

## **Stabilization of the Real Estate Market in 2024, Laying the Foundation for a Market Recovery Under More Balanced Conditions**

- **2024 will be the first real year of stabilization for the resale market, ending the post-pandemic slump in sales precipitated by the sharp rise in interest rates.**
- **Despite a more tangible return of residences to the market, conditions should generally remain below or at the balanced market threshold, depending on the region. As a result, prices, boosted by lower interest rates, will generally remain at current levels, particularly for single-family homes.**
- **The year 2023 was marked by market players (buyers, sellers, lenders) adapting to the new interest rate environment, by a level of activity closer to the historical average, and by more normal transaction negotiation conditions.**

**L'Île-des-Sœurs, December 14, 2023** – As part of its *Fenêtre sur le marché immobilier* conference, the Quebec Professional Association of Real Estate Brokers (QPAREB) released its 2023 year in review report and 2024 outlook for the residential real estate market for the Province of Quebec and regions.

### **2024 Outlook**

The QPAREB forecasts that, after a period of steady declines in activity since the 2020 and 2021 peaks, 2024 will be the first real year of resale market stabilization. The years 2022 and 2023 were characterized respectively by a cooling market and post-pandemic normalization against a backdrop of rapidly rising interest rates. "Although we anticipate a level of activity comparable to that of 2023, we should see more predictability in 2024 in regard to changes in interest rates, with a possible string of corresponding good news announcements," states Charles Brant, QPAREB Market Analysis Director.

Overall, the residential real estate market in the Province of Quebec should stabilize in 2024 at a level of activity comparable to that of 2023, with a slight 2 per cent drop in sales. In a context of number of active listings below the historical average and more balanced market conditions, there should be no significant variation in median prices for single-family homes in Quebec (around 0%).

“Interest rates are expected to begin a downward cycle against a background of a more marked slowdown of the economy. The decline in the labour market combined with ongoing high prices will contribute to the weakening of sales at the start of 2024. An increase in new listings is expected, which will allow the market to benefit from more balanced conditions. This period will be conducive to more numerous and negotiable purchasing opportunities which will benefit buyers. This situation will be short-lived, as transactional activity should be very reactive to the first announcements of rate cuts, leading to a more decisive market upturn later in the year. This rally will be supported by high migratory flows and the prospects of an economic recovery led by significant structural investments.”

The contrast between the Montreal CMA and Quebec City CMA markets is still quite evident. Thus, sales in the Quebec City CMA should continue to slow, drawing close to their historical average. While in the Montreal CMA, activity should stabilize around 35,000 transactions. Prices in the Quebec City CMA should continue to rise. Single-family homes will experience the largest price increases (+5 per cent), while condominiums will see a more modest growth in prices (+1 per cent). In the Montreal CMA, median prices should remain stable in the coming year. Single-family homes and condominiums could see respective gains of 2 per and 1 per cent.

## **2023 Year in Review**

Despite 2022’s rapid rise in interest rates, 2023 was marked by the resilience of Quebec’s resale real estate market. Weak transactional activity did not, in fact, significantly affect prices. The year is ending with median prices comparable to the levels reached a year earlier. According to the Centris real estate broker database, the estimated 76,000 sales in 2023 is close to the historical average of the last 20 years.

“Under the circumstances, the good performance of the resale market in Quebec surprised more than one economist in 2023. And yet, it was to be expected. Many repeat buyers with substantial equity were able to benefit from a more peaceful transactional negotiation context. The normalization of the market was characterized by a sharp reduction in overbidding, especially in markets most exposed to it during the pandemic. For their part, first-time homebuyers were in solution mode. They were able to find a property compatible with their budget in many of the more affordable regions of Quebec,” notes Mr. Brant.

“Furthermore, this observation is not unrelated to the fact that international migratory flows have experienced an exceptional catch-up which has benefited more than just the resale market in the Montreal region. As a result, with the persistence of a solid labour market combined with the possibilities of amortizing mortgage payments over a longer period to mitigate their increase, no massive return of properties to the market has taken place. On the contrary, market conditions remained resolutely in favour of sellers, allowing prices to recover ground lost in 2022, and even reach new highs in several regions, despite declining transactional activity.”

### The imbalance persists in the most affordable markets

Almost all of the province's regional markets remain favourable to sellers. In this context, it seems that the level of affordability is a key determining factor in 2023. In fact, regions with median prices lower than that of the province saw prices rise to reach a new peak in 2023. In contrast, regions with higher prices recorded slight declines in prices.

### Resilience of metropolitan areas

Most of Quebec's CMAs have managed to erase the 2022 price corrections and are even posting price increases greater than that of the province. It should be noted, however, that the Montreal and Gatineau CMAs, which are also the most expensive, posted a 2 per cent drop in the median price of single-family homes.

#### Province of Quebec

	Total Residential Sales		Median Price (single-family)	
	Number	Variation	Price	Variation
<b>2020</b>	112,157	+16%	\$295,000	+13%
<b>2021</b>	109,464	-2%	\$365,000	+24%
<b>2022</b>	87,081	-20%	\$415,100	+14%
<b>2023e</b>	<b>76,036</b>	<b>-13%</b>	<b>\$413,200</b>	<b>0%</b>
<b>2024p</b>	<b>74,719</b>	<b>-2%</b>	<b>\$411,300</b>	<b>0%</b>

#### Montreal CMA

	Total Residential Sales		Median Price (single-family)		Median Price (condominium)	
	Number	Variation	Price	Variation	Price	Variation
<b>2020</b>	55,524	+8%	\$400,000	+18%	\$305,000	+14%
<b>2021</b>	54,445	-2%	\$495,000	+24%	\$360,000	+18%
<b>2022</b>	42,462	-22%	\$550,000	+11%	\$395,000	+10%
<b>2023e</b>	<b>36,285</b>	<b>-15%</b>	<b>\$539,800</b>	<b>-2%</b>	<b>\$390,200</b>	<b>-1%</b>
<b>2024p</b>	<b>35,230</b>	<b>-3%</b>	<b>\$549,400</b>	<b>+2%</b>	<b>\$395,600</b>	<b>+1%</b>

#### Quebec City CMA

	Total Residential Sales		Median Price (single-family)		Median Price (condominium)	
	Number	Variation	Price	Variation	Price	Variation
<b>2020</b>	10,766	+28%	\$270,000	+4%	\$192,500	0%
<b>2021</b>	10,311	-4%	\$310,000	+15%	\$210,000	+9%
<b>2022</b>	8,935	-13%	\$340,500	+10%	\$230,000	+10%
<b>2023e</b>	<b>8,292</b>	<b>-7%</b>	<b>\$349,600</b>	<b>+3%</b>	<b>\$241,700</b>	<b>+5%</b>
<b>2024p</b>	<b>7,800</b>	<b>-6%</b>	<b>\$368,000</b>	<b>+5%</b>	<b>\$244,900</b>	<b>+1%</b>

Additional information:

[Detailed and cumulative statistics for the province and regions](#)

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.

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