



Housing and Mortgage Market Review

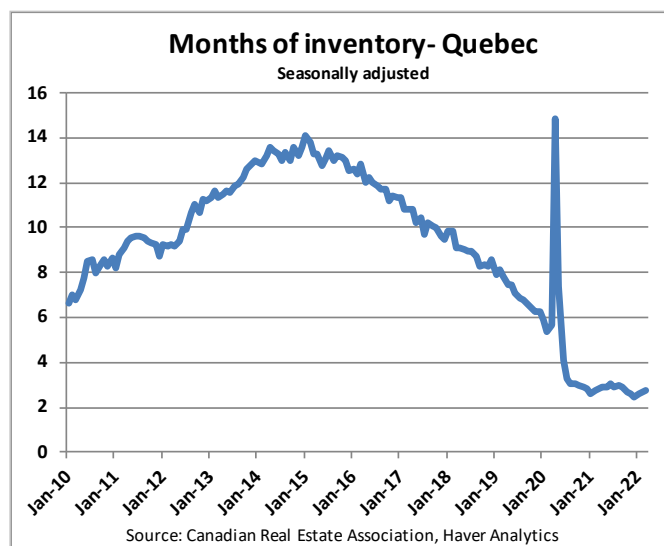
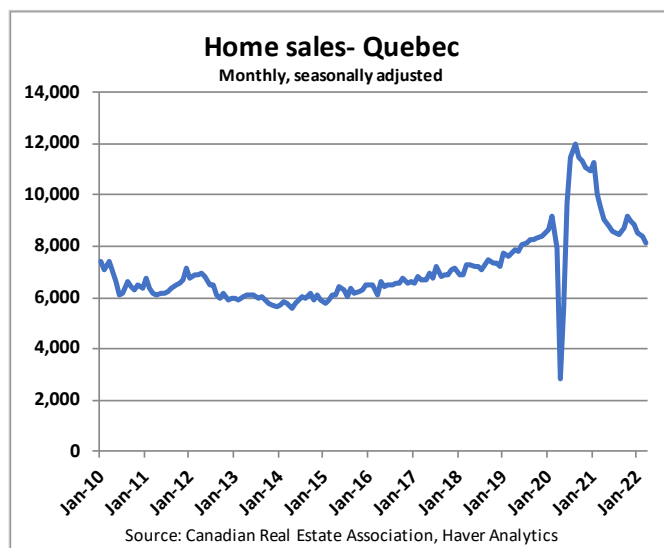
Quebec housing market remains tight despite slowdown in home sales

A chronic shortage of housing supply in Quebec is keeping conditions tight, even as home sales fall from their 2020 highs. Rising mortgage rates may also work to ease demand, but the province's strong job market should soften the impact of higher rates.

Home sales

Home sales across Quebec continue to cool off from the record pace seen in late 2020 and early 2021. Sales fell another 3.5% month-over-month in March and are now down 32% on a seasonally adjusted basis from the mid-2020 highs.

However, resale inventory levels remain exceptionally low and are still less than half what they were at the onset of the pandemic. As a result, months of inventory, an important measure of supply and demand, remains near a record low of just 2.7. Even with the sharp slowdown in sales, this is still a very tight market.

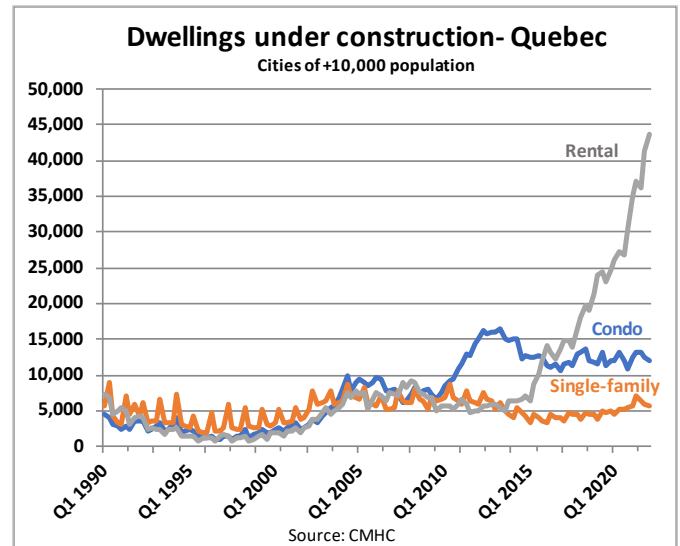
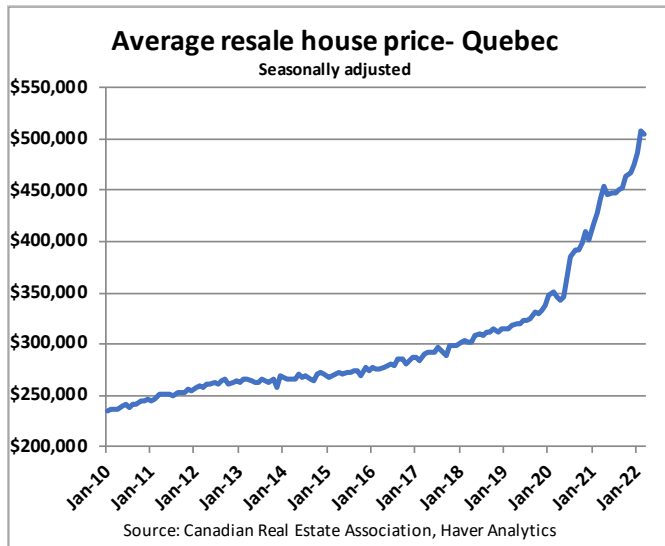




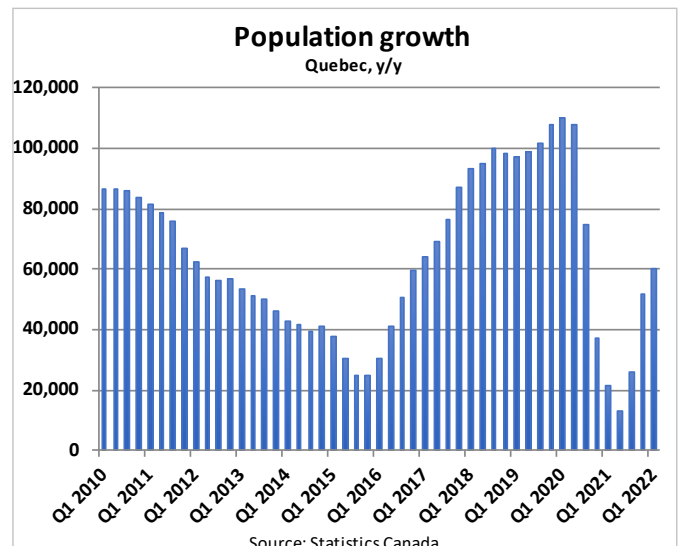
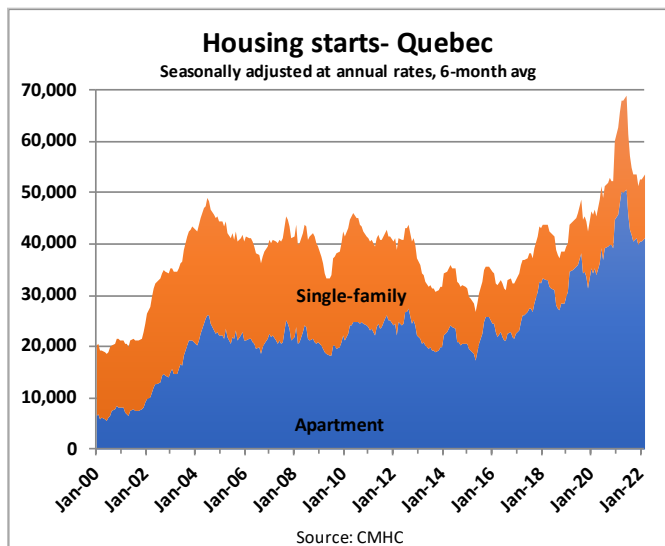
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Quebec

Seasonally adjusted prices dipped slightly in March but remain 14% above year-ago levels.



Housing starts remain very strong but are heavily skewed to the multi-family segment, notably rental apartments. There are fewer single-family homes being built today than just 10 years ago, which means the chronic shortage of inventory in the resale market may persist for a while yet.



Population growth continues to rebound off the pandemic lows. Quebec has now added 60,000 people to the population in the past year, and that number will almost certainly continue to rise as Canada aims to welcome a record number of new immigrants this year.

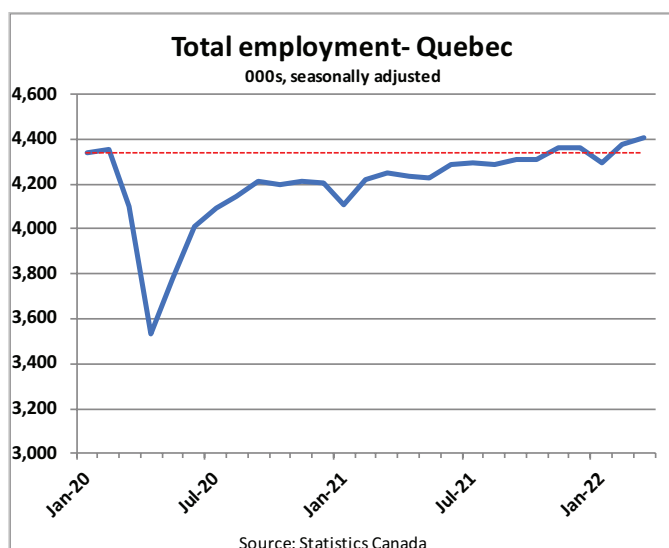


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Quebec

The job market has fully recovered

Quebec added 46,000 new jobs in the first quarter. Employment is at record levels while the unemployment rate has fallen to just 4.1%. That is the lowest reading since at least 1976.



What it all means: Home sales continue to slow off record levels, but resale inventory remains near 20-year lows across the province, which is keeping the market in strong seller's territory. Rising mortgage rates may put additional downward pressure on demand, but the strong job market will help cushion some of the impact of rising rates.

**Any forecasts 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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