



## Analysis of the Resale Market

### Resale Market Reaches a New Peak in 2007

**Montréal, February 23, 2008** – The year 2007 marked a new peak, as transactions registered in the Greater Montréal Real Estate Board (GMREB) MLS<sup>®</sup> system reached their highest level since 1993. In all, 43,543 existing properties were sold in 2007 in the Montréal metropolitan area, compared to 38,792 in 2006, for an increase of 12 per cent.

“The year 2007 enjoyed very favourable conditions, which helped the resale market do particularly well,” said Michel Beauséjour, FCA, GMREB Chief Executive Officer. Despite the difficulties experienced by the manufacturing sector, employment growth still attained 2.5 per cent in 2007, and the unemployment rate fell to 7.0 per cent, reaching its lowest level in 20 years. Consumer confidence remained strong all year long and, according to data from the Conference Board of Canada, still more than half of Quebec consumers felt that it was a good time to make a major outlay for items such as a home. In addition, financing conditions were more flexible for consumers and remained attractive even if mortgage rates rose slightly in 2007. Finally, it should be noted that, according to a survey conducted for the GMREB in the spring of 2007, the number of consumers intending to use the services of a real estate agent to sell or buy a property was up in 2007, which would have also contributed to the vigour of the resale market.

The condominium segment clearly stood out, as the increase in sales of this type (+20 per cent) was double the gain in single-family home sales (+10 per cent) and almost triple the growth in plex transactions (+7 per cent). Single-family houses still remained the most sold property type on the Montréal resale market, accounting for just over 60 per cent of all transactions registered in 2007. In all, 26,837 single-family home sales were recorded, condominium transactions exceeded the 10,000-unit mark (with 11,589 sales), and 5,117 plexes were sold through the MLS<sup>®</sup> system.

The increase in sales was such that listings started to decrease in the second quarter of 2007, which had not been seen in four years. The upward pressure on single-family home and plex prices, which rose by 7 per cent and 6 per cent, respectively, continued and was similar to that registered in 2006. These segments remained seller's markets. “The condominium segment, for its part, experienced the most changes from 2006. In fact, after becoming balanced in 2006, this market quickly went back into seller's market territory, as of the second quarter of 2007,” said Astrid Joseph, Market Analyst at CMHC. The increase in prices observed in 2007 (+6 per cent) was slightly stronger than in 2006 (+4 per cent).

Single-family home sales rose in all geographic sectors. The most affordable sector, the North Shore, stood out with a hike (+15 per cent) above the average for the overall metropolitan area while, in the other large sectors, the increases varied between 8 per cent and 10 per cent. In the metropolitan area, the average selling price of single-family houses rose from \$236,522 in 2006 to \$253,340 in 2007, for a gain of 7 per cent.

In the most active sectors in terms of condominium sales, namely, the Island of Montréal and the South Shore, transactions rose by 20 per cent and 18 per cent, respectively. However, in the North Shore and Vaudreuil-Soulanges sectors, where condominiums do not account for a large share of the number of transactions, sales increased more significantly, by 30 per cent and 32 per cent, respectively. In Laval, condominium sales went up by just 5 per cent over 2006. The average resale price of condominiums has now reached \$213,033, up by 6 per cent over the average of \$201,571 registered in 2006.

In 2007, 5,117 plexes were sold through the MLS<sup>®</sup> system, for an increase of 7 per cent over 2006. This was the first time since 2002 that the annual number of plex transactions was on the rise. While most plex sales occurred on the Island of Montréal, it was in Laval and Vaudreuil-Soulanges that transactions increased the most significantly, with gains of 9 per cent and 13 per cent, respectively. On the Island and the North Shore, sales rose by 7 per cent and, on the South Shore, they went up by 4 per cent. In the metropolitan area, the average price of plexes reached \$329,004, compared to \$310,869 in 2006, for an increase of 6 per cent.

- 30 -

For further information, please contact:

Astrid Joseph  
Market Analyst  
Canada Mortgage and Housing Corporation  
Tel.: 514-496-8564  
E-mail: [ajoseph@cmhc-schl.gc.ca](mailto:ajoseph@cmhc-schl.gc.ca)

Chantal de Repentigny  
Assistant Director,  
Communications, Industry Relations and Legal Affairs  
Greater Montréal Real Estate Board  
Tel.: 514-762-2440, ext. 130  
E-mail: [chantal.derepentigny@cigm.gc.ca](mailto:chantal.derepentigny@cigm.gc.ca)