

HOUSING MARKET ASSESSMENT

Québec CMA

CANADA MORTGAGE AND HOUSING CORPORATION

Fall 2017

The overall degree of market vulnerability has gone from moderate to low¹

- Evidence of overvaluation has continued to decrease such that it has shifted from moderate to weak. This change is, in part, attributable to the strengthening of the area's job market over the last few quarters and to the relative stability of prices.
- Notably, evidence of overbuilding has remained moderate. Indeed, the number of conventional rental apartments under construction or recently completed remains high relative to demand. This is putting upward pressure on the vacancy rate, particularly for newly built projects (figure 1).
- Evidence of overheating and of price acceleration, for its part, has remained weak, owing to the relatively high supply of properties for sale.

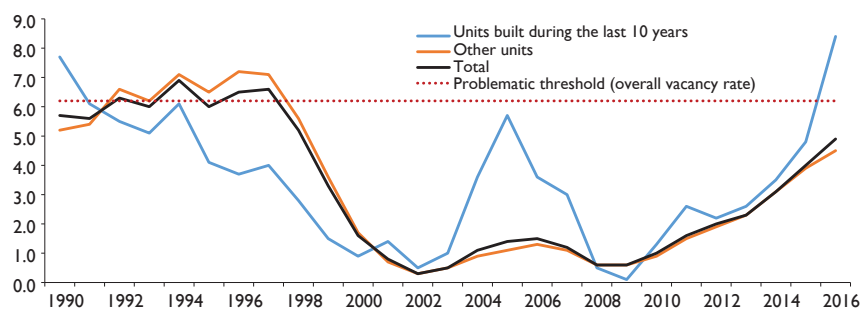
The condominium segment still has a high inventory of existing units

- Analysis of market conditions by product type reveals that the condominium market segment remains strongly in favour of buyers. Moreover, the median Centris® price was 5% lower during the second quarter of 2017 relative to the same period the year before.

Figure 1

The Vacancy Rate for Conventional Rental Apartments is Rising, Particularly for Newly Built Projects

Vacancy Rate (%) by Year of Construction, Québec CMA



Source: CMHC, Rental Market Survey

**Results Overview
Québec CMA**

	Jul. 2017	Oct. 2017
Overheating	Low	Low
Price Acceleration	Low	Low
Overvaluation	Moderate	Low
Overbuilding	Moderate	Moderate
Overall Assessment	Moderate	Low

Degree of vulnerability
■ High ■ Moderate ■ Low



Elisabeth Koulouris
Principal,
Market Analysis

"The overall degree of vulnerability for the Québec-area housing market has gone from moderate to low. However, evidence of overbuilding has remained moderate due to the large number of recent conventional rental housing starts and the rise in the vacancy rate."

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¹ Results are based on data as of the end of June 2017 and local market intelligence up to the end of September 2017. CMHC continuously monitors market developments and will issue HMA updates on a quarterly basis. A detailed description of the framework is available in the appendix of the [National edition](#).

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