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Residential market cooling but remote work opens the door to other locations for buyers in the Montréal area

- **Rising prices curb buying intentions**
- **Remote work is popular and associated with time and cost savings**
- **Buyers want single-family homes and are willing to move farther out to get what they want**

Montréal, December 2, 2021 — The [Association des professionnels de la construction et de l'habitation du Québec \(APCHQ\)](#), the [Fonds immobilier de solidarité FTQ](#), the [Ministère des Affaires municipales et de l'Habitation \(MAMH\)](#) and the [Quebec Professional Association of Real Estate Brokers \(QPAREB\)](#) today unveiled the results of a vast real estate survey in Québec. Conducted by Léger in the fall, the web-based survey polled over 5,500 people on their home buying and selling intentions in the next five years. A similar study was conducted last fall. The 2021 edition was designed to gauge whether the pandemic is having a lasting impact on consumers' residential choices.

Montréal area: working from home saves time and money

Telecommuting has changed the behaviour and real estate needs of households in the Montréal census metropolitan area (CMA). The enthusiasm for remote work shows no sign of waning. Eighty-three percent of households working from home say it reduces commute time and **63% figured they save more than an hour a day travelling to and from work**. This time savings has prompted 81% to continue working in this manner or to ask their employer to allow them to keep working from home. Finally, 86% of remote workers said they saved money with this arrangement. **Thirty-two percent cited savings of \$100 to \$200 per month**.

“The survey confirms that remote work has taken root. Workers appreciate the time and cost savings of working from home and new habits have been created. This phenomenon poses a challenge for the real estate industry but also an opportunity, as many companies are moving toward a hybrid model incorporating a mixture of in-office and remote work. The real estate industry must adapt to this new reality,” explains Normand Bélanger, president and CEO of the Fonds immobilier de solidarité FTQ.

Buying intentions decline

As was the case last year, 32% of households in the CMA say that the pandemic has had an impact on their real estate plans by either delaying the purchase of a home or postponing a move. As a result of rising real estate prices, fewer households intend to buy a home. **Only 27% plan to become homeowners in the next five years, compared to 30% in 2020.** When asked why they are not planning to buy, households cite waiting for prices to fall, high prices in their area or an unfavourable economic context.

“Montréal households are reacting to market signals. Besides the fact that the pool of first-time buyers able to access homeownership tends to shrink when prices jump, experienced buyers are increasingly finding themselves at the limit of their financial capacity to acquire a comfortable single-family home in Montréal and a second or income property. That said, lack of supply is the biggest factor in their giving up; we may see buying opportunities in the next 24 months as older people who were reluctant to put their homes on the market during the pandemic decide to sell or as listings increase due to the deterioration in household financial capacity,” explains Charles Brant, director of market analysis at the QPAREB.

The suburbs and countryside continue to lure buyers

Whether buying or selling, households plan to live outside the major urban centres. The number of future buyers who said they would move to another region jumped 25% in one year. **Also, 66% of homeowners living on the island of Montreal who want to sell will move to a suburb.** Remote work is also influencing this migration, with 34% of remote workers saying they would take advantage of this arrangement to move farther away from their workplace, somewhere with a lower cost of living and closer to nature. Already, 36% of households in the Greater Montréal area that purchased in the last five years have moved farther away from their workplace. This compares to 29% in 2020. **As for CMA residents who plan to buy by 2026, 18% want to do so outside the CMA,** compared to 13% last year.

“The departure of households from the centre of the CMA to the periphery is not a new phenomenon, but remote work represents a new challenge for cities. We need to think about how urban sprawl is affecting the metropolitan area and about how to build affordable, attractive housing in the city,” said Paul Cardinal, director of the APCHQ’s economic department.

Demand for condominiums can’t compete with single-family homes

The appeal of suburbia goes hand in hand with buying a single-family home. This year’s survey shows that **52% of households in the Montréal CMA that purchased a property in the last five years bought a single-family home, compared with 42% in 2021.** The increase in the purchase of single-family homes has come at the expense of condominiums for which purchases in the Montréal area fell from 37% in 2020 to 29% in 2021. **Only 17% of buyers are considering condominiums, compared to 20% in 2020 and 22% in 2018.** The legislative changes aimed at better controlling the management of contingency funds have not succeeded in improving the image of condo ownership because although 39% of households are aware of the new law, only 19% plan to buy a condominium while 33% plan to sell. It should be noted,

however, that a well-funded contingency fund has become the most important criterion in choosing a condominium building.

Rental market: less mobility and fewer people going back to renting

The pandemic has also affected the rental market. While the criteria for choosing an apartment have changed little (balcony, good HVAC system and quality finishes), rising rents and the desire for independence are changing tenant behaviour. More households in the Montréal CMA (22% in 2021 versus 18% in 2020) cite rising housing prices as a reason to continue renting. **Also, when asked about their intentions to go back to renting, 13% of future sellers answered “yes,” compared to 18% in 2020. This decline is mainly attributable to those 55 and older, who are much less likely to consider renting after selling their home.**

Consistencies in selection criteria and strong fundamentals for the residential market

The 2021 survey shows that households in Greater Montréal are willing to move farther afield to get the home they want. However, the location criteria remain the same (price, security, a yard). Condominium buyers are still looking for a private balcony, a good HVAC system and quality finishes, as are renters.

Financially, 87% of homeowner households are comfortable with their debt levels and 85% obtained a mortgage the first time they applied. In the rental segment, convenience remains the primary reason to rent. Sixty-five per cent of Montrealers like the “all-inclusive rent” formula.

About the Association des professionnels de la construction et de l'habitation du Québec

Founded in 1961, the Association des professionnels de la construction et de l'habitation du Québec (APCHQ) is a private, non-profit organization that seeks to develop and enhance the professionalism of its 19,000 corporate members, which belong to 13 regional associations. Through its technical, legal, administrative and training services, and its government and public interventions, the APCHQ helps its members hone their skills and succeed in a highly competitive environment. As well, when the time comes to renew the construction industry's collective agreements, the ACPHQ negotiates on behalf of 15,500 employers in the residential sector.

About the Fonds immobilier de solidarité FTQ

Created in 1991, the [Fonds immobilier de solidarité FTQ](https://fondsftq.com/immobilier) has been helping to drive economic growth and employment in Québec by strategically investing in profitable and socially responsible real estate projects in partnership with other industry leaders. The Fonds immobilier backs mixed-use, residential, office, commercial, institutional and industrial projects of all sizes across Québec. At May 31, 2021, the Fonds immobilier had 54 projects worth \$3.6 billion in progress that will create some 30,000 jobs, along with 98 properties under management, 1.8 million square feet of land for development and \$156 million allocated to affordable, social and community housing. The Fonds immobilier is a member of the Canada Green Building Council — Québec division. fondsftq.com/immobilier

About the Quebec Professional Association of Real Estate Brokers

The Quebec Professional Association of Real Estate Brokers (QPAREB) is a non-profit association that brings together more than 13,300 real estate brokers and agencies. It is responsible for promoting and defending their interests while taking into account the issues facing the profession and the various professional and regional realities of its members. The QPAREB is also an important player in many real estate dossiers, including the implementation of measures that promote homeownership. The Association reports on Québec's residential real estate market statistics, provides training, tools and services relating to real estate, and facilitates the collection, dissemination and exchange of information. The QPAREB is headquartered in Québec City and has its administrative offices in Montréal. It has two subsidiaries: Centris Inc. and the Collège de l'immobilier du Québec. Follow its activities at apciq.ca or via its social media pages: [Facebook](#), [LinkedIn](#), [Twitter](#) and [Instagram](#).

About the Ministère des Affaires municipales et de l'Habitation

The role of the Ministère des Affaires municipales et de l'Habitation is to advise the government and ensure interdepartmental coordination in the areas of municipal organization, metropolitan and regional development, the occupancy and vitality of territories, and housing. Since it was assigned the responsibility of ensuring the consistency of Québec's action in housing, it works collaboratively with partners from civil society and public organizations already active in the field in order to meet the population's needs.

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Contacts:

Émilie Hermitte
Advisor, Communications and Public Relations
APCHQ
Mobile: 514237-7096
emilie.hermitte@apchq.com

Josée Lagacé
Communications and Marketing Director
Fonds immobilier de solidarité FTQ
Tel.: 514 847-5710
jlagace@fondsimmobiliertq.com

Marie-Rose Desautels
Morin Relations Publiques
media@apciq.ca

Sébastien Gariépy and Marie-France Simard
Press Relations Team
MAMH
medias@mamh.gouv.qc.ca