

HOUSING MARKET ASSESSMENT

Québec CMA

CANADA MORTGAGE AND HOUSING CORPORATION

First Quarter 2019

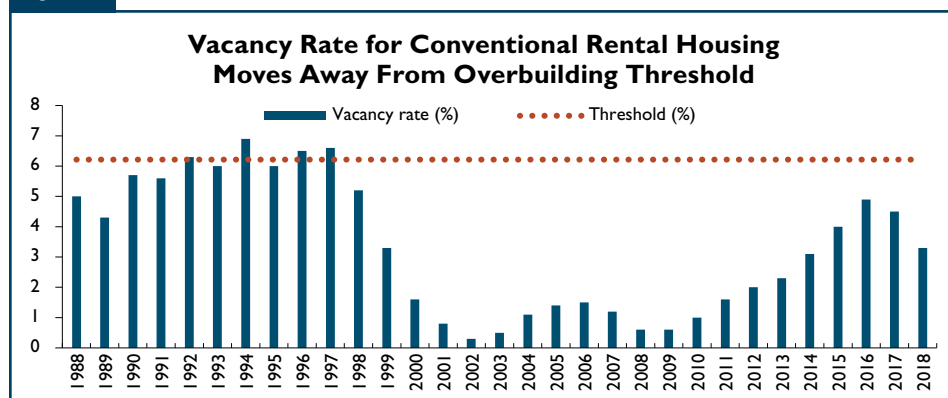
The degree of vulnerability of the housing market remained low¹

- The Housing Market Assessment (HMA) analytical framework did not detect any evidence of overheating in the Québec area in the third quarter of 2018. In fact, the supply of properties remained relatively abundant relative to demand, and market conditions in all segments favoured buyers.² Consequently, the risk of price growth acceleration in the area was low for this period.
- No evidence of overvaluation was detected in the area. In fact, property prices were in line with housing market fundamentals, such as personal disposable income and population. The stagnation of the population aged 25 to 34 (potential first-time buyers) partly accounted for the relative price stability in the area.
- Evidence of overbuilding also remained relatively weak in the area. In fact, the inventory of completed and unabsorbed housing units per 10,000 population and the vacancy rate for conventional rental housing were down.

Rental housing demand posted a proportionally greater increase than supply

Since 2016, one of the highlights of the Québec area housing market has been a significant increase in conventional rental unit completions. That said, the growth in rental housing demand has been proportionally greater than this supply, which led to two straight decreases in the vacancy rate (see figure 1). This rate went down from 4.5% in 2017 to 3.3% in 2018. Strong employment, migration and population aging are the main factors supporting rental housing demand in the area.

Figure 1



Source: CMHC Rental Market Survey
Last data point: 2018

¹ Results are based on data as of the end of September 2018 (the annual rental apartment vacancy rates are from October 2018) and local market intelligence up to the end of December 2018. 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](#).

² In the third quarter of 2018, the ratios of active Centris® listings to sales were 11.5 to 1 for single-family houses, 13.2 to 1 for plexes and 18.9 to 1 for condominiums. A ratio above 10 to 1 indicates a buyers' market.

**Results Overview
Québec CMA**

	Oct. 2018	Feb. 2019
Overheating	Low	Low
Price Acceleration	Low	Low
Overvaluation	Low	Low
Overbuilding	Low	Low
Overall Assessment	Low	Low

Degree of vulnerability
■ High ■ Moderate ■ Low



Mbea Bell
Economist

"The degree of vulnerability of the Québec area housing market remained low in the third quarter of 2018. Given the strong demand, it is deemed that there is no overbuilding in the rental market."

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