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Real Estate Portrait of Verdun

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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 VERDUN BOROUGH.

OVERVIEW:

Located in the Southwestern part of Montreal, the borough of Verdun comprises the neighborhoods of Verdun and the Nun's Island. It counts 69,229 inhabitants, which represents a 4.6% increase between 2011 and 2016¹. The Nun's Island has developed in the '80s and the '90s, with the construction of condos and city homes that attracted buyers of luxurious residences. The neighborhood of Verdun, however, took more time to develop, and has long been considered as a poorer part of town. Things have changed a lot now in the neighborhood, and the proportion of people on social assistance in Verdun has decreased notably². Furthermore, the number of young professionals (aged from 25 to 39) who bought a property in the neighborhood has progressed. The proportion of renters has, on the other hand, remained relatively stable over the past few decades, representing about 2/3 of the residents³. Verdun's main commercial street, Wellington, has recently welcomed many new restaurants and retail stores, hence making it more attractive.

According to data compiled by JLR based on the Quebec Land Register, condos represent about half of the residential housing stock, and the vast majority of those were constructed after 1980. Small plex account for about a quarter of the real estate inventory (this proportion goes up to a third when including plex of 6+ units), and single-family homes - often built in the 1980s and the '90s - account for a little under 20% of residential housing inventory in the borough.

When considering the gap between selling price and municipal evaluation, both the condo and the single-family home market segments are dynamic. From January to June 2017, the ratio between the selling price and the municipal evaluation observed was 107 for condos, and 114 for single-family homes⁴.

From July 2016 to June 2017, the median price for buying a property in the borough has increased significantly for all residential market segments, compared to the same period last year. The median price for plex (\$520,000) rose by roughly 11% over the period compared to the same period last year. The median price for condos also was up to \$350,000, an 8% increase, while the price of single-family homes escalated by 13% to \$647,000⁵. These median prices were all above the corresponding statistics for the agglomeration of Montreal. Over the same period, the volume of sales has trended upward for both plex and condos, while it trended downward for single-family homes compared to the same period last year.

Over the past five years, the median price for plex has been growing faster than that of condos. The volume of sales has also decelerated 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 five years compared to the 2007-2011 period, and is currently in the \$340,000-\$345,000 range.

OUTLOOK:

As net migration flows in Montreal improves over the coming years⁶, it is expected to predominantly benefit parts of the borough that are more culturally diverse. Nuns' Island, for instance, has welcomed many residents originating from China and France in the past few years. Many new comers first choose to live in conventional rental apartments, at least for the first few years after their arrival. However, some wealthier immigrants, prefer buying a property upon their arrival.

For the Montreal CMA, demographic estimates predict that the population will grow by about 1% from now until 2018⁷, mostly because of the growth rate estimates for people aged of 50 years or more. Since the borough has a higher proportion of seniors (65 and over) compared to the agglomeration⁸, their impact on the demand for conventional rental apartments and condos should be notable. The housing demand in the borough is also expected to be driven by professionals and people living alone.

In conclusion, even with the appreciable increase in median prices of its residential properties over the prior few years, the borough of Verdun is likely to be able to continue growing. The immigration and demographic growth should sustain the housing demand on its territory.

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

[1] http://ville.montreal.qc.ca/pls/portal/docs/PAGE_MTL_STATS_FR/MEDIA/DOCUMENTS/PROFIL_SOCIOD%C9MO_VERDUN%202016.PDF

[2] <http://cdsv.org/wp-content/uploads/2010/12/Portrait-concertation-Verdun-2014.pdf>

[3] <http://cdsv.org/portrait-de-verdun/>

[4] Information retrieved from JLR database on 07/08/2017. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.

[5] Information retrieved from JLR database on 07/08/2017. <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.

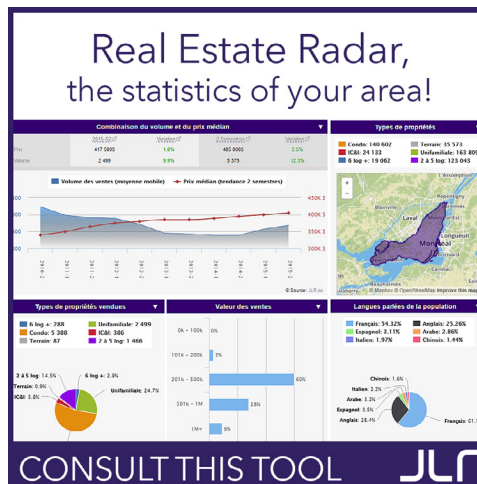
[7] Institut de la statistique du Québec

[8] Census Data Statistic Canada 2011

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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