Real Estate Portrait of Laval

IN THE CONTEXT OF MONTREAL 375TH ANNIVERSARY, JLR HAS ESTABLISHED <u>A REAL ESTATE PORTRAIT OF THE VARIOUS BOROUGHS OF THIS AGGLOMERATION.</u> 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 LAVAL.

OVERVIEW:

With a population of 422,380 inhabitants in 2016, Laval is the third biggest city in the province of Quebec. Between 2006 and 2016, its population grew by 15%, a pace 3 times higher than that of the agglomeration of Montreal over the same period. The city is located on the North Shore of Montreal, and spreads over a territory covering 247 km2[1]. Laval is bordered by the Mille Îles river. To the north of said river are located many cities including Terrebonne, Bois-des-Filion, Lorraine, Rosemère, Boisbriand and Deux-Montagnes.

While over 70% of its population of Laval prefer to speak French, the majority of its residents (58%) are bilingual. Italian, Spanish and Arab are also often used[2].

Laval's economy is diverse, and centred around the technology, pharmaceutical, industrial and retail sectors. The city comprises four industrial parks that employs over 140,000 people. The city has four industrial parks that employ more than 140,000 people. The municipality also has countless options in terms of leisure and entertainment, so that the i nhabitants of Laval do not need to travel outside their city to have fun and socialize. It also has a good public transportation network, and easy access to several major highways (25, 19, 13,15, and 440).

The rapid expansion of Laval has created some challenges in terms of urban planning. Several independent real estate projects by various developers over the years have resulted in a lack of cohesion in certain areas, omissions from sidewalks, winding roads that are sometimes difficult to navigate.

The stock of properties for sale in Laval decreased in 2017, compared to the precedent year[3]. This diminution of supply has certainly favoured sellers, particularly for those seeking to sell their single-family home. Having said that, sales of single-family homes rose at a slower pace in the municipality compared to those in Montreal[4].

MOST STARTS IN LAVAL WERE CONDOS

In 2017, there were 2,021 housing starts in Laval[5], a significant increase compared to the number recorded over the preceding year[6]. The majority of these were condos (+1,258), but also rental apartments (+469). Despite this important increase in housing starts compared to last year, they represent less than 1% of the housing stock in this zone.

The housing inventory in the city is characterized by a large majority of single-family homes (about 70%) often built between 1960 and 1990[7]. Having said that, the construction of single-family homes is becoming more limited as the lack of space favour the erection of condos and rental apartments. Therefore, the market share associated with condos and plex is likely to increase slowly over the next few years. Condo is the second most frequent type of housing, accounting for roughly 1/5 of the housing stock. Plex is the least frequent in Laval with about 10% of the real estate market share.

THE REAL ESTATE MARKET WAS DYNAMIC FOR SINGLE-FAMILY HOMES AND STABLE FOR CONDOS

Based on the gap between selling price in 2017 and municipal evaluation, the real estate market was dynamic, especially for the single-family home market segment. The ratio between the selling price and the municipal evaluation was 104 for single-family homes in 2017, which suggests that prices in this market have been progressing since July 1, 2014, the reference date used for the assessment roll of 2016 to 2018. The market for condos was more stable, with a ratio of 99.

According to data compiled by JLR based on the Quebec Land Register February 2017 to January 2018, the median purchase price of a single-family home was $320,000, a 5% growth compared to 2016. The median price for condos ($243,000) has increased slightly (+1%) during the period, but at a pace that was more modest than that of Montreal (+3%)[8]. Prices of plex ($440,000) have also progressed (4%) over the period.

OUTLOOK:

Similar to the municipality of Montreal, the housing supply in Laval will remain fairly flat for single-family homes especially, as few lands are still available for new developments. Hence, prices are expected to go up for single-family homes located in prime locations, as the demand for this type of property will increase with the growth in population and wages, while its supply will remain practically the same.

Net migration flows will continue to support housing demand in the Montreal CMA. As there are few plex in Laval, the city is less suited to welcoming newcomers who often prefer renting. Thus, it is mainly established residents seeking to acquire a property that will stimulate housing demand in Laval. As population ages in Laval[9], one might expect a gradual increase in demand for condos coming from older citizens. Residents approaching the retirement age (45 to 64 years old) represents 29% of the population of the municipality, compared to 25% in Montreal[10]. The 785 newly completed condos in the city in 2017 will help to address the demand coming from the senior citizens wishing to live in a smaller and easier to maintain space[11].

In sum, the upward trend in price for single-family homes in Laval may be explained in part by the limited growth of housing supply compared to the demand. Other factors such the favourable economic conditions, as well as the rising of net migration flow could also help explain this raise.

BIBLIOGRAPHY

[1] Census Data Statistic Canada 2016

[2] Census Data Statistic Canada 2016

[3]]QFREB by the Centris© systems.

[4] Information retrieved from JLR database on 17/02/2018. https://www.jlr.ca/radarimmobi-lier#ventes-immobilieres.

[5]] Chomedey, Sainte-Dorothée, Laval-sur-le-Lac, Auteuil, Duvernay, Laval-des-Rapides, Pont-Viau, Saint-François, Saint-Vincent-de-Paul, Vimont, Fabreville, Laval-Ouest, Sainte-Rose

[6] https://www.cmhc-schl.gc.ca/odpub/esub/64159/64159_2018_M01.pdf?fr=1518976563588

[7] Information retrieved from JLR database on 17/02/2018. https://www.jlr.ca/radarimmobi-lier#ventes-immobilieres

[8] Information retrieved from JLR database on 17/02/2018. https://www.jlr.ca/radarimmobi-lier#ventes-immobilieres

[9] *Institut de la statistique du Québec* estimates

[10] Census Data Statistic Canada 2016.

[11] https://www.cmhc-schl.gc.ca/odpub/esub/64159/64159_2018_M01.pdf?fr=1518976563588

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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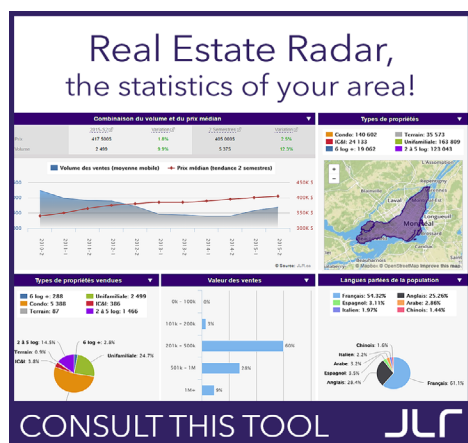
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