



HOUSING MARKET
INFORMATION

HOUSING MARKET INSIGHT

MONTRÉAL CMA

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Francis Cortellino,
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“Since the start of the pandemic, a greater number of Montréalers have purchased a home in the suburbs. This larger migration now also seems to be spilling over into some of the regional county municipalities bordering Greater Montréal.”

How the pandemic is impacting migration in Greater Montréal and its surrounding regions

Highlights

The pandemic and lockdown measures have disrupted the personal and professional lifestyles of many households. The massive shift to remote work is an example of changes that can affect how households decide where they want to live and, consequently, the dynamics of housing demand in the various geographic zones of Greater Montréal.

Since the start of the pandemic, the number of Island of Montréal households that have opted to purchase a single-family home or condominium in the suburbs has increased. However, the vast majority of these households did not come from the city's most central sectors.

Some regional county municipalities (RCMs) on the outskirts of Greater Montréal have also seen a sustained increase in the number of housing transactions with buyers from the metropolitan area (Island of Montréal and suburbs).

Dynamics of migration between the Island of Montréal and the suburbs

According to data from the Institut de la statistique du Québec (ISQ), 43,500 people left the Island of Montréal for the suburbs in 2018, and 44,750 made the same move in 2019. They were most often young couples or young families purchasing a single-family home.¹ The significant difference between the median price of a single-family home on the Island of Montréal and in some suburban areas, which, according to data from the Quebec Professional Association of Real Estate Brokers' (QPAREB) Centris® system, can be as much as 75%, is certainly one of the factors contributing to this migration.

Furthermore, since the start of the pandemic, remote work has become established and has increased in many businesses. One consequence of this new phenomenon has been a reduction in commuting between home and work, including for suburbanites who had to travel to the Island of Montréal for professional reasons. The different lockdown measures may also have spurred some to desire a larger home.

The ISQ data nevertheless show that between July 2019 and July 2020, the number of people moving from the Island of Montréal to the suburbs increased only slightly (45,000 in 2020, compared to 44,750 in 2019).

On the other hand, more people from the Island of Montréal have moved to municipalities that are a little outside the Montréal metropolitan area (in the administrative regions of Montérégie, Lanaudière and Laurentides). More specifically, their numbers increased from 7,300 in 2019 to 8,800 in 2020.

A similar phenomenon was also observed in the suburbs: In 2020, about 26,700 people living in this zone left to live in municipalities in the Montérégie, Lanaudière and Laurentides regions outside of Greater Montréal, compared to only 23,900 in 2019.

This suggests some changes in the Montréal CMA migration dynamics over the past year. However, the ISQ data only covers the time up to July 2020 and probably only reflects the impacts of the pandemic in part.

Given these unusual circumstances and the pandemic, which continued throughout 2020, it is worth examining land register transactions² to determine the number of households that left the Island of Montréal to purchase a suburban property (whether a single-family home or a condominium) in 2020.

¹ For more information, see the June 2018 issue of *Housing Market Insight*: "Who are the homebuyers in the various sectors of Greater Montréal? A first comprehensive study on the topic."

² Source: JLR, an Equifax company. Certain transactions involved more than one buyer. We used the address of the first buyer on the notarial deed.

We should also explore whether home purchases by households in the CMA (Island of Montréal and suburbs) were also rising on the outskirts of Greater Montréal, as suggested by the ISQ data.

The analysis of these migration flows will help better explain the dynamics of housing demand during the pandemic and, ultimately, help us better understand how prices could also be impacted in the various Greater Montréal sectors.

Single-family suburban homes attracted more Montréalers in 2020

From 2015 to 2019, the annual share of single-family homes purchased in the suburbs by households from the Island of Montréal hovered between 22% and 24% (see table 1). By 2020, however, this share was close to 29%. This masks the fact that as of July, approximately three months after the start of the pandemic, the share had reached 31% (see table 2).

The vast majority of suburban municipalities have seen an increase in single-family home purchases by buyers from the Island of Montréal.³ Significant gains⁴ were recorded in some North Shore municipalities, including Saint-Eustache, Saint-Jérôme, Saint-Lin–Laurentides, L'Assomption, Rosemère, Blainville, Lavaltrie, Boisbriand, Mascouche and Terrebonne.

On the South Shore, municipalities such as Saint-Jean-sur-Richelieu, Longueuil (Vieux-Longueuil and St-Hubert sectors), Beloeil, Sainte-Julie, Saint-Bruno-de-Montarville, Brossard, Hudson and Notre-Dame-de-l'Île-Perrot also stood out.

This migration of households from the Island of Montréal, combined with the demand for single-family homes in the suburbs, in a context of very limited supply, probably put more pressure on prices. Incidentally, data from QPAREB's Centris® system showed that the rise in 2020 of the median price of single-family homes in the various suburban sectors was more significant than that recorded on the Island of Montréal—a first in several years.

Table 1:

Period	Number of single-family homes purchased in the suburbs by households* from the Island of Montréal	Proportion (%) of single-family homes purchased in the suburbs by households* from the Island of Montréal
2015	5,000	22.0
2016	5,500	22.4
2017	5,950	23.3
2018	6,350	24.1
2019	6,700	24.2
2020	8,700	28.8

*Households or other entities.

Sources: JLR, an Equifax company. CMHC calculations.

Table 2:

Period	Number of single-family homes purchased in the suburbs by households* from the Island of Montréal	Proportion (%) of single-family homes purchased in the suburbs by households* from the Island of Montréal
2019 (January to June)	3,800	24.6
2020 (January to June)	3,700	26.5
2019 (July to December)	2,900	23.7
2020 (July to December)	5,000	30.8

*Households or other entities.

Sources: JLR, an Equifax company. CMHC calculations.

³ Only about ten suburban municipalities recorded a decline in purchases of single-family homes by buyers from Montréal. These decreases were most often slight.

⁴ Higher percentage gains, as well as number of transactions between 2019 and 2020.

Montréal's most central sectors are not generally the source of suburban migration

The households moving from the Island of Montréal to the suburbs were unevenly distributed across the territory. Of these, 92% came from the city of Montréal,⁵ while the remainder were mainly from the West Island.

However, since the city of Montréal covers a vast territory, we divided it into more than a hundred subsectors using the first three characters of the postal code (see map), which designate forward sortation areas (FSAs). This showed us more precisely where Montréal households were coming from when they decided to move into a suburban home.

As shown in table 3, the 10 FSAs where migration from the city to the suburbs (for the purchase of a single-family home) was the greatest were located about 10 kilometres from downtown Montréal. For the next 10 FSAs in this ranking, the distance fell to 9 kilometres, and for the next 30, to about 7 kilometres.

Table 3: Distance from downtown Montréal* of the forward sortation areas with the highest number of household departures from the city of Montréal to the suburbs for the purchase of a single-family home in 2020**

Forward sortation areas (FSAs)	Average distance in kilometres
Top 10 FSAs	10.1
FSAs ranked 11 th to 20 th	8.7
FSAs ranked 21 st to 30 th	6.6
FSAs ranked 31 st to 40 th	7.6
FSAs ranked 41 st to 50 th	6.7

*Distance as the crow flies from the FSA to the intersection of René-Lévesque and Robert-Bourassa Boulevards (downtown Montréal).

**Households or other entities.

Sources: JLR, an Equifax company, and CMHC. CMHC calculations.

The results above thus indicate that households in sectors a little farther away from the city of Montréal, which probably already had to spend a certain amount of time on their commute to work, were likely more inclined to move to the suburbs to purchase a single-family home.

In further detail, table 4 shows the top 30 FSAs with the highest number of households who moved from the city of Montréal to a single-family suburban home in 2020. For comparison purposes, the number of households on the same housing market trajectory in 2019 is also shown.

⁵ According to ISQ data, the city of Montréal represented 88% of the Island's population in 2020. CMHC calculations.

Table 4: Number of households* from the city of Montréal who purchased a single-family home in the suburbs by forward sortation area (FSA), and ranking of FSAs in order of importance

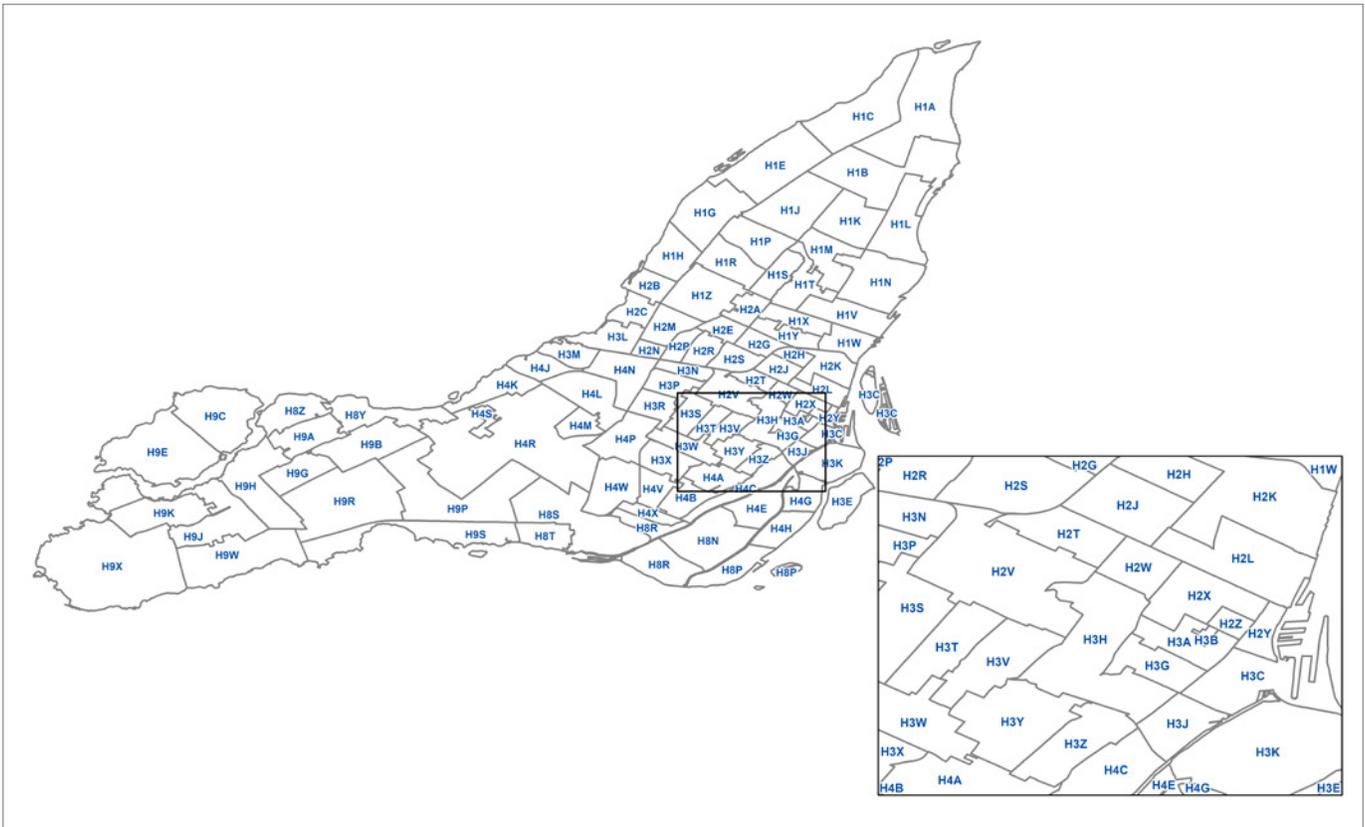
Forward sortation areas (FSAs)	2020 (number)	2020 (ranking)	2019 (number)	2019 (ranking)
H4N	286	1	170	1
H1K	192	2	157	5
H8N	192	3	149	6
H4L	191	4	159	3
H1G	188	5	133	9
H1R	175	6	138	8
H1H	174	7	158	4
H4E	172	8	131	10
H4G	167	9	141	7
H1A	165	10	159	2
H3C	159	11	67	43
H1Z	155	12	123	11
H1E	154	13	112	15
H1T	153	14	112	17
H1L	151	15	121	12
H8R	149	16	116	14
H3E	144	17	108	18
H4R	140	18	103	19
H8S	127	19	98	23
H1Y	122	20	98	22
H2K	122	21	76	33
H2B	121	22	96	25
H1S	119	23	119	13
H1X	119	24	99	21
H4V	118	25	89	26
H1M	116	26	112	16
H1W	116	27	75	34
H3S	115	28	84	29
H1V	112	29	79	32
H3W	111	30	73	37
Other FSAs	3,455	N/A	2,704	N/A

N/A: Not applicable

The sum of the number of transactions in the FSAs does not necessarily give the total for the city of Montréal, as some FSAs may also be included in cities located on the Island of Montréal.

*Households or other entities.

Source: JLR, an Equifax company. CMHC calculations.



Source: Canada Post, Forward Station Area (FSA). Map created by CMHC.

Not surprisingly, the vast majority of Montréal zones (FSAs) saw more households move to the suburbs this year. In addition, the FSA ranking (by number of transactions in 2019 and 2020) is quite similar from one year to the next. In other words, the sectors with the most households moving to the suburbs in 2020 are generally the same as in 2019. The same holds true for sectors that few people generally choose to leave for the suburbs.

One notable exception in the table is the H3C zone, which essentially represents the heart of Griffintown and adjacent parts of Ville-Marie, including the Cité du Multimédia. Among the FSAs, this sector moved from 43rd position in 2019 to 11th in 2020. A prior report⁶ published in November 2020 had already noted this significant change in this central Montréal sector.

This area,⁷ where condominiums dominate the real estate landscape, is home to many younger households (owners and renters) who are financially better off. With the pandemic,

and since they could afford it, some of them may have decided to make the leap to a suburban single-family home. This sector was also one of the only central areas in Montréal where a high number of households had moved to a suburban home.

In 2020, just like the year before, the largest migration from the city of Montréal to the suburbs originated in the H4N area, a little farther away from the downtown core. It is the area where Highways 40 and 15 intersect. The vast majority of the following FSAs were almost all located in sectors a little farther away from the centre of Montréal.

Geographically speaking, the most important FSAs in 2020 (as shown in table 4) were in the northern Montréal boroughs, such as Ahuntsic-Cartierville, Saint-Laurent, Villeray–Saint-Michel–Parc-Extension, Montréal-Nord and Saint-Léonard. A little further east were FSAs in the Rivière-des-Prairies–Pointe-aux-Trembles and Mercier–Hochelaga-Maisonneuve boroughs. Finally, on the southern side of the Island were the FSAs of Verdun, Le Sud-Ouest, LaSalle and Lachine.

⁶ For more information, see the November 6, 2020, report: "Pandemic's Impacts on Montréal's Rental and Resale Market," <https://www.cmhc-schl.gc.ca/en/housing-observer-online/2020-housing-observer/pandemics-impacts-montreals-rental-resale-market>

⁷ In our previous report, the zone studied was also Griffintown, not only H3C.

Some areas a little less distant from central Montréal, such as Côte-des-Neiges–Notre-Dame-de-Grâce and Rosemont–La-Petite-Patrie, were also among the top 30 FSAs.

In contrast, the most central FSAs in Montréal, mainly located in the heart of the borough of Ville-Marie, continued to record only a small number of moves to the suburbs in 2020.⁸

The next section examines whether the situation observed with single-family dwellings also applies to condominiums.

Suburban condominiums also attracting Montréalers during the pandemic

As with single-family homes, Montréal households purchased a larger proportion of the condominiums sold in the suburbs in 2020. While this proportion gradually increased from 14% in 2015 to 17% in 2019, it reached 21% in 2020 (see table 5).

This proportion was already increasing in early 2020, and the increase appears to have picked up in the months following the onset of the pandemic (see table 6).

Table 5:

Period	Number of condominium units purchased in the suburbs by households* from the Island of Montréal	Proportion (%) of condominium units purchased in the suburbs by households* from the Island of Montréal
2015	1,550	13.7
2016	1,650	14.2
2017	2,000	15.0
2018	2,350	15.9
2019	2,850	17.0
2020	4,050	21.2

*Households or other entities.

Source: JLR, an Equifax company. CMHC calculations.

Table 6:

Period	Number of condominium units purchased in the suburbs by households* from the Island of Montréal	Proportion (%) of condominium units purchased in the suburbs by households* from the Island of Montréal
2019 (January to June)	1,450	16.5
2020 (January to June)	1,650	19.3
2019 (July to December)	1,400	17.5
2020 (July to December)	2,400	22.7

*Households or other entities.

Sources: JLR, an Equifax company. CMHC calculations.

⁸ Except for H3C.

However, the number of suburban condominiums purchased by Montréal buyers is much smaller than the number of single-family homes purchased (for example, in 2020, 4,050 condominium units were bought, compared to 8,700 single-family homes). According to census data, Montréal households who buy condominium units in the suburbs are also generally slightly older than those who opt for single-family homes.⁹ The current crisis may thus have strengthened the decisions of some older households to move to a suburban condominium.

In addition, the difference between the median price of a condominium on the Island of Montréal and in some suburban areas, which can be as much as 80%, is another factor that likely prompted households of all ages to move to outlying sectors of the CMA.¹⁰

The suburban municipalities that benefited most from this increased migration were more or less the same as those that benefited from the migration of single-family homebuyers. A review of buyers' origins in the city of Montréal shows once again that a large share of the FSAs in the city of Montréal was affected by this migration to the suburbs.

RCMs bordering the metropolitan area: Increase in buyers from Greater Montréal

There are many RCMs on the outskirts of the Montréal CMA. According to ISQ data, a number of them appear to have benefited from more favourable migration in 2020, although once again, the latest available data covers the period up to July.

In many of these RCMs, the median price of a single-family home¹¹ in 2020 was typically between \$200,000 and \$300,000. This price level, which is well below that found in Greater Montréal, may appeal to prospective buyers.

Using the same methodology as above, table 7 below shows the proportion of single-family homebuyers¹² from the Montréal CMA (Island of Montréal and suburbs) in the RCMs bordering Greater Montréal. The use of neighbouring RCMs (compared to those even farther away) may reduce the impact of home purchases intended to serve as secondary residences (such as cottages).

Table 7: Proportion (%) of single-family homes purchased in the RCMs bordering Greater Montréal by households* from the Montréal CMA

RCMs	2018	2019	2020
Joliette RCM	23	21	35
Les Maskoutains RCM	21	19	32
Pierre-De Saurel RCM	27	27	32
Beauharnois-Salaberry RCM (part outside the CMA)	38	39	44
Montcalm RCM (part outside the CMA)	57	58	60
La Vallée-du-Richelieu RCM (part outside the CMA)	76	74	79
La Rivière-du-Nord RCM (part outside the CMA)	67	66	73
Le Haut-Richelieu RCM (part outside the CMA)	54	56	61
D'Autray RCM (part outside the CMA)	34	42	50
Rouville RCM (part outside the CMA)	45	49	51
Les Jardins-de-Napierville RCM	41	49	55
Vaudreuil-Soulanges RCM (part outside the CMA)	55	55	62
Argenteuil RCM (part outside the CMA)	45	48	53

Some RCM municipalities are also included in the territory of the Montréal CMA. The data has been adjusted to keep only those parts located outside the CMA.

*Households or other entities.

Sources: JLR, an Equifax company. CMHC calculations.

⁹ For more information, see the June 2018 issue of *Housing Market Insight*: "Who are the homebuyers in the various sectors of Greater Montréal? A first comprehensive study on the topic."

¹⁰ According to data from QPAREB's Centris®, the median price of condominiums on the Island of Montréal in 2020 was \$388,000. In the other major suburban sectors of the Montréal CMA, it ranged from \$219,000 to \$279,000.

¹¹ Source: JLR, an Equifax company.

¹² The condominium market in these RCMs is not considered here as it is very limited.

All the RCMs presented in table 7 saw an increase in the share of buyers from the Montréal CMA in 2020. For eight of them (the first eight presented in table 7), this proportion remained relatively stable, or even decreased from 2018 to 2019, before increasing in 2020. This increase was generally more pronounced from July to December than from January to June.

In general, the households that made the leap to these neighbouring RCMs came from the city of Montréal and from suburban municipalities already close to the RCM in question. For example, north of Greater Montréal, the Joliette RCM attracted households from both the city and from Repentigny, Terrebonne, Lavaltrie, L'Assomption and Laval.

It therefore appears that the pandemic has accelerated the migration of households from Greater Montréal to bordering RCMs in recent months, as it has between the Island of Montréal and the suburbs.

For the remaining RCMs in table 7, increases were often already apparent in 2019 and continued, or even accelerated, in 2020. Some of these increases could also have been concentrated in the early months of 2020, and not from July to December. For these RCMs, it is therefore more difficult to determine what kind of impact the pandemic has had on the migration of buyers to these regions.

Just as in the suburban cities, which welcomed unequal numbers of migrants from the Island of Montréal, the migration situation may also vary among the different RCMs studied. Many of them have, however, welcomed more households from Greater Montréal since the start of the pandemic.

Conclusion

This report provides data on the acceleration of migration from Montréal to the suburbs during the current pandemic. However, some of the impacts the crisis will have on household lifestyles in the coming years, such as the desire to live in a larger home and the popularity of telework, are not yet fully known. In a previous *Housing Market Insight*,¹³ however, it was shown that for households living in the suburbs and having to travel to Montréal for work, the increased transportation costs and time were not high enough to cancel out the savings (on mortgage payments) generated by purchasing a less expensive home.

With the pandemic reducing the number of trips required between suburban municipalities and the Island of Montréal (and even with those on the outskirts of Greater Montréal), the outlying sectors could benefit, especially if improvements are indeed made to the public transit system. However, given the number of other factors households consider in addition to housing prices when choosing a new living environment, it will be important to continue monitoring migration trends in and around Greater Montréal over the medium term. This analysis will help us determine whether this new reality is only temporary, or whether it means that Greater Montréal will have to deal with new urban dynamics. A change in the dynamics could ultimately change housing demand, prices and residential construction in the various sectors of the Montréal area.

¹³ For more information, see the June 2019 issue of *Housing Market Insight*: “Drive until you qualify: is the commute worth it?”

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