



LAND TITLE SOLUTIONS

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Real Estate Portrait of Lévis

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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 LÉVIS.

OVERVIEW:

With a population of 143,414 inhabitants, Lévis is the eighth-largest city in the province of Quebec. Between 2011 and 2016, its population grew by 3.3%, the same pace that was recorded for the province over the same period. The city is divided into three districts (Desjardins, Chaudière-East, and Chaudière-West) separated by its major rivers (Beaurivage, Chaudière and Etchemin). It is located on the South Shore of Quebec on the other side of the St. Lawrence River, and spreads over a territory covering 449 km²¹. Its forests and abundant wetlands contribute to the quality of life of its population.

The city has a rich history that spans over millennia and has been influenced by indigenous presence, the timber trade, railway construction, the maritime trade, the military presence, the industrialization, as well as the religious and institutional activities.

Lévis is a French-speaking city, with about 99% of the population identifying French as their mother tongue².

With its urban development plan expected for 2021, Lévis wants to develop its territory to benefit its community by focusing on challenges pertaining to the environment, local economy, urban densification and transport³. More specifically, the municipal administration plans to consolidate the Chaudière and Desjardins business centres, and densify its territory to create a “compact city”. In order to achieve this, it intends to maximize road networks, and favour sustainable mobility (i.e. provide incentives for its citizen to choose the appropriate means of transportation walking, cycling, public transit, or car—given the distance they need to travel).

The stock of properties for sale in Lévis rose over the period between April 2017 and March 2018⁴. This increase of supply has favoured buyers, particularly for those seeking to buy a single-family home. However, sales of condos and plex remain relatively stable⁵.

STARTS HAVE PROGRESSED FASTER FOR MULTI-UNIT DWELLINGS

Between June 2017 and May 2018, the housing inventory in Lévis and its surrounding metropolitan area is estimated to have expanded by roughly 1,682 units⁶, a number well above that of the preceding year for the same period. While the estimated number of single-family homes is similar to last year, housing starts for other dwelling types including condos and rental apartments has grown over the period.

The housing inventory is characterized by roughly 3/4 of single-family homes often built in the '70s and thereafter⁷. Condos (15%) and plex (10%) account for lesser proportions of the housing stock. However, their market shares are likely to increase significantly over the next few years because municipal administration wants to densify its territory, and will likely issue more permits for housing such as the condos and the plex.

PRICES WERE STABLE ACROSS MARKET SEGMENTS

Based on the gap between selling price and municipal evaluation between January and May 2018, the real estate market has stagnated (if not declined) over the last couple of years across market segments. The ratio between the selling price and the municipal evaluation was 97 for both single-family homes and condos over the period, which suggests that prices in this market have been regressing since July 1, 2015, the reference date used for the assessment roll of 2017 to 2019. Despite this, prices for single-family homes grew slightly in 2018, while the situation remained difficult for condos.

According to data compiled by JLR based on the Quebec Land Register between June 2017 to May 2018, the median purchasing price of a single-family home was \$250,000, a roughly 1% growth compared to the same period the previous year. The median price for condos (\$185,000), however, decreased (-1%) during the period⁸. The price of plex (\$275,000) has increased over the period, however, the volume of transactions was small. We therefore must remain cautious in the conclusions.

In general, median prices in Lévis are lower than those of the neighbouring city of Quebec. In addition, the prices stagnation (or decrease) in the region were caused by a regional market that was rebalancing, after substantial price increases for several years. Above all, there were too many construction projects for condos over the last couple of years, which created a surplus on the market, and limited price growth in this region.

OUTLOOK:

Lévis will continue to sustain a relatively high proportion of single-family home starts, as it still has some lands available for residential construction. The roughly 795 new single-family homes start in the Quebec Metropolitan area between June 2017 and May 2018 will meet the demand coming from families⁹.

The market shares associated with condos and plex are likely to increase over the next few years, as there is a new tendency (and political will) to construct more condos and rental apartments. The city's commitment to densify its territory will likely result in the construction of more multi-unit dwellings. In addition, as the amount of land available for residential construction diminishes, single-family homes become more expensive and therefore many buyers will opt for condos, which are often more accessible. Roughly 5980 multi-unit starts—including rental apartments and condos—in the city and its surrounding metropolitan area between June 2017 and May 2018 will be destined for residents wishing to live in a smaller space¹⁰.

In sum, the median prices in Lévis are relatively low and stagnant, especially for multi-unit dwellings. This may be explained in part by the overbuilding of condos over the last couple of years, which created a surplus on the market, and limited price growth in this region.

BLIOGRAPHY

- [1] Census Data Statistic Canada 2016.
- [2] Census Data Statistic Canada 2016.
- [3] <https://www.ville.levis.qc.ca/developpement-planification/planification-urbanisme/reglements-urbanisme/>
- [4] QFREB by the Centris system
- [5] Information retrieved from JLR database on 22/06/2018. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>
- [6] CMHC Starts and Completion Survey, Lévis (V) – Historical Starts by Dwelling Type
- [7] Information retrieved from JLR database on 22/06/2018. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>
- [8] Information retrieved from JLR database on 22/06/2018. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>
- [9] CMHC Starts and Completion Survey, Lévis (V) – Historical Starts by Dwelling Type
- [10] CMHC Starts and Completion Survey, Lévis (V) – Historical Starts by Dwelling Type

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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