



## Resale numbers slightly decrease in the first quarter

**Montreal, June 3, 2005** – During the first three months of 2005, a total of 10,431 units were sold in the Greater Montreal area through the Greater Montréal Real Estate Board (GMREB) S.I.A.<sup>®</sup>/MLS<sup>®</sup> system. It is a 4% decrease compared to the same time period in 2004. Slower activity was recorded on the resale market for the third straight quarter.

The housing market has reached a certain plateau, as the renewal of the demand must now take place after being strong for more than two years. “It is not surprising that we eventually reached a peak which, for the resale market, roughly happened between the summer of 2003 and the fall of 2004,” explains Mr. Jean Laferrière, Market Analyst for the Canada Mortgage and Housing Corporation (CMHC).

Results for 2005 remain strong since the resale market recorded limited declines when compared to unusually active years. The year started with a lead of almost 10% compared to 2000 and 2001, even if prices rose by 60% to 70%. “This new market context could have been overvalued and could have motivated households to review their priorities,” says Michel Beauséjour, FCA, GMREB Chief Executive Officer. “But it is presumably not the case because housing remains at the heart of the customers’ objectives.”

As for prices, we observe that Montreal’s residential market has caught up and now shows lower increases, similar to those recorded at the end of the ‘90s. The real estate market should remain a good inflation shelter, which remains low at approximately 2%.

Since the beginning of 2005, Montreal’s economy is back on track. Almost 20,000 jobs were created during the first quarter, while around 7,000 jobs were lost in 2004. The trend is to full-time job creation, which jumped to 30,000 between the end of 2004 and March 2005, the best start since 1988.

The Analysis of the Resale Market of the Montreal Metropolitan Area is available at: <http://www.cigm.qc.ca/download.aspx?doc=ANALYSEPUBLIC\ang\632533006432063750.pdf>

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For further information, please contact:

**Jean Laferrière**  
Market Analyst  
Canada Mortgage and Housing  
Corporation  
Tel.: (514) 496-8564  
E-mail: [jlaferr@schl.ca](mailto:jlaferr@schl.ca)

**Linda Grondin**  
Assistant Director, Communications,  
Industry Relations and Legal Affairs  
Greater Montréal Real Estate Board  
Tel.: (514) 762-2181, extension 130  
E-mail: [linda.grondin@gmreb.qc.ca](mailto:linda.grondin@gmreb.qc.ca)