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Real Estate Portrait of Lachine

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IN THE CONTEXT OF MONTREAL 375TH ANNIVERSARY, JLR HAS DECIDED TO ESTABLISH A REAL ESTATE PORTRAIT OF THE VARIOUS CITIES AND BOROUGHS OF THIS AGGLOMERATION. IN THIS REPORT, DISCOVER THE PORTRAIT OF LACHINE'S BOROUGH

OVERVIEW:

Located in the western portion of the island, Lachine counts 44,498 inhabitants and spreads over a territory covering 17.7km². The borough is known for its history dating back to the time of the first French settlers. Indeed, some accounts indicate that Lachine would bear its name in reference to an unsuccessful expedition undertaken by the famous explorer Cavellier de Lasalle. He would have returned empty-handed from a trip where he had tried to find a path to China. Montrealers would have then dubbed his lands "Lachine" to make fun of him.

Between 2011 and 2016, the borough has attracted 2,873 new residents, which represents a growth rate of about +7%¹ more than double that of the island (+3.3%). Although this increase is significant, the current population is below its peak of 51,220 inhabitants reached in 1971.

French remains the most spoken language at home, even if many Lachine residents (60%) are bilingual.

Due to relatively tighter market conditions in the recent years (especially for the single-family home segment), the stock of properties for sale in Lachine has decreased from October 2016 to September 2017, compared to the same period last year². Despite this, sales have declined during the period, particularly for condos³.

SINGLE-FAMILY HOME IS THE MOST COMMON TYPE OF HOUSING IN LACHINE

The residential housing inventory in Lachine is characterized by a high percentage of single-family homes (about 40%), a higher proportion than in the agglomeration of Montreal. Condominiums are the second most frequent type of housing, accounting for 35% of the housing stock. Most housing starts in the borough from January to September 2017 (65 out of 71) were condos. Although these new housing starts represents an almost insignificant part of the housing inventory⁴, their number was up compared to the same date last year, when there were only 22. Plex is less frequent in Lachine, with 25% of the real estate market share.

PRICES HAVE RISEN, ESPECIALLY FOR SINGLE-FAMILY HOMES

When looking at the gap between selling price and municipal evaluation since the beginning of the year, the real estate market in Lachine was dynamic, particularly the single-family home segment. Indeed, the ratio between the selling price and the municipal evaluation observed for single-family homes was 110⁵. This suggests that the price in this market has been progressing since July 1, 2015, the reference date used for the assessment roll of 2017 to 2019. This uptrend is similar to what has been observed for more centrally located boroughs during the same period. In contrast, the condo market was slower, with a ratio of 103.

According to data compiled by JLR based on the Quebec Land Register from October 2016 to September 2017, the median purchase price of a single-family home was \$415,000, a strong growth over the period compared to the same period last year (14%). As for plex, the 9% hike in the median price (\$381,000) during the period⁶ did not prevent an upsurge in sales (+25%) compared to the same period last year.

The increase in the median price of condos (\$239,000) was, for its part, much more modest over the past 12 months, with a growth of less than 1% compared to last year at the same date. Furthermore, condos have not popular in Lachine during the period, as evidenced by the sharp drop in sales (-24%) for this type of housing compared to the surrounding boroughs (-4%).

OUTLOOK:

As the population ages in Lachine, one might expect a gradual increase in housing demand coming from older citizens. Indeed, folks that are at pre-retirement age (45-64 years) represent 29% of the population of the borough, compared to 25% in Montreal⁷. In addition, the population of Lachine is older than the rest of the island, with an average age of 41.9 years compared to 40.3 years for the agglomeration. The growth in demand originating from seniors could help to tighten the market conditions in the condo market segment, which has been sluggish.

At the same time, net migration flows in Montreal will improve over the coming years⁸. Since there are fewer plex in Lachine, the borough is less suited to welcoming immigrants upon their arrival because they usually prefer renting rather than buying. Thus, it is mainly the immigrants who have been established here for a few years, and who are looking to buy a property that will stimulate the housing demand in the Lachine.

In sum, thanks to relatively tighter market conditions last year (especially for the single-family segment), prices have risen for all market segments in Lachine. Having said that, the increase has been a lot more moderate for condos during the period.

METHODOLOGY

JLR has eliminated for statistical calculations: sales with a transaction value of less than \$ 5,000, tied sales, mortgage take-back sales, undivided sales and multiple sales.

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: <https://solutions.jlr.ca/publications/prime-studies>

BIBLIOGRAPHY

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[2] QFREB by the Centris system.

[3] Information retrieved from JLR database on 22/10/2017. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.

[4] <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?lang=en&cat=93&itm=5&fr=1508426171074>

[5] Information retrieved from JLR database on 22/10/2017. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.

[6] Information retrieved from JLR database on 20/10/2017. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.

[7] Census Data Statistic Canada 2016. http://ville.montreal.qc.ca/pls/portal/docs/PAGE/MTL_STATS_FR/MEDIA/DOCUMENTS/PROFIL_SOCIOD%C9MO_LACHINE%202016.PDF

[8] According to the *Institut de la statistique du Québec*, net migration flow should be rising from 20,000 people in 2015 to a predicted 30,000 people per year for the next 2 years.





ABOUT JLR

JLR's mission is to provide financial institutions, government agencies, private companies and real estate professionals with information about a property or a sector. JLR thus allows to analyze the market, to evaluate a property, to manage a real estate portfolio, to prevent the risk and to reach a target clientele.

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