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Montreal CMA

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> *"Greater Montréal is set to go through important demographic changes over the coming years and decades. These changes will influence the dynamics of the Montréal real estate market. Residential construction could slow down, while demand for rental housing, as well as the number of homes for sale on the resale market should be supported, to a certain extent, by population aging."*
>
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How will demographic changes affect tomorrow's housing market in Montréal?

In the coming years, the Montréal area will go through a number of important demographic changes that will reshape the housing market.

On the new home market, a decrease in net household formation over the next 20 years hints at a possible overall slowdown in residential construction over the same horizon, both on the Island of Montréal and in the suburbs. Population aging should also encourage more and more starts of apartments (both rental apartments and those with condominium title).

On the rental market, demand should accelerate over the coming years, and will be driven, in part, by older households. If this acceleration in demand for rental housing does indeed become a reality and remain high in the coming years, it should contribute to the absorption of the large number of new rental units currently under construction.

Looking to the resale market, population aging will play a part in increasing the number of properties listed for sale in the future. In the short term, however, this number will likely be limited. It could, therefore, take a number of years before the effects are felt more concretely.

Ultimately, the real question is whether households will, in the coming decades, behave in a similar fashion to their predecessors or, rather, deviate from the established pattern. This is an important question, since households' behaviour will contribute to shaping the Montréal housing market in the years to come.

The province of Quebec and the Montréal census metropolitan area (CMA) will go through a number of demographic changes in the coming years. For example, growth in the total number of households should slow, albeit to greater or lesser degrees for each age group. Indeed, the number of seniors will rise considerably, and many baby boomers will reach retirement age, while growth in the number of younger households will be much less pronounced.

This demographic transition raises a number of issues, including questions on the impacts it could have on the health care system, public finances and the sustainability of pension plans. One market that will certainly also go through a transition is the housing market.

This report seeks therefore to examine some of the potential impacts of these demographic changes on the Montréal real estate market, whether it be the new home, resale or rental market. More specifically, this report will attempt to answer the following questions:

Over the coming years in Greater Montréal:

- how will the evolution of the number of households influence residential construction?

- how will demographic changes influence demand for rental housing?

- how will population aging influence the number of homes available on the resale market?

The answers to these questions will allow us to form a more accurate picture of the changes that the metropolitan area's housing market could undergo in the coming years. Housing sector stakeholders will therefore be better able to make informed decisions.

Population growth and the new home market: a slowdown in starts is on the horizon

According to the latest population projections from the Institut de la Statistique du Québec (ISQ),[1] net household formation in the Montréal area will slow down in the coming years. This will have repercussions on several areas of the housing market, including the new home market.

We will first examine the intrinsic relationship between net household formation and long-term residential construction. Each dwelling is occupied by a single household,[2] which may be composed of a family, persons living together, a couple, a person living alone, etc. As a result, over the long term, growth in the number of households aligns with the level of housing starts in order to meet aggregate market needs.[3,4]

Indeed, from 1971 to 2016, in Greater Montréal, net household formation was, on average, 20,000 per year, which is relatively close to the number of housing starts over the same period[5] (see figure 1). It seems

therefore that, on the Montréal market, there is a real long-term relationship between these two variables.

In the short term, however, gaps can form between residential construction and growth in the number of households, as indicated by the data for the five-year periods (between censuses) from figure 1. These gaps can be caused by significant changes in economic conditions. The recession Quebec faced in the 1990s, for example, caused a major slowdown in housing starts, before they regained significant momentum in the early 2000s.

Still, the observation that a long-term relationship exists between residential construction and net household formation allows us to determine the potential number of starts over the long term. How? Simply by using net household formation projections from agencies such as the ISQ.[6] According to the data from table 1 for the Montréal CMA (second column), net household formation is forecasted to decrease from 2016 through to 2036. This hints at a possible overall slowdown in residential construction over this long-term horizon.

Figure 1

Annual Average Net Household Formation and Annual Average Housing Starts in the Montréal CMA* Over Various Periods
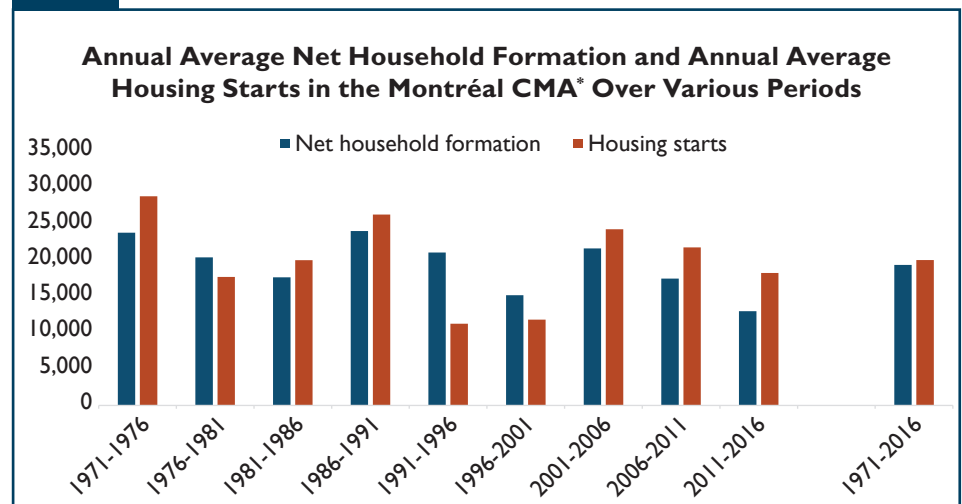
Sources: Statistics Canada (censuses and 2011 National Household Survey), CMHC (calculations)
* Data from before 1996 on both net household formation and housing starts excludes Saint-Jérôme. To optimize historical comparability, all data excludes the municipalities of Saint-Jean-sur-Richelieu and Saint-Lin–Laurentides, which were added to the CMA in 2016.

Also notable is the data for the period 2016 to 2021, since projected net household formation over that period is still relatively high. This is essentially due to the arrival of significant numbers of non-permanent residents (foreign students, temporary workers, asylum seekers), but will decrease significantly over the subsequent periods, according to the long-term hypotheses applied by the ISQ.

This decrease in net household formation should be felt as acutely on the Island of Montréal as it will be in the suburbs, albeit for different reasons (see table 1). The Montréal suburbs will be home to a larger proportion of seniors than the Island. As a result, the number of deaths should rise more quickly in the suburbs, which will result in a decrease in the number of households in the area. However, the large numbers of people who leave the Island to settle in the suburbs should continue to fuel population growth in those outlying areas.

On the Island, the projected decrease in net household formation will largely be attributable to lower net migration, which, itself, will be caused by the arrival of fewer non-permanent residents over the next 20 years.

It should be recalled, though, that, over the short term, the number of starts could vary greatly both from one year to another and from one geographic area to another owing to a number of factors. The figures presented in table 1 represent only a potential number of long-term housing starts, valid in the very specific case in which the trends considered in generating the population projections truly materialize over the course of the next decades.

Net household formation over this period will not be uniform across all age groups. Indeed, households aged 75 will see the highest growth, while the number of younger households[7]

Table 1: Annual Average Net Household Formation in the Montréal CMA,* by Geographic Area and for Various Periods			
Period	Montréal CMA	Island of Montréal	Montréal CMA—Suburbs
2016-2021	22,300	10,500	11,800
2021-2026	16,500	6,750	9,750
2026-2031	13,800	5,700	8,100
2031-2036	12,600	5,700	6,900

Sources: Institut de la statistique du Québec (publication: Perspectives démographiques du Québec et des régions, 2016-2066), CMHC (calculations)

* Data includes the municipalities of Saint-Jean-sur-Richelieu and Saint-Lin–Laurentides, which were added to the CMA in 2016.

will only grow slightly. Demographic changes will influence not only the number of housing starts, but also the type of housing that will be built.

A *Housing Market Insight* for the Montréal CMA released last year[8] showed that certain baby boomers, as they aged, sold their single-family home in favour of a condominium unit. This phenomenon was, however, somewhat limited, overall.

Another edition of the same report,[9] released in 2016, indicated that certain seniors, having reached a certain age, also sold their homes and returned to rental apartments.[10] In those last two cases, population aging favours starts of apartments (condominium and/or rental), a housing type that, incidentally, has already dominated residential construction in Greater Montréal for a number of years.[11]

Although total new-home construction is forecast to slow, an aging housing stock should continue to fuel the renovation industry. Despite the expected slowdown in housing starts, residential renovation spending should therefore continue to rise and so support the construction industry.

Rental housing demand will grow in the coming years

Rental housing starts went through a slump in the first half of the 2010s, but have surged recently.[12] Indeed, 2018 saw over 11,000 rental apartments started, a record for about the last 30 years. The vast majority of these units were conventional rental apartments, the rest, apartments in seniors' residences. It should be recalled, however, that, given the size of Montréal's rental housing stock, these new units started last year represent only about 1% to 2% of the metropolitan area's rental housing.

This growth on the rental market occurred just when the condominium segment was going through a significant downturn; unsold units were piling up on both the resale and new home markets. Developers in the multi-unit segment, looking for new opportunities, turned to building conventional rental apartments, a segment in which newly built units have also been relatively popular over the past few years.

Additionally, because of the aging of baby boomers, a number of developers and builders are anticipating an increase in demand from older clients, whether for conventional rental apartments or units in seniors' residences—another factor explaining the high number of rental housing starts over the last few years. Over about the same period, condominiums offered on the rental market also saw a significant increase, rising from 10,000 units, in 2010, to close to 35,000, in 2018.

The overall supply of units on the rental market, whatever the type, therefore rose sharply over the last few years in the Montréal CMA. Moreover, data from 2019 seem to indicate that this trend is persisting. For this reason, it is interesting to try to determine the level of demand for rental housing in the metropolitan area over the coming years.

In order to estimate potential rental demand through to 2021 and 2026, we have combined the latest population projections from the ISQ according to households' occupancy profile (renters or owners) for different age groups, while taking into account the recent residential trajectory for each group (for further details on the methodology, see the *Housing Market Insight* for the Montréal CMA released in December 2016).

Here is a brief example to give a general idea of the approach used: the data indicates[13] that the proportion of Montréal-CMA households aged 50 to 54 who were renters was 36.1% in 2011 and that, five years later, in 2016, these households, then aged 55 to 59, had a renter rate of 34.9%. Therefore, from 2011 to 2016, the renter rate for this cohort of households went from 36.1% to 34.9%, a drop of 1.2 percentage points.

We also know that the renter rate among Montréal-CMA households aged 50 to 54 in 2016 was 35.0% and we want to know what this rate will be five years later, in 2021, when these households will be aged 55 to 59.

We will assume, here, that these households will behave in the same way as the households of the preceding cohort. As such, over a period of five years, their renter rate will also fall by 1.2 percentage points. In other words, as the households under consideration move up in age group from 50–54, in 2016, to 55–59, in 2021, their renter rate will fall from 35.0%, in 2016, to 33.8%, in 2021 (1.2 percentage points).

This renter rate for households aged 55 to 59 in 2021, applied to population projections of the number of households in the age group in 2021, allows us to determine the number of renters in the age group in that year. These steps are then essentially repeated for the other age groups,[14] allowing us to calculate a potential overall rental housing demand.

This forecast of demand, while relatively simple and based on the latest data available, is not without its shortcomings. Indeed, it assumes that future generations will repeat the behaviour of previous ones. In reality, though, a number of factors could influence households' behaviour and, ultimately, have an impact on actual future rental demand.

For example, will baby boomers want to remain in their homes as long as possible, delaying their return to the rental market as they age? Will affordability issues cause younger Montréal households to reach homeownership at a more advanced age? The results presented here must, therefore, be considered one possible scenario among others for potential rental housing demand from now through to 2026.

Notwithstanding these important questions, figure 2 presents the projected annual change in rental demand from 2016 to 2021 and from 2021 to 2026, according to the methodology described earlier. Overall annual rental demand will increase from now until 2021, and will then slow down somewhat. Still, looking at the entire period, from now through to 2026, rental demand should remain higher than what was observed for the period 2011 to 2016.

The overall results (for all households) presented in figure 2 look very different when broken down by age group. According to the data in table 2, from 2016 to 2021, demand from younger households should be particularly strong. This cannot, however, be explained by significant population growth among households in this age group through to 2021.

Figure 2
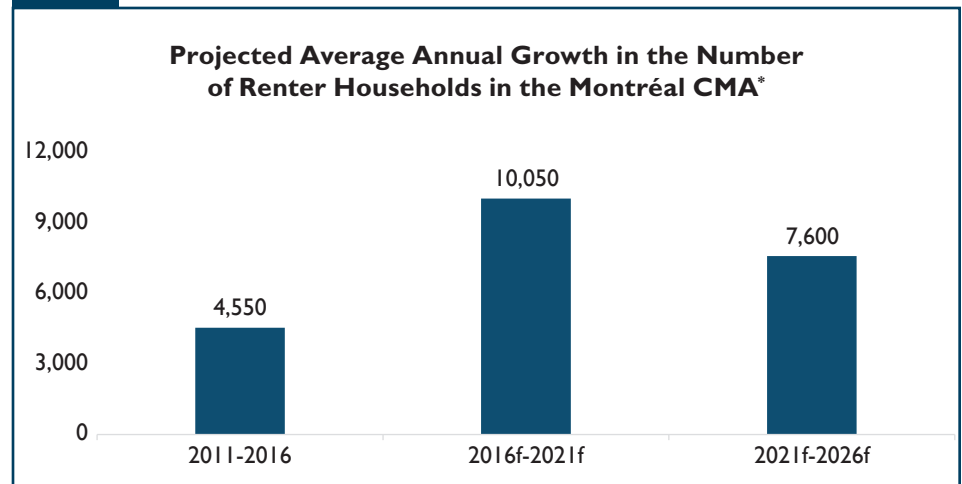
Projected Average Annual Growth in the Number of Renter Households in the Montréal CMA*

Sources: Statistics Canada (censuses and 2011 National Household Survey), Institut de la statistique du Québec (publication: Perspectives démographiques du Québec et des régions, 2016-2066)

* According to the CMA's territorial boundaries in 2016.

f: CMHC forecasts and calculations

Indeed, along with the 35-to-55 age group, this age group is one in which growth in the number of households (in percentage terms) will be lowest over this horizon.

The explanation lies, rather, in the fact that the latest census data shows a higher renter rate for younger households in 2016 than for households in the same age group five years before.[15] Such a pattern has not manifested itself in the Montréal CMA for about 15 years. It is likely the result of younger households experiencing greater difficulty in moving to homeownership in the last several years, given the rapid rise in prices in the metropolitan area and the resulting affordability issues.

According to the methodology used to forecast demand, this new "popularity" of rental housing among younger households should also continue through to 2021 and explains the strong rental demand for this age group over this period.

This last result differs greatly from the one obtained in a previous forecast of rental demand (*Housing Market Insight* for Montréal, December 2016) that used demographic data and renter rates based on data from 2011. (For this current report, we are using data from 2016.)

Indeed, according to the December 2016 *Housing Market Insight*, rental demand among younger households[16] was expected to decrease over the forecast horizon. At the time, population growth among younger households looked like it would be much weaker, and the slowdown in younger households' moving to homeownership, mentioned before, was not yet indicated by the data. This significant gap between the two forecast exercises serves as a reminder that the potential rental demand scenario presented in this report is dependent on the various hypotheses used to generate it.

Table 2: Projected Average Annual Growth in the Number of Renter Households in the Montréal CMA, by Age Group		
Age Group	2016f-2021f	2021f-2026f
Under 35	3,540	750
35-55 years	2,300	3,800
55-75 years	2,950	700
75 and over	1,260	2,350

Sources: Statistics Canada (censuses and 2011 National Household Survey), Institut de la statistique du Québec (publication: Perspectives démographiques du Québec et des régions, 2016-2066)
f: CMHC forecasts and calculations

While rental demand among households aged under 35 will be strong through to 2021, it is evident that, from 2021 to 2026, it will slow down again significantly. In fact, despite their enthusiasm for the rental market, this age group's population growth will be so sluggish that rental demand will actually be greatly reduced. Again, it should be recalled that rental demand projections (from 2016 to 2026) for households aged under 35 are heavily dependent on the hypothesis that movement to homeownership is more difficult than in the past and that a major trend reversal could greatly reduce rental demand among households in this age group.

From now until 2026, growth in the number of households aged 35 to 55 and 55 to 75, which will generally be quite weak,[17] will influence potential rental demand. For households in their forties, however, another factor merits consideration.

As we have mentioned before, households aged under 35 in 2016 had a higher renter rate than the cohort that preceded them. According to our methodology, as these younger households age, turning about 40 to 45 in 2026, they will still have a higher renter rate than the households that preceded them in that age group. This situation will inflate potential rental demand for households aged 35 to 55 for the period 2021 to 2026.

Over time, the 75-and-older age group will contribute more and more to rental demand,[18] not only because

their number will grow significantly, but also because, as they age, many seniors eventually return to the rental market.[19]

Ultimately, if the projections of rental housing demand established in this section do indeed become a reality and remain high in the coming years, this demand should contribute to the absorption of the large number of new rental units currently under construction.

Population aging: positive impact on the number of properties for sale in Greater Montréal, but limited, over the short term

The Montréal resale market is currently showing signs of overheating,[20] which is maintaining increased pressure on prices and continuing to create affordability issues. This situation is the result of housing demand, which is increasing steadily, while the number of properties for sale on the market is declining.[21]

Over the coming years, the increase in the number of senior households could bring about a rise in the supply of properties for sale and thereby contribute to tempering market imbalances. Indeed, certain senior households will sell their properties, change tenure type and move to rental accommodations, whether in

private housing or, for health reasons, in so-called collective dwellings, such as long-term care centres (CHSLDs) or hospitals. The number of deaths will also increase, further boosting the number of homes for sale.

To examine whether the aging-related increase in housing supply will be sufficient to reduce the pressure on the Montréal housing market, we used data from the last two censuses[22] (2011 and 2016) to estimate the proportion of senior households (aged 75 and over)[23] who sell a property in the Montréal CMA[24] each year.

The number of sellers is estimated by looking at the variation, between 2011 and 2016, of the number of owner households who were in the same cohort.[25,26] The proportion of sellers (hereafter referred to as the "sell rate") is then calculated by dividing the number of sellers by the total number of households.[27]

Table 3 presents the sell rates for Montréal-CMA households aged 75 and over for the year 2016.[28] The older the age group, the higher the sell rate. As shown in the table, the sell rate was 2.5% for households aged 75 to 79, and close to 6% for households aged 85 and over.

These sell rates, combined with population projections, allow us to estimate the number of properties that will be listed for sale by households aged 75 and over in the coming years.[29]

According to these estimates, the number of units listed for sale annually by seniors will hover between about 7,200 and 8,200 for the next five years (2019 to 2023) and between 8,500 and 9,900 for the five following years. It will then reach over 10,000 for the period 2029 to 2034 (see table 4). As a comparison, for the last few years (2016 to 2018), this figure was only between 6,600 and 7,000 per year.

The growth in the number of senior households should therefore sustain the number of properties listed for sale on the Montréal resale market over the next 10 to 15 years. Additionally, the number of properties for sale will likely increase at a faster rate over time. For example, from 2020 to 2025, the increase in the number of properties listed for sale annually will itself grow gradually from about 230 to about 310. The result: 1,695 additional properties[30] available on the market at the end of this period due to population aging.

But will this increase in supply be enough, in the short term, to have a noticeable impact on the overheating detected on the Montréal resale market?

Table 3: Sell Rate* (%) of Properties for Senior Households in 2016, Montréal CMA**	
Age Group	Sell Rate (%)
75-79 years	2.5
80-84 years	3.9
85 years and over	5.9

Sources: Statistics Canada (2011 National Household Survey, Census 2016), CMHC (calculations)

* Proportion (%) of the total number of households who sold a property used as their principal residence.

** According to the CMA's territorial boundaries in 2011 (therefore, without Saint-Jean-sur-Richelieu and Saint-Lin–Laurentides).

Table 4: Estimate of the Number of Properties That Will be Listed for Sale* Each Year by Households Aged 75 or Over in the Montréal CMA			
Year	Number of Properties Each Year	Annual Variation (units)	Cumulative Total
2019	7,172	n/a	n/a
2020	7,401	229	229
2021	7,652	251	480
2022	7,947	295	775
2023	8,249	302	1,077
2024	8,554	304	1,382
2025	8,865	311	1,693
2026	9,200	335	2,028
2027	9,553	353	2,381
2028	9,913	361	2,742
2029	10,293	379	3,121
2030	10,689	396	3,518
2031	11,088	399	3,916
2032	11,517	429	4,345
2033	11,946	429	4,774
2034	12,376	430	5,204

Sources: Statistics Canada (2011 National Household Survey, Census 2016), Institut de la statistique du Québec (publication: Perspectives démographiques du Québec et des régions, 2016-2066), CMHC (calculations)

n/a: Not applicable

* Properties can be listed for sale by the owner or through a real estate broker.

Recall that, according to the methodology used in the *Housing Market Assessment* report, the Montréal resale market shows signs of overheating when the sales-to-new Centris® listings ratio rises above the 70% threshold during at least two quarters (within a period of four consecutive quarters) over the past three years. The ratio surpassed this threshold in the third quarter of 2018, and has remained above it ever since.[31]

In the second quarter of 2019, given the levels of demand and new supply observed on the Montréal resale market,[32] 1,100 additional new Centris® listings would have been needed on the market in order to bring the sales-to-new listings ratio below the 70% threshold[33] and reduce the signs of overheating.[34] On an annual basis, these 1,100 additional properties translate to a need for about 4,400 additional new Centris® listings.[35]

Given that the Centris® system is not an exhaustive list of every transaction and new listing on the resale market, we estimate that 4,400 new Centris® listings represents, in reality, about 5,050 properties put up for sale.[36] The question, then, is whether population aging alone can generate this level of supply annually.

According to our estimates (see the last column of table 4), this level of additional annual supply of properties will likely not be reached until after about 2030.

Thus, even though population aging will likely contribute to increasing the number of properties for sale, its effects could still take a number of years to be felt more markedly. It is therefore unlikely that population aging will play an important role in reducing the pressure on the resale market in the short or medium terms.

Other than the number of properties listed for sale in the coming years, the types of housing offered are another factor that should influence the dynamics of the Montréal real estate market. Indeed, the longer-term effects could be somewhat more noticeable in the single-family home segment: according to data from Census 2016, this was the predominant housing type among owner households aged 75 and over across the metropolitan area.[37]

Over the long term, this could contribute to generating more options on the Island of Montréal for younger couples with children who want to buy a single-family home of adequate size for their family. Couples fitting this profile often need to move to the suburbs to find such homes.[38]

Indeed, according to data from the most recent census, in 2016, there were about 8,600 owner households aged 75 or over composed of a single person or a couple living in a single-family home with over seven rooms on the Island of Montréal. For young families (aged 25 to 34) with children and living on the Island, this figure was about three times lower (2,650). In the suburbs, however, more young couples with children owned larger homes than did senior households.

Ultimately, the real question for this section, just as it was for the previous section, is whether households aged 75 and over will, over the coming years, behave in a similar fashion to what has already been observed for their age group or, rather, make different housing-related choices. In other words, will the sell rates used for this analysis (those from 2016) end up reflecting the reality of senior households over the course of the next 10 years?

If aging in place becomes more popular among seniors, the number of properties for sale could be lower than expected. Conversely, if more seniors decide to transition to the rental market, the number of properties for sale will increase.[39]

Just as on the rental market, it will be interesting to follow the evolution of these behaviours over the coming years.

Conclusions

The Montréal area will go through a number of demographic changes in the coming years. One market that will certainly go through a transition is the housing market.

On the new home market, a decrease in net household formation over the next 20 years hints at a possible overall slowdown in residential construction over the same horizon. Population aging should also encourage more and more starts of apartments (condominiums and/or rental).

On the rental market, potential demand should accelerate in the coming years. If this does indeed happen, it should contribute to the absorption of the new rental units currently under construction in the Montréal CMA.

Looking to the resale market, population aging will play a part in increasing the number of properties listed for sale in the future. In the short term, however, this number will likely be limited. It could, therefore, take a number of years before the effects are felt more concretely.

Ultimately, the real question is whether households will, in the coming decades, behave in a similar fashion to their predecessors or, rather, deviate from established patterns. Will aging in place gain in popularity among seniors? Will today's young people have more children than previous cohorts, to the point where they accelerate future population growth? Will movement to homeownership occur later for coming generations? These are some of the many questions whose answers will contribute to shaping the Montréal housing market in the coming years.

ENDNOTES

[1] For more details, visit: http://www.stat.gouv.qc.ca/statistiques/population-demographie/perspectives/menages/index_an.html.

[2] The number of households observed in census data can provide an imperfect reading of the real number of households in a given geographic area. For example, a student household living in a housing unit during the school year, but with their parents during the summer, would not be counted as a separate household. For more details, see this report: https://economics.cibccm.com/economicsweb/cds?TYPE=EC_PDF&ID=7309. In addition, households living in seniors' residences could also be considered as living in so-called collective dwellings, which would mean that they would not be considered as households. For more details, see pages 8 to 16 of the report at the following address (in French only): http://www.stat.gouv.qc.ca/statistiques/conditions-vie-societe/bulletins/sociodemo-vol22-no2.pdf. Net household formation from one census to another could, therefore, vary according to these methodological elements.

[3] The number of completions (housing units for which construction has been completed) could also be used, instead of housing starts. Indeed, a started unit does not always make it through to completion; construction can be abandoned for a number of reasons. As such, the number of starts is not necessarily always representative of the number of new units made available on the market. Still, because such a scenario is relatively rare, using the number of starts remains reliable for our purposes. It should also be noted that the number of homes contained in the housing stock is influenced not only by starts and completions, but also by demolitions and conversions or transformations of old buildings. Data on starts (or completions) does not, therefore, perfectly reflect the evolution of the housing stock from one year to another in a given area.

[4] Units that have been started can also sometimes be units that will not serve as a household's principal residence but, rather, as a secondary residence. In such situations, started units are not always units that will be occupied by households as a principal residence.

[5] More specifically, during this period, housing starts numbered 19,400 units per year, on average, while net household formation was 20,075, on average.

[6] These population projections are conducted every five years and are based on various long-term hypotheses (mortality and fertility rates, net migration, etc.). Further details are available on the ISQ's website, at: http://www.stat.gouv.qc.ca/statistiques/population-demographie/perspectives/menages/index_an.html.

[7] Those aged under 35 and those aged 35 to 55.

[8] *Housing Market Insight*—Montréal CMA, March 2018.

[9] *Housing Market Insight*—Montréal CMA, December 2016.

[10] Conventional rental apartments, apartments in seniors' residences or rental condominiums.

[11] The increasing significance of apartment starts can also be explained by, among other factors, issues related to the affordability, scarcity and high value of land.

[12] From 2010 to 2014, the average number of rental unit starts per year was 2,800 while, between 2015 and 2018, it was 8,900. Source: CMHC.

[13] Sources of the data: Statistics Canada's 2011 National Household Survey (NHS) and 2016 Census.

[14] For the youngest households, such as those aged under 25, the renter rates used for the projections are generally those that prevailed during the 2016 Census. This can be explained by the fact that people under 15 years of age do not yet form households, and no data exists on their renter rates. It is therefore impossible to forecast renter rates for these households without having a previous cohort's rate as a starting point. Additionally, given that data for older households (aged 90, 95, etc.) appears to be somewhat more volatile from one census to another, we examined the evolution of renter rates of households aged 85 and up over the last censuses to find renter rates in 2021 and 2016 that seemed suitable for this age group.

[15] More specifically, during Statistics Canada's 2011 National Household Survey.

[16] In the previous report, the age group in which younger households were included was the under-55 age group.

[17] With the exception of the period 2016 to 2021 for households aged 55 to 75, the average annual growth rate in the number of households hovers between only 0% and 1%.

[18] Rental demand for this age group is probably somewhat biased, since the number of households aged 75 or over in the Montréal CMA in 2016, which serves as a starting point for the population projections, could be inaccurate. For more details, see page 15 of the report at the following address (in French only): http://www.stat.gouv.qc.ca/statistiques/conditions-vie-societe/bulletins/sociodemo-vol22-no2.pdf.

[19] See footnote 14 on the renter rate for older households.

[20] *Housing Market Assessment*—Montréal CMA, November 2019.

[21] For more details on the evolution of new listings, see the *Housing Market Insight*—Montréal CMA released in July 2019.

[22] In 2011, it was the National Household Survey (NHS) rather than the Census.

[23] We chose the threshold of age 75 because our previous research has shown that this is the age at which the proportion of sellers generally begins to trend higher.

[24] According to the territorial boundaries of the 2011 Census, therefore excluding the municipalities of Saint-Jean-sur-Richelieu and St-Lin–Laurentides. To do this, we had to estimate, for these two municipalities, the number of total and owner households in each age group. This estimate was based on population data by age group and the total number of owner households in these two municipalities in 2016 (data to which we have free access on Statistics Canada's website).

[25] For example, in 2011, there were 38,500 owner households aged 75 to 79 in the Montréal CMA. Five years later, in 2016, there were 29,769 owner households aged 80 to 84. As such, from 2011 to 2016, there was a decrease of 8,731 owners. This decrease is equal to the number of households aged 75 to 79 who sold a property between 2011 and 2016. Sources: Statistics Canada, 2011 National Household Survey and 2016 Census; CMHC, calculations.

[26] The migration of households aged 75 or over between the Montréal CMA and the other regions (Quebec, Canada, other countries) could also influence the variation in the number of owner households and, thereby, the number of sellers. However, given that migration is uncommon in this age group, it probably has little effect on the results.

[27] Given that the number of sellers must be established on an annual basis, the variation in the number of owner households between two censuses (2011 and 2016) is divided by five.

[28] More specifically, between 2011 and 2016.

[29] More specifically, the data indicates the number of properties owned by households aged 75 or over and that will no longer be in their possession (or occupied by them) because the properties will ultimately be sold after being listed. Additionally, the number of properties listed for sale does not necessarily correspond to the number of new Centris® listings. Indeed, senior households can decide to sell their homes themselves, without using the Centris® network. Also, it can happen that the same property is listed for sale more than once in the same year in the Centris® system, resulting in more than one new listing for the property.

[30] More specifically: 229 + 251 + 295 + 302 + 304 + 311.

[31] More specifically, the last quarter of 2018 and the first two quarters of 2019.

[32] As of the second quarter of 2019; seasonally adjusted, quarterly data.

[33] More specifically, keeping the number of sales constant, new Centris® listings would have had to rise from 16,615 to 17,715 in the second quarter of 2019 for the ratio to remain under 70%.

[34] Other than the sales-to-new listings indicator, the knowledge of CMHC analysts is also used as a resource to determine whether a market is showing moderate signs of overheating.

[35] Indeed, 1,100 new listings per quarter, over four quarters, gives 4,400 new listings.

[36] Knowing that, in 2018, about 8% of properties listed for sale in the Centris® system were listed more than once in one year (*Housing Market Insight*—Montréal CMA, July 2019), and working from the hypothesis that about 20% of properties are listed for sale directly by the owner (and not through a real estate broker), we estimated that 5,050 properties listed for sale on the market would equate to about 4,400 new listings of a single property in the Centris® system.

[37] 56% for single-family homes, 23% for income properties and 21% for condominiums. Sources: Statistics Canada, 2016 Census; CMHC, calculations.

[38] The price of homes on the Island is another factor that certainly has a very strong influence on this migration.

[39] Additionally, the homeownership rate also varies between the different cohorts and generations. If future senior households have a higher homeownership rate than those who preceded them, the potential number of sellers and, consequently, the sell rate could be different.

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