



Property resales ease up in the third quarter

Montréal, November 16, 2006 – In the third quarter of 2006, according to the statistics of the Greater Montréal Real Estate Board (GMREB), activity slowed down on the Montréal metropolitan area resale market. In all, 7,213 properties changed hands, or 5 per cent fewer than during the third quarter of 2005. Still, the number of resales registered on the GMREB S.I.A.[®]/MLS[®] network in the first three quarters (29,703 units) suggests that 2006 will be a very good year. “The decrease observed in the third quarter should not prevent the resale market from posting an exceptional annual result. It is anticipated that the volume of transactions recorded in 2006 will be close to the levels registered in 2005 and 2002, which were leading years in terms of resale market activity,” said Michel Beauséjour, FCA, Chief Executive Officer of GMREB.

It was the single-family home segment that was least affected by the weaker resale market. In the quarter that just ended, 4,563 single-family houses were resold, or just 4 per cent fewer than during the third quarter of 2005. The decrease in transactions did not prevent the single-family home segment from remaining favourable to sellers, which illustrates the appeal of properties of this type. During the past quarter, the average selling price of single-family homes reached \$246,244, up by 9 per cent over the third quarter of 2005. This was the strongest price increase registered this past quarter among the different types of properties.

In the Montréal metropolitan area, condominium sales fell by 6 per cent to 1,745 units in the third quarter of 2006. The decline in transactions did not keep this market from staying balanced, as the rise in listings was relatively moderate (+17 per cent). On the GMREB S.I.A.[®]/MLS[®] network, the average selling price of condominiums reached \$208,869, up by 3 per cent over the third quarter of 2005.

The plex market (properties with 2 to 5 housing units) contracted once again in the third quarter of 2006. In fact, 905 plexes changed owners, or 11 per cent fewer than in the third quarter of 2005. This was the largest decrease in transactions recorded in the third quarter. The plex segment remained a seller’s market, thanks in large part to the small rise in listings (+4 per cent). The average selling price of plexes reached \$305,645, for an increase of 2 per cent over the third quarter of last year.

The slowdown in demand in the past quarter did not result in a major correction of the market as, at the same time, supply rose moderately. "In general, the increase in prices was less significant than in the past, which indicates that the market is slowly becoming balanced again," indicated Astrid Joseph, Market Analyst at Canada Mortgage and Housing Corporation (CMHC).

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