



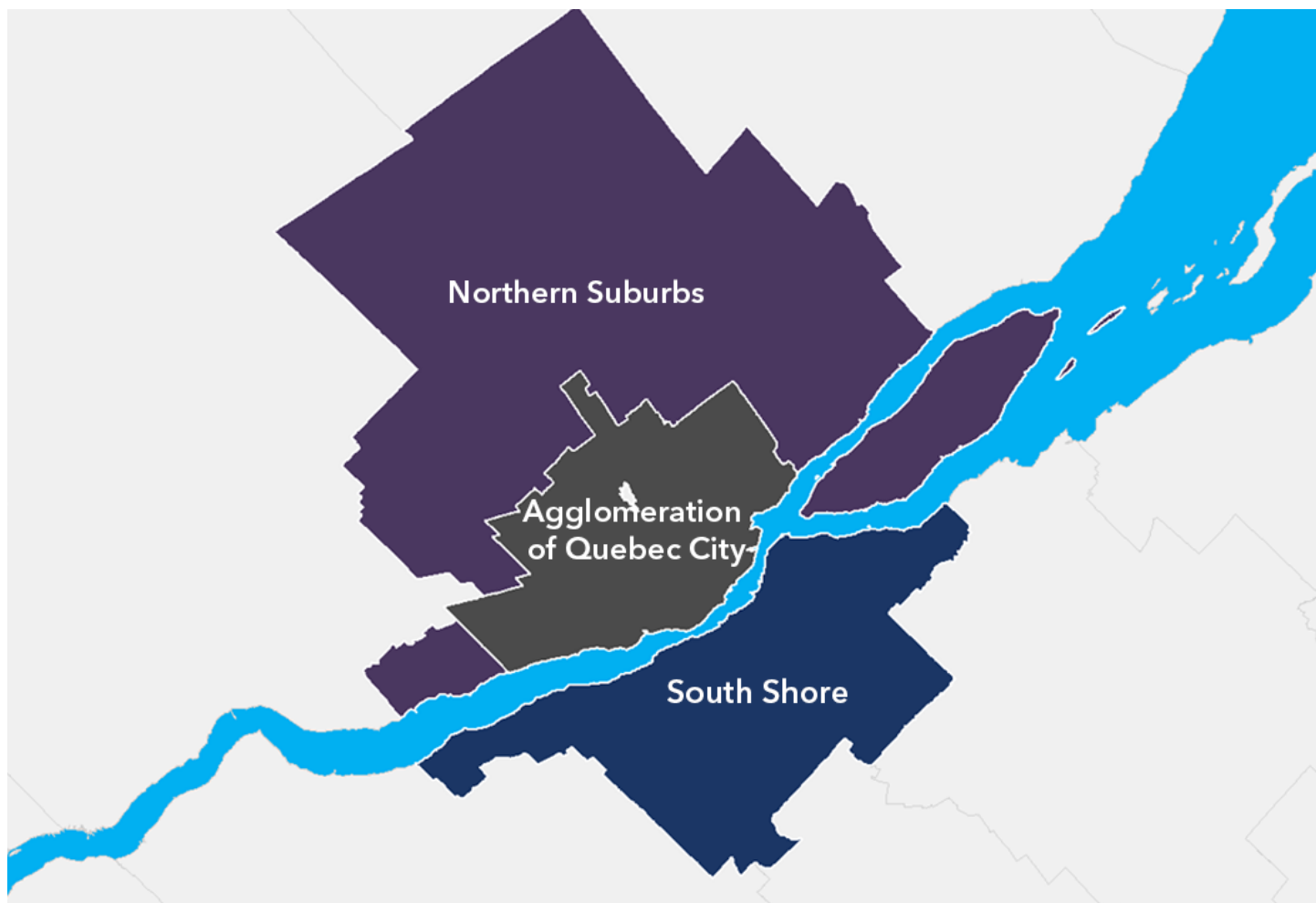
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JLR PUBLICATION

Real Estate Portrait of the Québec CMA

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TERRITORIAL DIVISION OF THE QUÉBEC CMA



Sectors	Cities
Agglomeration of Québec City	L'Ancienne-Lorette, Québec and Saint-Augustin-de-Desmaures
Northern Suburbs	L'Ange-Gardien, Boischatel, Château-Richer, Fossambault-sur-le-Lac, Lac-Beauport, Lac-Delage, Lac-Saint-Joseph, Neuville, Saint-François-de-l'Île-d'Orléans, Saint-Gabriel-de-Valcartier, Saint-Jean-de-l'Île-d'Orléans, Saint-Laurent-de-l'Île-d'Orléans, Saint-Pierre-de-l'Île-d'Orléans, Sainte-Brigitte-de-Laval, Sainte-Catherine-de-la-Jacques-Cartier, Sainte-Famille, Sainte-Pétronille, Shannon and Stoneham-et-Tewkesbury
South Shore	Beaumont, Lévis, Saint-Antoine-de-Tilly, Saint-Henri and Saint-Lambert-de-Lauzon

HIGHLIGHTS:

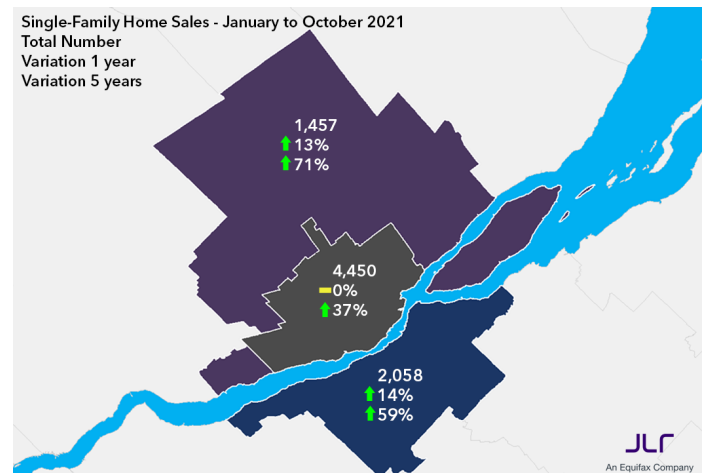
- From January to October 2021, according to deeds published in the Quebec Land Registry and compiled by JLR, an Equifax company, 7,965 single-family homes changed hands throughout the Quebec City CMA, representing a 5% increase compared to the same period in 2020.
- The South Shore and the Northern Periphery both registered sales increases of more than 10% in the single-family home market, while the Agglomeration of Quebec remained stable compared to the same period last year.
- The median price of single-family homes was \$305,000 in the Quebec City CMA between January and October 2021, while that of condominiums reached \$222,000.
- The Periphery-North (+76%) registered the largest year-over-year growth in sales during the period analyzed for the condominium market, followed by the South Shore (+44%) and the Agglomeration of Quebec (+41%).

The single-family home and condominium markets have performed well in the Quebec City Census Metropolitan Area (CMA) since the beginning of the year. In fact, employment in this CMA fell only slightly in the first two quarters of 2021 before returning to its pre-pandemic level. This job market resilience coupled with low interest rates have kept housing demand high in the first 10 months of 2021. At the same time, given the region's surplus inventory compared to other CMAs, the increase in prices could not keep pace with the growth in sales. It remains to be seen whether the housing market's resilience will continue in 2022 with the expected increase in interest rates.

SINGLE-FAMILY HOMES

From January to October 2021, according to data published in the Quebec Land Register and compiled by JLR, an Equifax company, 7,965 single-family homes changed hands in the entire Quebec CMA, a 5% increase relative to the same period in 2020. This growth is in line with that of the province as a whole. However, while sales grew significantly in the first two quarters, demand began to cool in the third quarter. This slowdown can be explained by tighter lending conditions for potential buyers, reduced supply and the reopening of the economy, which is causing households to invest in new projects rather than save for a down payment.

Looking at the sectors, the South Shore and the Northern Suburbs both recorded sales increases of more than 10%, while growth in the Agglomeration of Quebec was down from the same period last year. The augmentation in the South Shore was mostly due to the strength of the market in the city of Lévis, where 1,609 transactions were recorded in the first 10 months of 2021. All other cities in this sector also saw positive increase, with Saint-Henri and Beaumont recording increases of 79% and 63% respectively.

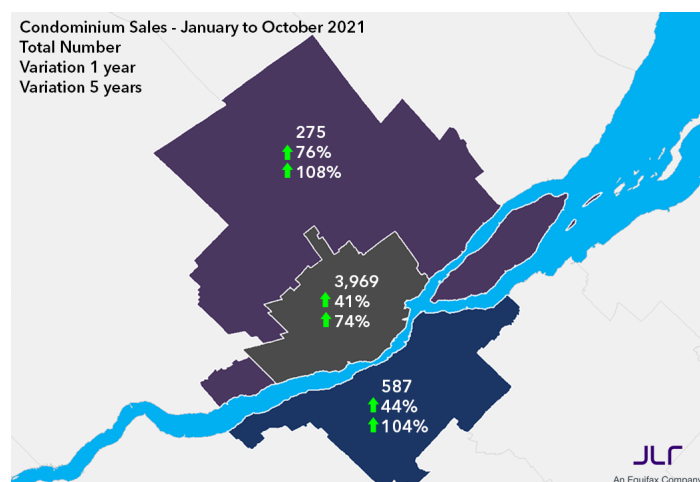
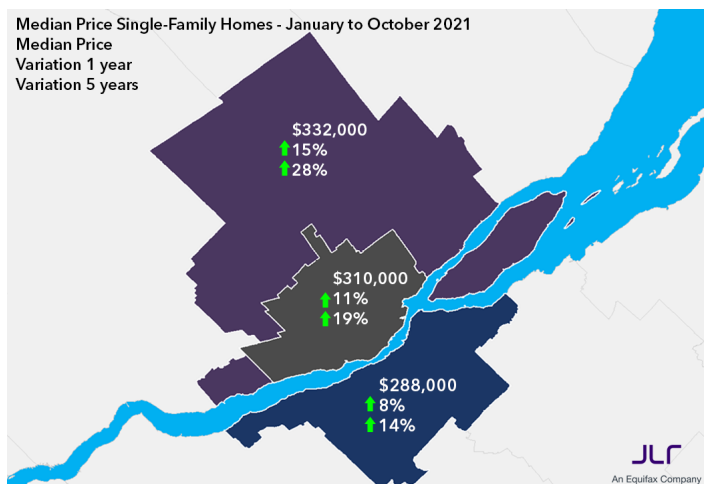


The median price of single-family homes sold in the Quebec CMA was \$305,000 between January and October 2021, an 11% increase compared to the same period in 2020. This increase can be explained by strong demand for single-family homes relative to supply. According to the QPAREB, the total number of active listings in October was down 52%, representing one of the lowest inventory levels in nearly 10 years—a sign of the strength of the market. Over the past five years, the median price of single-family homes has jumped 20%. However, this rise is below that for the province as a whole, which was up 38% for the same five-year period. The housing market in the Quebec CMA has experienced several difficult years, which has limited price growth for several periods, and could therefore explain this difference. The Northern Suburbs (+15%) was the fastest-growing sector with a median price of single-family homes of \$332,000. The South Shore (+8%) had the smallest increase with a median price of \$280,000.

CONDOMINIUMS

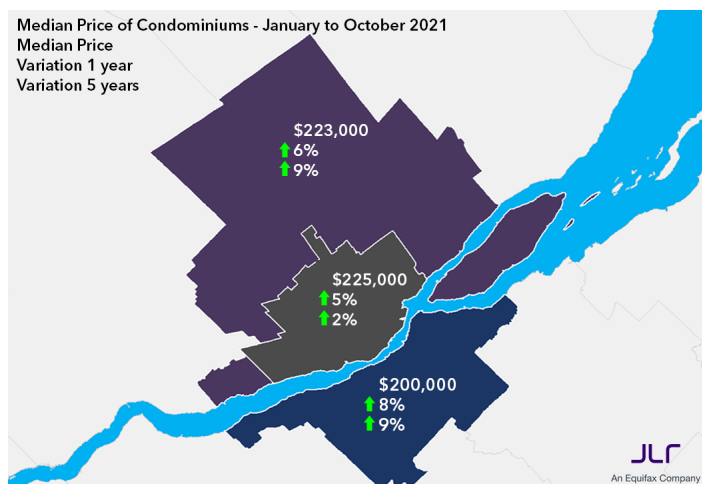
In the first ten months of the year, 4,831 condos were sold in the Quebec CMA, a 43% increase relative to the same period in 2020. Available housing stock has enabled this market to grow significantly more compared to the province as a whole, which did not see an increase in sales compared to last year. According to the CMHC, in the Quebec CMA, the number of completed and unsold condominium units per 10,000 residents remains below the threshold that would indicate signs of surplus inventory.

The Northern Suburbs (+76%) saw the largest year-over-year growth in sales for the period analyzed, followed by the South Shore (+44%) and the Agglomeration of Quebec (+41%). The largest increases in the Northern Suburbs were observed in Shannon (+171%), L'Ange-Gardien (+150%) and Sainte-Brigitte-de-Laval (+143%). However, these statistics should be interpreted with caution as this is a small market with few recorded transactions.



While the CMA experienced a significant growth in sales, prices did not follow similar increase, remaining stable over the period analyzed. The median condo price from January to October 2021 was \$222,000, up 7% compared to the same period last year. This price was also below the median condo price in the province for the first 10 months of 2021 (\$314,000). However, provincial statistics were heavily influenced by the Montréal CMA, which had the highest number of condominium transactions as well as the highest condominium prices. Finally, the median price in the Quebec CMA for the period analyzed was 3% higher than the median price reported at the same time five years ago.

As for the sectors, the South Shore (+8%) had the largest growth compared to the same period last year. This growth was driven mainly by price gains in the new condo segment. In terms of the five-year increase, the Agglomeration of Quebec recorded the smallest increase among sectors at only 2%.



CONCLUSION

The Quebec CMA managed to ride the real estate boom caused by the pandemic without major difficulty thanks to an inventory that is less restrictive than that of other CMAs. This particular context has led to modest price increases, particularly for the condominium market. The Bank of Canada (BoC) has begun to reduce its asset purchases, hinting at medium-to long-term interest rate growth. The potential increase in interest rates in 2022 may lead to a decline in mortgage debt performance. This scenario could significantly impact housing demand in the coming months.

METHODOLOGICAL NOTE

The data used were compiled by JLR from records published in the Quebec Land Register. To obtain statistics representative of the real estate market, some sales data are eliminated from the calculations. Thus, sales with a transaction value of less than \$5,000, tied selling, foreclosure sales, undivided sales and multiple sales are not included in the statistics contained in this study.

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