Léonard. It is interesting to note that, except for Dorval, they are all boroughs located in eastern Montreal Island.

For condominiums, the gaps between the sales prices and the assessment appear to have been less pronounced than for single-family homes. Westmount is the only city where more than 50% of condominium sales were made at prices lower than the evaluations. Pointe-Claire is the city where the positive gap was the largest with +5%. You will find in appendix, the median gaps between the sale price in 2016 and the roll value of 2017-2019 for all boroughs and cities in the Montreal urban agglomeration, when the number of transactions was sufficient.

## IN SUMMARY

Although some sectors appear to be growing more than others, the overall picture shows a small increase in prices on the Montreal Island. Sales picked up again in 2016, but the resale time remained longer than it was a few years ago. The next property assessment roll should be based on the value of the properties as of July 1, 2018. Thus, prices may still vary by then.

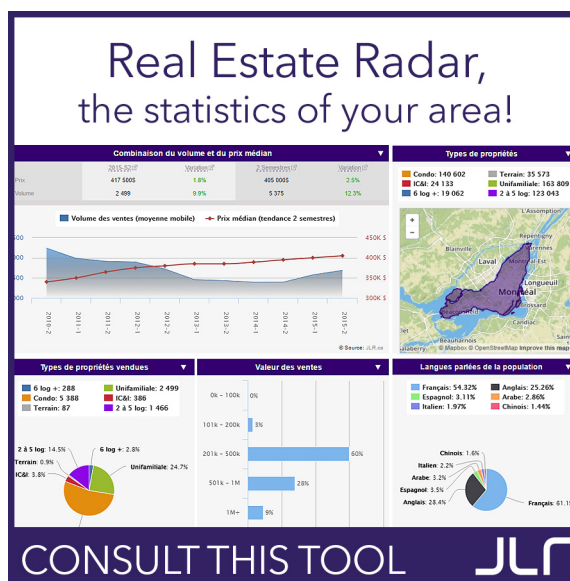
## METHODOLOGICAL NOTES

The data used were collected by JLR from transactions published in the Quebec Land Registry (including sales with and without brokers). To obtain statistics representative of the real estate market, certain data are eliminated for statistical calculations: sales with a transaction value of less than \$ 50,000, tied sales, mortgage take-back sales, undivided sales and multiple sales. Sales of new properties were excluded if the 2017-2019 municipal assessment was not available or contained only a value for the land at the end of 2016.

## FOR MORE DETAILS

Check the [Real Estate Radar](#) for more information on sales, bad debts and the socio-demographic profile of your sector.

Consult JLR publications at this address:  
<http://solutions.jlr.ca/publications/grands-dossiers>



# Appendix

Median gap between the sale price in 2016 and the roll value for 2017-2019			
City	Borough	Single-family home	Condominium
Baie-d'Urfé		0 %	-
Beaconsfield		2 %	-
Côte-Saint-Luc		3 %	0 %
Dollard-des-Ormeaux		1 %	3 %
Dorval		-2 %	2 %
Hampstead		1 %	-
Kirkland		2 %	-
Montréal	Ahuntsic/Cartierville	4 %	1 %
Montréal	Anjou	2 %	0 %
Montréal	Côte-des-Neiges/Notre-Dame-de-Grâce	2 %	1 %
Montréal	Lachine	3 %	2 %
Montréal	LaSalle	3 %	1 %
Montréal	L'Île-Bizard/Sainte-Geneviève	0 %	-
Montréal	Mercier/Hochelaga-Maisonneuve	-1 %	2 %
Montréal	Montréal-Nord	-2 %	0 %
Montréal	Outremont	1 %	2 %
Montréal	Pierrefonds/Roxboro	1 %	0 %
Montréal	Plateau Mont-Royal	2 %	1 %
Montréal	Rivière-des-Prairies/Pointe-aux-Trembles	-1 %	0 %
Montréal	Rosemont/Petite-Patrie	4 %	0 %
Montréal	Saint-Laurent	1 %	3 %
Montréal	Saint-Léonard	-3 %	2 %
Montréal	Sud-Ouest	6 %	0 %
Montréal	Verdun	6 %	4 %
Montréal	Ville-Marie	2 %	2 %
Montréal	Villeray/Saint-Michel/Parc-Extension	2 %	1 %
Montréal-Ouest		0 %	
Mont-Royal		6 %	1 %
Pointe-Claire		1 %	5 %
Sainte-Anne-de-Bellevue		0 %	-
Westmount		2 %	-2 %





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