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Real Estate Portrait of Val-d'Or

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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 VAL-D'OR.

OVERVIEW:

Located in Western Quebec, Val-d'Or is part of the Administrative Region (AR) of Abitibi-Témiscamingue and has 32,491 inhabitants¹. The city's economy is heavily influenced by the mining sector, particularly gold mining.

Most of the city's residential housing stock consists in single-family homes (≈80%) and plexes (≈19%). The rental market in the City of Val-d'Or suffers from a lack of housing supply. In fact, the vacancy rate was 1.7% in 2017, compared to 3.1% the previous year². The lack of supply can be explained in part by construction costs that can often be higher in rural areas³. The low vacancy rate appears to have put upward pressure on rental prices. From October 2007 to October 2017, median rent prices went up \$155 (+35%)⁴.

Finally, as with other cities throughout the AR of Abitibi-Témiscamingue, the condo market in Val-d'Or is very small. As a result, it is difficult to obtain reliable sales and median price statistics for that type of dwelling. For that reason, this portrait will focus solely on the single-family home market segment.

SINGLE-FAMILY HOME

According to data compiled by JLR from the Quebec Land Register, 250 transactions were recorded for single-family homes (single, row or semi-detached homes) in the City of Val-d'Or from January to September 2018, down 29 transactions from the same period in 2017.

Housing starts were up in the first three quarters of 2018 relative to 2017, reaching 68 total starts. The few residential projects currently underway in Val-d'Or are almost exclusively single-family homes and rental units⁵.

The median price of homes sold between January and September 2018 was \$237,687, up 8% compared to the same period in 2017. This significant price hike for single-family homes can be explained in part by demand outpacing supply, putting upward pressure on housing prices.

That being said, large price fluctuations like these (or even larger variations) are not a new phenomenon in this city. Indeed, the City of Val-d'Or is affected by cycles in the mining industry and the real-estate market is no exception. The strength of the mining sector in recent years has contributed to a rise in house prices in the municipality, with the largest increases coming between 2006 and 2011. [In a previous JLR study that investigated single-family home prices in 100 cities across Quebec](#), Val-d'Or was among the cities with the strongest median-price growth during the ten-year period studied (+120% from 2006 to 2016). The city was ranked second in terms of price growth behind Rouyn-Noranda—another mining city in the region⁶. In both cases, those increases were largely attributable to fluctuations in the price of metals and particularly gold.

Finally, in the first three quarters of 2018, the price of single-family homes sold in Val-d'Or was, on average, 15% higher than the base price established on July 1, 2014, for the 2016–2018 assessment roll. With such ratio, homeowners should expect an increase in their property value for the 2019–2021 roll.

OUTLOOK

Some time ago, Eldorado Gold Lamaque® began its exploration phase on the site on which it hopes to open its new Lamaque South gold-mining project. Once operational, the mine will employ approximately 400 people⁷. The arrival of this new project will create upward pressure on housing prices, making it more attractive to develop new residential projects in the city, which will also likely bolster its pool of single-family homes.

In summary, Val-d'Or's real-estate market is heavily influenced by mining cycles. In recent years, the strength of the region's mining industry has bolstered demand for single-family homes. However, supply for this type of dwelling has not increased as quickly, resulting in higher prices in the single-family home sector.

BIBLIOGRAPHY

- [1] Census Data Statistic Canada 2016
- [2] Canada Mortgage and Housing Corporation (CMHC), Vacancy Rates by Bedroom Type. Based on the vacancy rates recorded over the past decade, Val-d'Or seems to have been dealing with a housing crisis for several years now.
- [3] Le Citoyen Rouyn-LaSarre and Radio-Canada. Consulted 11/01/2018
- [4] CMHC. Median rent by bedroom type.
- [5] City of Val-d'Or. Residential. Consulted on 11/01/2018
- [6] JLR, Portrait of the price of single-family homes for 100 cities across Quebec, March 2017.
- [7] CBC/Radio-Canada (online). Consulted on 11/01/2018

METHODOLOGY

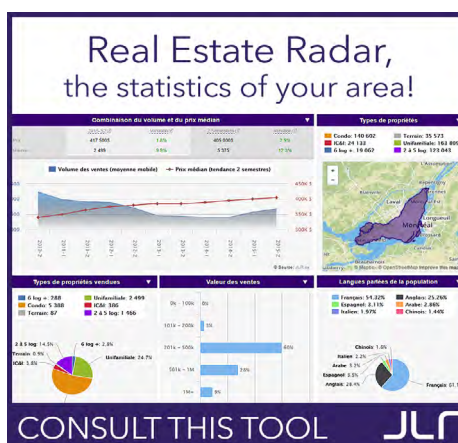
JLR has eliminated for statistical calculations: sales with a transaction value of less than \$5,000, tied sales, foreclosures sales, undivided sales and multiple sales.

FOR MORE DETAILS

You wish to get specific data for your area? [Contact us](#) to get a personalized study !

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>





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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