



Real Estate Talk:  
Where is the market heading?

## Description

# The island of Montreal is heading towards an exclusive reseller market within the next ten years

By Joseph Marovitch

May 25, 2022

Lately, I have been asked repeatedly where the Montreal market is heading. Mine is only an opinion based on years in real estate and constant research, however, in this broker's humble opinion, the island of Montreal is heading towards a **reseller market** only within the next ten years. By a reseller market, I mean a market where current property, renovated or not, is bought and sold.

As an island, Montreal is surrounded by rivers and, due to the development over the past 380 years, there is limited vacant space, and new construction will become less common over time. Even if there are opportunities for new construction beyond the island of Montreal, in a resale market, prices will rise. We have seen this effect over and over in cities surrounded by water, including Hong Kong, Singapore, Vancouver and New York, to name a few.

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In Canada, high inflation and rising interest rates have caused real estate prices to fall and buyers to dwindle, as is occurring in Montreal, however, in Montreal, this is a hiccup. Demand is high for good reason. Montreal is a diverse and exciting city, and people here and abroad want to live in Montreal. However, supply is low. When supply is low and demand is high, prices rise.

Inflation is currently at 6.8% due to several factors such as the pandemic, the war in Ukraine and the global political situation. Interest rates are the main tool used to regulate the economy and fight inflation. However, there are also factors beyond the control of the government, such as pandemics, war, disruption of supply chains and natural disasters.



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Montreal is more than just its politics, but language issues do nothing to help the real estate market or the economy and politics will play out one way or the other. People are like a river. Over time the natural course of demand will take us where we must go. If this province is meant to be segregated and French only, then it will be. If Quebec is meant to be a diverse and developing province within world affairs, then it will be. Hopefully, the broader outlook will move Quebec forward towards its best version of itself, vibrant and flourishing.

'Montreal is a diverse and exciting city, and people here and abroad want to live in Montreal. However, supply is low. When supply is low and demand is high, prices rise.'

It is more important than ever to work together towards a common goal of peace and prosperity, but this ideal sometimes seems out of reach, with everyone having their own agenda. We are at a crossroads. It remains to be seen whether we will prosper or not.

Should you have questions or comments, please refer to the comments section at the bottom of the page. As well, to view past articles, [click here](#).

Next article: **Upcoming new rules for brokers, sellers and buyers clarified**

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## State of the market

There are two sides to the current market. On the one side, higher borrowing costs and inflation, causing the power of the dollar to shrink, are placing homes out of reach for some buyers.

On the other side, rising interest rates and inflation will cause more homes to enter the market, prices to come down a little, and provide buyers more leverage to negotiate prices and terms.

'If a buyer purchased property with their own down payment and not borrowed money, then holding that property for as long as possible would be a very good strategy.'

However, labour shortages, slow supply chains and lack of material may cause renovation to be expensive. If a buyer purchased a property with their own down payment and not borrowed money, then holding that property for as long as possible would be a very good strategy.

Have a great week, and stay safe.

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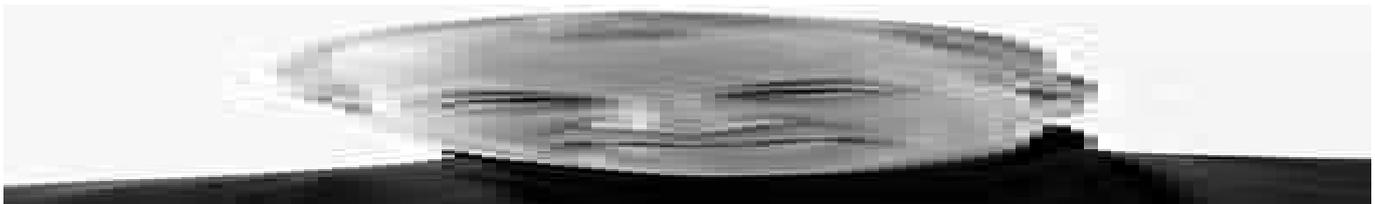
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**Joseph Marovitch** has worked in the service industry for over 30 years. His first career was working with families from Westmount and surrounding areas, hosting children between the ages of 6 to 16 as the owner and director of Camp Maromac, a sports and arts sleep away summer camp established in 1968. Using the same strengths in caring for the families, such as reliability, integrity, honesty and a deep sense of protecting the interests of those he is responsible for, Joseph applies this to his present real estate broker career. Should you have questions please feel free to contact Joseph Marovitch at 514 825-8771, or [josephmarovitch@gmail.com](mailto:josephmarovitch@gmail.com)



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