



QUÉBEC'S TOP RESIDENTIAL REAL ESTATE MARKETS IN 2018

Momentum on the province's residential real estate market continued in 2018. In total, 86,557 properties were sold in Québec through the real estate brokers' Centris system – a record number of transactions. Half of all single-family homes sold for more than \$250,000, which is 3 per cent more than the median price of 2017 and the second largest price increase since 2011.

While activity on the province's residential resale market was very positive in 2018, some areas stood out either for their strong sales increases or their price growth.

The municipalities, cities and boroughs that are included in these lists were selected because they met the criteria regarding the minimum number of transactions needed for data quality purposes. Thus, some areas may have had an exceptional year in 2018 but are not included in these lists because of an insufficient number of transactions.

Largest increases in sales

Table 1, which is mainly dominated by areas in the Montérégie, Laurentides and Lanaudière, lists the ten municipalities, cities or boroughs that registered the largest increases in residential sales in 2018. In addition to these impressive increases, five of these areas set a new sales record: the municipalities of Les Coteaux and Saint-Philippe, as well as the cities of Coteau-du-Lac, Carignan and La Prairie. It is interesting to note that none of these areas were on this list last year.

Activity on the province's residential resale market was very positive in 2018, with a total of 86,557 properties sold.

Table 1

	Municipality, city or borough	Number of sales	Variation	
1	City of L'Épiphanie (Lanaudière)	118	44%	
2	Municipality of Les Coteaux (Montréal)	101	40%	Record
3	City of Coteau-du-Lac (Montréal)	108	38%	Record
4	La Plaine (Lanaudière)	442	34%	
5	City of Carignan (Montréal)	162	34%	Record
6	City of Farnham (Montréal)	112	30%	
7	City of La Prairie (Montréal)	347	30%	Record
8	City of Mont-Laurier (Laurentides)	120	29%	
9	City of Bois-des-Filion (Laurentides)	179	26%	
10	Municipality of Saint-Philippe (Montréal)	146	26%	Record

Source: QFREB by the Centris system. Minimum of 100 residential transactions.

However, we cannot necessarily conclude that these ten areas are the tightest markets in the province. Many areas registered significant sales increases in 2017 or earlier, and have managed to maintain their high level of activity without necessarily registering another noteworthy leap in 2018. A more appropriate way of measuring the strength of the different real estate markets is to examine their market conditions, which are based on the number of months of inventory, as they take into account the balance between the demand for properties (sales) and their supply (active listings).

The tightest markets

For the second year in a row, the vast majority of the province's real estate markets saw their market conditions tighten in 2018. Several areas had a relatively low number of months of inventory, meaning that sellers had the upper hand in these markets. According to our definition, a balanced market is one in which the number of months of inventory is between 8 and 10, at the current pace of sales. When the number of months of inventory falls below 8 months, the market is considered to be a seller's market.

The province's top 10 tightest markets in 2018 are shown in table 2. About half of these areas are located in the Greater Montréal area, more specifically in the Western part of the Island of Montréal. It should be noted that the South Shore has started to join the ranks of the top 10 tightest markets.

The vast majority of the province's real estate markets saw their market conditions tighten in 2018.

Table 2

Market conditions		
	Municipality, city or borough	Number of months of inventory
1	City of Pincourt (Montréal)	2.5
2	City of Kirkland (Montréal)	2.7
3	Verdun, excluding L'Île-des-Sœurs (Montréal)	3.2
4	City of Dollard-Des Ormeaux (Montréal)	3.3
5	City of Dorval (Montréal)	3.8
6	City of Boucherville (Montréal)	3.8
7	City of Pointe-Claire (Montréal)	3.8
8	City of Beaconsfield (Montréal)	3.9
9	Greenfield Park (South Shore)	3.9
10	Borough of Le Plateau-Mont-Royal (Montréal)	3.9

Source: QFREB by the Centris system. Minimum of 100 residential transactions.

What about prices?

Property price growth is closely tied to market conditions: the lower the number of months of inventory, the higher the price growth tends to be, and vice versa. It is therefore not surprising that the areas that made the top 10 list for the largest price increases were also the areas where sellers had the largest advantage and where the number of months of inventory had dropped significantly during the year.

Table 3 shows the municipalities, cities or boroughs that had the largest median price growth in 2018. While the Montréal area is once again well represented on this list, the areas of Laurentides and Montérégie also performed well. Thus, the areas that dominate the top 10 list for price growth are mainly located in Montréal and its suburbs, as well as areas that are known for their resort features.

Given these rather spectacular price increases, it is important to remember that, for the province as a whole, the median price of single-family homes and condominiums registered a much more modest increase, at 3 per cent each, and that residential real estate is currently in a balanced market.

The areas that dominate the top 10 list for price growth are mainly located in Montréal and its suburbs.

Table 3

Increase in median price – single-family homes			
Rank	Municipality, city or borough	Median price 2018	Variation
1	Parish of Saint-Alexis-des-Monts (Mauricie)	\$134,000	35%
2	Parish of Sainte-Anne-des-Lacs (Laurentides)	\$337,500	26%
3	Borough of Le Plateau-Mont-Royal (Montréal)	\$999,000	26%
4	Borough of Cité-Limoilou (Québec)	\$310,000	24%
5	Municipality of Grenville-sur-la-Rouge (Laurentides)	\$154,800	24%
6	City of Sainte-Marguerite-du-Lac-Masson (Laurentides)	\$197,500	23%
7	Town of Hampstead (Montréal)	\$1,355,000	21%
8	Municipality of Saint-Philippe (Roussillon)	\$293,859	20%
9	Rosemont–La Petite-Patrie (Montréal)	\$655,000	19%
10	Town of Mont-Royal (Montréal)	\$1,344,000	19%
Increase in median price – condominiums			
Rank	Municipality, city or borough	Median price 2018	Variation
1	City of Boisbriand (Laurentides)	\$257,500	23%
2	City of Saint-Bruno-de-Montarville (Montréal)	\$268,000	14%
3	City of Magog (Estrie)	\$172,000	14%
4	Borough of Le Plateau-Mont-Royal (Montréal)	\$387,094	14%
5	City of Belœil (Montréal)	\$220,100	13%
6	Vimont (Laval)	\$201,750	13%
7	City of Mont-Tremblant (Laurentides)	\$257,000	12%
8	Verdun, excluding L'Île-des-Sœurs (Montréal)	\$320,000	12%
9	City of L'Île-Perrot (Montréal)	\$230,000	12%
10	City of Mont-Saint-Hilaire (Montréal)	\$208,250	11%
Increase in median price – plexes			
Rank	Municipality, city or borough	Median price 2018	Variation
1	City of Rouyn-Noranda (Abitibi)	\$265,000	15%
2	City of Lévis (Chaudière-Appalaches)	\$280,000	15%
3	Le Sud-Ouest (Montréal)	\$526,500	12%
4	Les Nations (Sherbrooke)	\$215,000	12%
5	Mercier–Hochelaga-Maisonneuve (Montréal)	\$500,000	11%
6	Le Plateau-Mont-Royal (Montréal)	\$860,000	11%
7	LaSalle (Montréal)	\$532,000	11%
8	Rosemont–La-Petite-Patrie (Montréal)	\$625,000	10%
9	Ahuntsic-Cartierville (Montréal)	\$591,000	9%
10	Vieux-Longueuil (Longueuil)	\$421,500	9%

Source: QFREB by the Centris system (minimum of 50 transactions.)

The most affordable and the most expensive areas in 2018

Despite rising prices, many areas in Québec are still relatively affordable – contrary to what has been observed elsewhere in Canada. In fact, the median price of single-family homes in about 10 municipalities is less than or around \$130,000, as shown in table 4. As was the case in 2016 and 2017, the City of Thetford Mines had the lowest median price for single-family homes, as half of them sold for less than \$100,000. In general, the most affordable areas are those that are further away from the province's metropolitan areas.

At the other end of the spectrum, the ten areas with the highest median price of single-family homes were all located on the Island of Montréal and, more specifically, almost of them are in central neighbourhoods.

Table 4

Most affordable areas – single-family homes		
	Municipality, city or borough	Median price 2018
1	City of Thetford Mines (Chaudière-Appalaches)	\$100,000
2	City of La Tuque (Mauricie)	\$101,500
3	City of Mont-Joli (Bas-Saint-Laurent)	\$105,000
4	City of Shawinigan (Mauricie)	\$115,000
5	City of Asbestos (Estrie)	\$115,500
6	City of Saint-Félicien (Saguenay–Lac-Saint-Jean)	\$125,000
7	City of Matane (Bas-Saint-Laurent)	\$125,250
8	City of Port-Cartier (Côte-Nord)	\$128,500
9	City of Dolbeau-Mistassini (Saguenay–Lac-Saint-Jean)	\$130,000
10	Municipality of Saint-Calixte (Lanaudière)	\$131,000
Most expensive areas – single-family homes		
	Municipality, city or borough	Median price 2018
1	City of Westmount (Montréal)	\$1,700,000
2	Borough of Outremont (Montréal)	\$1,500,000
3	City of Hampstead (Montréal)	\$1,355,000
4	Town of Mont-Royal (Montréal)	\$1,344,000
5	Borough of Le Plateau-Mont-Royal (Montréal)	\$999,000
6	Neighbourhood of L'Île-des-Sœurs (Montréal)	\$952,000
7	Borough of Ville-Marie (Montréal)	\$913,750
8	Borough of Côte-des-Neiges–Notre-Dame-de-Grâce (Montréal)	\$809,000
9	Borough of Rosemont–La Petite-Patrie (Montréal)	\$655,000
10	City of Beaconsfield (Montréal)	\$647,000

Source: QFREB by the Centris system (minimum of 50 single-family home transactions).

Table 5 shows the areas with the lowest and highest median price of condominiums. Unlike the single-family home segment, the most affordable areas for condominiums were all located in one of the province's six metropolitan areas, with the exception of the city of Granby and Sainte-Adèle. This is due to the fact that the condominium market is less developed in areas that are further away from major urban centres and, as a result, the number of transactions did not meet our minimum criteria.

As for the most expensive areas for condominiums, the 10 areas with the highest median price were very similar to those of single-family homes, in that almost all were in central neighbourhoods on the Island of Montréal.

Table 5

Most affordable areas – condominiums		
	Municipality, city or borough	Median price 2018
1	City of Saint-Jérôme (Laurentides)	\$144,000
2	Trois-Rivières - Quartier Trois-Rivières (Mauricie)	\$145,000
3	City of Sainte-Adèle (Laurentides)	\$150,000
4	Charlesbourg (Québec)	\$150,000
5	Laplaine (Lanaudière)	\$153,000
6	City of Granby (Montérégie)	\$153,750
7	Hull (Outaouais)	\$155,400
8	Gatineau - Secteur Gatineau (Outaouais)	\$156,600
9	La Haute-Saint-Charles (Capitale-Nationale)	\$160,000
10	Chicoutimi (Saguenay)	\$163,750
Most expensive areas – condominiums		
	Municipality, city or borough	Median price 2018
1	City of Westmount (Montréal)	\$630,000
2	Borough of Outremont (Montréal)	\$511,500
3	Neighbourhood of L'Île-des-Sœurs (Montréal)	\$393,000
4	Town of Mont-Royal (Montréal)	\$389,000
5	Borough of Le Plateau-Mont-Royal (Montréal)	\$387,094
6	Borough of Ville-Marie (Montréal)	\$380,250
7	City of Pointe-Claire (Montréal)	\$358,500
8	Borough of Côte-des-Neiges–Notre-Dame-de-Grâce (Montréal)	\$352,500
9	City of Côte-Saint-Luc (Montréal)	\$348,000
10	Borough of Rosemont–La Petite-Patrie (Montréal)	\$331,000

Source: QFREB by the Centris system (minimum of 50 condominium transactions).

Selling times

Our list of selling times rounds out our study. Table 6 shows the shortest selling times, measured in number of days, by municipality, city or borough, for all property categories combined. Not surprisingly, with the exception of two areas in Montérégie, our list is mainly dominated by the "hottest" markets on the Island of Montréal. Moreover, because of a general tightening of market conditions in 2018, one of the top ten areas posted a new record. These properties generally sold within two months or less.

Table 6

	Municipality, city or borough	Average selling time (days)	Variation (days)	
1	City of Kirkland (Montréal)	34	-17	Record
2	City of Beaconsfield (Montréal)	49	-7	
3	City of Dollard-Des Ormeaux (Montréal)	49	-16	
4	City of Pincourt (Montérégie)	49	-19	
5	Borough of Verdun, excluding L'Île-des-Sœurs (Montréal)	55	-5	
6	City of Vaudreuil-Dorion (Montérégie)	60	-32	
7	Borough of Pierrefonds-Roxboro (Montréal)	61	-12	
8	Borough of Le Sud-Ouest (Montréal)	61	-15	
9	City of Dorval (Montréal)	61	-7	
10	Borough of Outremont (Montréal)	61	-15	

Source: QFREB by the Centris system. Minimum of 100 residential transactions.

A slowdown is predicted for 2019

Areas in Greater Montréal, areas recognized for their resort features and many areas in the Montérégie were well represented in the various rankings of real estate market performance in 2018.

In line with our most recent forecasts, the Greater Montréal area is expected to figure prominently on these lists once again in 2019, notably in terms of market conditions and price growth. That said, the increase in interest rates in 2018, combined with higher prices, is expected to curb the increase in demand due to the tightening of affordability. We therefore expect a more modest increase in sales in 2019, in the order of 1.0 per cent.

However, it will be interesting to see if any other areas will stand out in 2019 and make their way into our rankings.