

Lots of Changes in Home Buyers' and Sellers' Profiles

Île-des-Soeurs, December 4, 2007 – The profile of home buyers will change significantly in the next few years, according to a public telephone survey conducted in September for the Greater Montréal Real Estate Board (GMREB). The survey, which is the fourth one, helps profile buyers and sellers, as well as measure their intentions over the next five years.

Buyers' and Sellers' Profiles

The survey showed significant differences in the profile of future buyers: they're younger (6 out of 10 are under 40 years of age), more educated (54% have a university degree) and a higher proportion are couples without children (36%). There's also an increase in the number of future buyers aged 60 and up. Baby boomers, however, will be slightly less active on the residential real estate market than they were in the previous years. The average family income of respondents planning on buying is \$62,200.

"In the Montréal area, 55% of the future buyers will be first time buyers," says Michel Beauséjour, FCA, GMREB Chief Executive Officer. "Among them, Generation Y – the baby boomers' kids – will start entering the residential real estate market as owners."

The main reason why people want to buy is to increase their living space (25% of respondents). Also, three-quarters of respondents intending to buy will be looking for resale property. Regarding the type of property they plan on buying, single-family homes remain the most popular option (58% of intentions). However, condominiums, which have been gaining in popularity in recent years, were chosen by 23% of respondents. In addition, 58% of respondents will be looking for a home that is more expensive than the one they currently live in.

Concerning the profile of potential sellers, they too are younger and more educated, and the majority (58%) do not have children. Consumers between 30 and 39 years old are the ones most likely to sell in the next five years.

Buyers' and Sellers' Intentions

In the Montréal region, 20% of the 1,445 respondents indicated that it was likely or very likely that they would buy property in the next five years, compared to 25% last year. "Given the confidence level, this decrease is not considered statistically significant," adds Michel Beauséjour. "Buyers' intentions measured in the 2007 survey are similar to the ones from the 2001 and 2003 surveys. In the years that followed those surveys, the number of real estate transactions in the GMREB MLS[®] system reached new highs. This leads us to believe that the market will remain very strong in the next few months."

As far as sellers' intentions go, since the 2006 survey, the percentage of respondents who said it was likely or very likely that they would sell their home in the next five years went from 23% to 15%. This could be a sign of a future decrease in the number of active listings.

"After seeing increases in listings every year since 2002, the number of properties for sale is now slightly decreasing in 2007, for the first time in five years," says Michel Beauséjour. "With these survey results, it is, therefore, possible that the resale market will continue to tighten. At the very least, it will remain to the advantage of sellers."

Methodology

The telephone survey was conducted from September 5 to October 7, 2007, with 1,445 respondents from the Montréal region. There is a 2.6% margin of error, 19 times out of 20. Among the respondents who indicated that they had already put a property up for sale, or intended to buy or sell during the next five years, 150 respondents were selected at random to be part of the target audience. The margin of error for this sample is 8%, 19 times out of 20.

About the Greater Montréal Real Estate Board

The Greater Montréal Real Estate Board is a non-profit organization that brings together most of the real estate brokers and agents who work in the Greater Montréal area. With more than 9,000 members, it is the second largest board in Canada. Its mission is to actively promote and protect its members' professional and business interests in order for them to successfully meet their business objectives and maintain their predominance in the real estate industry.

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