



According to the latest 2016 census data published by Statistics Canada in October, 61.3 per cent of Québec households owned their home in 2016. This homeownership rate represents a slight increase of 0.1 percentage points (pp) compared to 2011 and an increase of 1.2 pp compared to 2006. Despite this increase in the homeownership rate, Québec still lags far behind the national average (67.8 per cent).

Québec still lags far behind the national average.

Chart 1: Homeownership rate

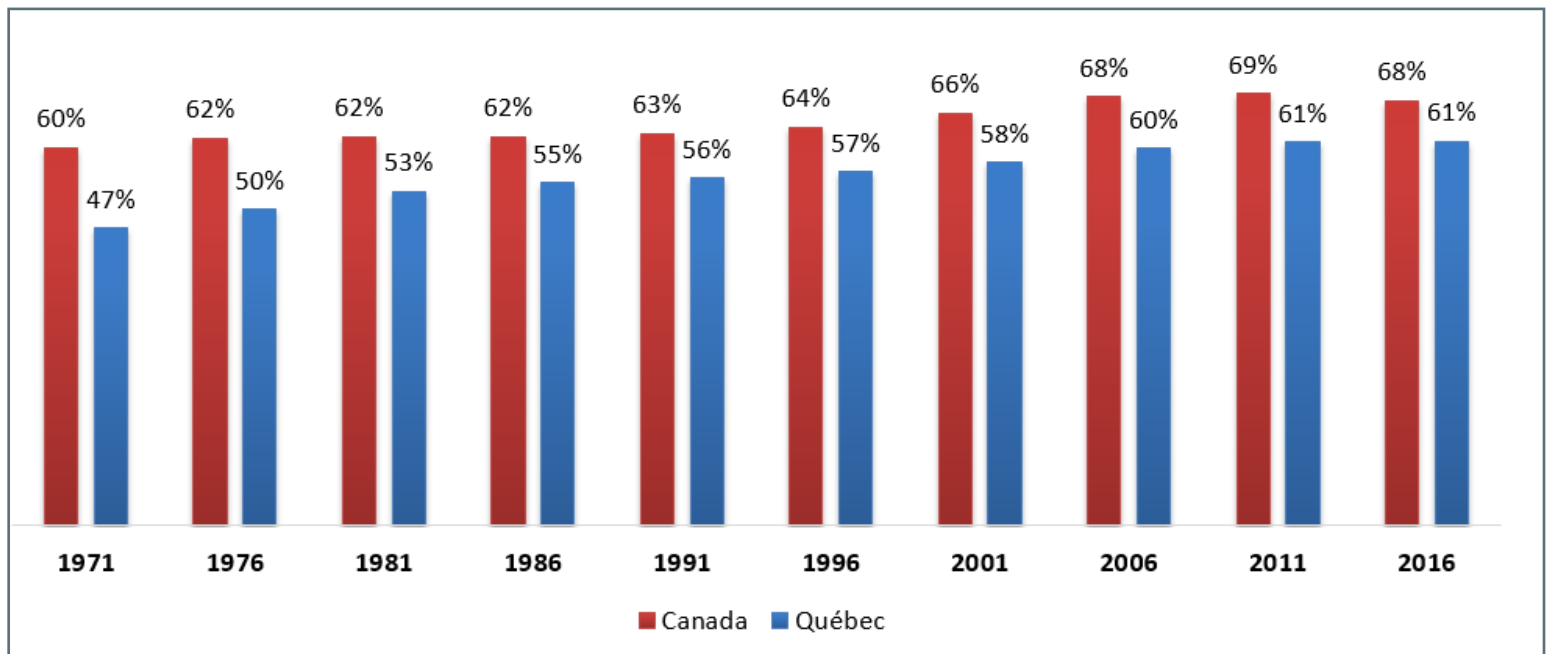


Chart 1 shows the history of the homeownership rate in the province of Québec compared to that of Canada. Since 1971, the homeownership rate in Québec has always been lower than the national average. However, the difference between the provincial and national homeownership rates has halved since 1971 (see Table 1, below). The difference in 1971 was 12.9 pp, compared to 6.5 pp in 2016. This narrowing of the gap between Québec and Canada shows that Quebecers have been catching up over time.

The narrowing of the gap in the homeownership rate between Québec and Canada shows that Quebecers have been catching up.

**Table 1: Comparative table of homeownership rates**

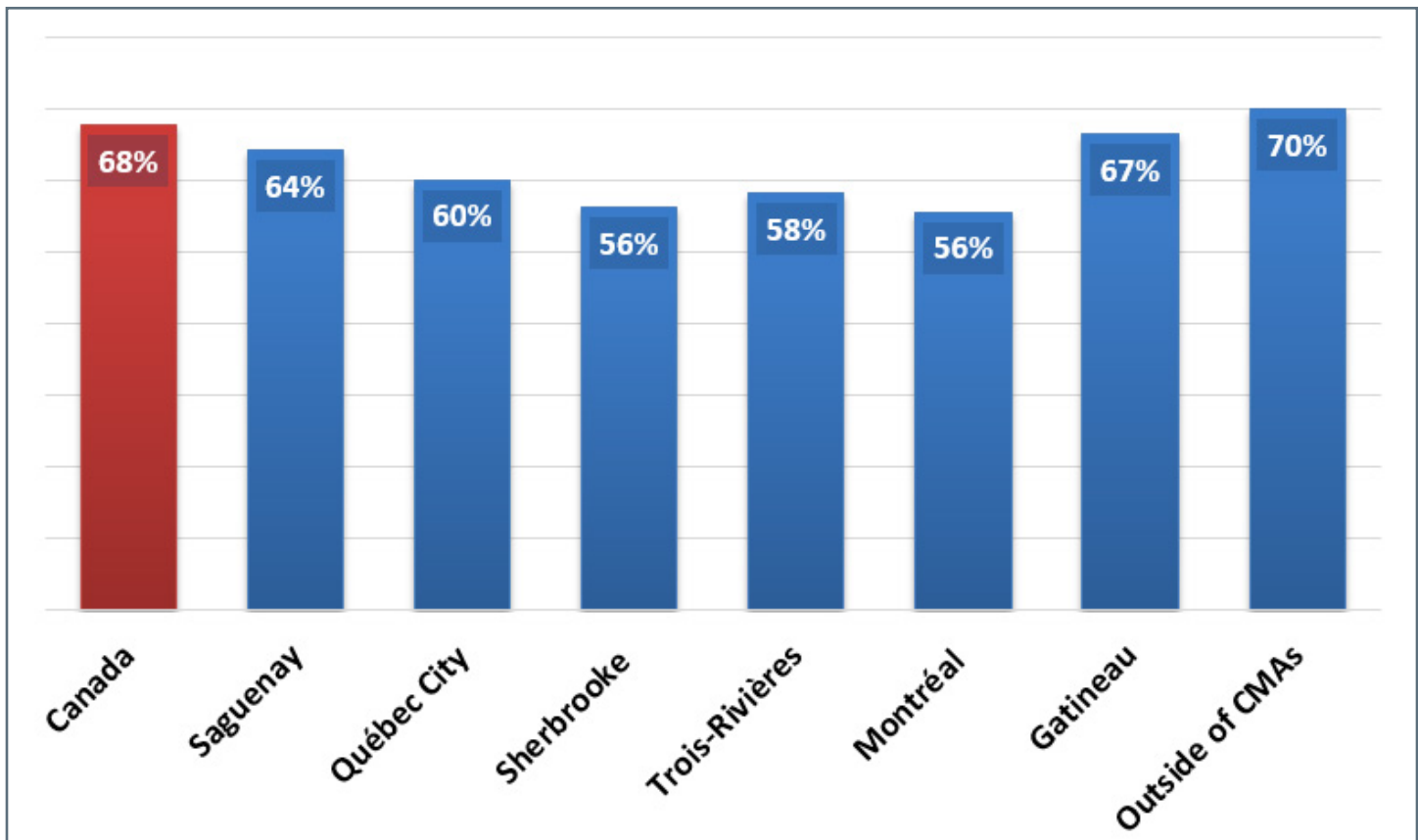
	Canada	Québec	Difference, in pp
1971	60%	47%	12.90
1976	62%	50%	11.40
1981	62%	53%	8.80
1986	62%	55%	7.40
1991	63%	56%	7.10
1996	64%	57%	7.10
2001	66%	58%	7.90
2006	68%	60%	8.29
2011	69%	61%	7.80
2016	68%	61%	6.50

Source: Statistics Canada, Census and National Household Survey (NHS) 2016

An increase in the homeownership rate was also observed in Québec's Census Metropolitan Areas (CMAs). However, the homeownership rate of Québec's six CMAs was below the national average in 2016, and the Montréal (55.7 per cent) and Sherbrooke (56.3 per cent) CMAs had the lowest homeownership rate among all CMAs in Canada.

In 2016, the Montréal (55.7 per cent) and Sherbrooke (56.3 per cent) CMAs had the lowest homeownership rate among all CMAs in Canada.

Chart 2: Homeownership rate for 2016 by CMA



Source: Statistics Canada, Census and National Household Survey (NHS) 2016

On a more positive note, among the CMAs, Saguenay (1 pp), Québec City (1.6 pp), Sherbrooke (2.8 pp), Trois-Rivières (0.8 pp) and Montréal (2.3 pp) all posted increases in their homeownership rate in 2016 as compared to 2011, while the Gatineau CMA (-0.9 pp) registered a decrease. It should be noted that the non-CMA homeownership rate (70 per cent) is higher than that of all Québec CMAs. This shows that homeownership rates are higher in rural areas compared to urban areas such as the CMAs.

Homeownership rates are higher in rural areas.

Tables showing the homeownership rate by administrative region ([Table A](#)) and the homeownership rate in Canada's largest CMAs ([Table B](#)) can be found in the Annex.

There are several factors that contribute to homeownership trends. For the purposes of this study, the following five factors were of particular interest to us:

- demographic characteristics;
- opportunity cost of ownership;
- interest rates and access to financing;
- preferences;
- composition of households.

## Demographic characteristics do not seem to explain Québec's lag in homeownership

The homeownership rate is strongly tied to the age of the population. Usually, the decision to be a renter or an owner is made when a household is created. This being said, the age of households is very strongly related to their income and preferences. In general, the younger a household is, the lower their capacity is to make monthly payments and the less time they have had to save for the down payment required to buy a home.

The homeownership rate is strongly tied to the age of the population.

**Table 2: Homeownership rate by age group of the primary household maintainer**

Age group	Canada	Québec	Difference (pp)
Under 25 years	20%	17%	-3.1
25 to 34 years	48%	44%	-4.2
35 to 44 years	67%	62%	-4.9
45 to 54 years	73%	68%	-5.2
55 to 64 years	76%	70%	-6.7
65 to 74 years	76%	67%	-8.9
75 years and more	72%	60%	-12.2

Source: Statistics Canada, Census and National Household Survey (NHS) 2016

Table 2 shows homeownership rates in 2016 by age group of the primary household maintainer. In Canada, as in Québec, we see that the homeownership rate is much higher for those aged 45 to 54 than for those aged 25 to 34. This leads us to believe that the relative size of age groups within a population (which we call their “demographic weight”) could have a significant effect on the homeownership rate. It would therefore be reasonable to believe that significant differences could exist between the demographic weights of Canada and Québec. However, if we examine this hypothesis, we quickly find that this is not the case, as the demographic weights of Québec and Canada are relatively similar (see [Table C](#) in the Annex).

Table 2 offers another interesting line of thought. We note that the difference in homeownership rates between Canada and Québec tends to increase as the age group increases. This shows that the behaviour of young Québec and Canadian consumers tends to become increasingly different as the age groups become older.

The difference in homeownership rates between Canada and Québec tends to increase as the age group increases.

## The difference in cost associated with owning and renting is larger in Québec

The opportunity cost of ownership is another factor that helps explain homeownership rates. This cost represents the additional monthly amount that a tenant household can expect to pay to become an owner household. To quantify this opportunity cost, we evaluated the average monthly mortgage payment for a condominium owner and subtracted a tenant's average rent for a two-bedroom unit. [Table D](#) in the Annex shows the opportunity cost for several Canadian cities as well as the associated homeownership rate. From the outset, we see an inverse relationship: generally speaking, the higher the opportunity cost of ownership, the lower the homeownership rate. For Montréal and Sherbrooke, the two CMAs in Canada with the lowest homeownership rate, the opportunity cost is \$355 and \$282 respectively. This means that renters in Montréal and Sherbrooke can expect to spend an average of about \$300 more than their current rent to be able to own a home of approximately the same size.

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## Mortgage rates do not explain Québec's lag

Mortgage rates are essentially the same across the country. Whether variable or fixed, the rates offered are influenced by the same factors from one province to another. Thus, the difference between Canada's and Québec's homeownership rate cannot be explained by this factor.

## Quebecers' preferences may partly explain the gap with the rest of the country

It is reasonable to think that Quebecers' greater propensity for renting, as compared to Canadians, is partly a reflection of their cultural and historical background. Indeed, it is possible, for example, that the status of homeowner is more valued in the Anglo-Saxon culture.

## One-person households are more present in Québec than elsewhere in Canada

Moreover, if we take into account household composition (see Table 3), we see that 28 per cent of Canadian households are composed of one person, while in Québec this percentage is 33 per cent. Since it is more difficult for a single person to save the down payment required for the purchase of a home than it is for a couple, it is not surprising that Québec's homeownership rate is lower than Canada's.

28 per cent of Canadian households are composed of one person, while in Québec this percentage is 33 per cent.

**Table 3: Household composition**

	2016	2011	2016	2011
	Canada	Canada	Québec	Québec
Total households	14,072,080	13,320,615	3,531,665	3,395,340
One-person households	3,969,790	3,673,305	1,175,230	1,094,410
Households of two or more people	10,102,290	9,647,310	2,356,435	2,300,930
Proportion of one-person households	28%	28%	33%	32%

Source: Statistics Canada, Census and National Household Survey (NHS) 2016 and 2011

### The homeownership rate among young Quebecers is falling

In conclusion, it should be noted that fewer and fewer young Quebecers are becoming homeowners. According to the latest census data, there was a drop in the homeownership rate among those who are under 25 years of age (-2.5 pp), among those in the 25 to 34 age group (-2.8 pp), in the 35 to 44 age group (-2 pp) and in the 45 to 54 age group (-0.4 pp) between 2011 and 2016. However, the homeownership rate increased for all groups aged 55 years and older. The decline in the homeownership rate among young Quebecers allows us to affirm that access to homeownership remains an important issue in Québec. That is why the QFREB supports, among other solutions, a reform of the [Home Buyers' Plan \(HBP\)](#) and the [welcome tax](#). We hope that, with these two reforms, young Québec households have improved access to homeownership.

Fewer and fewer young Quebecers are becoming homeowners.

**Table 4: Homeownership rate by age group of the primary household maintainer in Québec**

Age group	2011	2016	Difference (pp)
Under 25 years	19.0%	16.5%	-2.5
25 to 34 years	47.0%	44.2%	-2.8
35 to 44 years	63.6%	61.6%	-2.0
45 to 54 years	68.6%	68.2%	-0.4
55 to 64 years	69.1%	69.5%	0.4
65 to 74 years	66.0%	67.2%	1.2
75 years and more	55.7%	59.9%	4.2

Source: Statistics Canada, Census and National Household Survey (NHS) 2016, CREA, CMHC

Table A: Homeownership rate by administrative region in Québec, 2011-2016

Administrative region	Homeownership rate		
	2011	2016	Variation (pp)
Nord-du-Québec	37.8%	37.1%	- 0.7
Montréal	39.3%	40.0%	+ 0.7
Capitale-Nationale	59.5%	60.1%	+ 0.6
Province of Québec	61.2%	61.3%	+ 0.1
Mauricie	61.9%	62.0%	+ 0.1
Estrie	62.1%	62.5%	+ 0.4
Centre-du-Québec	67.5%	67.3%	- 0.2
Saguenay–Lac-Saint-Jean	67.5%	67.9%	+ 0.4
Outaouais	69.5%	68.0%	- 1.5
Abitibi-Témiscamingue	67.4%	68.1%	+ 0.7
Laval	69.3%	69.4%	+ 0.1
Montréal	70.4%	69.9%	- 0.5
Côte-Nord	69.0%	69.9%	+ 0.9
Bas-Saint-Laurent	70.5%	70.5%	- 0.1
Laurentides	72.6%	71.7%	- 0.9
Chaudière-Appalaches	74.4%	73.5%	- 0.9
Gaspésie-Îles-de-la-Madeleine	75.7%	74.4%	- 1.2
Lanaudière	75.8%	74.8%	- 1.0

Source: Statistics Canada, Census and National Household Survey (NHS) 2016

Table B: Homeownership rate in Canada's largest CMAs, 2006-2016

	Montréal	Toronto	Calgary	Vancouver
2006	53%	68%	74%	65%
2011	55%	68%	74%	66%
2016	56%	67%	73%	64%

Source: Statistics Canada, Census and National Household Survey (NHS) 2016

Table C: Table of demographic weights

Age group	Québec		Canada	
	2011	2016	2011	2016
Under 25 years	28%	27%	30%	29%
25 to 34 years	14%	13%	14%	14%
35 to 44 years	13%	13%	14%	13%
45 to 54 years	16%	14%	16%	14%
55 to 64 years	14%	14%	13%	14%
65 to 74 years	9%	10%	8%	9%
75 years and more	7%	8%	7%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Statistics Canada, Census and National Household Survey (NHS) 2016



⬆ **Table D: Comparative table of the opportunity cost of ownership**

	Average rent	Monthly mortgage payment	Difference	Homeownership rate
London and St. Thomas	\$1,002	\$613	-\$389	64%
Edmonton	\$1,229	\$967	-\$262	70%
Saint John	\$720	\$461	-\$259	70%
Winnipeg	\$1,068	\$910	-\$158	67%
Brantford	\$908	\$761	-\$147	72%
Regina	\$1,109	\$969	-\$140	70%
Saskatoon	\$1,100	\$969	-\$131	70%
Kitchener-Waterloo	\$1,050	\$926	-\$124	69%
Gatineau	\$762	\$686	-\$76	67%
St. Catharines	\$958	\$905	-\$53	73%
Barrie	\$1,150	\$1,129	-\$21	76%
Ottawa and Renfrew County	\$1,201	\$1,180	-\$21	66%
Calgary	\$1,258	\$1,240	-\$18	73%
Trois-Rivières	\$587	\$589	\$2	58%
Guelph	\$1,078	\$1,084	\$6	70%
Sudbury	\$990	\$1,036	\$46	66%
Saguenay	\$587	\$644	\$57	64%
Thunder Bay	\$940	\$1,016	\$76	72%
Québec City	\$808	\$889	\$81	60%
Hamilton-Burlington	\$1,037	\$1,223	\$186	70%
Victoria	\$1,188	\$1,428	\$240	63%
Sherbrooke	\$622	\$904	\$282	56%
Montréal	\$791	\$1,146	\$355	56%
Toronto	\$1,132	\$1,731	\$599	67%
Metropolitan Vancouver	\$1,450	\$2,230	\$780	64%

Source: Statistics Canada, Census and National Household Survey (NHS) 2016, CREA, CMHC

\* The monthly payments shown here represent average mortgage payments calculated based on the purchase of a condominium for which the buyer put a down payment of 10 per cent.

\*\* Canadian cities were chosen based on the availability of data.