QUEBEC REAL ESTATE | AUGUST 2026

The Trade Deal Fell Apart.

Quebec Real Estate Did Not.

What the latest Canada-U.S. rupture may mean for homes, borrowing costs and income properties

More uncertainty. More caution. More disciplined pricing. No housing crash.

Canada and the United States may be angry with one another, but geography, integrated supply chains and economic necessity do not care about political emotion. Negotiations will resume. Until then, Quebec housing is more likely to rebalance than unravel.

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A grounded assessment for Quebec homeowners, buyers and real-estate investors.

01 DISRUPTION, NOT DIVORCE

The current negotiations failed in their present form. That is serious, but it is not the permanent economic separation of two countries that remain deeply connected.

Canada should defend its sovereignty and refuse an agreement that does not serve its interests. But firmness is not the same as economic denial.

Geography and supply chains do not care about political emotion.

Trade diversification is sensible. Pretending Canada can simply replace the American market with China - or that the United States can painlessly disengage from Canada - is fantasy.

The rational expectation is that talks resume and a new agreement is eventually reached, quite possibly under the current U.S. administration.

WHAT CHANGED ON AUGUST 21

Canada suspended negotiations after rejecting revised U.S. terms. The United States announced a 50% tariff on roughly $28 billion of Canadian goods; Canada said it would match those tariffs dollar for dollar. [1]

That escalation creates a new layer of uncertainty. It does not erase the structural need for an eventual agreement.

THE THREE HOUSING CHANNELS

Confidence: Some buyers and sellers pause.

Jobs: Export exposure varies locally.

Rates: Inflation and growth pull in different directions.

A trade rupture can slow decisions without destroying demand. Quebec households still form, people still move, leases still turn over and families still need places to live.

02 A MARKET ALREADY REBALANCING

It is important not to blame every real-estate change on the latest political headline. Quebec housing was already moving toward better balance before the negotiations broke down.

MARKET	SALES	SINGLE-FAMILY	CONDO	PLEX
Quebec	-5%	+5%	+1%	+2%
Greater Montreal	-7%	+3%	+1%	+5%

Median-price changes are year over year. Source: QPAREB, second quarter 2026. [2]

WHAT THE NUMBERS SAY

Sales have slowed and inventory has risen, particularly among condominiums. Yet prices remained resilient, while single-family homes and plexes in Greater Montreal continued to favour sellers.

Balance is not collapse. It is the return of negotiation.

WHAT IT MEANS FOR SELLERS

The market remains good, but it is less tolerant of aspirational pricing. A well-presented property supported by credible comparable sales can still sell strongly. A seller attempting to extract yesterday's premium from tomorrow's more cautious buyer may struggle.

WHAT IT MEANS FOR BUYERS

More selection and fewer emotional bidding decisions can create room for due diligence - provided the purchase still fits the buyer's income, financing and time horizon.

Sellers must price for the market that exists - not the market they wish still existed.

03 THE RATE QUESTION

The most consequential real-estate effect may not be the breakdown itself. It may be what an extended tariff dispute does to inflation, employment and borrowing costs.

WHY RATES COULD STAY HIGHER	WHY RATES COULD FALL
• Canadian counter-tariffs can increase imported-goods prices. • Businesses may pass higher input and transport costs to consumers. • Persistent inflation can limit the Bank of Canada's ability to reduce rates.	• Export weakness can reduce hiring, investment and confidence. • Lower demand can relieve inflation pressure. • A sufficiently weak economy can justify monetary easing.

The honest conclusion: an immediate rate increase is not inevitable, but a prolonged dispute raises the risk that borrowing costs remain higher for longer.

LOCAL EMPLOYMENT MATTERS

The housing impact will not be uniform. Export-dependent communities and households tied to manufacturing, forestry, aluminum and related industries face greater uncertainty than sectors driven mainly by local demand. Statistics Canada found that 18.4% of employment in Centre-du-Quebec was in industries dependent on U.S. demand for Canadian exports. [4]

National headlines do not affect every property type, employer or Quebec neighbourhood equally.

04 DISCIPLINE RETURNS

Income property remains a durable asset class. What is disappearing is the assumption that scarcity, rent growth and inexpensive debt can justify almost any purchase price.

The shortage rewarded almost every landlord.
The next market will reward the competent ones.

A MORE RATIONAL MARKET

CMHC expects rental vacancies to continue rising in 2026 as recently completed units enter the market and slower population growth limits absorption. Rent growth should continue, but at a slower pace. [5]

Financing costs are also forcing fairer valuations. Plexes and apartment buildings remain sound assets, but the numbers must work without heroic assumptions.

The market is not punishing real estate. It is punishing bad arithmetic.

THE DISCIPLINED INVESTOR'S CHECKLIST

- Use actual income, not hypothetical future rent.
- Model vacancy, collection risk and turnover downtime.
- Verify taxes, insurance, maintenance and utilities.
- Stress-test the mortgage at renewal.
- Examine local employment and tenant demand.
- Calculate cash flow before hoped-for appreciation.
- Give tenant quality and retention an economic value.

WHERE OPPORTUNITY REMAINS

Well-located, properly maintained properties with sustainable rents and manageable financing remain attractive. Cautious conditions can also create opportunities to acquire from owners who overpaid, borrowed too much or relied on rent growth to rescue the deal.

05 ADJUSTMENT, NOT UNRAVELLING

Canada and the United States will return to the table because both countries have more to lose from permanent economic separation than they have to gain from political posturing.

THE BALANCED VIEW

Canada should negotiate firmly and defend its sovereignty. It should also avoid confusing diversification with disengagement or anti-American sentiment with economic strategy.

Until an agreement is reached, some transactions will be delayed. Export-dependent communities deserve closer attention. Financing may remain challenging.

The evidence does not point toward a broad Quebec housing crash.

RESIDENTIAL: Moving toward better balance, with more selection and less tolerance for overpricing.

INCOME PROPERTY: Returning to disciplined underwriting, realistic rents and fairer negotiations.

OPPORTUNITY: Still available to prepared buyers and realistic sellers who understand the local numbers.

The trade relationship is unsettled.
Quebec real estate is adjusting - not unravelling.

SOURCES

1. Prime Minister of Canada, Statement on Canada-U.S. trade negotiations, August 21, 2026.

2. QPAREB, Quebec's Real Estate Market Gradually Rebalances in the Second Quarter, July 14, 2026.

3. Bank of Canada, Policy-rate decision, July 15, 2026.

4. Statistics Canada, U.S. tariffs and Canadian labour-market trends.

5. CMHC, Housing Market Outlook 2026.

START A GROUNDED REAL-ESTATE CONVERSATION

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