



JLR

LAND TITLE SOLUTIONS

JLR PUBLICATION

JULY 2018

Real Estate Portrait of Quebec City

www.jlr.ca

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 QUEBEC CITY.

OVERVIEW:

Founded in 1608 by Samuel de Champlain, Quebec City is one of the oldest European colonies in North America. The city, which is the provincial capital, is the second largest city in the province after Montreal and spreads over a territory covering 453 km²¹.

Between 2011 and 2016, its population grew by 3% to 531,902 inhabitants, a pace slightly below the one recorded for the province over the same period. The city is bordered by Côte-de-Beaupré, Île-d'Orléans, Jacques-Cartier, and, on the opposite bank of the Saint-Lawrence River, Lévis.

Quebec City is mostly Francophone, with about 97% of its population who identifies French as their mother tongue².

Quebec City has recently announced a new tramway line project of 23 km's long expected for the fall of 2026³. This infrastructure project, estimated at \$3 billion and funded by the provincial and federal governments, will complement Quebec's overloaded bus service, and significantly reduce congestion problems in the city. The tramway will operate 20 hours a day, and will come every 3 to 5 minutes at rush hours and every 10 to 15 minutes in off-peak periods.

The Mayor of city, Mr. Régis Labeaume, has also presented last April the first version of his urban development plan to densify the city and its surroundings over the next 25 years⁴. This proposal includes 61,500 housing units (which represents roughly a quarter of the existing inventory). In parallel, land use will expand by only 2% into some agricultural areas of Beauport and Saint-Augustin-de-Desmaures.

The stock of properties for sale in Quebec City decreased slightly over the period between April 2017 and March 2018⁵. This diminution of supply has mostly favoured sellers of single-family homes. However, sales of condos and plex remain sluggish compared to other major metropolitan areas in the province⁶.

STARTS IN QUEBEC CITY HAVE PROGRESSED FASTER FOR CONDOS

Between June 2017 and May 2018, the housing inventory in the agglomeration of Québec is estimated to have expanded by roughly 6,775 units⁷, a number well above that of the preceding year for the same period⁸. While the number of single-family home starts is estimated to be similar to last year at the same period, starts for other dwelling types, including condos and rental apartments, have expanded more rapidly over the period than last year.

The housing inventory is characterized by roughly 65% of single-family homes often built in the '60s, '70s, and the '80s⁹. Condos (25%) 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 as the land availability decreases.

PRICES WERE FLAT, ESPECIALLY FOR MULTI-UNIT DWELLINGS

Based on the gap between selling price and municipal evaluation between January and May 2018, the real estate market was sluggish, especially for the condo market segment. The ratio between the selling price and the municipal evaluation was 93 for condos over the period, which suggests that prices in this market have been regressing since July 1, 2014, the reference date used for the assessment roll of 2016 to 2018. The single-family home market segment was more stable with a ratio of 99.

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 \$261,245, a roughly 1% growth compared to the same period the previous year. The median price for condos (\$218,000) increased (+1%) during the period¹⁰. The price of plex (\$305,000) has decreased over the period, however, the volume of transactions was small. We therefore must remain cautious in the conclusions.

In general, median prices increase in the city are relatively low compared to other major cities located in the southern portion of the province. The high level of new dwellings in the recent years, as well as the relatively low population growth could help explain the current price trend.

OUTLOOK:

Quebec City will continue to sustain a relatively high proportion of single-family home starts compared to Montreal, as it still has some lands available for residential construction. The roughly 795 new single-family home starts in the city and its surroundings between June 2017 and May 2018 will meet the demand coming from families with children¹¹.

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. As the amount of land available diminishes, single-family homes become more expensive and therefore many buyers will opt for condos, for which the price point is generally more accessible. Roughly 5980 multi-unit starts including rental apartments and condos in the city between June 2017 and May 2018 will be destined to residents wishing to live in a smaller and more affordable space¹².

In sum, the median prices in Québec City are progressing slowly, especially for multi-unit dwellings, compared to other major cities in the province. This may be explained in part by the high level of new constructions in recent years, and the relatively low level of population growth over the same period.

BIBLIOGRAPHY

- [1] Census Data Statistic Canada 2016.
- [2] Census Data Statistic Canada 2016.
- [3] This timeline may change.
- [4] https://www.ville.quebec.qc.ca/apropos/planification-orientations/amenagement_urbain/sad/index.aspx
- [5] QFEB by the Centris system. The area includes: La Cite - Haute - Ville, La Cite - Basse-Ville et Limoilou, Sainte-Foy/Sillery, Charlesbourg, Beauport, Les Rivières, La Haute Saint-Charles, Ancienne-Lorette - Aeroport - Val-Belair, Saint-Augustin - Cap-Rouge
- [6] Information retrieved from JLR database on 22/06/2018. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>.
- [7] Deseasonalized, and annualized data.
- [8] <https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/housing-now-tables>
- [9] Information retrieved from JLR database on 10/06/2018. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>
- [10] Information retrieved from JLR database on 10/06/2018. <https://www.jlr.ca/radarimmobilier#ventes-immobilieres>
- [11] *Institut de la statistique au Québec* estimates.
- [12] <https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/housing-now-tables>
- [13] <https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/housing-now-tables>

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.

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.

LEGAL NOTICE

Although every effort is made to ensure that the information provided is accurate, current and complete, JLR offers no guarantee and no commitment to that effect. JLR cannot be held responsible for any loss or claim based on the reliability of this information. The content of this document is presented for informational purposes only.

TERMS OF USE

JLR authorizes any reasonable use of the content of this document. JLR, however, retains the right to demand, for any reason, the interruption of such use. No use of JLR's name, logo or other official trademarks is authorized unless JLR has given prior written consent. Whenever the content of a JLR document is used, reproduced or transmitted, including statistical data, the source should be indicated as follows: "Source: JLR.ca" or, as appropriate, "Adaptation of data from JLR.ca".

© 2018, JLR. All rights reserved.



www.jlr.ca