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# Real Estate Portrait of Le Sud-Ouest

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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 THE SUD-OUEST BOROUGH.**

**OVERVIEW:**

**T**he borough of Sud-Ouest comprises the neighborhoods of Saint-Henri, La Petite-Bourgogne, Pointe-Saint-Charles, Griffintown, and Saint-Paul-Emard. It counted 78,151 inhabitants in 2016, which represented a 9.2% increase since 2011<sup>1</sup>. In the past, large manufacturing plants occupied the majority of the Sud-Ouest's geographical area. But now, many abandoned factories have been converted into lofts and condos, and many companies have opened their doors. The borough has developed tremendously over the past 15 years, thanks in part to the reopening of the Lachine Canal as a pleasure boating area in 2002.

**Contrary to the rest of the Island, the proportion of senior citizens (65 and over) in the borough has decreased between 2006 and 2016, and it is also below that of the Montreal agglomeration (12.6% vs. 16%)<sup>2</sup>.** The number of families has also dropped over the same period. The big winners are the households composed of one person, for which the number has progressed by about 30% between 2006 and 2016, and now represents 46% of the households.

While homeownership has been on an upward trend between 2006 and 2011, the Sud-Ouest still comprised the largest proportion of subsidized housings among all 19 boroughs<sup>3</sup>.

**According to data compiled by JLR based on Quebec Land Register, condos represent over half of the residential housing stock, and about 2/3 of them were constructed after 2000.** Plex account for about a third of the real estate inventory and single-family homes, often constructed in the 1980s, account for roughly 10% of residential housing inventory in the borough.

**The median price for both condos and plex has been growing moderately over the past two years compared to the five preceding years.** Over the past two years, the volume of sales has fluctuated for condos, while it has remained relatively stable for plex. Looking at new condos only, their median price - before taxes - has grown at a more moderate pace over the previous few years compared to the 2010-2014 period, and is currently in the \$265,000-\$275,000 range.

**When looking at the gap between selling price and municipal evaluation from January to June 2017, the condo market segment in the Sud-Ouest was dynamic, yet was progressing at a slower pace than previously observed.** The ratio between the selling price and the municipal evaluation observed for the condo market segment was 103<sup>4</sup>. This measure should be used with caution for this area since new dwellings (not yet assessed by the city) are excluded.

**From July 2016 to June 2017, the median price of plex was up slightly, while the median price of condos was down, compared to the same period last year.** While the median prices in the borough fluctuated a lot latterly due to the large number of new constructions, the median price for plex (\$447,000) increased by roughly 4% over the period compared to the same period last year. The median price for condos, however, has adjusted downward to \$290,000, a 2% decrease<sup>5</sup>. The median price for plex was above the comparable statistic for the agglomeration of Montreal, while the median price for condos was below. Over the same period, the volume of sales has trended downward for both plex and condos compared to the same period last year.

## OUTLOOK:

**As net migration flows in Montreal should improve over the coming years<sup>6</sup>, it is expected to predominantly benefit boroughs that are more culturally diverse<sup>6</sup>.**

While a quarter of the population in the borough are immigrants, this proportion is beneath that of the island of Montreal (33%)<sup>7</sup>. Many new comers will often choose to live in conventional rental apartments, at least for the first few years after their arrival. However, since about half of them fit the age profile of typical real estate buyers (i.e. people aged between 25 and 44), they will be likely to support the demand for real estate - especially for condos - as they become financially ready to do so.

**For the Montreal CMA, demographic estimates predict that the population will grow by about 1% from now until 2018<sup>8</sup>,** mostly because of the growth rate estimates for people aged of 50 years or more. Since the neighborhood has a lower proportion of seniors (65 and over) compared to the agglomeration, their impact on the demand for conventional rental apartments and condos should be modest. The housing demand in the borough is expected to be driven by professionals and people living alone.

**In conclusion, despite median prices and sale volumes that fluctuated appreciably over the prior years due to numerous new construction projects, the borough has one of the highest potential for future development on the island, given that this former manufacturing area will need to be redeveloped for residential use.**

## 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.

## BIBLIOGRAPHY

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[2] Statistic Canada Census data of population for 2016

[3] [http://ville.montreal.qc.ca/pls/portal/docs/PAGE/ARROND\\_SOU\\_FR/MEDIA/DOCUMENTS/PORTRAIT%20SO%202015.PDF](http://ville.montreal.qc.ca/pls/portal/docs/PAGE/ARROND_SOU_FR/MEDIA/DOCUMENTS/PORTRAIT%20SO%202015.PDF)

[4] Information retrieved from JLR database on 16/07/2017 : <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.

[5] Information retrieved from JLR database on 16/07/2017 : <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.

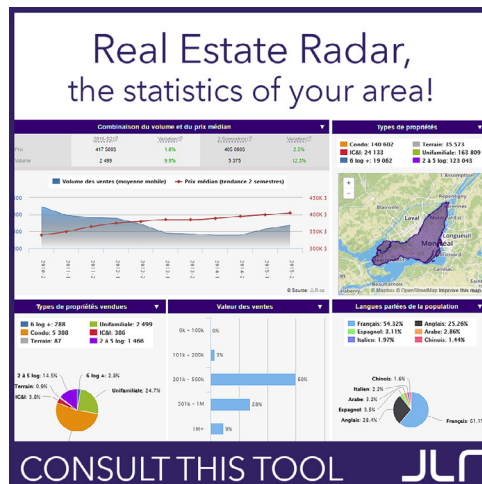
[6] According to the Institut de la statistique du Québec, net migration flow should be rising from 20,000 people in 2015 to a predicted 30,000 people per year for the next 2 years.

[7] 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.

[8] Institut de la statistique du Québec.

## 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>





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