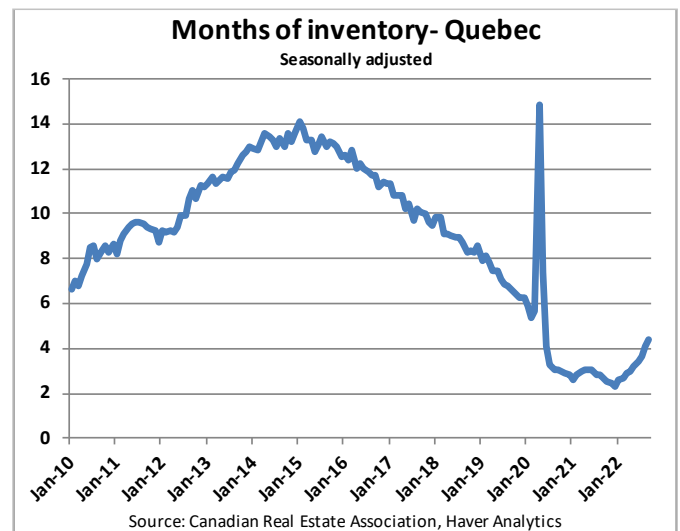
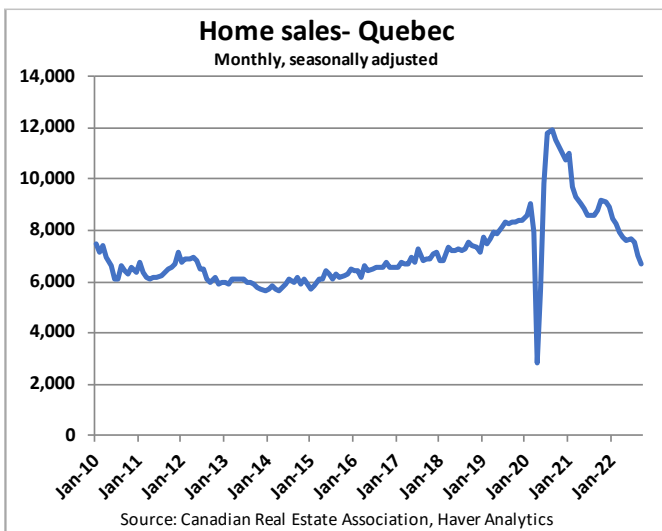




Housing and Mortgage Market Review

Homebuyers wrestle with rising rates and deteriorating affordability

Rising interest rates and affordability challenges are constraining housing demand in Quebec. Seasonally adjusted home sales slumped 13.7% in the third quarter across the province, building on a 4.6% decline in Q2.



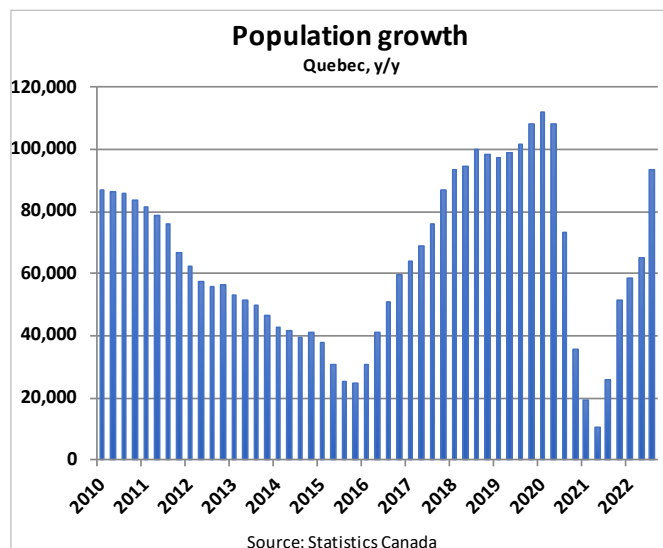
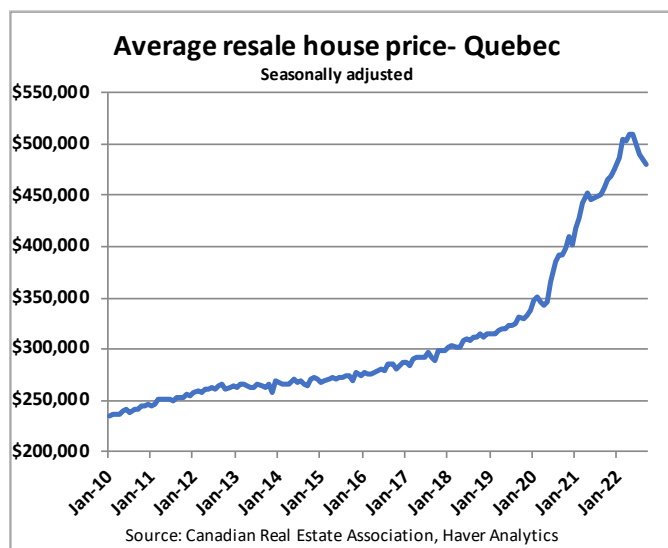
Inventory levels have risen 25% compared to last year, which has pushed months of inventory to 4.4, more than double the lows from late 2021, but still way below the long-term average of closer to 8.



Housing and Mortgage Market Review

Quebec

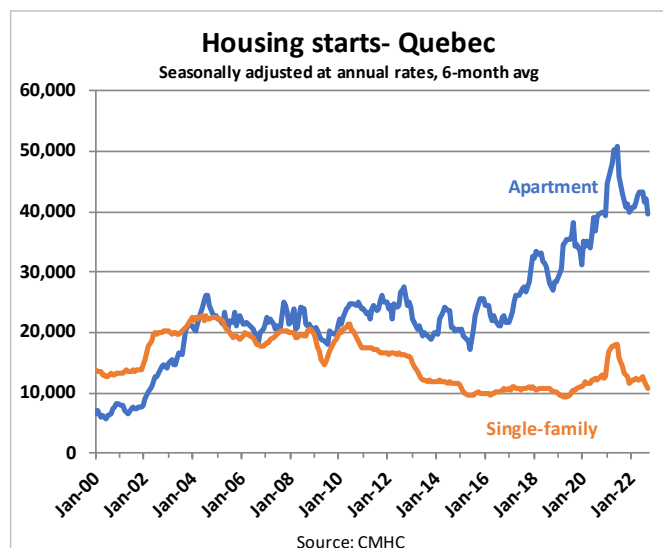
Seasonally adjusted average house prices slipped 3.9% in the third quarter but were 5.0% above year-ago levels.



Population growth continues to rebound

Quebec's population growth continues to rebound off the COVID lows. The province has grown by over 90,000 people in the past year alone, a sharp increase from Q2 levels, but still well below recent highs reached in 2019.

Housing starts slumped 15.6% in the third quarter as both the single-family and apartment segments saw large declines.



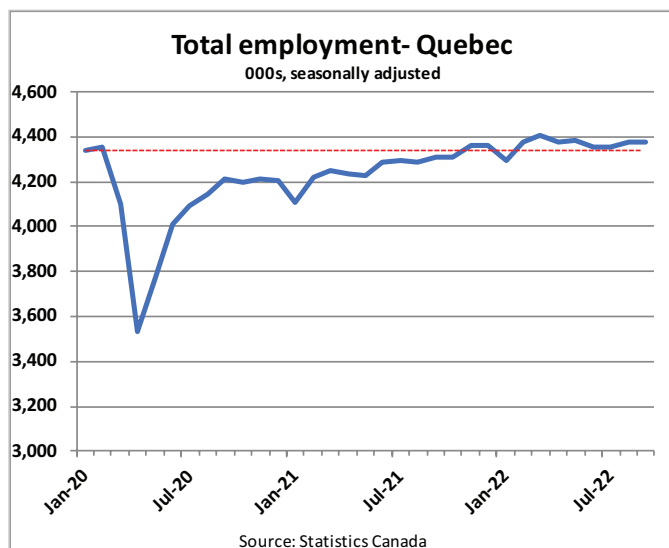


Housing and Mortgage Market Review

Quebec

The province's labour market sees a rebound

After shedding nearly 50,000 jobs in the second quarter, Quebec's labour market added back 23,000 new positions in Q3. The unemployment rate ticked up slightly from 4.3% to 4.4%, but remains near the lowest levels on record.



What it all means: Quebec homebuyers continue to wrestle with rising interest rates and deteriorating affordability. Even with sales down sharply from their 2021 peak, the market overall remains well-balanced. The labour market is still exceptionally tight, but that will likely start to change as the effects of rising interest rates begin to weigh on economic activity.

**Any forecasts contained in this report are accurate as of the date indicated.*

Ben Rabidoux is the founder of Edge Realty Analytics (www.edgeanalytics.ca), which equips top real estate and mortgage professionals with timely research and insightful marketing infographics to help them stand apart from the competition and stay engaged with their clients and prospects.

He is also the founder and president of North Cove Advisors, a market research firm serving institutional and high net worth clients since 2013 that is consistently ranked top 5 for Canadian economic coverage by Brendan Wood International.

He is a frequent guest and contributor in major media outlets, including Bloomberg, The Wall Street Journal, Reuters, The Globe and Mail, The Toronto Star, Macleans, and many others.



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