

**RESALE MARKET SLOWS
BUT LEVEL OF ACTIVITY REMAINS VERY HIGH**

Montréal, May 13, 2003 – From January to March 2003, 10,191 resales were recorded through the Multiple Listing Service S.I.A.®/MLS® in the Montréal metropolitan area, for a decrease in activity of 19 per cent in relation to the corresponding period in 2002. The decline was more pronounced on the single-family home market (-22 per cent) than on the plex market (-16 per cent) or the condominium market (-12 per cent).

While the market may have weakened, the level of activity still remains very high compared to previous years. “The resale market posted its second best performance since 1989, after the first quarter of 2002. Total transactions were 3 per cent higher than in the first quarter of 2001, which had been excellent,” pointed out Michel Beauséjour, FCA, Chief Executive Officer of the GMREB.

In a context of scarce supply, demand for existing homes slowed, not for lack of any buyers, but because it is difficult for them to find properties that meet their criteria and because these properties are getting more and more expensive. It should be noted that the results for the first quarter show that the supply of properties for sale is falling at a slower pace than in 2002. Overall, listings fell by 16 per cent while, one year earlier, they had decreased by 38 per cent.

However, the strong growth in prices that marked the year 2002 continued in the first quarter of 2003 and extended to all housing types. More specifically, the average prices rose by 20 per cent for single-family homes, by 21 per cent for condominiums and by 22 per cent for plexes. “This increase was all the more significant in that prices had gone up modestly during the corresponding period last year, compared to the rest of 2002.

Also, this major hike was attributable to a shift in demand toward more expensive properties,” commented Sandra Girard, Senior Market Analyst.

This information, and much more, can be found in ***Analysis of the Resale Market: Montréal Metropolitan Area***, a quarterly review jointly published by Canada Mortgage and Housing Corporation (CMHC) and the Greater Montréal Real Estate Board (GMREB). This report presents an analysis of the resale market in the metropolitan area, along with data on single-family houses, condominiums and plexes.

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For more information, please contact:

Sandra Girard
Senior Market Analyst
Canada Mortgage and Housing
Corporation
Tel.: (514) 283-5075

Linda Grondin
Assistant Manager, Industry Relations
and Strategic Communications
Greater Montréal Real Estate Board
Tel.: (514) 762-2181, ext. 130