



2006: another very active year for the Montréal area resale market

Montréal, February 14, 2007 – According to data from the Greater Montréal Real Estate Board (GMREB), the Montréal metropolitan area resale market was very active in 2006, with an exceptionally high volume of sales that surpassed the 2005 level by a few transactions. In all, 38,385 resales were registered on the S.I.A.[®]/MLS[®] network of the GMREB in 2006, or 115 more transactions than in 2005.

“Despite a small increase in mortgage rates in 2006, the context remained favourable to the Montréal metropolitan area resale market,” said Michel Beauséjour, FCA, Chief Executive Officer of the GMREB. “Among other things, employment growth was stronger than in 2005 and consumer confidence held up, which helped maintain a high level of activity on the resale market in 2006,” he explained.

Single-family home resales remained stable for the second year in a row. With 23,926 resales, this housing type was still the most popular, accounting for nearly 6 out of 10 transactions. Condominium resales continued to rise (+3 per cent), but at a much slower pace than in 2005 (+12 per cent), and plex resales registered another decrease (-6 per cent), which was comparable to the decline recorded in 2005. In all, 9,684 condominium resales and 4,775 plex transactions were registered on the S.I.A.[®]/MLS[®] network of the GMREB.

Throughout 2006, listings rose. They went up more significantly for condominiums than for other housing types, but the pace still slowed down starting in the second half of 2006. In the fourth quarter of 2006, condominium listings went up by 14 per cent, or nearly four times faster than single-family home and plex listings (+4 per cent).

“In a context where condominium resales increased moderately and listings rose considerably, conditions were less tight on the condominium market than in the single-family home and plex segments. Since this was the only market classified as balanced, there was less pressure on selling prices for condominiums than for single-family homes or plexes, both classified as seller’s markets,” explained Sandra Girard, Senior Market Analyst at Canada Mortgage and Housing Corporation (CMHC). For 2006 overall, the average price of condominiums rose by 4 per cent (to \$201,903), compared to increases of 7 per cent for single-family houses (to \$237,692) and plexes (to \$311,185).

“In addition, the greater number of listings helped ease conditions on the market somewhat. As a result, the growth in prices in relation to 2005 slowed down, in line with a market that is gradually becoming balanced,” she added.

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