

Residential Real Estate: Experienced Buyers Will Dominate the Market in the Montréal Metropolitan Area

Île-des-Soeurs, January 15, 2015 – A survey conducted last November by Léger, commissioned by the Québec Federation of Real Estate Boards (QFREB) and the Fonds immobilier de solidarité FTQ, reveals that experienced buyers will represent the majority of future home buyers in the Montréal Metropolitan Area. The survey focused on buying and selling intentions for the next five years, among other topics.

Profile of Future Buyers

Some 29 per cent of households in the Montréal Metropolitan Area indicate that it is “very” or “somewhat” likely that they will purchase a residential property within the next five years.

“In addition to price and proximity to services, which are the two main criteria when buying a home, neighbourhood safety represents the most important criteria for experienced buyers, while proximity to public transit is the most important criteria for first-time buyers,” said Paul Cardinal, Manager of the QFREB’s Market Analysis Department.

Among households planning to buy a property within the next five years:

- 64 per cent are already home owners, while 36 per cent plan on buying their first home;
- Households without children and households with children who have left the family home represent two-thirds of potential buyers;
- Nearly one in three households plans on buying a condominium.

Recent Buyers Were Relatively Conservative

Part of the survey aimed to establish a profile of recent buyers. “We see that buyers are serious, they invest a significant portion of their assets into their home, and they manage their debt carefully,” said Normand Bélanger, President and CEO of the Fonds immobilier de solidarité FTQ. “Moreover, the survey reveals that 44 per cent of buyers invested more than 20 per cent of the value of their property in their down payment, which is reassuring for promoters and investors like us,” he concluded.

Among households that purchased a property within the last five years:

- 63 per cent of recent buyers made a down payment of at least 10 per cent, and this proportion is 51 per cent for first-time buyers;
- 27 per cent of recent buyers used the HBP (home buyer’s plan), while this proportion increased to 4 out of 10 for first-time buyers;
- Almost 4 buyers out of 5 (79 per cent) chose a mortgage term of 4 or more years, and in most cases this term was accompanied by a fixed-rate mortgage;
- 37 per cent of recent buyers took out a home equity line of credit at the purchase of their home, but in half these cases it was not used (zero balance or less than \$1,000).

Profile of Future Sellers

Some 17 per cent of households in the Montréal Metropolitan Area indicate that it is “very” or “somewhat” likely that they will sell their residential property within the next five years.

Among households planning to sell their property within the next five years:

- 35 per cent of future sellers are retired;
- Nearly a quarter of respondents who plan on selling their property earn an annual income of more than \$100,000;
- Three quarters intend to purchase another property, 6 per cent plan on living in their second residence and 19 per cent plan on renting.

About the Québec Federation of Real Estate Boards

The Québec Federation of Real Estate Boards is a non-profit organization composed of Québec's 12 real estate boards and the more than 13,000 real estate brokers who are their members. Its mission is to promote and protect the interests of Québec's real estate industry so that the boards and their members can successfully meet their business objectives. See www.qfreb.ca.

About the Fonds immobilier de solidarité FTQ

Created in 1991, the Fonds immobilier de solidarité FTQ promotes economic growth and employment in Québec by strategically investing in profitable and socially responsible real estate projects in partnership with other industry leaders. The Fonds immobilier backs residential, office, commercial, institutional and industrial projects of all sizes across Québec. At November 30, 2014, the Fonds immobilier had 30 projects in progress, 30 properties under management, 18 million square feet of land and \$53 million invested in affordable, social and community housing. See www.fondsimmobiliierftq.com.

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For more information:

Manon Stébenne

Québec Federation of Real Estate Boards

Tel.: 514-762-2440, ext. 157

manon.stebenne@fcic.ca

Josée Lagacé

Fonds immobilier de solidarité FTQ

Tel.: 514-847-5710

jlacage@fondsimmobiliierftq.com

Press Release



Methodology

This web survey was conducted between November 3 and 13, 2014, among a representative sample of 5,659 French- or English-speaking Québec residents, aged 18 or over. To be eligible, respondents had to be responsible for paying the mortgage or rent of their residence. Quotas were established according to region: 3,258 respondents came from the Greater Montréal area while 1,201 respondents came from the Greater Québec City area and 1,200 came from other areas of the province. Using data from Statistics Canada, the results were weighted according to age, regions, gender, language spoken in the home, education and presence of children in the household to ensure a sample representative of the entire study population.