

Press release

Centris Residential Sales Statistics – 3rd quarter of 2022

Quarterly Window on the Real Estate Market:  
**Falling Sales, Surging Active Listings, and Receding Prices: Early Impacts of Sharply Rising Interest Rates Push Toward a Rapid Cooling of the Market**

**L'Île-des-Sœurs, October 13, 2022** – The Quebec Professional Association of Real Estate Brokers (QPAREB) has released its most recent residential real estate market statistics for the [province of Quebec](#), based on the real estate brokers' Centris provincial database.

The slowdown in transactional activity increased in the third quarter of 2022, with sales declining to -18 per cent, compared to a very active third quarter of 2021, for a total of 18,146 transactions. This number of sales is below the average number of pre-pandemic transactions for a third quarter since a 2012 low (19,400 sales).

"If the second quarter was pivotal in the evolution of Quebec's market, with median prices for each property category reaching an all-time high, the third quarter was the one that confirmed a sharp change in direction, albeit more moderately than in many other Canadian provinces. The strong consecutive increases of the key interest rate recorded from March to September, of a magnitude comparable to those observed in the early 1990s, stopped the frenetic momentum of the first quarter, which was still palpable in the second quarter," notes Charles Brant, Director of the QPAREB's Market Analysis Department.

"Since the Bank of Canada's main objective is to combat the entrenchment of rampant inflation in the Canadian economy, Quebec's residential real estate market is suffering collateral consequences. In the third quarter, there was a drop in sales, a rapid accumulation of properties on the market and a significant downward adjustment in prices," added Mr. Brant. "This has resulted in a significant attenuation of the overheating situations that have been prevalent in many areas of the southern part of the province, an increase in the number of months required to clear the inventory of properties on the market and a simultaneous drop in the proportion of sales that were concluded following overbidding processes. However, a sustained market dynamic was observed in several regions, which were spared an unsustainable increase in prices and, at the same time, still had an acceptable level of affordability in relation to households' purchasing power, despite the sharp rise in mortgage interest rates and the cost of living."

**Sales**

- In contrast to the second quarter of 2022, transactional activity was more pronounced for condominiums and plexes, with a -25 per cent and -34 per cent drop, respectively, compared to the third quarter of 2021, while single-family homes only registered a 13 per cent decline this time.

- At the metropolitan area level, transactional activity registered a relatively significant difference in the third quarter of 2022. The Montreal CMA experienced a -23 per cent drop in sales, followed by the Gatineau CMA at -19 per cent. The Sherbrooke and Quebec City CMAs experienced smaller decreases, at -14 per cent and -9 per cent respectively. The Trois-Rivières and Saguenay CMAs experienced some stability (0 and 1 per cent respectively), in part because their level of activity was less substantial than the other CMAs in the third quarter of 2021.
- In contrast to the first and second quarters of 2022, sales outside of Quebec's metropolitan areas experienced a smaller decline than the provincial average in the third quarter of 2022. A total of 3,503 transactions took place in these areas during the quarter, a 14 per cent decrease compared to the third quarter of 2021. The various property categories experienced declines that were very uneven in magnitude, with plexes experiencing a significant drop (-38 per cent) while condominiums (-1 per cent) registered relative stability compared to the decline in single-family homes (-13 per cent).
- In the context of a generalized slowdown, only two communities recorded an increase in residential sales, with sales in Mont-Laurier jumping by 21 per cent during the period, while they climbed by 5 per cent in Sept-Îles. The Thetford Mines and Joliette markets (-3 per cent) maintained, or almost maintained, their third quarter 2021 activity levels, despite the increasingly unfavourable provincial context.
- Some communities also stood out for the intensity of their residential market's sales decline. Mont-Tremblant experienced a -40 per cent decline in the third quarter, followed by Rivière-du-Loup (-31 per cent), Charlevoix (-31 per cent) and Cowansville (-30 per cent).

### Active listings

- Active listings stood at 29,166 in the third quarter of 2022, a 19 per cent jump from the third quarter of 2021 and the first increase in any quarter since 2015. Single-family listings remain the most numerous (16,925), with a 26 per cent jump. Condominiums and plexes also saw their listings move into positive territory for the first time since 2015, with increases of 12 per cent and 6 per cent, respectively, for a total of 7,497 and 4,398 properties on the market in the third quarter of 2022.

### Prices

- With the significant weakening of sales resulting from the decline in household purchasing power and the gradual exit of investors from several markets, the accumulation of active listings is blunting the overheating situation at the same pace as the overbidding situation. This led to an immediate adjustment in prices in the markets most exposed to overvaluation, namely the Gatineau and Montreal CMAs and some of their adjacent agglomerations. For example, although the median price of single-family homes increased by 10 per cent over last year, reaching \$400,000 in the third quarter, it was nearly \$49,000 below the median price recorded in the second quarter of 2022 (\$448,694), the first major quarter-over-quarter decline since the Centris real estate brokerage system began compiling data (2000).
- Condominiums also experienced a significant decline in median price on a consecutive basis, from \$381,000 in the second quarter of 2022 to \$359,000 in the third quarter, a decrease of \$22,000. However, the median price is still up 7 per cent over the same period last year.
- Small income properties (two to five units), meanwhile, recorded a median price of \$498,000, 11 per cent higher than the same period last year, but \$43,000 lower than the second quarter of 2022. It is necessary to go back to 2008 to experience such a significant decline on a consecutive quarterly basis.
- These quarter-over-quarter declines indicate that median prices will peak in the second quarter of 2022 at the provincial level. As expected, prices have therefore begun a downward correction initiated by the continued vigorous rise in interest rates and the exhaustion of the number of buyers who had pre-qualified with their financial institutions at extremely low rates by the end of 2021.

## Market conditions and selling times

- Despite the ongoing slowdown, the number of months it takes to clear the inventory of residential properties on the market is still at a level that clearly favours sellers across the province. The sharp decline in transactional activity has resulted in an increase in active listings that has not been seen since 2015 and the magnitude of which has not been seen since 2014 at the same time of year. In fact, the number of months of available listings on the market is back above the 3 mark in the provincial market.
- In a sign of the continuing tensions in Quebec's single-family home market, the average number of days on the market dropped to 38 in the third quarter of 2022, 7 days less than the low reached in 2021, which stood at 45 for this period.

## Key Regional Trends

### Montreal CMA

- Residential sales shrank more rapidly than at the provincial level for the Montreal CMA in the third quarter, with a heavy 23 per cent decrease in transactions for all categories combined. As with most sectors, this was the lowest level of transactional activity since 2015 for this period of the year, which is below the 10-year historical average (2009 - 2019).
- Active listings, which were still experiencing a slight decline in the second quarter of 2022, jumped into positive territory in the third quarter for the first time since 2015 for the Montreal CMA, with a 35 per cent increase over the second quarter of 2021. The number of months required to clear the inventory of properties for sale on the market, however, remained below the 3-month mark during the analyzed period, at 2.8, although it was on the rise.
- The magnitude of the increase in the key interest rate and its impact on variable-rate mortgages finally precipitated the third quarter into a downward price movement, following the price peak reached in the second quarter. However, compared to the same period last year, the median price of the various property categories is still 7 per cent higher for single-family homes, 6 per cent higher for plexes and 5 per cent higher for condominiums.

### Quebec City CMA

- The Quebec City CMA experienced a more noticeable slowdown in transactional activity in the third quarter of 2022, which was comparable to the level that existed just prior to the pandemic for this period of the year. Residential sales totalled 1,649 transactions during the period, a 9 per cent decline from the sustained level of the third quarter of 2021.
- The impact of this more noticeable slowdown in sales is a smaller decline in active listings in the region, which recorded a decline of only 10 per cent compared to the third quarter of 2021. In fact, it is single-family homes that are recording their first increase in active listings for this period (7 per cent), followed by plexes (3 per cent) while, in contrast, condominiums are still experiencing a sharp decline in active listings (-36 per cent), from 1,127 listings at the same time last year to 744 in the most recent data. The number of months it takes to clear condominium inventory is down to 3.4 months from 5.3 months a year earlier.
- Given the continued tight market conditions, price pressures in the CMA continued in the third quarter. The median price of single-family homes was up 8 per cent from the same period last year to \$340,000, which is, however, \$9,000 less than in the second quarter of 2022, indicating a stabilization of the market in a market context marked by the sharp rise in interest rates. However, condominiums saw a 9 per cent gain over last year, reaching \$239,800, an increase of over \$4,800 on a consecutive quarterly basis. Small income properties saw the largest increase, a 15 per cent gain over the third quarter of 2021 and seeing the median price of \$387,000 at \$7,000 more than the second quarter of 2022.

## Gatineau CMA

- The Gatineau CMA recorded a 19 per cent decline in sales in the third quarter of 2022, with a total of 1,123 residential transactions, an activity that is similar to what existed in the third quarter of 2018, and still higher than the historical average of the last ten years (969 sales).
- Most impressively, there was a 49 per cent surge in the number of active listings accumulating on the market compared to last year. Aside from the fact that this is the first time active listings have been up for a third quarter since 2015, a jump of this magnitude has not been recorded since the Centris real estate brokerage system has been compiling data (2000). That said, market conditions remain historically tight, with residential inventory levels increasing to just two months for the quarter. The increase in listings was produced by a surge in single-family homes, which recorded a 59 per cent increase in properties available for sale. Condominiums and, to a much lesser extent, plexes also saw an increase in listings, at 52 per cent and 9 per cent respectively.
- Continued tight market conditions, despite the strong increase in listings and the magnitude of the interest rate hike, led to a sustained increase in median prices in the CMA for condominiums and plexes compared to this time last year. However, we notice that the peak in prices was reached in the second quarter of 2022 since, on a consecutive quarterly basis, the progression of median prices takes a downward turn in the third quarter of 2022 for single-family homes and condominiums. Thus, for the first time since 2018, the median price for single-family homes fell to \$435,000, a loss of \$40,000 on a consecutive quarterly basis, but an increase of 8 per cent from the third quarter of 2021. Condominiums and plexes saw their median price increase substantially compared to the same period last year, with growth rates of 16 per cent and 28 per cent, respectively. However, on a consecutive quarterly basis, the price of condominiums posted a sharp decline of \$17,000, while the price of plexes continued to rise by \$2,250. The decline in prices since the second quarter of 2022 for both single-family homes and condominiums is attributable to the sharp drop in the number of sales concluded following overbidding. This has resulted in a rapid reduction in the overheating situation and an immediate narrowing of the gap between sales prices and posted prices.

## Sherbrooke CMA

- The Sherbrooke CMA experienced a more moderate slowdown compared to the provincial market in the third quarter, with a 14 per cent decline in sales compared to the exceptional level of activity in the same period in 2021. The total number of residential transactions, at 439, remained slightly above the average since 2013 for a third quarter (424). The CMA's transactional level was particularly influenced by the condominium and plex market, which also saw a 37 per cent drop from the third quarter of 2021. Single-family homes, however, performed well with relatively flat sales (-1 per cent).
- Active listings were up sharply across all residential categories, with a change for the CMA of about 26 per cent, the first increase for a third quarter since 2015 and the first increase of such magnitude for this time of year since 2004. Single-family homes saw the number of properties for sale jump by 34 per cent, while plexes and condominiums registered smaller increases (19 per cent and 9 per cent, respectively). The number of months required to clear the inventory is up slightly, at around 2.5 months for all categories combined.
- In this particularly tight market context, median prices increased by a similar amount in all residential categories, with an 8 per cent gain in single-family homes, a 27 per cent gain in plexes and a 21 per cent gain in condominiums. However, when looking at price trends on a consecutive quarterly basis, the peak in prices was reached in the second quarter of 2022 as the median price for single-family homes was \$340,000 for the second quarter, down \$29,000 from the second quarter of 2022, condominiums were \$270,000, down \$15,000 and plexes were \$362,000, down \$14,500. Rising interest rates and the subsequent easing of overheating and overbidding explain this shift.

## **Trois-Rivières CMA**

- The Trois-Rivières CMA market is one of the few that experienced a stable level of activity for this third quarter of the year. With these 314 sales, it was one of the most active third quarters on record for this CMA; this number of transactions was only exceeded in 2020 due to a catch-up effect, spurred by the health crisis. Among the residential categories, the number of transactions for single-family homes, which predominates, increased by 12 per cent, while those for plexes and condominiums fell by 21 per cent and 14 per cent, respectively.
- Active listings for the Trois-Rivières CMA grew by 10 per cent compared to the same quarter last year, the first time this period has seen an increase since 2015. While still lower than for the province, they were nevertheless higher than in the second quarter of 2022, in line with the general trend. The increase over the last year was driven by single-family homes and condominiums, whose listings rose by 33 per cent and 25 per cent, respectively, despite the 22 per cent drop in listings observed for plexes. However, to put this data into perspective, it should be remembered that these increases were in comparison with an exceptionally low year in terms of active listings.
- Contrary to the provincial trend, market conditions continued to tighten in the Trois-Rivières CMA, keeping pressure on prices. Median prices were once again pushed up in the third quarter compared to the same period in 2021, and this was true for all residential categories. For single-family homes, the 36 per cent jump in median price also meant that it remained around \$300,000 compared to the second quarter of 2022, in contrast to the provincial situation. The jump in median prices for the other two residential categories was very similar, at 42 per cent for condominiums (\$227,500) and 43 per cent for plexes (\$292,250) for this third quarter. Thus, despite these dramatic annual increases, it was only small income properties that did better than the previous quarter with a remarkable increase of \$25,750.

## **Saguenay CMA**

- The Saguenay CMA was the only CMA that had more sales in the third quarter of 2022 compared to the same quarter last year. With 289 residential transactions, the 1 per cent increase was minimal, but it was different from the significant decreases registered in the other CMAs. The number of sales increased thanks to significant transactional activity in the plex category (22 per cent), as the other two residential categories followed the provincial trend.
- As in the Quebec City CMA, active listings dropped in the third quarter. With a 12 per cent decrease for all residential categories, the Saguenay CMA posted the largest decline in listings compared to the same quarter last year. The decline in listings was down 21 per cent for single-family homes and down 5 per cent for small income properties.
- Median prices remained up compared to the previous year. We can see this in all residential categories, starting with single-family homes and plexes, where the increase was 28 per cent. However, if we focus on the comparison in consecutive quarters, we can see a stabilization of the median price for all three categories, which seems to indicate that the increase in interest rates is starting to have a dissuasive effect on demand, even though Saguenay now ranks as the least expensive CMA in Quebec.

## **Abitibi-Témiscamingue**

- The number of residential transactions in the agglomerations of [Rouyn-Noranda](#) and [Val-d'Or](#) decreased by 17 per cent and 12 per cent, respectively, in the third quarter of 2022 compared to the same quarter last year. However, the median price of single-family homes still increased by 11 per cent in Val-d'Or and by 18 per cent in Rouyn-Noranda, reaching \$316,500 and \$338,250, respectively. For Rouyn-Noranda, the evolution of the median price continues to be positive for consecutive quarters, while for Val-d'Or, we observe a decrease in median prices of 4 per cent compared to the second quarter of 2022.



## Centre-du-Quebec

- The third quarter of 2022 showed a similar decrease in residential sales for [Victoriaville](#) (-14 per cent) and [Drummondville](#) (-10 per cent). The median price of single-family homes continued to increase in both agglomerations year over year. Victoriaville's increase was 16 per cent, reaching a median price of \$265,000, while Drummondville's increase was slightly lower, at 12 per cent, reaching a median price of \$308,750 in the third quarter of this year. Despite these annual increases, we note a decrease compared to the second quarter of 2022, which follows the provincial trend.

## Haute-Yamaska

- The reduction in the number of transactions continued compared to last year for [Granby](#), with an 8 per cent decline in the third quarter. The number of sales dropped in all residential categories, with the smallest decline for single-family homes (3 per cent) and the largest for plexes (22 per cent), followed by condominiums (-17 per cent). However, this decline did not translate into a decrease in median prices; on the contrary, they increased, with condominiums leading the way with a 23 per cent increase, while the median price of single-family homes increased by 12 per cent compared to the third quarter of 2021.

## Lanaudière

- In the third quarter of 2022, the total number of residential sales in the [Joliette](#) agglomeration decreased by 3 per cent compared to the same quarter last year. This decrease did not prevent the median price of single-family homes from increasing by 17 per cent compared to last year and remaining stable compared to the previous quarter, reaching \$375,850 in the third quarter of 2022.

## Laurentides

- In the Laurentides, residential sales in the third quarter of 2022 varied considerably from one community to another compared to the same period last year. On the one hand, sales dropped by 40 per cent in [Mont-Tremblant](#) and by 10 per cent in [Saint-Sauveur](#), while, on the other hand, sales increased by 21 per cent in Mont-Laurier. Since Mont-Laurier is a smaller market, its volatility is greater and could explain its differences with the general trend. The median prices of single-family homes evolved in the opposite direction for these three agglomerations. They rose by 26 per cent in the agglomeration of Mont-Tremblant to \$477,500, and by 15 per cent in the agglomeration of Saint-Sauveur to \$524,500. Prices decreased by 3 per cent in Mont-Laurier, where the median price was \$267,000. In general, prices seem to have peaked in the second quarter of 2022 and are recording declines in the third quarter on a consecutive quarterly basis.

## Saint-Hyacinthe

- The [Saint-Hyacinthe](#) region recorded a 17 per cent decrease in residential transactions in the third quarter, with a similar distribution among the residential categories. The smallest decrease was for small income properties (-15 per cent), while the largest decrease was for condominiums, at 17 per cent. As we have seen in most of the other agglomerations, median prices for single-family homes are up compared to the third quarter of last year (24 per cent), with a median price of \$406,310. It is important to note that, compared to the second quarter of 2022, median single-family home prices fell by 10 per cent, in line with the provincial trend.

Additional information:

To view the previous quarterly Window on the Real Estate Market, [click here](#).

If you would like additional information from the Market Analysis Department, such as specific data or regional details on the real estate market, please [write to us](#).

### **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 14,000 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 Quebec'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 has its head office in Quebec City, administrative offices in Montreal and a regional office in Saguenay. It has two subsidiaries: Société Centris inc. and the Collège de l'immobilier du Québec. Follow its activities at [qpareb.ca](http://qpareb.ca) or via its social media pages: [Facebook](#), [LinkedIn](#), [Twitter](#) and [Instagram](#).

### **About Centris**

Centris is a dynamic and innovative technology company in the real estate sector. It collects data and offers solutions that are highly adapted to the needs of professionals. Among these solutions is [Centris.ca](http://Centris.ca), the most visited real estate website in Quebec.

For more information:

#### **Marie-Rose Desautels**

Morin Relations Publiques

[media@qpareb.ca](mailto:media@qpareb.ca)

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