



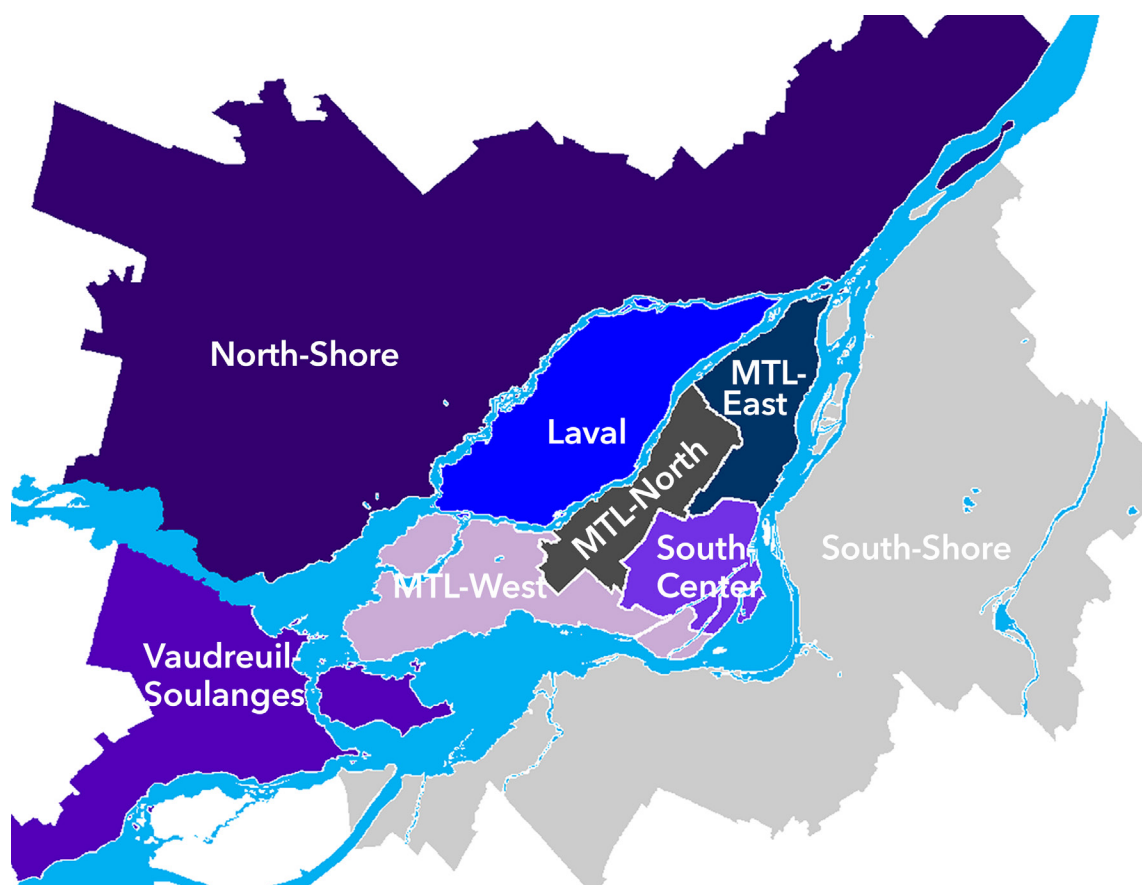
LAND TITLE SOLUTIONS

**JLR PUBLICATION**

**2017**

# Origin of Buyers in the Montreal CMA

# DELIMITATION OF SECTORS IN THE MONTREAL CMA



Region	Cities and boroughs included
<b>Island of Montreal</b>	
Montreal-South-Center	<b>Boroughs :</b> Côte-des-Neiges/Notre-Dame-de-Grâce, Outremont, Le Plateau-Mont-Royal, Sud-Ouest, Verdun et Ville-Marie <b>Cities:</b> Westmount, Montréal-Ouest, Côte-Saint-Luc, Hampstead et Mont-Royal
Montreal West	<b>Boroughs :</b> L'Île-Bizard/Sainte-Geneviève, Lachine, LaSalle et Pierrefonds/Roxboro <b>Cities :</b> Dorval, L'Île-Dorval, Pointe-Claire, Kirkland, Beaconsfield, Sainte-Anne-de-Bellevue, Senneville, Dollard-des-Ormeaux, Baie-d'Urfé
Montreal East	<b>Boroughs:</b> Anjou, Mercier/Hochelaga-Maisonneuve, Rivière-des-Prairies/Pointe-aux-Trembles et Rosemont/Petite-Patrie <b>City :</b> Montréal-Est
Montreal North	<b>Borough :</b> Ahuntsic/Cartierville, Montréal-Nord, Saint-Laurent, Saint-Léonard et Villeray/Saint-Michel/Parc-Extension
<b>Other Sectors</b>	
Laval	Laval
North-Shore	Lavaltrie, Charlemagne, Repentigny, Saint-Sulpice, L'Assomption, L'Épiphanie, Terrebonne, Mascouche, Saint-Eustache, Deux-Montagnes, Sainte-Marthe-sur-le-Lac, Pointe-Calumet, Saint-Joseph-du-Lac, Oka, Saint-Placide, Boisbriand, Sainte-Thérèse, Blainville, Rosemère, Lorraine, Bois-des-Filion, Sainte-Anne-des-Plaines, Mirabel, Saint-Colomban, Saint-Jérôme et Gore
South-Shore	Longueuil, Richelieu, Saint-Mathias-sur-Richelieu, Chambly, Carignan, Saint-Basile-le-Grand, McMasterville, Otterburn Park, Mont-Saint-Hilaire, Belœil, Saint-Mathieu-de-Beloeil, Brossard, Longueuil, Boucherville, Saint-Bruno-de-Montarville, Sainte-Julie, Saint-Amable, Verchères, Saint-Mathieu, Saint-Philippe, La Prairie, Candiac, Delson, Sainte-Catherine, Saint-Constant, Saint-Isidore, Mercier, Châteauguay, Léry, Beauharnois
Vaudreuil-Soulanges	Saint-Zotique, Les Coteaux, Coteau-du-Lac, Les Cèdres, Pointe-des-Cascades, L'Île-Perrot, Notre-Dame-de-l'Île-Perrot, Pincourt, Terrasse-Vaudreuil, Vaudreuil-Dorion, Vaudreuil-sur-le-Lac, L'Île-Cadieux, Hudson, Saint-Lazare

## HIGHLIGHTS:

- In 57% of cases, buyers of single-family homes and condominiums were already living in the zone where the new property was bought (single-family homes: 58%; condominiums: 56%).
- Foreign buyers purchase more expensive single-family properties in the Centre-Sud sector of Montreal than any other group: average price of \$1,150,000.
- Vaudreuil-Soulanges is attracting plenty of buyers from other areas, while only 47% of properties are purchased by people who reside in the region.
- Residents of the South Shore constitute the most fervent buyers of properties in their own region (67%).

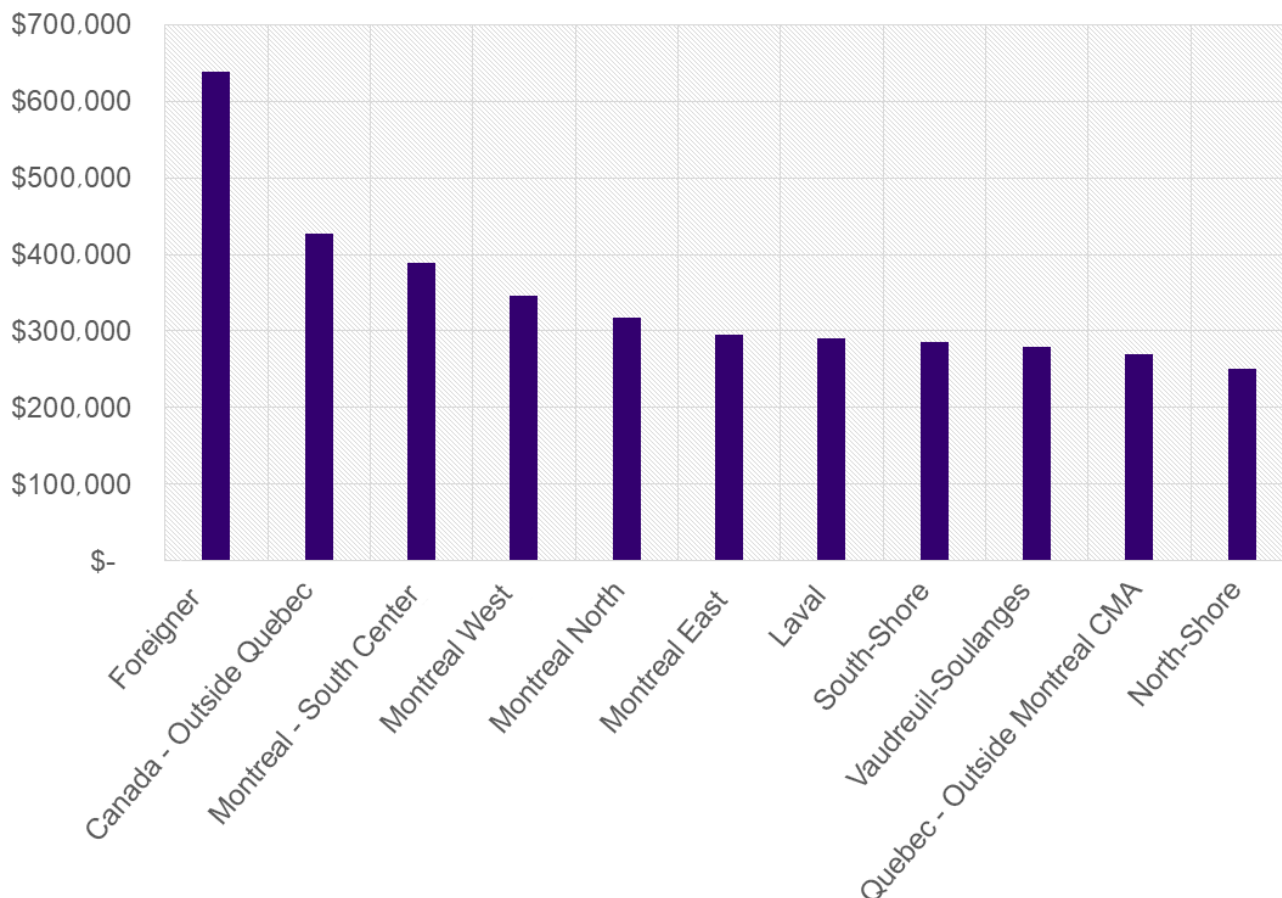
**H**ave you ever wondered what region your neighbours come from? Likely not far away! In order to measure the movement of property buyers, JLR has taken it upon itself to assess the origin of people who purchased in the Montreal CMA in 2016. This analysis allows to quickly gauge that people are more apt to buy in the sector where they currently reside in.

For the purpose of the study, the Montreal CMA was divided into eight zones. By looking at the home addresses declared in the deed published in the Quebec Land Register and compiled by JLR, we were able to see where buyers of single-family homes and condominiums came from in 2016 for each sector.

## TRENDS IN THE MONTREAL CMA

Our analysis led to the discovery of some major trends. First of all, the origin of the buyers is a good predictor of the sale price. In the Montreal CMA, the median sale price of a single-family home is higher for buyers who have come from outside of Québec, whether that be from the rest of Canada (\$427,000) or from abroad (\$638,000). Among Québec buyers, those who lived in Montreal-South-Center to begin with paid the most when buying (median price of \$389,000).

**Graphic 1: Median price of a single-family home purchased in the Montréal CMA in 2016 by buyer origin.**



## MONTREAL-SOUTH-CENTER

In 2016, 75% of buyers of single-family homes and 50% of buyers of condominiums in Montreal-South-Center already lived in the sector before purchasing – a finding that demonstrates that this zone differs from the others. While Montreal-South-Center residents purchased the most single-family homes in proportion in the Montreal CMA; however, for condominiums, the percentage is significantly below the average of 56%. While the hefty price tags on single-family homes will deter more than one, this is less the case when it comes to condominiums. Not including residents of Montreal-South-Center, most buyers come from abroad. Indeed, they represent 7% of all the buyers in the area. They generally arrive in the zone with a high purchasing power which allows them to buy the most expensive condominiums (median \$360,000) as well as single-family homes (median \$1,150,000). Canadians from outside of Québec also spend a pretty penny when buying in this zone – median price of \$350,000 for a condominium and of \$1,020,000 for a single-family home.

## MONTREAL WEST

In 2016 in Montreal West, for sold properties, 52% of single-family homes and 56% of condominiums were purchased by people who were already living in the area. Buyers from Centre-Sud are also numerous, having purchased 21% of single-family homes and 17% of condominiums. It appears that this region doesn't attract many buyers from the suburbs of the island (Laval 2%, North Shore 1%, South Shore 1%). Furthermore, only 4% of buyers come from Vaudreuil-Soulanges, which is relatively close by.

## MONTREAL EAST

For Montreal East, in 2016, 61% of single-family homes and 47% of condominiums were purchased by people who already lived in the area. For condominiums, the percentage is lower than most sectors in the Montreal CMA. Nevertheless, residents of Montreal-South-Center purchased a large proportion of this property type (19%) in this sector. They paid significantly more (median price of \$280,000) than residents of Montreal East (median price of \$236,930) when purchasing a condominium.

## MONTREAL NORTH

In 2016, in Montreal North, 60% of single-family homes and 51% of condominiums were purchased by people who already lived in the area. Our findings show that not many people are leaving the suburbs and buying in Montreal North. In 2016, 84% of buyers (single-family homes and condominiums) lived in one of the four zones on the island of Montreal. Nevertheless, this sector also attracts buyers from Laval (5%), who in 2016 spent an average of \$516,578 for a single-family home, higher than average for this region.

## LAVAL

In 2016 in Laval, only 52% of single-family homes and 55% of condominiums were purchased by people who already lived in the area. Excluding this last group, almost half of the remaining single-family homes (23% of total sales) were purchased by people residing in Montreal North. The fact that single-family homes are more affordable in Laval seems to be attracting people living on the island.

## NORTH SHORE

As for the North Shore, the percentage of buyers who come from this region is comparable to the Montreal CMA average. In 2016, 54% of single-family homes and 61% of condominiums were purchased by people who already lived in the area. Those who have purchased and are not from the area tend to be from several other regions. However, proximity is an important indicator as to where people come from. For single-family homes, 13% of new property owners came from Laval, 8% from Montreal North and 8% from Montreal East. The North Shore attracted many buyers outside of the Montreal CMA (11%). Many seek to distance themselves from downtown when buying a single-family dwelling – a property type that is increasingly expensive on the island of Montreal. Finally, it's in the North Shore that the most single-family homes were bought.



## SOUTH SHORE

When looking at the numbers, you get a sense that people in the South Shore are happy in their region. Indeed, 67% of buyers in this region already lived there before purchasing (single-family homes 66%; condominiums 70%) in 2016 - the most in all of the Montreal CMA. Several factors can explain this. For example, this zone is one of the largest size-wise, meaning that one can move from a more rural sector to a neighbourhood close to downtown without changing zones.

Other than residents from the region, people from Montreal-South-Center purchased the most single-family homes on the South Shore. This is likely due to proximity as well as to the difference in median price for this type of residence in these two zones. When people from Montreal-South-Center buy on the South Shore, it is, more often than not, to purchase a single-family home (single-family home 79% versus condominium 21%).

## VAUDREUIL-SOULANGES

The region of Vaudreuil-Soulanges attracted plenty of new residents in 2016. Only 47% of those who purchased single-family homes and condominiums already lived in the region. The new bridge on highway 30 means the region is better connected, which may have given it greater appeal. It is mostly people from Montreal West who buy in this zone (single-family homes 21%; condominiums 25%). Despite quicker transportation access, few people from the South Shore (2%) choose to buy in Vaudreuil-Soulanges.

## CONCLUSION

As we have highlighted in this study, people tend to buy in the area they already live in. Even if two different areas have similar characteristics when it comes to sale price and proximity to downtown, people will generally opt to live closer to where they already are. Whether this be due to force of habit or a sense of belonging, buyers want to make sure they know exactly what they're getting into before they make the biggest purchase of their lives. When buyers do move off the island, it tends to be to upgrade to a single-family home. We will look at this closer in next week's study.

## METHODOLOGICAL NOTE

The first step was to divide the Montreal CMA into eight zones. After that, we verified the addresses of those who bought single-family homes and condominiums to assess whether they had lived in one of the zones; in Quebec but outside of the Montreal CMA; in Canada but outside of Quebec; or whether they came from abroad. That zone was then compared to the area where they purchased. This allowed us to produce statistics on the origin of buyers by type of residence (single-family home and condominium). We were then able to polish the study by adding sale prices.

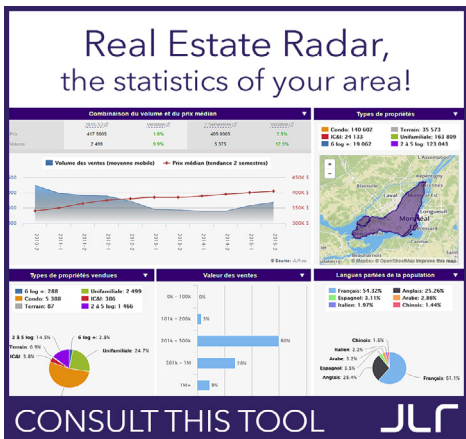
Certain observations had to be omitted from the analysis because the address listed in the deed was the same as the address of the new property. This represented 13% of sales (condominiums 19%; single-family homes 10%). The fact that the percentage is higher for condominiums could be due to the rent-buy option that some developers offer. As such, the move came before the purchase and so there is no way of tracking the owner's former address. For buyers who had already indicated the address of the new property, we believe that their distribution by region of origin is similar to that of buyers.

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