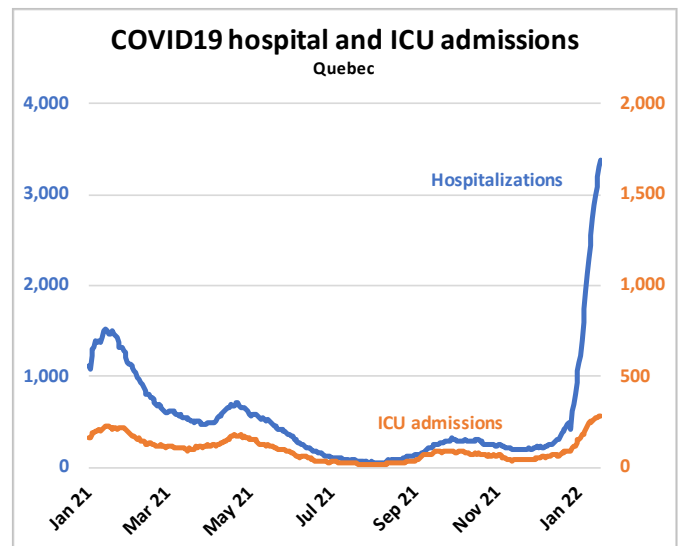
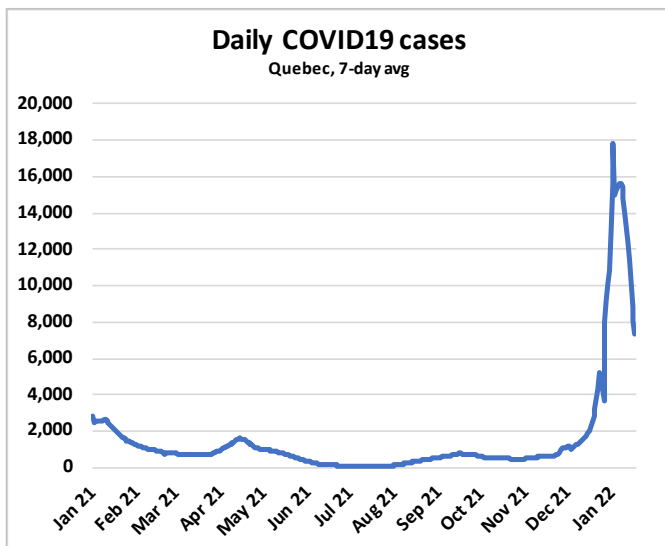




Housing and Mortgage Market Review

Rising Home Prices Reflect Quebec’s Tight Housing Market

COVID-19 cases in Quebec have fallen sharply in recent weeks, though it’s difficult to make definitive conclusion due to the shortage of PCR tests. Hospitalizations and ICU admissions have hit record highs. COVID-related restrictions will remain in place for a while longer, and that will likely weigh modestly on economic growth this quarter.



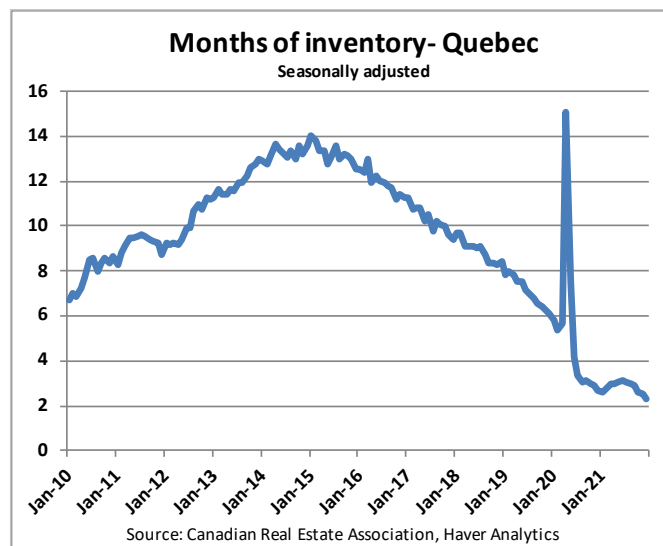
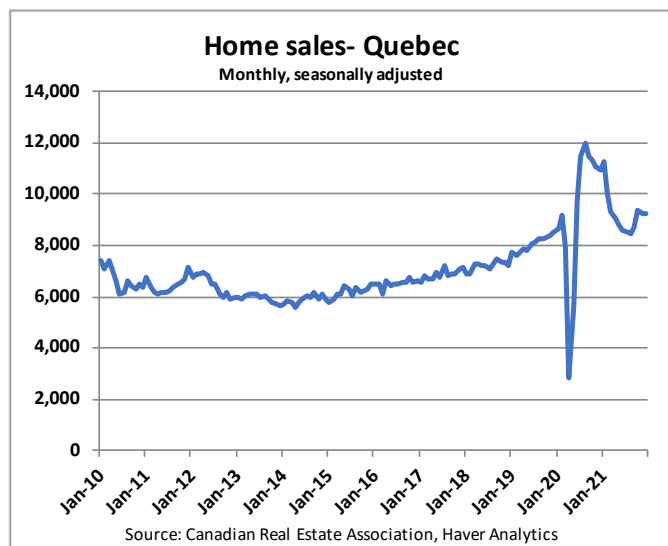


Housing and Mortgage Market Review

Quebec

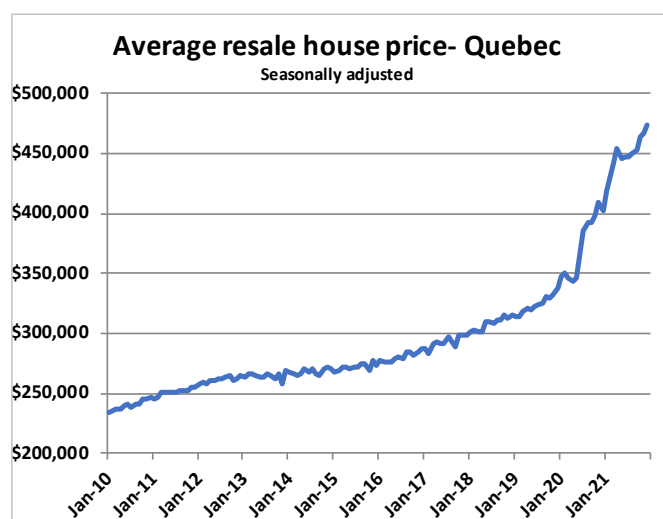
Home Sales

Home sales across Quebec remain at elevated levels relative to pre-COVID trends though they have slowed sharply relative to the peak levels seen in late 2020 and early 2021. The bigger issue is the shortage of supply. Active listings across the province have fallen by 16% compared to last year at this time and are down a whopping 61% since the beginning of 2020. Months of inventory have fallen to just 2.3, the lowest reading on record.



Average house prices are reflecting these tight market conditions, rising 17.9% y/y in Q4 to \$473,000.

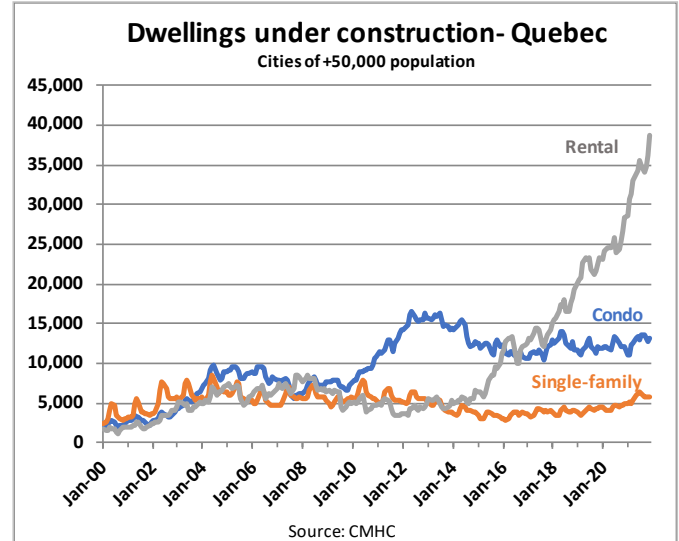
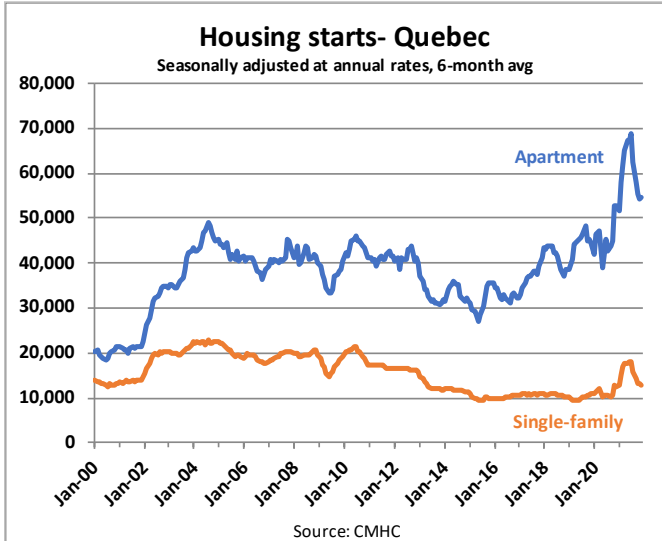
In terms of new supply in the pipeline, single-family housing starts jumped in early 2021 to hit nine-year highs, but have since fallen sharply. They remain at just two-thirds of the average levels seen from 2000-2012. We are seeing considerable activity in the apartment segment, notably in the rental segment where there are now nearly 40,000 units under construction across the province.



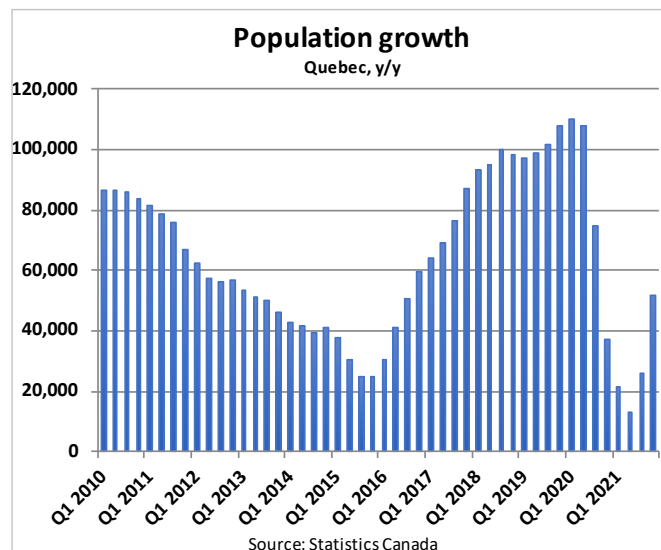


Housing and Mortgage Market Review

Quebec



Population growth has rebounded sharply off the pandemic lows, but is still only half of pre-COVID levels.



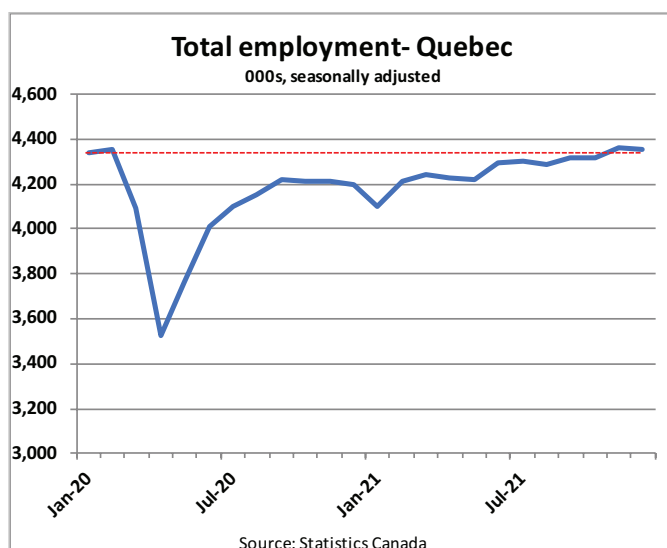


Housing and Mortgage Market Review

Quebec

Job market has fully recovered

Quebec shed over 800,000 jobs in the early days of the pandemic but has now fully recovered all lost positions. The unemployment rate is back to a near-record low of just 4.6%.



What it all means: Sales have slowed sharply in Quebec relative to peak demand in early 2021, but a persistent shortage of listings has led to a severe imbalance in supply and demand. Barring a dramatic reversal in those trends, it likely sets up for a very strong spring selling season.

**Any forecasts/projects contained in this report are accurate as of the date indicated.*

Ben Rabidoux is the founder of Edge Realty Analytics (www.edgeanalytics.ca), which equips top real estate and mortgage professionals with timely research and insightful marketing infographics to help them stand apart from the competition and stay engaged with their clients and prospects.

He is also the founder and president of North Cove Advisors, a market research firm serving institutional and high net worth clients since 2013 that is consistently ranked top 5 for Canadian economic coverage by Brendan Wood International.

He is a frequent guest and contributor in major media outlets, including Bloomberg, The Wall Street Journal, Reuters, The Globe and Mail, The Toronto Star, Macleans, and many others.



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