



LAND TITLE SOLUTIONS

JLR PUBLICATION

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Price of Condominiums Located in the Montreal Agglomeration per Floor

HIGHLIGHTS: :

- The median price paid in the Montreal agglomeration for a unit in a complex of more than 10 floors was \$351,606 between January 1st, 2016, and May 31st, 2017.
- The median price increases between 6% and 15% for every four storeys in the condominium towers.
- To live in a tower of more than 10 floors, one will probably have to pay a minimum price of about \$215,500. At this price, it is usually only the first floors that are accessible.
- The median price for a condominium located between floors 21 and 24 reached \$473,960 for the grouping boroughs of Ville-Marie, Le Sud-Ouest and Verdun.

In recent years, the number of skyscrapers housing condominiums has surged. Condominium towers just completed or under construction are ubiquitous in downtown Montreal. JLR was therefore interested in the amount of money that must be paid to own a unit in these large buildings.

In the same tower of condominiums, the divisions are generally identical for all floors, except sometimes for the penthouses. Despite similar housing sizes, condominium prices vary widely between the first floors and the top of the tower.

For this report, sales published in the Quebec Land Registry and collected by JLR between January 1, 2016, and May 31, 2017, are analyzed. A period of more than a year was used to increase the number of sales. Only condominiums located in the Montreal agglomeration and condo towers of over 10 floors are considered in the study.

LIVING IN A CONDO TOWER

The large condo towers often offer exceptional views and are generally located in the downtown area. These advantages are costly. The median amount paid by households to acquire a condominium located between floors 1 to 24 in a condo tower of over 10 storeys was \$351,606 for the analyzed period. This price is 17% higher than the median price of a condominium for all buildings on the Island of Montreal.

Considering only the boroughs of Ville-Marie, Le Sud-Ouest and Verdun, the median price climbs to \$364,423 for a condo in a high tower. This amount surpasses by 5% the median price for a condominium in these three boroughs regardless of the number of floors.

The value of a unit varies not only in line with its size and location, but also to the floor on which it is located.

PRICE PER FLOOR

Since the construction of skyscrapers designed to house condos is quite recent, the number of units that have been sold in the last 17 months is limited. Thus, condominiums have been grouped according to the floor they are located in.

For a condominium located on the first four levels, the median price paid was \$303,398. At the other end of the spectrum, condominiums on floors 21 to 24 were acquired for a median price of \$468,289, or 54% more than for units in the first four levels. Prices increase from 6% to 15% for each group of four floors compared to the lower level.

| Montréal Agglomeration (new and resale) | | | |
|---|--------------|-------------------|---|
| Floor | Median Price | Price—Entry-Level | Variation of the Median Price Relative to Lower Floor Class |
| 1 to 4 | \$ 303,398 | \$215,517 | - |
| 5 to 8 | \$ 324,299 | \$232,500 | +7% |
| 9 to 12 | \$ 364,379 | \$278,102 | +1% |
| 13 to 16 | \$ 385,000 | \$279,428 | +6% |
| 17 to 20 | \$ 408,570 | \$313,345 | +6% |
| 21 to 24 | \$ 468,298 | \$332,276 | +1% |

Two cases are particularly noteworthy: the premium is more pronounced for floors 9 to 12 and 21 to 24. By analyzing the data further, we observe that the units sold on these floors are much larger. Several buildings have approximately ten to twelve floors and offer, at the last levels, different and more spacious units, which may partially explain the more expensive units sold on floors 9 to 12. A similar finding can also be made for units located on floors 21 to 24.

The entry-level price divides the transactions so that 20% of the sales were made at a price lower, while 80% at a higher price. Such value was established for each four-storey floor. T

his amount is about the price a household paid for a basic or a small unit, for example. In this sense, 20% of purchasers who acquired a condominium over the 20th floor paid \$332,276 or less for their unit during the analyzed period. In one of the first four floors of a 10-storey or more building, 20% of households paid \$215,517 or less to acquire a unit. In line with the moderate price increases in the last year, entry-level prices provide a good idea of the minimum amount a household should expect to acquire a condominium in a large tower in 2017.

CENTRAL SECTORS ONLY

In total, 80% of units traded between January 2016 and May 2017 in complexes of more than 10 storeys were in Verdun (including Nuns' Island), Le Sud-Ouest and Ville-Marie boroughs. This already high proportion could increase in the coming years with the number of condominium towers in Ville-Marie and Le Sud-Ouest currently under construction.

Units in the three central sectors are more expensive than others because of their location relative to the downtown core.

FOR THE FUTURE

Approximately 46% of condominium sales in the large towers of the Montreal agglomeration were new homes. Thus, some new complexes may have had more influence on median prices than others.

It will be interesting to look at price developments over the next few years as the number of new towers is growing rapidly. The market will have to adjust to this new offer of condominiums quite different from the one that existed in the past. Several questions remain regarding the long-term management of these buildings. Questions are raised specifically concerning short-term leasing, sometimes inadequate provident funds and the more difficult access to insurance. These are issues that could have significant impacts on the image and demand for this type of property in the future.

| Ville-Marie, Le Sud-Ouest and Verdun (new and resale) | | | |
|---|--------------|-------------------|---|
| Floor | Median Price | Price—Entry-Level | Variation of the Median Price Relative to Lower Floor Class |
| 1 to 4 | \$ 310,800 | \$220,630 | - |
| 5 to 8 | \$ 329,530 | \$235,214 | + 6% |
| 9 to 12 | \$ 380,000 | \$285,303 | +15% |
| 13 to 16 | \$ 408,200 | \$291,539 | +7% |
| 17 to 20 | \$ 412,682 | \$324,181 | +1% |
| 21 to 24 | \$ 473,960 | \$343,939 | +15% |

METHODOLOGICAL NOTE

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. .

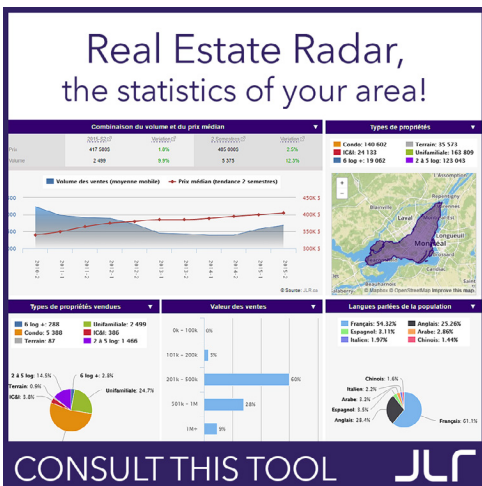
In this report, only condominiums located in buildings with more than 10 floors are considered. Units whose apartment number indicates a penthouse are excluded from the study. The floor of the condominium is determined according to the apartment number.

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>





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