



Analysis of the Resale Market

Resale market posts another excellent performance in the second quarter of 2007

Montréal, August 8, 2007 – According to Greater Montréal Real Estate Board (GMREB) statistics, the Montréal census metropolitan area (CMA) resale market posted another excellent performance in the second quarter of 2007. In all, 13,617 transactions were carried out, for an increase of 17 per cent over the corresponding quarter in 2006. Active listings in the GMREB MLS[®] system, for their part, declined by 5 per cent.

Given the increase in sales, the most significant since the third quarter of 2003, and the decrease in homes for sale, which had not occurred since the first quarter of 2003, the market remained a seller's market.

“The tighter financing conditions apparently did not get the better of consumer confidence, since most still thought that it was a good time to make a major outlay for items such as a home, as evidenced by the volume of resales registered through the GMREB MLS[®] system in the second quarter of 2007,” commented Michel Beauséjour, FCA, GMREB Chief Executive Officer.

During the second quarter of 2007, 8,362 single-family houses were resold, for a year-over-year gain of 15 per cent. The increase in single-family home sales priced at over \$250,000 was even greater (+38 per cent). The choice for buyers was somewhat limited by a decrease of 9 per cent in the number of houses listed in the GMREB MLS[®] system, which, combined with the increase in sales, kept this market segment favourable to sellers. The average price of single-family houses reached \$259,614, up by 8 per cent over the second quarter of 2006. The average listing period for homes of this type was 71 days, or just 2 days longer than a year earlier.

During the second quarter of 2007, the condominium segment became a seller's market again. This can be attributed to the strong increase in sales (+24 per cent) and the slight rise in listings (+1 per cent). During the quarter that just ended, 3,685 condominium sales were registered. The 45-per-cent increase in sales in the higher price ranges (over \$250,000) did not have a major impact on the average selling price (\$211,651), which rose by only 3 per cent over the second quarter of 2006. The condominium supply remained abundant, which had a moderating effect on the growth in prices. With many condominiums for sale, the average listing period increased. During the most recent quarter, the average listing period for condominiums reached 88 days, or 9 days more than in the second quarter of 2006.

The growth in plex sales that began in the first quarter of 2007 (+4 per cent) picked up the pace in the second quarter. In all, 1,570 plexes changed hands, for an increase of 13 per cent over the second quarter of 2006. On the supply side, listings, which were already scarce, declined (-3 per cent). Although properties of this type

accounted for the smallest share of transactions, their average listing period (70 days) was shorter than for the other categories, showing the appeal of these small rental properties among buyers. The increase in sales, combined with the scarce supply, helped keep this segment a seller's market. In the overall CMA, the average selling price of plexes reached \$330,947, up by 4 per cent over the second quarter of 2006.

"The strength of the Montréal area resale market is now indisputable. The volume of transactions registered during the first six months of this year is up by 14 per cent over the same period in 2006. There is no doubt that the resale market is headed for a new record" said Astrid Joseph, Market Analyst at Canada Mortgage and Housing Corporation (CMHC).

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