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Real Estate Portrait of Alma

IN THE CONTEXT OF MONTREAL 375TH ANNIVERSARY, JLR HAS ESTABLISHED A REAL ESTATE PORTRAIT OF THE VARIOUS BOROUGHES OF THIS AGGLOMERATION. NOW THAT THE CELEBRATION IS OVER, JLR WILL CONTINUE TO PUBLISH REAL ESTATE PORTRAITS OF THE LARGEST CITIES OF QUEBEC. HERE IS THE ANALYSIS FOR ALMA.

OVERVIEW:

Located in the administrative region of Saguenay-Lac-Saint-Jean, the City of Alma has a population of 30,776¹. The city's economy is heavily influenced by the exploitation of natural resources, particularly through the forest and aluminum industries.

According to the data from the Ministry of Municipal Affairs and Housing, most of Alma's residential housing stock consists in single-family homes (≈79%) and plexes (≈19%). There are also several vacant lots still available for residential development (mostly single-family homes) in many areas around the municipality.

This portrait will focus solely on the single-family home market segment as it is the main sector of real estate activity.

SINGLE-FAMILY HOMES

Since 2015, the number of single-family homes sold over the first ten months of the year has been increasing slowly in the municipality. According to the data compiled by JLR from the Quebec Land Register, from January to October 2018, there were 239 transactions for single-family homes (single, semi-detached or row houses) in Alma; this is nine more than during the same period the year before. However, compared to five years ago, fewer homes have changed hands (-2%). Like the whole province of Quebec, the city was unable to escape the decline in sales that have been observed province-wide in 2013 and 2014 following the tightening of mortgage loan conditions in 2012. Since then, the housing market has picked up modestly, but the number of sales registered during the first ten months of 2018 is still smaller than the one registered in the similar period in 2013. This explains the negative variation in the number of transactions over five years. Finally, housing starts rose from January to October 2018 in relation to the same months the year before, reaching 53 (+8).

During the first ten months of the year, the median price of single-family homes was \$165,000, up 2% compared to the same period in 2017. Over five years, without taking inflation into account, the median price increased by 3%. Overall, from January to October 2018, home prices were, on average, 4% lower than the value established in the 2016-2018 assessment roll according to real estate market conditions as of July 1, 2014.

As stated before, the province's real estate market underwent a slowdown in 2012. The market has now recovered throughout the province, but the recovery has been harder in some regions, such as Alma, as shown by the results presented in this report. The aging of the population and the difficulty of maintaining a pool of workers large enough to meet the region's labour needs may explain the slower growth in the housing market in the city.

OUTLOOK

At the beginning of the year 2018, the aluminum smelter Rio Tinto Alcan expressed interest in investing more than \$100M for the construction of a new centre that could create 40 jobs². Moreover, at the end of 2017, Nutrinor Coopérative announced it would invest approximately \$8M in its Alma dairy³. The cooperative also reported in July 2018 that it would construct a new service station that would not only secure five jobs, but also create five other more⁴. The real estate market is sensitive to the state of the economy and the investments announced will most probably help to stimulate the housing demand in the city.

In the years to come, the City of Alma will most likely face an important labour recruitment challenge. In fact, the population is getting older and the natural growth rate (births minus deaths) as well as the migratory flow (arrivals minus departures) are not large enough to bridge the decline in the pool of workers. According to the projections of the Institut de la statistique du Québec published in 2014, the population in the RCM of Saguenay-Lac-Saint-Jean-Est is expected to grow by 0.8% from 2016 to 2021. Well aware of the problem, the city strengthens its effort to attract and retain new workers/newcomers. A year ago, Équipe Alma-Lac-Saint-Jean put forward the project "Passionnement Alma-Lac-Saint-Jean-Est" with the objective of attracting more than 155 new residents in the municipality by 2019. As of June 2018, the organization had identified 96 newcomers in the city⁵.

To sum up, Alma's single-family home market has picked up modestly since the 2013-2014 downturn, as shown by the sale and price statistics of the past years. The investments announced over the last months could help stimulate the housing market in the city, particularly by increasing the housing demand.

BIBLIOGRAPHY

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METHODOLOGY

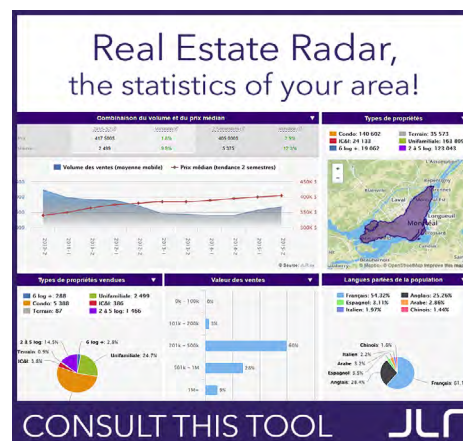
JLR has eliminated for statistical calculations: sales with a transaction value of less than \$5,000, tied sales, foreclosures sales, undivided sales and multiple sales.

FOR MORE DETAILS

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Check the [Real Estate Radar](#) for more information on sales, bad debts and the socio-demographic profile of your sector.

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