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Real Estate Portrait of Plateau-Mont-Royal

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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 PLATEAU-MONT-ROYAL BOROUGH.

OVERVIEW:

The borough of the Plateau-Mont-Royal is renown for being one of the most artistic part of the City of Montreal. It includes the neighborhoods of the Plateau, Mile-End and Milton Park (also known as the McGill Ghetto). While the Plateau is predominantly francophone, and Mile-End is rather anglophone, both neighborhoods are home to a large number of artists, filmmakers, musicians, and writers with local and international influence. Other languages spoken by residents include Yiddish, Portuguese and Spanish. Milton Park, for its part, is characterized by its large student population attending McGill University, and by its historical apartment buildings and townhouses built by affluent British merchants at the end of the 19th century¹. The borough comprises numerous commercial arteries including Saint-Denis Boulevard, Saint-Laurent Boulevard, Mont-Royal Avenue, Fairmount Avenue, and Laurier Avenue, to name a few.

The Plateau-Mont-Royal counts 104,000 inhabitants, which represents a progression of 3.6% between 2011 and 2016². It is the most densely populated borough of the Island of Montreal, with 12,792 people per square kilometer. Most of its residents - about $\frac{3}{4}$ of them - are renters³.

The borough has the youngest population in the agglomeration, with an average age of 37.4 years old. Notably, about 26% of its inhabitants are aged of 25 years old or less, thanks in part to the large number of students attending nearby universities. Moreover, young adults aged between 25 and 44 years old also account for a much larger percentage of the population compared to the rest of the Island of Montreal⁴.

According to data compiled by JLR based on the Quebec Land Register, condos represent over half of the residential housing stock. Small plex account for a little over a third of the real estate inventory (this proportion goes up to over 40% when including plex of 6+ units). Single-family homes - often built between 1900 and 1920 - account for less than 10% of the residential housing inventory in the borough.

From August 2016 to July 2017, the median price for buying either a condo or a single-family home in the borough has decreased compared to the same period last year. The median price for condos was down to \$332,000, a 4% diminution, while the price of single-family homes slid by about 1% to \$669,000⁵. Small plex are the exception, with a roughly 4% increase in the median price (\$673,000) over the period compared to the same time last year. While this decrease in median prices is contrary to what has been observed in the majority of Montreal's boroughs over the same period, they remain above corresponding statistics for the agglomeration of Montreal. Furthermore, this deceleration is occurring after two subsequent years of price progression, and the ratios between the selling price and the municipal evaluation observed for all residential market segments remain high. Over the same period, the volume of sales was up for all market segments compared to the same period last year.

Since the dip in prices observed in 2013 and at the beginning of 2014, the median price for plex has grown faster than that of condos. After the important drop in property sales in 2013, the volume of transactions has remained relatively the same for condos. As for plex, sales have now reached the level observed in 2010.

OUTLOOK:

As net migration flows in Montreal will improve over the coming years⁶, it is expected to primarily boost the rental housing demand in culturally diverse neighborhoods. The borough has welcomed many waves of immigrants throughout its history, the most recent originating from France. Roughly a quarter of the borough's population are immigrants, and about a third of them received their immigrant status between 2006 and 2011⁷. Many new comers first choose to live in conventional rental apartments, at least for the first few years after their arrival. Those who choose to live in the Plateau-Mont-Royal may be in a better financial position than most, as the average rent in the borough is above that of the Island. They may also be attracted by the borough's cultural diversity and large rental housing supply.

The population aged between 25 and 44 (often considered as “typical real estate buyers”) is expected to progress slowly for the Montreal CMA from now until 2018⁸. The modest increase of this population could hamper the growth in the demand. Despite this, the borough will remain appealing for this population, given its attractions and the already high proportion of citizens in this age group⁹.

The borough is unlikely to experience a high housing demand coming from older citizens, given its relative higher cost of living and its already low percentage of seniors residing in the Plateau-Mont-Royal¹⁰. Having said that, this is contrary to what will likely be observed in many parts of town. As Montreal’s population ages, the growth rate estimate of the 50+ age group is up¹¹. Since the proportion of people belonging to this group is increasing, it will support the housing demand for either seniors’ housing units, conventional rental apartments, or possibly condos.

In conclusion, the borough of the Plateau-Mont-Royal will certainly remain attractive to real estate buyers and renters due to its charm, liveliness, rich history and cultural diversity.

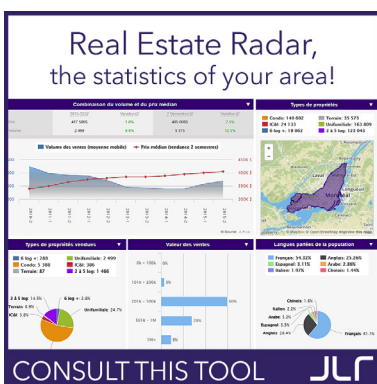
METHODOLOGY

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>



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- [2] http://ville.montreal.qc.ca/pls/portal/docs/PAGE/MTL_STATS_FR/MEDIA/DOCUMENTS/PROFIL_SOCIOD%20MO_PLATEAU%20MONT-ROYAL%202016.PDF
- [3] 2011 Census Data.
- [4] 43% in the borough v. 30% for the agglomeration. Census Data Statistic Canada 2016.
- [5] Information retrieved from JLR database on 08/28/2017. <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] http://ville.montreal.qc.ca/pls/portal/docs/PAGE/MTL_STATS_FR/MEDIA/DOCUMENTS/PROFIL_SOCIODEMO_LEPLATEAU_6.PDF
- [8] According to the *Institut de la statistique du Québec*, demographic estimates predict that the population will grow by about 1% from now until 2018 for the Montreal CMA.
- [9] Quote CMHC: “As for people aged from 25 to 44, a group that, as mentioned earlier, represents a significant share of buyers on the market, their growth will be relatively weak between 2016 and 2018, which will moderate demand on the housing market.” Housing Market Outlook – Montreal. Fall 2016. Retrieved on 28/08/2017 from: <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?cat=92&itm=4&lang=fr&fr=1504186323342>
- [10] 10.6% in the borough v. 16.7% for the agglomeration. Census Data Statistic Canada 2016.
- [11] *Institut de la statistique du Québec* estimates



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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