



HOUSING MARKET  
INFORMATION

# HOUSING MARKET INSIGHT

## QUÉBEC

Housing supply and demand  
in Quebec relative to the size  
of the housing stock

DATE RELEASED: JANUARY 2022

## Table of Contents

- 3 Highlights**
- 3** Supply and demand: The importance of taking the housing stock into account
- 4** Montréal CMA
- 5** Québec CMA
- 7** Gatineau area
- 8 Conclusion**
- 8 Appendix**



**Francis Cortellino**  
Economist



**Lukas Jasmin-Tucci**  
Economist



**Nathan R. Lea**  
Economist

---

“Relative to the size of Quebec’s housing stock, sales in its three largest CMAs were very high in 2020, while the number of properties listed for sale was very limited. With such an imbalance between demand and supply, significant price increases were observed. These results indicate that any measure aimed at stimulating demand without also increasing supply could contribute to the maintenance of these imbalances on the market.”

**Francis Cortellino, Nathan R. Lea,  
Lukas Jasmin-Tucci,  
Economists**

## Highlights

- Because of strong demand, sales in recent years have increased much faster than the housing stock in Quebec's three largest census metropolitan areas (CMAs).
- As a result, housing transactions in 2020 were very high relative to the size of the stock.
- For its part, the number of properties listed for sale in relation to the size of the housing stock was very low.
- With such high sales volumes and such a limited number of properties for sale, the market imbalance between supply and demand had not been as significant in Gatineau, Montréal or Québec since at least 2007.
- Consequently, any measure that would stimulate demand without also increasing supply could contribute to maintaining these imbalances on the housing market.

### Supply and demand: The importance of taking the housing stock into account

For the past few years, home sales have been increasing in several Quebec CMAs while the number of properties for sale has been decreasing. This imbalance between supply and demand favours sellers and has given prices strong upward momentum.

The housing stock, meanwhile, grows every year: new homes are built, and commercial or industrial buildings are converted into residential buildings.

The number of units that can potentially be bought and sold therefore naturally increases over time. Nevertheless, despite the increase in Quebec's housing stock, we are seeing fewer and fewer homes for sale on the market.

Given this situation, it is relevant to explore not only how housing supply and demand in Quebec have evolved in recent years, but also, and especially, how they have evolved in relation to the size of the housing stock.

Indeed, how could all of the factors described above have contributed to the strong price increases observed recently, which have made housing less affordable for potential buyers?

Better understanding the influence of these factors could help various industry players and decision makers develop more effective housing strategies, both from the supply side and the demand side.

The answers to these questions are presented for the three CMAs in Quebec where most real estate activity is concentrated: Montréal, Québec and Gatineau.<sup>1</sup>

Finally, a note on methodology in the appendix further details the various indicators and data used to measure sales, the supply of properties for sale, and the size of the housing stock.

<sup>1</sup> The Quebec portion of the Ottawa-Gatineau CMA.

## Montréal CMA

### Major imbalance between demand and supply on the real estate market

From 2007 to 2020, the period for which data are available, the number of single-family dwellings, condominiums and plexes (two to five units) increased from 914,400 to 1,117,400. During this same period, however, the average annual growth rate of the housing stock decreased by half, from 2% from 2007 to 2014 to just 1% from 2015 to 2020.

This decline is explained by the decrease in single-family home and condominium construction in favour of large rental building construction (not included in this analysis) in recent years.

Again from 2015 to 2020, housing demand, measured by the number of notarized transactions, increased by 6% annually, on average. The growth in demand was therefore six times greater than the growth in the number of units in the housing stock during this period.

Sales, expressed as a percentage of the housing stock, were therefore high in 2020 compared to the preceding years. Indeed, close to 7% of all units in the housing stock changed owners (see table 1). This proportion has been surpassed in only a few past years, and even then only slightly.

On the supply side, the number of properties listed for sale went from 107,400 in 2015 to 91,700 in 2020; an average annual decrease of 3%.

Considered once again in relation to the size of the housing stock, this supply reached, in 2020, one of its lowest points in 14 years, with only 8.2% of all housing units available for sale (see table 1).

Table 1: Montréal CMA

Year	Unit* Sales as a Percentage (%) of the Housing Stock	Number of Units* Listed for Sale as a Percentage (%) of the Housing Stock
2007	7.5	11.6
2008	7.1	11.7
2009	6.3	10.6
2010	7.0	10.9
2011	6.4	11.2
2012	6.4	11.2
2013	5.6	10.7
2014	5.3	10.8
2015	5.2	10.1
2016	5.5	9.4
2017	5.8	8.9
2018	6.1	8.5
2019	6.4	8.0
2020	6.7	8.2

\* Units include single-family homes, condominiums and plexes with two to five units. Additionally, data are based on the assumption that any given unit cannot change owners or be listed for sale more than once in a given year. See the methodological section for more details on sales and the number of units for sale.

Sources: JLR (an Equifax company), QPAREB via Centris®, MAMH and CMHC; CMHC calculations

There was a difference of just over two percentage points between 2020 and the previous years. Such a difference may seem small at first glance; however, with Montréal's housing stock comprising more than 1 million units, this represents about 25,000 fewer units being listed for sale last year, a non-negligible difference on the whole.

As a result, in 2020, such a small gap between supply and demand in relation to the size of the housing stock (1.5 percentage points) had not been seen since 2007. Between 2011 and 2015, the difference was around 5 percentage points. As a reminder, during that period, the market was much softer, and price increases were very small.

The gap between supply and demand explains why price increases have recently become increasingly strong. The data for 2021 also seem to indicate an imbalance that remains significant.

The results derived from Centris® data are relatively similar to those for the overall market. This is hardly surprising, given the significant weight of Centris® real estate activity on the overall Quebec market.

Considered in relation to the size of the housing stock, Centris® sales reached a 15-year high in 2020: 5% of all dwellings were sold over the course of the year (see table 2).

**Table 2: Montréal CMA**

Year	Centris® Sales* as a Percentage (%) of the Housing Stock	New Centris® Listings* as a Percentage (%) of the Housing Stock
2007	4.9	8.0
2008	4.5	8.3
2009	4.5	7.5
2010	4.5	7.7
2011	4.2	7.9
2012	4.1	7.9
2013	3.7	7.8
2014	3.5	7.7
2015	3.7	7.6
2016	3.9	6.9
2017	4.1	6.6
2018	4.3	6.1
2019	4.6	5.9
2020	5.0	6.0

\* Units include single-family homes, condominiums and plexes with two to five units. Additionally, data are based on the assumption that any given unit cannot change owners or be listed for sale more than once in a given year. See the methodological section for more details on sales and active listings.

Sources: QPAREB via Centris®, MAMH and CMHC. CMHC calculations.

Supply, measured by the number of new Centris® listings, reached a near-low in 2020 (relative to the size of the housing stock), with only 6% of all units listed for sale.

Thus, the use of Centris® data, which cover a large part of the resale market, produces results similar to those for the overall market and indicates that the gap between demand and supply had not been as narrow in about 15 years.

## Québec CMA

### Imbalance between demand and supply reaches level not seen in nearly 15 years

Between 2007 and 2020, the number of single-family dwellings, condominiums and plexes (two to five units) in the Québec area increased from 203,000 to 247,800. During this period, however, the average annual growth rate of this housing stock decreased by half, from 2% from 2007 to 2014 to just 1% from 2015 to 2020.

As in the Montréal CMA, this slowdown in the expansion of the housing stock is explained by a decrease in single-family home and condominium construction in favour of large rental building construction (not included in this analysis) in recent years.

Housing demand, measured by the number of notarized transactions made during a given period, posted an average annual increase of 5% between 2015 and 2020. Demand therefore grew five times faster than the number of units over the same period.

These sales, expressed as a percentage of the housing stock, were relatively high in 2020 compared to the average for the last 15 years. Nearly 6% of all units in the housing stock were sold that year (see table 3). Such a proportion had not been observed in the CMA for almost 10 years. Indeed, we would have to look back to the dynamic period from 2007 to 2012 to find such high percentages.

On the supply side, the number of properties listed for sale decreased by an average of nearly 3% annually between 2014 and 2020.

Expressed as a percentage of the housing stock, supply reached a 14-year low in 2020, with only 6.5% of all units in the Québec area available for sale that year (see table 3).

**Table 3: Québec CMA**

Year	Unit* Sales as a Percentage (%) of the Housing Stock	Number of Units* Listed for Sale as a Percentage (%) of the Housing Stock
2007	6.0	8.3
2008	6.2	8.9
2009	6.0	8.0
2010	6.0	8.4
2011	5.7	8.7
2012	5.8	8.9
2013	4.8	8.2
2014	4.6	8.3
2015	4.4	7.9
2016	4.2	7.7
2017	4.2	7.4
2018	4.3	7.9
2019	4.7	7.7
2020	5.7	6.5

\* Units include single-family homes, condominiums and plexes with two to five units. Additionally, data are based on the assumption that any given unit cannot change owners or be listed for sale more than once in a given year. See the methodological section for more details on sales and the number of units for sale.

Sources: JLR (an Equifax company), QPAREB via Centris®, MAMH and CMHC; CMHC calculations

Thus, the gap between supply and demand (relative to the size of the housing stock) narrowed to a degree not seen in 14 years, hence the pressure on prices observed in recent years. The 2021 data suggest that this imbalance is still present on the Québec CMA housing market.

The results derived from Centris® data are relatively similar to those for the overall market.

Expressed as a percentage of the housing stock, Centris® sales reached a 14-year high in 2020: 4.3% of dwellings changed hands that year (see table 4).

**Table 4: Québec CMA**

Year	Centris® Sales* as a Percentage (%) of the Housing Stock	New Centris® Listings* as a Percentage (%) of the Housing Stock
2007	3.9	5.5
2008	3.8	5.9
2009	3.8	5.1
2010	3.3	5.2
2011	3.3	5.7
2012	3.2	5.7
2013	2.7	5.6
2014	2.8	5.7
2015	2.8	5.8
2016	2.8	5.7
2017	2.8	5.5
2018	2.9	5.7
2019	3.4	5.8
2020	4.3	4.9

\* Units include single-family homes, condominiums and plexes with two to five units. Additionally, data are based on the assumption that any given unit cannot change owners or be listed for sale more than once in a given year. See the methodological section for more details on sales and the number of units for sale.

Sources: JLR (an Equifax company), QPAREB via Centris®, MAMH and CMHC; CMHC calculations

Supply, for its part, measured by the number of new Centris® listings, fell to a 14-year low (relative to the size of the housing stock) in 2020, with only 4.9% of units in the housing stock being listed for sale on the system.

Centris® data thus also suggest that the gap between supply and demand had not been that narrow in nearly 15 years.

## Gatineau area

### Greatest imbalance between supply and demand in at least 14 years

From 2007 to 2020, the period for which data are available, the number of single-family dwellings, condominiums and plexes (two to five units) increased from 92,000 to 114,000. During this same period, however, the average annual growth rate of the housing stock decreased by more than half, from 2.3% from 2007 to 2015 to less than 1% from 2016 to 2020.

For the past five years, notarized transactions have been increasing in the Gatineau CMA. They have grown by more than 9% annually, on average, or 13 times faster than the increase in the size of the housing stock.

**Table 5: Gatineau Area**

Year	Unit* Sales as a Percentage (%) of the Housing Stock	Number of Units* Listed for Sale as a Percentage (%) of the Housing Stock
2007	8.4	12.8
2008	8.1	12.8
2009	7.6	12.4
2010	7.9	11.1
2011	6.9	10.5
2012	6.9	11.0
2013	5.7	10.5
2014	5.2	11.3
2015	4.9	11.0
2016	5.1	10.2
2017	5.2	9.4
2018	5.4	9.1
2019	6.4	8.3
2020	7.3	7.8

\* Units include single-family homes, condominiums and plexes with two to five units. Additionally, data are based on the assumption that any given unit cannot change owners or be listed for sale more than once in a given year. See the methodological section for more details on sales and the number of units for sale.

Sources: JLR (an Equifax company), QPAREB via Centris®, MAMH and CMHC; CMHC calculations

These transactions, expressed as a percentage of the housing stock, were relatively high in 2020 compared to the last 14 years. Indeed, more than 7% of units in the housing stock were bought and sold during the past year (see table 5), a greater proportion than in Montréal or Québec. The area had not recorded such a high proportion since 2010. At its lowest level, from 2014 to 2017, about 5% of units were bought and sold.

On the supply side, the number of properties listed for sale has been declining for the past six years, from 11,800 in 2014 to 8,900 in 2020. Expressed once again in relation to the size of the housing stock, this supply reached a 14-year low in 2020. Only 7.8% of all units were available for sale. This represents a decrease of more than one third compared to the beginning of the period under study.

The pressure on the Gatineau housing market is therefore explained by a strong increase in sales as well as by a lower supply than before. The gap between supply and demand (relative to the size of the housing stock) has not been this narrow in at least 14 years.

The gap recorded in Gatineau is narrower than those recorded in Montréal and Québec. With such a tightening between supply and demand, it is no surprise to see that annual price growth has become increasingly strong in recent years.

The data for 2021 seems to indicate a high number of sales and a low number of units for sale, suggesting that the imbalance continued in 2021.

The results derived from Centris® data are relatively similar to those for the overall market. This is hardly surprising, given the significant weight of Centris® real estate activity on the overall Quebec market.

Expressed in relation to the size of the housing stock, Centris® sales reached a 14-year high in 2020: 5.2% of all units changed hands that year (see table 6).

Table 6: Gatineau Area

Year	Centris® Sales* as a Percentage (%) of the Housing Stock	New Centris® Listings* as a Percentage (%) of the Housing Stock
2007	5.1	8.7
2008	4.5	8.6
2009	4.6	8.0
2010	4.4	7.2
2011	3.9	7.1
2012	3.8	7.5
2013	3.4	7.7
2014	3.1	7.9
2015	3.2	8.1
2016	3.6	7.7
2017	3.8	7.2
2018	4.0	7.0
2019	4.6	6.3
2020	5.2	5.8

\* Units include single-family homes, condominiums and plexes with two to five units. Additionally, data are based on the assumption that any given unit cannot change owners or be listed for sale more than once in a given year. See the methodological section for more details on sales and the number of units for sale.

Sources: JLR (an Equifax company), QPAREB via Centris®, MAMH and CMHC; CMHC calculations

Supply, measured by the number of new Centris® listings, reached a low in 2020 (relative to the size of the housing stock), with only 5.8% of all units in the stock listed for sale on the system.

Thus, the use of Centris® data, which cover a large part of the resale market, produces results similar to those for the overall market and indicates that the gap between demand and supply had not been as narrow in about 15 years.

## Conclusion

Over the last 15 years, the housing stock has expanded in Quebec's three largest CMAs.

However, this increase in the housing stock has not been as rapid as the increase in the demand for properties, with sales in 2020 reaching very high, if not all-time-high, levels compared to the size of the housing stock.

The exact opposite has been true for the numbers of properties listed for sale, which were at or near all-time lows in the CMAs under study. With such a tightening between supply and demand, the significant price increases and bidding wars that we have seen in recent quarters are no surprise.

The results for these CMAs indicate that any measure aimed at stimulating demand without also increasing supply could contribute to the maintenance of these market imbalances.

It would be worthwhile to get a better idea of the various factors explaining the decrease in the number of properties for sale in several regions of Quebec. For example, if fewer and fewer owner households decide to put their properties up for sale, what other sources could increase supply? Would it take even more housing starts to meet demand?

A better understanding of these various dynamics would help decision makers design more effective measures, particularly with regard to increasing housing supply in order to make dwellings more affordable.

## Appendix

### Methodology

To get an overview of the overall demand, we use data on all notarized housing transactions. The analysis in this report focuses solely on properties that are generally acquired

by households, that is, single-family homes, condominiums and plexes with two to five units. Larger rental buildings are therefore excluded.

The transaction data come from JLR, an Equifax company. They include both transactions that involved real estate brokers (QPAREB<sup>2</sup> Centris<sup>®</sup> sales) and those that did not (for example, in cases where households decide to sell their properties themselves, or where builders or developers sell their new units directly to consumers).

As for the number of properties listed for sale, new Centris<sup>®</sup> listings (those made through real estate brokers) are one component of this supply. For households that decide to sell their homes themselves, we assume that this component represents 20% of the new Centris<sup>®</sup> listings.<sup>3</sup>

In other words, 20% of the units on the resale market would be sold by households not using the services of a real estate broker. For new homes listed for sale, the data on completed single-family homes and condominiums come from CMHC.<sup>4</sup>

Moreover, given that Centris<sup>®</sup> data are often used to determine resale market conditions, a brief analysis indicates the results when only Centris<sup>®</sup> sales are used to represent demand, and only new Centris<sup>®</sup> listings are used to represent the supply of properties for sale.

The data on the size of the housing stock come from the Ministère des Affaires municipales et de l'Habitation (MAMH), which publishes this information for all Quebec municipalities, towns and villages every year.

Since it often takes a few months for a new home to appear on the property assessment roll, the roll for a given year was used in conjunction with information on sales and the number of properties for sale from the previous year.

For example, the size of the housing stock from the property assessment roll published by the Government of Quebec in 2011 was compared with the sales for 2010.

Finally, when calculating the proportion of sales (or properties listed for sale) relative to the size of the housing stock, we assume that the same dwelling can only be sold or listed once in a given year.<sup>5</sup>

<sup>2</sup> Quebec Professional Association of Real Estate Brokers.

<sup>3</sup> An external firm had previously provided data to CMHC indicating that about 20% of all new listings in Quebec's urban centres were properties for sale by the owner. The other 80% were new listings on the Centris<sup>®</sup> system. We apply this 20% proportion to new Centris<sup>®</sup> listings.

<sup>4</sup> The number of unabsorbed three-to-five-unit plexes is not collected by CMHC. New units are considered as new supply at the moment of their completion, and not at the moment they are presold.

<sup>5</sup> A *Housing Market Insight* report on the Montréal CMA published in 2019 indicated that the proportion of properties listed for sale more than once per year could vary over time. For example, 12% of single-family homes were listed for sale more than once on the Centris<sup>®</sup> system in 2012. In 2018, the percentage was only 8%. Despite these differences, the finding that the number of properties listed for sale has been decreasing over the last several years remains valid.

## Additional Resources

### Sign Up

Get the latest findings directly in your inbox



[cmhc.ca/researchnewsletter](https://cmhc.ca/researchnewsletter)

### Stay Informed

Get more housing market publications and reports



[cmhc.ca/housingmarketinformation](https://cmhc.ca/housingmarketinformation)

## CMHC helps Canadians meet their housing needs

Canada Mortgage and Housing Corporation (CMHC) has been helping Canadians meet their housing needs for more than 70 years. As Canada's authority on housing, we contribute to the stability of the housing market and financial system, provide support for Canadians in housing need, and offer unbiased housing research and advice to Canadian governments, consumers and the housing industry. Prudent risk management, strong corporate governance and transparency are cornerstones of our operations.

For more information, visit our website [cmhc.ca](http://cmhc.ca) or follow us on [Twitter](#), [LinkedIn](#), [Facebook](#), [Instagram](#) and [YouTube](#).

You can also reach us by phone at 1-800-668-2642 or by fax at **1-800-245-9274**.

Outside Canada call **613-748-2003** or fax to **613-748-2016**.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call **1-800-668-2642**.

©2021 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of this CMHC publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or the entire content of, this CMHC publication, please send a Copyright request to the Housing Knowledge Centre at [Housing\\_Knowledge\\_Centre@cmhc.ca](mailto:Housing_Knowledge_Centre@cmhc.ca). Please provide the following information: Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.