

HOUSING MARKET INSIGHT

Montréal CMA



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: October 2018

"Growth in the number of non-resident buyers on the Montréal-area real estate market since the beginning of 2018 is lower than that observed in recent years. Additionally, purchases by non-residents continue to account for less than 2% of transactions on the Montréal real estate market. The perception that non-resident buyers play a significant role on the real estate market could come from the fact that non-residents are confused with immigrants. According to the most recent data available, immigrant households have a much greater presence on the market, as they purchase 25% of all housing units sold in Greater Montréal."

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What are the proportions accounted for by non-residents ("foreign investors") and immigrant households on the Greater Montréal real estate market?

The proportion of housing units bought by non-residents throughout the Montréal CMA since the beginning of 2018 remains below 2%. However, for condominiums located in downtown Montréal, this proportion rises to 12% (255 condominiums).

Growth in the number of non-resident buyers since the beginning of the year in the CMA is lower than in recent years. This growth is, however, almost entirely attributable to buyers from China.

According to the most recent data available, 25% of housing units in the Montréal area are bought by immigrant households (whether recently arrived or in Canada for many years), which is proportional to their demographic weight. On the Island of Montréal, this proportion rises to about 40%.

When looking at newly arrived immigrants (between 2011 and 2016) from all geographic areas of the CMA, those from China most often opt to purchase property (as opposed to renting a home).

The last *Housing Market Insight*¹ on the topic of non-resident buyers² in the Montréal area reported a significant increase in these individuals in the first 11 months of 2017.

The strongest growth was notably recorded among buyers from China. This suggests that demand in Vancouver may have shifted very slightly to Montréal since Vancouver's tax on homes bought by foreign buyers came into effect in the summer of 2016.³ Nevertheless, non-resident buyers still accounted for less than 2% of all residential transactions in Greater Montréal.⁴

This report is first intended to update data on the number of non-resident buyers in the Montréal census metropolitan area (CMA) in order to determine whether the increase observed in 2017 has continued since the beginning of 2018.

Second, this report examines the significance of purchases made by immigrants on the Montréal-area real estate market (when the home is used as a principal residence).⁵

It is possible that immigrants, in the general perception, are occasionally confused with non resident buyers. This could create the false impression that non-resident buyers are a much larger group than they really are on the CMA's real estate market.

A recent report by Canada Mortgage and Housing Corporation (CMHC)⁸ on the behaviour of households who bought a home in the Montréal area indicates that 42% of them believe that non-residents (commonly called "foreign investors") had a strong influence on the rise in housing prices in the city. These respondents generally considered this element to be more significant than growth in employment and population, local investors and the scarcity of land.⁹ However, the perception concerning the role of non-residents on the Montréal housing market does not appear to coincide with our estimates indicating that their presence is in fact rather limited. The perception is also unsupported by a recent CMHC study (*Examining Escalating House Prices in Large Canadian Metropolitan Centres*)

indicating that demand-related factors (employment, population, etc.) and supply-related constraints (scarcity of land, etc.) were key elements explaining price growth.

This situation consequently leads us to examine the relative significance, in numbers, of other households from outside Canada, or immigrant households, on the Montréal real estate market.¹⁰

Slow growth in number of non-resident buyers since the beginning of 2018

From January to August 2018, approximately 690 non-resident buyers acquired residential property in the Montréal area,¹¹ which represents an increase of approximately 12% compared to the same period in 2017 (see table 1). This increase is relatively smaller than that generally recorded in recent years (approximately 50% in 2016 and 30% in 2017). As was the case last year, just under 2% of all residential purchases in the Montréal area were made by non-residents.

The Canadian Oxford Dictionary defines immigration as "the process of coming to live in another country permanently."⁶

This report uses data on immigrant households from Statistics Canada's 2016 Census. According to that source, "Immigrants' includes persons who are, or who have ever been, landed immigrants or permanent residents. Such persons have been granted the right to live in Canada permanently by immigration authorities. Immigrants who have obtained Canadian citizenship by naturalization are included in this category. In the 2016 Census of Population, 'Immigrants' includes immigrants who landed in Canada on or prior to May 10, 2016."⁷

In other words, an immigrant may be someone who arrived in Canada either recently or several years or decades ago. For the purpose of this report, data are presented for all immigrant households (regardless of year of arrival in Canada) and for those who have arrived recently (between May 2011 and May 2016).

Although growth in 2018 has been unremarkable, significant changes have been noted in the breakdown of non-resident buyers by country of origin. Since the beginning of the year, growth has come almost exclusively from non-resident buyers from China, while a decline has been recorded for France and the United States (see table 2).

This more sustained increase in the number of buyers from China is in keeping with a trend that began in the summer of 2016 (see graph 1). As indicated in some previous editions of the *Housing Market Insight* for the Montréal area,¹² this situation could be partly due to the fact that demand in Vancouver may have moved very slightly to the Montréal market when the tax on housing purchases by foreigners was introduced in Vancouver.¹³ Real estate demand from non-residents on the Montréal market could, however, also be a result of the city's robust economy and of lower prices relative to those in other large Canadian urban centres.

Moreover, according to the website *Juwai.com* (research website in China for people wishing to buy property abroad), interest in the Montréal real estate market has been growing rapidly since 2016, even making the metropolis the most sought-after Canadian destination last year. In contrast, interest in Vancouver and Toronto was lower in 2017.¹⁴

Overall, since the beginning of 2018, buyers from China have accounted for about 30% of all non-resident buyers on the Montréal real estate market, whereas this proportion was about 20% a year ago and 10% two years ago.¹⁵

Table 1: Number of Homes Purchased by Non-Residents in the Montréal CMA*

Period	Number	Variation (%)	Transactions by Non-Residents / Total Transactions (%)
2013	404	n/a	0.7
2014	455	12.6	0.8
2015	472	3.7	0.9
2016	714	51.3	1.2
2017	926	29.7	1.5
January to August 2016	451	56.1	1.1
January to August 2017	617	38.8	1.4
January to August 2018	688	11.5	1.5

* According to the geographic definition of the 2011 Census

n/a: Not applicable

Sources: JLR; CMHC compilation and calculations

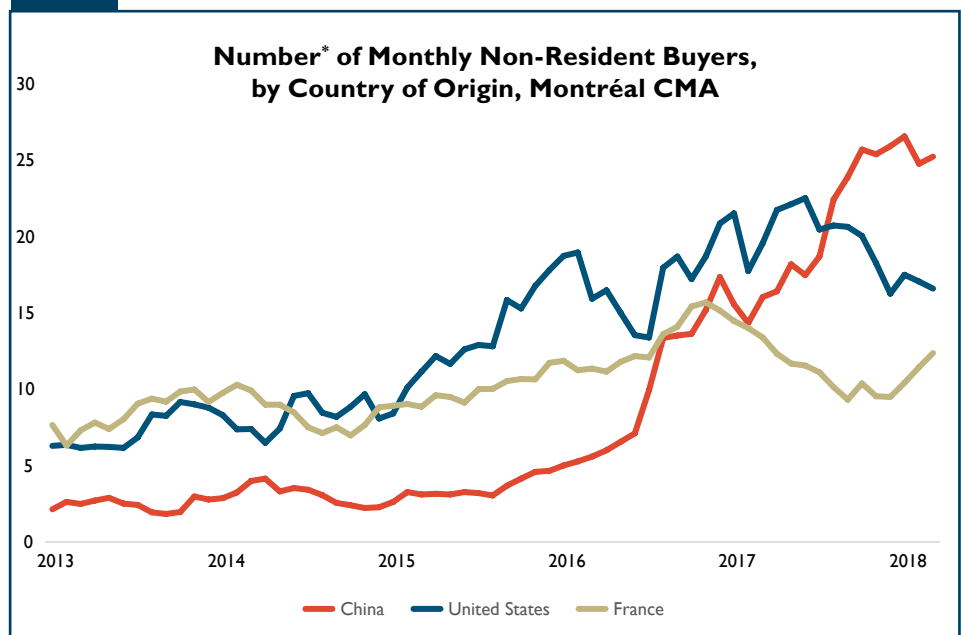
Table 2: Number of Homes Purchased by Non-Residents, by Country of Origin, Montréal CMA*

Period / Origin of buyers	China	France	United States	Other Countries	All Countries
January to August 2017	126	106	173	212	617
January to August 2018	207	91	144	246	688
Growth (%)	64.3	-14.2	-16.8	16.0	11.5

* According to the geographic definition of the 2011 Census

Sources: JLR; CMHC compilation and calculations

Graph 1



* Seasonally adjusted data, 6-month moving average. Montréal CMA according to the geographic definition of the 2011 Census.

Sources: JLR; CMHC calculations and compilation

Non-resident buyers from China opt for condominiums less than buyers from the United States and France

Although condominiums remain by far the first choice of non-resident buyers in the Montréal area,¹⁶ differences are observed depending on the buyers' country of origin (see table 3). For example, from January 2016 to August 2018, about 30% of non resident buyers from China opted for a single-family home. In the case of buyers from the United States and France, these proportions were lower, at 24% and 12%, respectively.

In addition, the homes acquired by Chinese buyers were also located in the city of Montréal in a smaller proportion than those bought by individuals from the United States and France (see table 4). A larger percentage of Chinese buyers decided to purchase a home in the municipalities located mainly in the western part of the Island of Montréal, an area where single-family homes also generally dominate the landscape.

With the exception of these specific cases, it should be remembered that most of the transactions made by non-residents are for condominiums located in the city of Montréal, particularly in the downtown core.

The year 2018 has been no exception, as over one third of all housing units sold to non-residents in the Montréal area were condominiums located in the Ville-Marie borough. Thus, just

Table 3: Proportion (%) of Homes Purchased by Non-Residents in the Montréal CMA,* by Type of Unit and Origin of Buyers (January 2016 to August 2018)

Type of unit / Origin of buyers	China	France	United States
Single-family	32	12	24
Condominium	64	82	70
Rental properties (2 to 11 units)	4	6	6
All types	100	100	100

* According to the geographic definition of the 2011 Census

Sources: JLR; CMHC compilation and calculations

Table 4: Areas (%) of the Montréal CMA* Where Homes Purchased by Non-Residents are Located, by Origin of Buyers (January 2016 to August 2018)

Areas / Origin of buyers	China	France	United States
City of Montréal	64	81	67
Island of Montréal (excluding the city of Montréal)	20	3	10
Suburbs of the CMA	16	16	23
Montréal CMA	100	100	100

* According to the geographic definition of the 2011 Census

Sources: JLR; CMHC calculations and compilation

over one in 10 condominiums sold in downtown Montréal went to a non resident.

This part of Montréal continues to stand out from the metropolitan area as a whole, where, it should be remembered, less than 2% of all transactions are made by non-residents.

The following sections now explore the significance of immigrants in the purchase of homes in the Montréal CMA, to examine whether this could be one of the causes of the perception that non-resident buyers have a significant impact on the Montréal real estate market.

About 40% of households on the Island of Montréal are immigrant households

Data from the last Statistics Canada census (2016) indicated that 27% of households in the Montréal CMA were immigrant households.¹⁷ In the city of Montréal and in the other municipalities on the Island, this proportion can rise to as high as about 40%. Besides Laval (33%) and the Longueuil Agglomeration (21%), these proportions are much smaller in the suburbs (from 7% to 9%).

The origin¹⁸ of immigrants has also changed significantly in recent decades. The Montréal CMA now receives a smaller proportion of immigrants from Western and Northern Europe,¹⁹ but more from Africa and, to a lesser extent, China and West and Central Asia / the Middle East.²⁰

Recent immigrants are mainly renters with the exception of immigrants from China

Although immigrants make up a significant portion of the Montréal population, this does not necessarily imply that they represent a significant proportion of buyers, as many of them could be renters. It would be even more surprising to confuse the latter with non resident buyers in light of their tenure (rental).

Analysis of tenure among immigrant households based on the latest census data revealed that 50% of immigrant households living in the Montréal CMA were renters (41% for non-immigrant households). This proportion varies greatly by year of arrival, with immigrant households arriving before 1986 having a rental rate of 31%, while those arriving between 2011 and 2016 (recent immigrants) had a much higher rate: 84%. The factors underlying this major difference may include the fact that recent immigrants need a certain amount of time to find stable employment (and stable income sources)²¹ before considering homeownership.

However, certain countries of origin for recent immigrants stand out among these latest statistics. For example, recent immigrants from China had a rental rate of just 54%, which is 30 percentage points lower than recent immigrants as a whole. Moreover, in the municipalities on the Island of Montréal (excluding the city of Montréal), only about 25% of recent Chinese immigrants were renters!

Since these most recent data apply to immigrant households who have become homeowners over a period of anywhere between a few years and several decades, it is useful to look at the proportion of immigrants having purchased housing during a single year—in the case at hand, 2016²²—to confirm whether recent Chinese immigrants in fact make up a significant presence on the Montréal real estate market.

Immigrants purchased 25% of housing units in the Montréal CMA in 2016

In the Montréal area,²³ 25% of all homes purchased in 2016 (see table 5) were bought by immigrant households,²⁴ which is relatively proportional to their demographic weight (immigrant households as a percentage of all households). Remember that non-resident buyers account for less than 2% of all transactions in the Montréal area.

In the city of Montréal, the other municipalities on the Island of Montréal and Laval, the proportion of purchases by immigrant households reaches up to 40%. With the exception of Laval, these proportions correspond closely, however, to the demographic weight of immigrant households in these areas.

Table 5: Relative Significance of Immigrant Households Compared to Total Households and Total Buyers, Montréal CMA, 2016

Areas of the CMA	Proportion (%) of Immigrant Households Relative to Total Households	Proportion (%) of Immigrant Buyers Compared to Total Buyers	Difference (in Percentage Points) Between the Proportion of Immigrant Buyers and the Proportion of Immigrant Households
City of Montréal	37.7	35.5	-2.2
Island of Montréal (excluding the city of Montréal)	39.8	38.9	-0.9
Laval	32.5	38.1	5.6
Longueuil Agglomeration	20.9	27.3	6.4
North Shore	7.0	9.7	2.7
South Shore	8.8	13.1	4.3
Montréal CMA	26.6	25.0	-1.6

Sources: Statistics Canada (2016 Census); CMHC calculations

In the other suburban areas, the proportion of buyers who are immigrants is slightly lower than in other areas of the CMA. However, these proportions are somewhat higher than the demographic weight of these immigrants in their respective sectors. In light of all these figures, immigrants in the Montréal CMA appear to represent a significant component (but one proportional to their demographic weight) of real estate demand on the Montréal market. It is possible that some of them are also occasionally confused with non-resident buyers as a result.

Recent immigrants account for approximately 10% of housing purchases on the Island of Montréal

In the city of Montréal and the other municipalities located on the Island, 10% of buyers were immigrants who arrived between 2011 and 2016 (see table 6). In the case of the Island of Montréal (excluding the city of Montréal), this may seem surprising, since only 3% of households in this area are recent immigrant households. Recent immigrants are therefore very active in this area of the CMA. In all

other parts of the Montréal area, the share of recent immigrants who are buyers is also outpacing their demographic weight, although to a lesser extent than in the municipalities on the Island of Montréal (excluding the city of Montréal).

This situation may be explained by the fact that recent immigrants are frequently young households at a time in their lives when the likelihood of purchasing is generally higher.²⁵ It is also possible that immigrants today make the transition to ownership more quickly than in the past, although additional research would be required to confirm this hypothesis.

Table 6: Relative Significance of Immigrant Households Who Arrived Between 2011 and 2016 Compared to Total Households and Total Buyers, Montréal CMA, 2016

Areas of the CMA	Proportion (%) of Immigrant Households Who Arrived Between 2011 and 2016 Compared to Total Households	Proportion (%) of Immigrant Buyers Who Arrived Between 2011 and 2016 Compared to Total Buyers	Difference (in Percentage Points) Between the Proportion of Immigrant Buyers and the Proportion of Immigrant Households
City of Montréal	6.3	8.8	2.5
Island of Montréal (excluding the city of Montréal)	3.5	9.6	6.1
Laval	2.5	6.4	3.9
Longueuil Agglomeration	2.6	6.4	3.8
North Shore	0.4	1.5	1.1
South Shore	0.5	2.8	2.3
Montréal CMA	3.6	5.6	2.0

Sources: Statistics Canada (2016 Census); CMHC calculations

Analysis of recent immigrants by country of origin also reveals some interesting results. In the case of the city of Montréal, 30% of recent immigrants who had bought property were from Western and Northern Europe, and another 20% were from China (see table 7).

In the case of the Island of Montréal (excluding the city of Montréal), almost half of recent immigrant buyers were from China,²⁶ the highest proportion among all geographic areas in the CMA. It is noted that non-resident buyers from China were also more likely (in comparison to buyers from the United States and France) to purchase housing in the municipalities located mainly in the western portion of the Island of Montréal.

Once again, this could create a perception of a high number of non-resident buyers when a large proportion of these buyers are, in fact, immigrants.

In the Montréal CMA overall, the two largest groups of recent immigrants buying properties are those from Western and Northern Europe and from China.

Recent immigrants from China, however, make up the largest share of buyers relative to their demographic weight.²⁷ In other words, China may not be one of the geographic areas of origin bringing the greatest numbers of recent immigrants to the Montréal area, but it is certainly one of those with the greatest number of immigrants who decide to buy a property there.

Recent immigrants from China opt for single-family homes more than Western and Northern Europeans

In addition to the origin of recent immigrants, it is also interesting to examine what sort of housing products they buy on the Montréal market. At the CMA level, 43% of recent immigrants opted for the purchase of a condominium in 2016 (the remaining 57% chose single-family homes).²⁸

As seen in the first section of this report, this contrasts sharply with purchases made by non-residents,

which are concentrated almost exclusively in the condominium segment (about 75% of all purchases made since January 2016).

This situation can be explained by the fact that immigrant buyers, unlike non-residents, also settle in several areas outside the city of Montréal, including the suburbs, where single-family homes generally dominate the landscape.²⁹ Non-residents may also opt more often for a less maintenance-intensive product with a more developed rental market, such as condominiums.³⁰

These data from the Montréal area as a whole, however, conceal interesting results depending on the origin of recent immigrants. For example, a greater proportion of recent immigrants from Western and Northern Europe opt for condominiums (54%) than recent immigrants from China (42%). To a certain extent, these results echo previous results among non-resident buyers to the effect that buyers from France opted more frequently for condominiums than those from China.

Table 7: Proportion (%) of Immigrant Households Who Arrived Between 2011 and 2016 and Who Bought a Home, by Place of Birth, Montréal CMA, 2016

Areas of the CMA	Western and Northern Europe	China	North Africa	West and Central Asia / the Middle East	Central and South America	Other Geographic Areas	Total
City of Montréal	30.6	19.4	9.6	10.2	12.7	17.5	100.0
Island of Montréal (excluding the city of Montréal)	12.1	46.6	0.0	17.2	5.2	15.5	100.0
Laval	2.9	7.4	19.1	20.6	20.6	27.9	100.0
Longueuil Agglomeration	20.5	17.9	10.3	7.7	19.2	24.4	100.0
North Shore	25.7	5.7	14.3	5.7	40.0	17.2	100.0
South Shore*	11.7	10.0	6.7	0.0	21.7	48.2	100.0
Montréal CMA	22.0	18.1	9.9	10.5	16.3	22.7	100.0

* The South Shore area also attracts 18% of recent immigrants from Eastern Europe and another 17% from countries in Africa (other than those in North Africa).

Sources: Statistics Canada (2016 Census); CMHC calculations

Note: Due to rounding, figures may not add up to 100%.

Conclusion

The number of non-resident buyers in the Montréal CMA since the beginning of 2018 has shown a slight increase, but these buyers still account for less than 2% of all residential transactions.

The perception that non-resident buyers play a relatively significant role on the real estate market could come from the fact that some local buyers confuse non-residents with immigrants who are acquiring property. According to the most recent data available, 25% of housing units purchased in the Montréal CMA in 2016 were purchased by immigrant households. In some areas of the CMA, this proportion rises to almost 40%. Recent immigrants, immigrants from Western and Northern Europe and those from China accounted for a significant portion of these buyers.

In light of these various results, it is plausible that the local population believes there to be a large number of foreign investors on the residential market. The actual number of these investors is, however, probably more limited or, at the very least, restricted to selected, more central, areas of the CMA.

A more in-depth analysis of the impact of non-residents on the Montréal real estate market may also be produced when Statistics Canada eventually discloses more precise data on the number of non-resident owners in the Montréal area, as it has for Toronto and Vancouver.

Geographic sectors of the Montréal CMA (according to the geographic definition of the 2016 Census)

City of Montréal

Island of Montréal:

Baie d'Urfé, Beaconsfield, Côte-Saint-Luc, Dollard-des-Ormeaux, Dorval, Hampstead, Kirkland, Dorval Island, Mont-Royal, Montréal, Montréal-Est, Montréal-Ouest, Pointe-Claire, Sainte-Anne-de-Bellevue, Senneville and Westmount.

City of Laval

Longueuil Agglomeration:

Boucherville, Brossard, Longueuil, Saint-Bruno-de-Montarville, Saint-Lambert.

North Shore:

Blainville, Bois-des-Filion, Boisbriand, Charlemagne, Deux-Montagnes, Gore, L'Assomption, Lavaltrie, L'Épiphanie (city and parish), Lorraine, Mascouche, Mirabel, Oka, Pointe-Calumet, Repentigny, Rosemère, Saint-Colomban, Saint-Eustache, Saint-Jérôme, Saint-Joseph-du-Lac, Saint-Placide, Saint-Sulpice, Sainte-Anne-des-Plaines, Sainte-Marthe-sur-le-Lac, Sainte-Thérèse and Terrebonne.

South Shore:

Beauharnois, Beloeil, Candiac, Carignan, Chambly, Châteauguay, Delson, Hudson, L'Île-Cadieux, L'Île-Perrot, La Prairie, Léry, Les Cèdres, McMasterville, Mercier, Mont-Saint-Hilaire, Notre-Dame-de-l'Île-Perrot, Otterburn Park, Pincourt, Pointe-des-Cascades,

Richelieu, Saint-Amable, Saint-Basile-le-Grand, Saint-Constant, Saint-Isidore, Saint-Lazare, Saint-Mathias-sur-Richelieu, Saint-Mathieu, Saint-Mathieu-de-Beloeil, Saint-Philippe, Sainte-Catherine, Sainte-Julie, Terrasse-Vaudreuil, Varennes, Vaudreuil-Dorion, Vaudreuil-sur-le-Lac and Verchères.

Place of birth of immigrants by geographic area³¹

North America

United States

Central and South America

Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Anguilla, Antigua and Barbuda, Aruba, Bahamas, Bermuda, Bonaire, St. Eustatius and Saba, Cayman Islands, Cuba, Curaçao, Dominica, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Puerto Rico, Saint Barthelemy, Saint Kitts and Nevis, Saint Lucia, Saint Martin (French part), Saint Martin (Dutch part), Saint Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos Islands, British Virgin Islands, United States Virgin Islands, Argentina, Brazil, Chile, Colombia, Ecuador, Falkland Islands, French Guiana, Guyana, Paraguay, Peru, South Georgia and the South Sandwich Islands, Suriname, Uruguay, Venezuela.

Western and Northern Europe

Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, Netherlands, Switzerland, Åland Islands, Denmark, Faroe Islands, Finland, Guernsey, Iceland, Ireland, Isle of Man, Jersey, Norway, Sark, Svalbard and Jan Mayen, Sweden,

United Kingdom, Andorra, Gibraltar, Greece, Holy See (Vatican City State), Italy, Malta, St. Martin, Spain, Greenland, Saint Pierre and Miquelon.

Eastern Europe

Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Russian Federation, Slovakia, Ukraine, Albania, Bosnia and Herzegovina, Croatia, Kosovo, Republic of Macedonia, Montenegro, Serbia, Slovenia.

North Africa

Algeria, Egypt, Libya, Morocco, Sudan, Tunisia, Western Sahara.

Rest of Africa

Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Saint Helena, Senegal, Sierra Leone, Togo, Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Mayotte, Mozambique, Reunion, Rwanda, Seychelles, Somalia, South Sudan, Tanzania, Uganda, Zambia, Zimbabwe, Angola, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Equatorial Guinea, Gabon, São Tomé and Príncipe, Botswana, Lesotho, Namibia, Republic of South Africa, Swaziland.

Oceania

American Samoa, Australia, Christmas Island, Cocos Islands, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, United States Minor Outlying Islands, Vanuatu, Wallis and Futuna.

West and Central Asia / the Middle East

Afghanistan, Armenia, Azerbaijan, Bahrain, Cyprus, Georgia, Iran, Iraq, Israel, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Tajikistan, Turkey, Turkmenistan, United Arab Emirates, Uzbekistan, West Bank and Gaza Strip, Yemen.

South Asia

Bangladesh, Bhutan, British Indian Ocean Territory, India, Maldives, Nepal, Pakistan, Sri Lanka.

Southeast Asia

Brunei Darussalam, Burma (Myanmar), Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Timor-Leste, Vietnam.

East Asia

Hong Kong, Japan, North Korea, South Korea, Macao, Mongolia, Taiwan.

China

ENDNOTES

- ¹ *Housing Market Insight—Canada, Non-Resident Ownership of Condominium Apartments*, pages 3 to 5, December 2017.
- ² This means that the owner of the property is not a resident of Canada. This therefore also includes Canadian citizens whose principal residence is outside the country.
- ³ In this case, the word “foreign” is used instead of “non-resident.” The tax is in fact applicable to individuals who do not possess Canadian passports or who are not permanent residents of Canada. As such, a Canadian citizen living abroad (a non-resident) would not have to pay the tax when buying a property. Real estate demand from non-residents on the Montréal market could, however, also be a result of the city’s robust economy and of lower prices relative to those in other large Canadian urban centres.
- ⁴ However, an analysis presented in the *Housing Market Insight* for the Montréal CMA published in July 2017 indicates that this proportion probably underestimates the reality somewhat.
- ⁵ For more details on the methodology used to identify buyers, see the *Housing Market Insight* for the Montréal CMA, *Who are the homebuyers in the various sectors of Greater Montréal? A first comprehensive study on the topic*, page 4, June 2018. The data come from CMHC calculations derived from a special compilation of 2016 Census data from Statistics Canada.
- ⁶ http://www.oxfordreference.com/view/10.1093/acref/9780195418163.001.0001/m_en_ca0034157?rskey=2Pc3hT&result=1
- ⁷ <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CMACA&Code1=462&Geo2=PR&Code2=24&Data=Count&SearchText=montreal&SearchType=Begins&SearchPR=01&BI=All&TABID=1>
- ⁸ *Housing Market Insight—Canada, Homebuyer choices, bidding wars and social influences: results from the homebuyer motivation survey*, June 2018.
- ⁹ According to the same report, 68% of buyers in the Vancouver area and 48% of buyers in the Toronto area believe foreign investors have a lot of influence on the price of homes in these respective markets. The most recent data from Statistics Canada, however, indicates that only 5% of residential properties are owned by non-residents in the Vancouver area, compared to 3% in the Toronto area.
- ¹⁰ It is also possible that the various and numerous media articles on the subject of foreign investors may have influenced local buyers’ perception of the influence of these non-residents on the Montréal market.
- ¹¹ The Montréal area, according to the territorial boundaries of the 2011 Census (the municipalities of Saint-Jean-sur-Richelieu and St-Lin–Laurentides are therefore not included).
- ¹² And also for Canada.
- ¹³ In this case, the word “foreign” is used instead of “non-resident.” The tax is in fact applicable to individuals who do not possess Canadian passports or who are not permanent residents of Canada. As such, a Canadian citizen living abroad (a non-resident) would not have to pay the tax when buying a property.
- ¹⁴ <http://www.lapresse.ca/affaires/economie/immobilier/201807/04/01-5188277-baisse-de-linteret-des-chinois-pour-toronto-et-vancouver.php> (in French only).
- ¹⁵ January to August 2017 and January to August 2016, respectively.
- ¹⁶ Since January 2016, approximately 75% of purchases made by non-residents are in the condominium segment.
- ¹⁷ CMHC calculations.
- ¹⁸ For the rest of this report, the word “from” means the place of birth of the immigrant.
- ¹⁹ For all countries in the various geographic areas, see the list at the end of this report on the place of birth of immigrants.
- ²⁰ The municipalities located on the Island of Montréal (excluding the city of Montréal) stand out, however, with much larger increases for immigrants from China and West and Central Asia / the Middle East.
- ²¹ Also note that some need to build a credit history.
- ²² More specifically, between May 2015 and May 2016.

²³ For all municipalities in the various geographic areas of the Montréal CMA, see the list at the end of this report.

²⁴ For more details on the methodology used to identify buyers, see the *Housing Market Insight* for the Montréal CMA, *Who are the homebuyers in the various sectors of Greater Montréal? A first comprehensive study on the topic*, page 4, June 2018. The data come from CMHC calculations derived from a special compilation of 2016 Census data from Statistics Canada.

²⁵ For more details about the proportion of buyers per age group in the Montréal CMA, see the *Housing Market Insight* for the Montréal CMA, *Who are the homebuyers in the various sectors of Greater Montréal? A first comprehensive study on the topic*. The data come from CMHC calculations derived from a special compilation of 2016 Census data from Statistics Canada.

²⁶ Recent immigrants from China who bought homes on the Island of Montréal (excluding the city of Montréal) in 2016 accounted for 4.5% of all buyers, although they represent only 0.4% of households living in this area. This represents a difference of 4 percentage points in relation to their demographic weight in the area, the most significant difference out of all areas of the CMA.

²⁷ Indeed, in the Montréal CMA in 2016, 1% of buyers were recent immigrants from China, while this group accounts for only 0.2% of all households in the city.

²⁸ This includes income properties.

²⁹ 50% of recent immigrants who bought housing in the CMA in 2016 were outside the city of Montréal. In the case of non-resident buyers, this proportion is only about 30% since January 2016.

³⁰ Also, household composition (age, size, etc.) could differ between immigrants and non residents.

³¹ The names of these areas and the countries that are included in each of them may differ from those used by Statistics Canada.

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