

Residential Real Estate Market Outlook: Slowdown in 2013

Île-des-Sœurs, January 22, 2013 – According to the Québec Federation of Real Estate Boards (QFREB), the residential real estate market in the province will slow in 2013. It predicts that the number of sales transactions concluded through a real estate broker will reach 74,000, a drop of 4 per cent compared to 2012.

"The most recent tightening of mortgage rules that came into effect this past July will continue to slow real estate market activity, particularly among first-time buyers who are more affected by these new measures," said Paul Cardinal, Manager, Market Analysis, at the QFREB. "Luckily, the other fundamental factors affecting sales will remain favourable, particularly interest rates which will remain at their historically low level for another year," he added.

The median price of single-family homes will increase by 2 per cent in 2013 to reach \$228,000 across the province. It will be the smallest increase in 16 years.

Moderation in Store for the Montréal Area

According to the QFREB, real estate activity in the Montréal Metropolitan Area will decrease in 2013. The QFREB expects that 38,000 sales transactions will be concluded through a real estate broker, a 5 per cent drop compared to 2012.

The number of properties for sale will continue to grow for a third consecutive year in 2013. As a result, buyers will have a slightly larger choice and a bit more power when it comes to negotiations. The market for single-family homes will become balanced while that of condominiums will give buyers a slight advantage.

"Due to the completion of many new buildings, there will be a significant increase in the number of condominium listings for a third consecutive year. This increase in active listings, combined with an anticipated drop in demand, will create a buyer's market for condominiums and pressure on prices will decrease significantly," added Mr. Cardinal.

Thus, the increase in property prices will be more moderate in 2013. The median price of single-family homes should grow by 2 per cent, reaching \$278,000 in the Montréal Metropolitan Area. As for condominiums, the increase in prices is not expected to grow by more than 1 per cent in 2013, with a median price of approximately \$229,000.

More Information on centris.ca®

For more information, including quarterly statistics for the province of Québec, as well as its municipalities and regions, visit centris.ca®, Québec's real estate industry website.

About the Québec Federation of Real Estate Boards

The Québec Federation of Real Estate Boards is a non-profit organization composed of Québec's 12 real estate boards and close to 15,000 real estate brokers who are members. Its mission is to promote and protect the interests of Québec's real estate industry so that the boards and their members can successfully meet their business objectives.

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For more information on the Centris® statistics for each of the province's regions, don't miss the upcoming publication of the QFREB Barometer.

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