



Analysis of the Resale Market

Third quarter of 2007: another exceptional quarter

Montréal, October 23, 2007 – In the Montréal census metropolitan area (CMA), the resale market was again very active in the third quarter of 2007. According to the Greater Montréal Real Estate Board (GMREB) MLS[®] system, 8,339 properties changed hands, or 13 per cent more than in the third quarter of 2006. The increase in sales was felt across all geographic sectors and all market segments.

“Although credit conditions have gradually been getting tighter since the beginning of the year, this has not affected demand for residential properties, on the contrary. During the first three quarters of 2007, 34,462 home sales were recorded in the GMREB MLS[®] system, for a gain of 13 per cent over the first three quarters of 2006. Demand was so strong that, in the third quarter of 2007, property listings were down by 9 per cent from the same quarter in 2006,” commented Michel Beauséjour, FCA, GMREB Chief Executive Officer.

Of the 8,339 sales registered in the GMREB MLS[®] system in the third quarter of 2007, 5,138, or 62 per cent involved single-family houses. Sales of single-family homes rose by 11 per cent in the CMA but, on the North Shore, the gain (+21 per cent) was twice the average. This increase in transactions was accompanied by a decrease (-12 per cent) in the number of active listings in the GMREB MLS[®] system. The scarcer supply, combined with the strong demand, allowed this segment to remain a seller's market. The average selling price of single-family houses reached \$258,347, for an increase of 6 per cent over the third quarter of 2006. In this market segment, the average listing period (68 days) was shorter than in the other segments, and has decreased in relation to the third quarter of 2006.

During the past quarter, condominium sales rose more significantly (+21 per cent) than transactions involving other housing types. In all, 2,260 condominiums were sold, making the third quarter of this year the best third quarter since 1993 in terms of condominium transactions. Although this market is concentrated mainly on the Island of Montréal, more marked gains were observed in almost all suburban sectors while, on the Island and in Laval, the increases were below the average for the CMA. The increase in transactions came with a drop (-5 per cent) in the number of condominiums listed in the GMREB MLS[®] system. However, the level of listings remained significant and had a dampening effect on the increase in the average selling price, which rose by only 3 per cent to \$217,131. The condominium market continued to favour sellers,

although the average listing period (89 days) has increased, and was longer than the averages for the other market segments.

In the third quarter of 2007, 941 plexes were sold, or 5 per cent more than during the third quarter of 2006. This segment remained a seller's market thanks, in part, to the decrease in listings (-4 per cent). While there were few plex sales, properties of this type are still sought-after, as evidenced by their average listing period (70 days), which has increased by just 1 day over the third quarter of 2006, and the growth in their average selling price (+7 per cent), which was greater than the gains recorded in the other market segments. For the overall CMA, the average selling price of plexes reached \$328,479.

"Consumer confidence remained strong, despite the higher unemployment rate and tighter financing conditions. With this optimism, the resale market will set a new record in 2007," said Astrid Joseph, Market Analyst at CMHC.

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