

## Montreal: Another great year for the housing market in 2021

By Daren King

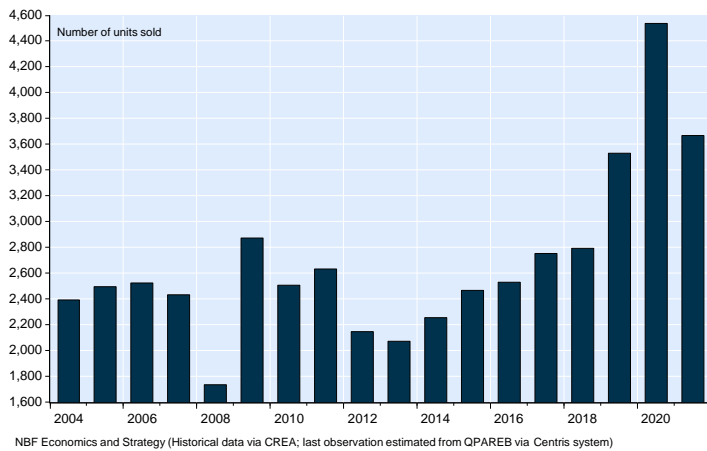
December data released by the Quebec Professional Association of Real Estate Brokers (QPAREB) shows that property sales in Montreal decreased by 19.1% compared to the record-breaking month of December in 2020 (Chart 1). Despite this, December 2021 remains the second most active December on a historical basis. This annual decrease was observed in all sectors of the Montreal CMA, ranging from -7% in Vaudreuil-Soulanges to -27% in Laval. For 2021 as a whole, 54,865 units changed hands in the metropolis, which is only 525 transactions less (-0.9%) than the record level observed in 2020 (Chart 2). This made 2021 the second strongest year in history for the Montréal real estate market.

On a seasonally adjusted basis, we estimate that sales were down 2% from November, a second consecutive monthly decline (chart 3). Although the market has slowed since the beginning of 2021, the number of transactions is still at a higher level than what we were seeing before the pandemic and well above the historical average. At the same time, listings of properties for sale have dropped 14.7%

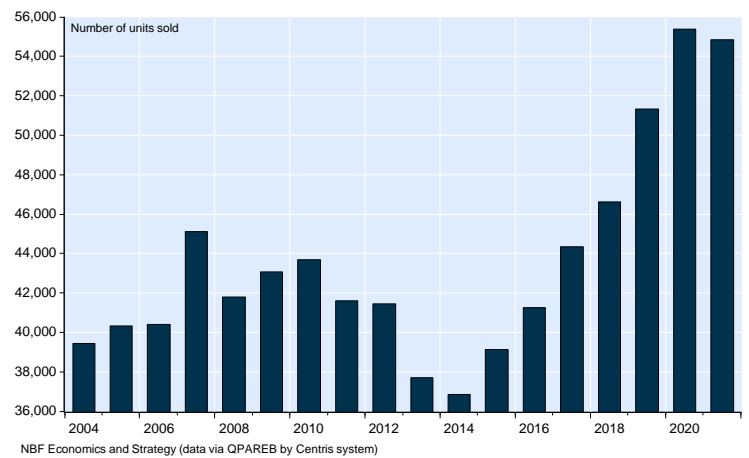
from November and are at their lowest level on record. Overall, the end-of-month-listings-to-sales ratio has tightened and is now the most "favourable to sellers" market on record (Chart 4). With supply at an all-time low and demand remaining strong, price growth should continue to be supported in the months ahead. However, if interest rate hikes materialize in 2022, the market may lose some of its strength.

Still on a monthly basis, we estimate that seasonally adjusted single-family home sales decreased by 3.2 per cent, while supply fell by 16.6 per cent between November and December (Chart 5). Overall, market conditions for this segment remain largely favourable to sellers (Chart 6). At the condominium level, sales remained relatively stable (-0.3 per cent) and inventory decreased by 8.4 per cent (Chart 7). As a result, market conditions indicate the most "favourable to sellers" market in history in this segment (Chart 8).

### 1. Montreal: Home sales in December

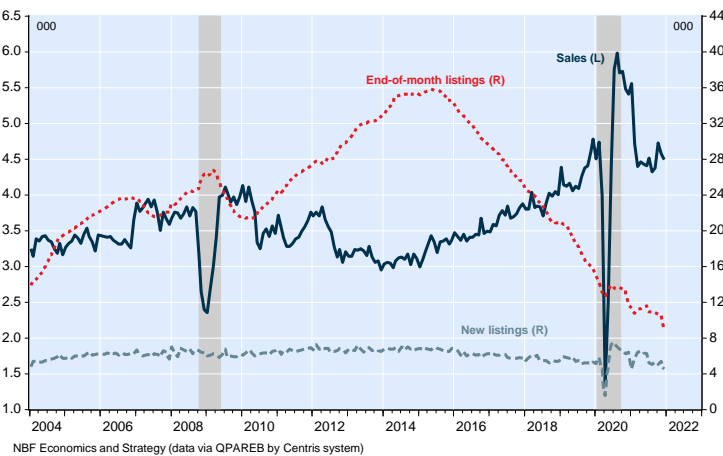


### 2. Montreal: Year-to-date home sales



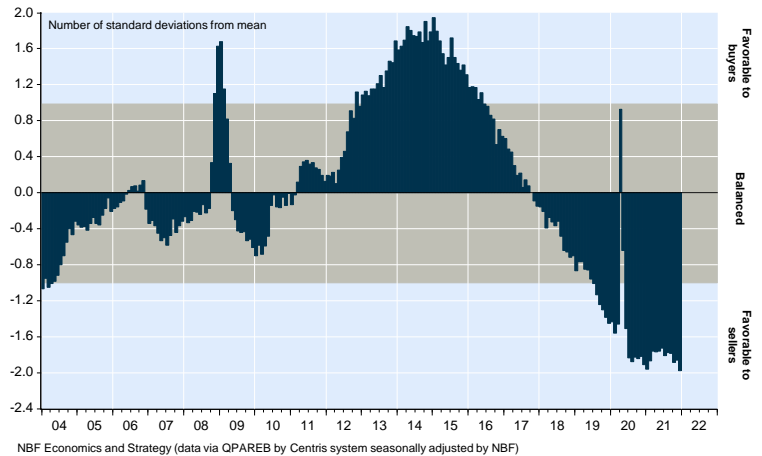
### 3. Montreal: Home sales and listings

Seasonally adjusted by NBF. Last observation: December 2021



### 4. Montreal: Home resale market conditions

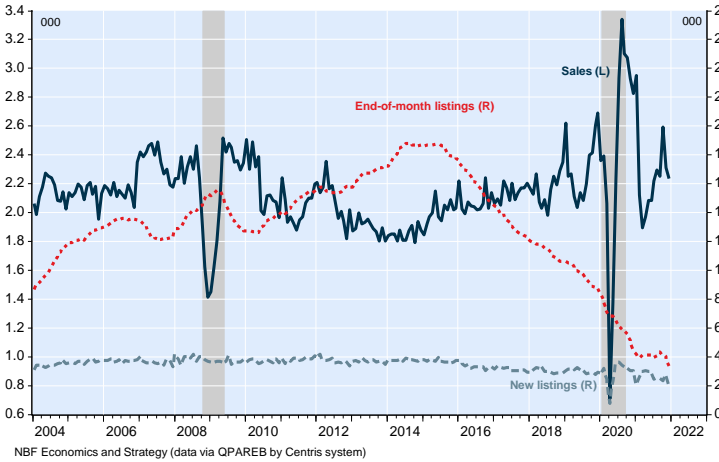
End-of-month-listing-to-sale ratio. Last observation: December 2021





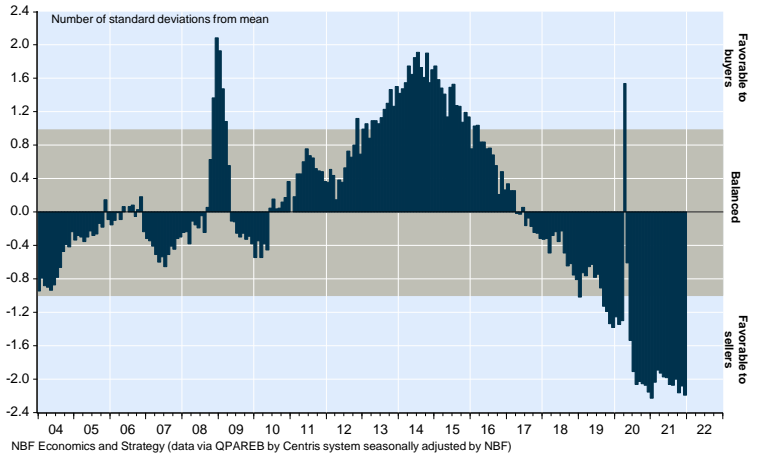
### 5. Montreal: Home sales and listings, single-family dwellings

Seasonally adjusted by NBF. Last observation: December 2021



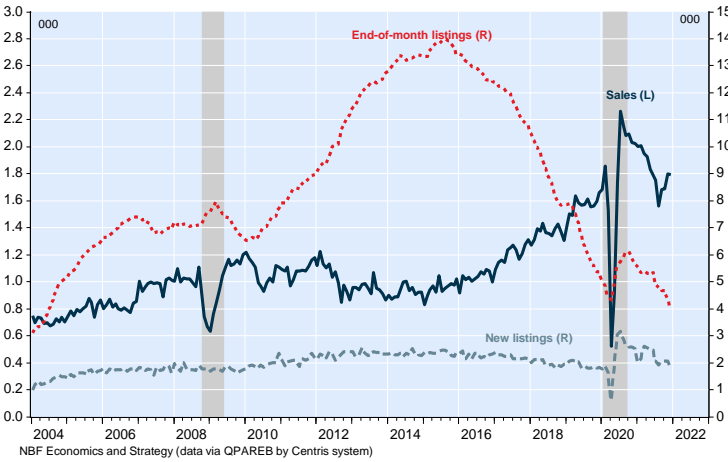
### 6. Montreal: Home resale market conditions, single-family dwellings

End-of-month-listing-to-sale ratio. Last observation: December 2021



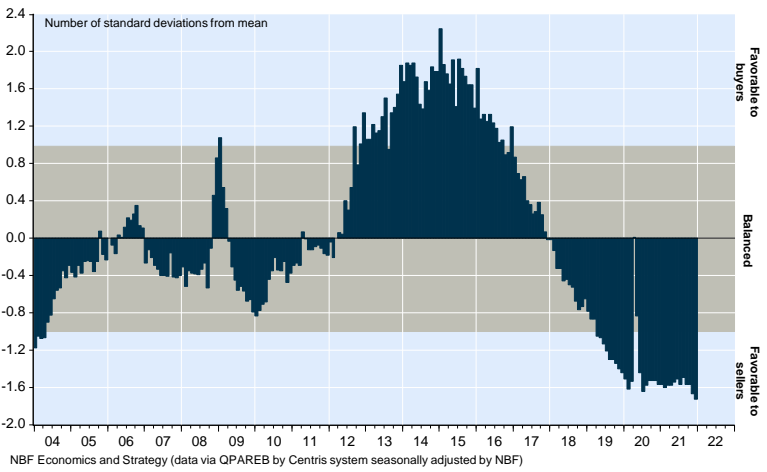
### 7. Montreal: Home sales and listings, condos

Seasonally adjusted by NBF. Last observation: December 2021



### 8. Montreal: Home resale market conditions, condos

End-of-month-listing-to-sale ratio. Last observation: December 2021



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