

# HOUSING MARKET INSIGHT

## Montréal CMA



CANADA MORTGAGE AND HOUSING CORPORATION

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*"Although limited, the growth in the number of foreign buyers in the Montréal area over the past year can be largely explained by the increase in the number of buyers from China."*



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## Increase in the number of buyers from China on the Montréal real estate market over the past year

*Half of the increase in the number of foreign buyers in Montréal over the past year has been attributable to buyers from China.*

*The profile of foreign buyers in Montréal has therefore changed accordingly: China now ranks practically as high as the two countries that have been at the top for the past several years, namely, France and the United States.*

*From January to August 2017, about 620 buyers from abroad purchased a property in the Montréal area, for an increase of 37% over the same period last year. Still, this represents only about 1.5% of all transactions on the Montréal housing market during that period. According to the latest available data, this proportion was around 3 to 4% in the Vancouver area and 3% in the Toronto and surrounding areas.*

The intent of this report is to provide the most recent data on the number of foreign buyers in the Montréal census metropolitan area (CMA). The report also presents an overview of the number of foreign buyers in the metropolitan area over the past year or so.

## The number of Chinese buyers in Montréal has surged over the past year

Table 1 shows a relatively large increase in the number of foreign buyers from China in the Montréal CMA over the past year, even though it remains limited. From August 2016 to July 2017, the number of Chinese buyers more than tripled, while the gains were much more limited for buyers from France and the United States (29% and 11%, respectively).

In fact, half of the overall growth in the number of foreign buyers in Montréal during that period was attributable to the strong increase in the number of buyers from China. The profile of foreign buyers in Montréal has therefore changed accordingly: 20% of them now come from China—right up there with those from France and just behind those from the United States (25%). The situation was quite different before, when the proportion of buyers from China was less than 10%.

These latest data for the Montréal metropolitan area revealed that a few foreign buyers may have turned to the Montréal market since the introduction of the foreign buyers' tax in Vancouver in August 2016. However, other factors may have had an impact, including the direct flights

Table 1 : Number of Foreign Buyers in the Montréal CMA by Period of Home Purchase and by Origin of Buyers					
Period / Origin of Buyers	China	U.S.	France	Other countries	Total
August 2016 to July 2017	165	209	162	312	848
August 2015 to July 2016 (same period one year before)	51	188	126	260	625
August 2014 to July 2015 (same period two years before)	41	114	97	181	433

Source: JLR;  
CMHC, compilation and calculations.

Table 2 : Number of Foreign Buyers in the Montréal CMA		
Period	Number	% Change
January to August 2013	244	n/a
January to August 2014	302	24
January to August 2015	289	-4
January to August 2016	451	56
January to August 2017	617	37

n/a: Not applicable  
Source: JLR;  
CMHC, compilation and calculations.

between Montréal and Shanghai that have been available since 2017 and the lower housing prices in Montréal than in other major centres across Canada.

CMHC will continue to closely monitor this situation on the Montréal real estate market over the coming months.

## The number of foreign buyers in Montréal has continued to increase in 2017

From January to August 2017, about 620 foreign buyers purchased residential properties in the Montréal area, for an increase of 37% over 2016<sup>1</sup> (see table 2).

About 1.5% of purchases in the Montréal area are now made by foreign buyers—all in all, a small proportion, but one that has been growing continuously for the last few years. As a comparison<sup>2</sup>, the percentage of home purchases by foreign buyers in the Vancouver area has hovered around 3 to 4% since the introduction of the tax in August 2016<sup>3</sup>. In the Toronto and surrounding areas, the data from late May to mid-August revealed that the proportion was about 3%, but the percentages varied greatly from one sector to another.<sup>4</sup>

## ENDNOTES

- <sup>1</sup> Because of small changes in methodology, the number of foreign buyers indicated in this report differs slightly (by a few units) from the number presented in the last report that touched on this subject.
- <sup>2</sup> The methodologies used for collecting data in Montréal, Vancouver and Toronto differ slightly.
- <sup>3</sup> Source: Government of British Columbia.
- <sup>4</sup> Source: Government of Ontario.

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