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JLR PUBLICATION

Luxury Properties in Quebec

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HIGHLIGHTS

- In 2021, 3,931 single-family homes, condominiums or chalets were sold for more than \$1M, which represents an increase of 64% compared to 2020.
- According to data compiled by JLR from the Quebec Land Registry, the most expensive residence in 2021 was acquired for \$11.7M.
- In Quebec, the median price of luxury single-family residences was \$1,609,118 and that of prestigious condominiums was \$1,510,831.
- For 3% of properties sold for more than \$1M, the buyer declared a residential address outside of Canada at the time of the transaction.

Major luxury real estate markets in the province established back-to-back records throughout 2021 as rising prices, shrinking inventories, and historically high levels of sales were caused by household residential demand affected by the pandemic and growing optimism about the country's economic recovery. By 2021, households' perception of the importance of their homes had been transformed. Households currently view their homes as an investment in their lifestyle, as a place where they feel safe and secure, and as a means to establish financial stability and generational wealth. In the luxury real estate market in Quebec, one of the lasting influences of the pandemic has been the elevation of standards of what constitutes "luxury". Today's affluent consumers seek a level of architectural excellence, design, technology, service, and amenities that meet high global standards. This willingness to invest in excellence will continue to foster a competitive environment for luxury real estate in the upcoming market. In this study, JLR, an Equifax company, provides an overview of the 2021 luxury property market (\$1M+) in Quebec.

STATE OF THE MARKET

In Quebec, 3,931 properties (3,152 single-family and 779 condominiums) were sold for more than \$1M, which represents an increase of 64% compared to the previous year. The province has seen steady increases in sales activity and prices that reflect consumer optimism in light of the recovering job market and

economy. Despite low interest rates and pandemic-related needs, the market has seen a downturn in the second half of 2021 due to the shortage of prestige housing, rising prices, and buyer expectations. The boroughs of Ville-Marie, Outremont, and Westmount continue to top the list of locations for the most expensive luxury properties in Greater Montreal. Many of the most expensive residences in the rest of the province are located in Magog and Mont-Tremblant. Actually, cottage properties with access to a lake remain very popular.

FOREIGN BUYERS

In 2021, luxury properties in Quebec acquired by foreign investors (buyers who declare an address outside Canada) represented 3%, the same percentage as the previous year. The fact that this proportion is constant indicates that local buyers remain the main drivers of demand in this market. Usually, foreign buyers show a preference for condominiums, probably for their ease of maintenance (an important aspect in the case of a second residence) and for their downtown location. Thus, in 2021, most luxury condominiums acquired by foreigners are located in the Ville-Marie district, and the median price paid for them is \$1,556,640. As for single-family homes, the majority of purchases were made in the Outremont sector, with a median price of \$1,834,920. Regarding new owners from outside of Canada, 42 indicated a residential address in the United States and 30 in China.

DREAM SINGLE-FAMILY HOMES

The most sought-after type of luxury property continues to be single-family properties. In 2021, 3,152 homes were sold, compared to 1,881 in 2020 and 1,196 in 2019, a 68% increase over last year. Unsurprisingly, the majority of properties sold are located in the Montreal CMA. However, this desire for green space and large areas continued to drive the luxury market in more remote areas in 2021. In fact, 33% of luxury properties were sold outside Greater Montreal in 2021.

In Quebec, 162 single-family homes were sold at prices above \$3M in 2021, or about 4% of luxury properties. At the top of the list is a prestigious

residence worth \$11.7M, located in Westmount. This transaction is the largest acquisition for a cottage up to now. This property was sold at a price of almost 1.3 times higher than the assessed property value of \$9,048,500. The second (\$8,400,000) and third (\$8,000,000) places are occupied by two properties located respectively in Magog and Westmount. Both residences have very large land, 192,510.90 sqm and 1,178.00 sqm and respectively.

GORGEOUS CONDOMINIUMS

Although single-family homes have been in high demand during the pandemic, luxury condominiums have remained popular, especially in the Ville-Marie neighborhood. The number of condominiums sold in 2021 was 779, compared to 521 in 2020 and 379 in 2019. Of these, 31, or approximately 4%, were sold for more than \$3M. The most expensive unit broke a record price in Quebec history, and was sold for \$11M. Located in the historic Ritz-Carlton Hotel, this 492.5 sqm suite features a two-story plan with double-height windows and multiple terraces, as well as bedrooms and entertainment areas on both levels connected by an elevator. The second property at the top of the list also belongs to the Ritz-Carlton hotel and was traded for the sum of \$8.5M, or almost 1.4 times the property assessment value (\$6,092,800). In fact, this hotel is one of two in Montreal to offer condominium residences. Buyers have access to the hotel pool, gym, Spa St. James and room services.

CONCLUSION

The luxury market has been strong in 2021. The combination of factors seen during the pandemic has driven up demand and prices. Transactions made by foreign investors have stagnated, but the market has remained booming. This could indicate that many locals have increased their financial capacity. During the first half of 2022, the Quebec luxury market is normalizing after a historically abnormal performance, as rising mortgage rates, escalating inflation, and global geoeconomic constraints gradually temper the market. In the short to medium term, luxury and ultra-luxury buyers, despite greater financial resilience to rising interest rates, may put decisions on hold in order to assess emerging

strategic opportunities. However, consumer confidence in the long-term fundamentals of this property class remains strong.

METHODOLOGY

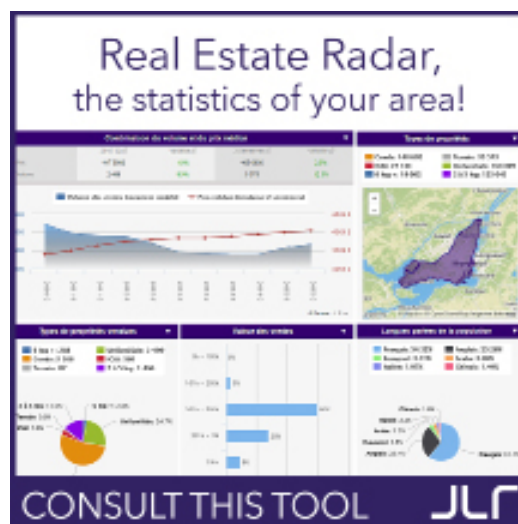
The data used were compiled by JLR from records published in the Québec Land Register (including sales with and without real-estate brokers).

In order to obtain statistics that are representative of the real estate market, certain data were eliminated for statistical calculations, namely sales involving transactions equal to or less than \$1M, tie-in sales, foreclosure undivided sales and multiple sales.

FOR MORE DETAILS

Check the [Real Estate Radar](#) for more information on sales, bad debts and the socio-demographic profile of your sector.

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