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# Real Estate Portrait of Montreal North

## 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 BOROUGH MONTREAL NORTH.

### OVERVIEW:

**A**t the beginning of the 20th century, the borough of Montreal North was a rural area covering an area of 11.1 km<sup>2</sup> where less than 600 people lived on subsistence agriculture. During the summer holidays, some well-off Montrealers came to stay at their second home on Gouin Boulevard to swim and relax on the banks of the rivière des Prairies. At the time, there was a ferry to travel to Saint-Vincent de Paul, and a tramway to get to Montreal.

**Between 1951 and 1961, the population of the borough tripled and went from 14,000 to 48,000 inhabitants.** As more companies settled in the borough, more churches and schools were built to meet the needs of a growing population.

**During the Quiet Revolution in the 60s, Yves Ryan was elected as the mayor of the city, and he would remain in power for nearly 40 years.** In 1965, the Marie-Clarac hospital was built, and one of the first high school in Montreal (Calixa-Lavallée) was built a few years later in 1969.

**Between 1960 and 1980, the population doubled reaching 94,000 citizens, thanks to the arrival of several Italian and Haitian immigrants.** By the 90s, Montreal-North becomes a truly multicultural borough with immigrants coming from all over the world, including people from Morocco, Lebanon, Portugal, and Salvador.

**From 1980 to 2000, Montreal North experienced a period of decline in its population.** It's only around the time it was amalgamated into the city of Montreal in 2002 that its population started to rise again, albeit at a slow pace. Today, the borough counts 85,234 inhabitants<sup>1</sup>.

### MULTIPLEXES ACCOUNT FOR MORE THAN HALF OF THE HOUSING INVENTORY IN MONTREAL-NORTH

According to data compiled by JLR based on Quebec Land Register, more than half of the housing inventory in Montreal-North (56%) are multiplexes. The second most common type of dwelling is the single-family home (about one third of the real estate inventory). Construction of single-family home peaked in the 50s-60s, and about 40% of current stock originates from this period. More recently, real estate developers have undertaken many condo projects. This type of housing represents a small share of the current housing inventory (about 10%), and a large proportion of these condos (roughly 60%) were erected after the year 2000.

**Over the past 10 years, multiplex sales decreased by a higher proportion in Montreal North (-32%) compared to the northern sector of the island (-23%)<sup>2</sup>.**

### SLOW GROWTH IN MEDIAN PRICE

**When looking at the gap between selling price and municipal evaluation since the beginning of the year, the condominium and single-family home market segments were slow in Montreal North compared to many other boroughs on the island.** Indeed, the ratios between the selling price and the municipal evaluation were 101 for single-family homes and 98 for condos<sup>3</sup> for the period between January to October 2017, which suggests that prices in these markets have been stagnating (if not declining) since July 1, 2015, the reference date used for the assessment roll of 2017 to 2019. This trend is unlike the one that has been observed for more central boroughs over the same period, where the price growth is more sustained.

According to data compiled by JLR based on the Quebec Land Register, the median price for buying a single-family home in the borough (\$275,000) went down less rapidly than that of condos (\$216,500) between November 2016 and October 2017, compared to the same period last year (-1% v. -5%)<sup>4</sup>

Between 2006 and 2016, the median price progressed at a slower pace in Montreal North for plex (+27%) compared to the northern sector of the island (+48%)<sup>5</sup>.

The rather anemic real estate demand in the borough is likely to explain the slow prices growth (or even decrease). Factors such as the large distance between Montreal - North and the city centre (12-15 km as the crow flies) and the lack of easy access to public transports are likely to have an impact on this demand.

## OUTLOOK:

Even if more than 30% of the population is under the age of 25, the borough also has a strong representation of seniors (65 years of age or older) with 20% of its population (compared to 16.7% in Montreal)<sup>6</sup>. In addition, its population is older than that of the island, with an average age of 41.2 years compared to 40.3 years for the agglomeration. The growth in demand originating from seniors (seeking to live in a smaller/easier to maintain space) could help to tighten the market conditions in the condo market segment, which has been sluggish. This age group will also support demand for conventional rental apartments and seniors' housing units.

**At the same time, net migration flows in Montreal will improve over the coming years<sup>7</sup>.** Since there are many plex in Montreal North, the borough is well suited to welcoming immigrants upon their arrival because they usually prefer renting over buying. Thus, newcomers will also likely stimulate the rental demand in the borough in the coming years.

**In sum, the lack of price growth in Montreal North in the last few years can be explained in part by the sluggish growth in housing demand (especially for condos) relative to supply.**

## BIBLIOGRAPHY

- [1] [http://ville.montreal.qc.ca/pls/portal/docs/PAGE/ARROND\\_MNO\\_FR/MEDIA/DOCUMENTS/PROFIL\\_SOCIODEMO\\_MONTREAL-NORD\\_2016.PDF](http://ville.montreal.qc.ca/pls/portal/docs/PAGE/ARROND_MNO_FR/MEDIA/DOCUMENTS/PROFIL_SOCIODEMO_MONTREAL-NORD_2016.PDF)
- [2] Information retrieved from JLR database on 15/11/2017. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.
- [3] ] Information retrieved from JLR database on 15/11/2017. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.
- [4] ] Information retrieved from JLR database on 15/11/2017. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.
- [5] ] Information retrieved from JLR database on 15/11/2017. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.
- [6] Census Data Statistic Canada 2016. [http://ville.montreal.qc.ca/pls/portal/docs/PAGE/ARROND\\_MNO\\_FR/MEDIA/DOCUMENTS/PROFIL\\_SOCIO-DEMO\\_MONTREAL-NORD\\_2016.PDF](http://ville.montreal.qc.ca/pls/portal/docs/PAGE/ARROND_MNO_FR/MEDIA/DOCUMENTS/PROFIL_SOCIO-DEMO_MONTREAL-NORD_2016.PDF)
- [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.*

## METHODOLOGY

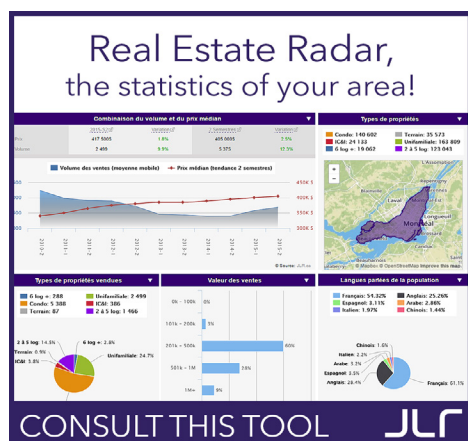
JLR has eliminated for statistical calculations: sales with a transaction value of less than \$5,000, tied sales, foreclosures sales, undivided sales and multiple sales.

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