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Real Estate Portrait of Côte-Saint-Luc

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 CÔTE-SAINT-LUC.

OVERVIEW:

Located in the western portion of the island, Côte-Saint-Luc counts 32,448 inhabitants, and spreads over a territory covering 7 km².¹ The municipality is bordered by the cities of Hampstead, Montreal West, and by the borough of Côte-des-Neiges/Notre-Dame-de-Grâce. The Jewish community makes up the largest religious group in Côte-Saint-Luc, followed by the Catholic one. About 60% of the population speaks English at home, followed by those who prefer to speak French (roughly 25%). Hebrew, Arabic, and Russian are also often used².

The stock of properties for sale for the territory comprising Côte-Saint-Luc and Côte-des-Neiges decreased in 2017, compared to the precedent year³. This diminution of supply has certainly favoured sellers, particularly for those seeking to sell their single-family home. At the same time, sales of single-family homes rose at a faster pace in the municipality in 2017, compared to those in Côte-des-Neiges/Notre-Dame-de-Grâce, South-West, and the north-western part of the island over the same period⁴.

MOST NEW STARTS IN CÔTE-SAINT-LUC AND ITS SURROUNDINGS ARE RENTAL APARTMENTS

There were 715 new housing starts in Côte-Saint-Luc and its surroundings⁵ in 2017, more than double the number recorded on the same date last year. The majority of these were rental apartments (+427), but also condos (+215). Despite this important increase in housing starts compared to last year, it represents only about 1% of the housing stock in this zone.

The housing inventory in the city is characterized by a large proportion of single-family homes (about 50%) often built between 1910 and 1950. The condo is the second most frequent type of housing, accounting for 43% of the housing stock. The vast majority of those were constructed in the 1980s and thereafter. Plexes (including 6+ units) are infrequent in Côte-Saint-Luc, with only 7% of the real estate market share.

Over the past 10 years, single-family homes remained popular in the city, according to data compiled by JLR based on the Quebec Land Register. Sales of condos have increased by proportions similar to surrounding neighborhoods (+17% v. +16%), while plex sales decreased by 27% during the same period⁶.

THE MEDIAN PRICE FOR SINGLE-FAMILY HOMES WAS UP SIGNIFICANTLY

When looking at the gap between selling price and municipal evaluation since the beginning of 2017, the real estate market in the city is dynamic, especially for the single-family home segment. The ratio between the selling price and the municipal evaluation was 107 for single-family homes⁷ for 2017, which suggests that prices in this market have been progressing since July 1, 2015, the reference date used for the assessment roll of 2017 to 2019. The condo market was slower, with a ratio of 103.

According to data compiled by JLR based on the Quebec Land Register in 2017, the median purchase price of a single-family home was \$555,000, a 9% growth over the period, compared to 7% in surrounding boroughs/cities. The median price for condos (\$340,000), on the other hand, has fallen by 9% during the period, which contrasts with a 3% increase in the neighbouring areas⁸. Note that since the sales volume of this market segment is quite small, the results can vary considerably from one year to the other. In addition, these variations are frequent for smaller condo markets, as new projects are often built by phase of multiple units that are sold at the same time, resulting in significant changes in price levels for the whole segment. For this agglomeration, there were more new condos sold in 2016 than in 2017.

OUTLOOK:

Similar to the city of Hampstead and the borough Côte-des-Neiges/Notre-Dame-de-Grâce, the housing supply in Côte-Saint-Luc will remain fairly flat for single-family homes especially, as very few lands are still available for new developments. Hence, prices are expected to go up, especially 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 the same.

At the same time, net migration flows in Montreal will improve over the next few years⁹. As there are few plexes in Côte-Saint-Luc, the city is less suited to welcoming newcomers who often prefer renting. Thus, it is mainly established immigrants (45% of the population are immigrants)¹⁰ that stimulates housing demand in Côte-Saint-Luc. As for condos, as population ages in Côte-Saint-Luc, one might expect a gradual increase in demand for condos coming from older citizens. Folks at retirement age (65 years+) represent 29% of the population of the municipality, compared to 22% in Montreal¹¹. 111 newly completed condos in the city and its surroundings in 2017 may help to address the demand coming from the senior citizens wishing to live in smaller and easier to maintain spaces¹².

In sum, the upward trend in price of single-family homes in Côte-Saint-Luc is partly explained by the limited growth of housing supply compared to the demand. On the other hand, the drop observed for condos can be attributed to the relatively low number of sales for this market segment, and the several new units sold in the last 2 years.

BIBLIOGRAPHY

- [1] Census Data Statistic Canada 2016.
- [2] Census Data Statistic Canada 2016.
- [3] QFREB by the Centris system.
- [4] Information retrieved from JLR database on 20/01/2018. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.
- [5] Dorval, Hampstead, Montreal-Ouest, Mont-Royal, and Westmount.
- [6] Information retrieved from JLR database on 20/01/2018. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.
- [7] Information retrieved from JLR database on 20/01/2018. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.
- [8] Information retrieved from JLR database on 20/01/2018. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.
- [9] 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.
- [10] Census Data Statistic Canada 2016.
- [11] Census Data Statistic Canada 2016.
- [12] https://www.cmhc-schl.gc.ca/odpub/esub/64159/64159_2018_M01.pdf?fr=1517756323699.

METHODOLOGY

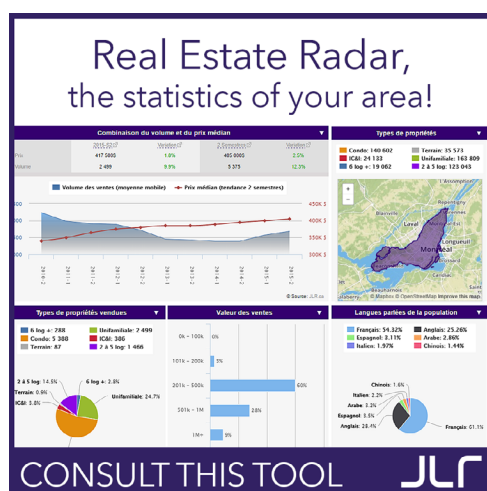
JLR has eliminated for statistical calculations: sales with a transaction value of less than \$5,000, tied sales, mortgage take-back sales, undivided sales and multiple sales.

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