



LAND TITLE SOLUTIONS

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Real Estate Portrait of Mercier/Hochelaga-Maisonneuve

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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, WE PRESENT YOU THE BOROUGH OF MERCIER/HOCHELAGA-MAISONNEUVE (MHM), KNOWN FOR ITS SLOW GENTRIFICATION, ITS RELATIVE AFFORDABILITY, AND ITS PROXIMITY TO DOWNTOWN MONTREAL.

OVERVIEW:

Mercier/Hochelaga-Maisonneuve (MHM) is the 4th most populous borough in the city of Montreal with a population of 131,483.

It is also the most francophone one on the island. According to data compiled by JLR based on Quebec Land Register, MHM has one of the largest proportion of plex - 43% of its residential housing market - with architectural features specific to Montreal, including the well-known curving outdoor staircases. These plex were mostly constructed in the 1960-70s.

For single-family home projects, the peak construction occurred in 1950-60s, with about a fifth of current stock originating from this period. More recently, real estate developers have taken down some older industrial buildings, and replaced them with modern condos driven by inexpensive land, and proximity to downtown core. A large proportion of the condos in the neighborhood (roughly 30%) have been constructed after the year 2000. These new housing projects have attracted wealthier residents, which has gentrified the Hochelaga-Maisonneuve portion of the borough¹.

Over the past five years, the median price of condos has grown at a slower pace (1-2%), while the median price of plex has increased at a somewhat faster pace (2%). These levels were more moderate than what we observed over the 5 preceding years, for both market segments. Looking at new condos only, their median price - before taxes - has also grown at a moderate pace over the past 5 years (2-3%), and is currently in the \$220,000-\$225,000 range.

While prices are generally increasing, the single-family homes market segment is less dynamic in MHM than it is in many other boroughs on the island, when looking at the gap between selling price and municipal evaluations. From January to May 2017, the selling price for both condos and single-family homes has been slightly above municipal evaluations². However, the ratio observed for the single-family home market segment over the period is a little below the one for the Island of Montreal.

This suggests that the prices for this type of housing are progressing less rapidly than for the rest of the island. As for condos, the ratio is on a par with results observed for the Island of Montreal, with a roughly aligned price progression.

From June 2016 to May 2017, the median price of plex and single-family homes were up, while the median price of condos was stable. The median price for plex (\$441,500) increased by roughly 3% over the period, while the median price for single-family homes reached \$352,000, an increase of 5%. The median price for condos, however, remained relatively stable at \$235,000³. These prices were all below comparable statistics for the administrative region of Montreal.

OUTLOOK:

Although net migration flows in Montreal should improve over the coming years⁴ - it is expected to have a modest impact on the neighborhood and will mostly benefit boroughs that are more culturally diverse.

For the Montreal CMA, demographic estimates predict that the population will grow by about 1 % from now until 2018⁵. While the 15 to 24 years old age group should decline - reducing demand for rental accommodations - the number of typical real estate buyers (people aged between 25 and 44) is expected to grow, but at slower pace, which will likely moderate the demand for real estate. The group that is really expected to drive the growth rate estimates is that of people aged of 50 years or more. It is expected that people in that age group will boost demand for either conventional rental apartments, seniors' housing units, or possibly condos in the next few years.

Historically a poor borough, MHM will continue to gentrify, as a result of new condo projects that have attracted thousands new wealthier residents in Hochelaga-Maisonneuve⁶.

Despite a significant price growth over the past 10 years, the borough is still affordable. In 2016, its price per square foot for a condo was \$263, which is below the median price of \$315 for the Island of Montreal⁷.

In conclusion, the borough of Mercier/Hochelaga-Maisonneuve should remain attractive in the coming years.

BIBLIOGRAPHY

[1] http://espace.inrs.ca/4394/1/copropriétés-HM-Rapport-INRS-VFinale_29juin2016.pdf

[2] Informations extraites de la base de données JLR le 19/06/2017. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.

[3] Informations extraites de la base de données JLR le 19/06/2017. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.

[4] Selon l'Institut de la statistique du Québec, le flux migratoire net devrait passer de 20 000 personnes en 2015 à 30 000 personnes par an pour les 2 prochaines années.

[5] Institut de la statistique du Québec.

[6] http://espace.inrs.ca/4394/1/copropriétés-HM-Rapport-INRS-VFinale_29juin2016.pdf

[7] <https://solutions.jlr.ca/rapport-marche-coproprietes-montreal>

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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