

**HOME RESALE MARKET IN GREATER MONTRÉAL:
RESULTS POSITIVE FOR FIRST SIX MONTHS
DESPITE SMALL DOWNTURN IN SECOND QUARTER**

Montréal, September 26, 2002 – After having reached a new peak in the first quarter of 2002, the Montréal metropolitan area resale market sustained a downturn during the second quarter. In all, 9,903 sales were recorded on the Multiple Listing Service (S.I.A.®/MLS®) network of the Greater Montréal Real Estate Board (GMREB), for a decrease of 7 per cent from the same period last year, when 10,641 transactions had occurred. Still, the results for this first half of 2002 remain more than positive, as 22,535 homes changed hands, or 10 per cent more than during the same period one year earlier.

In general, the single-family home market lost the most ground, as it registered a decrease of 9 per cent from the same quarter the year before, closely followed by the condominium market, which showed a downturn of 8 per cent. As for the plex market, it remained on an upward course, with a small gain of 2 per cent.

In terms of geographical sectors, the market zones that sustained the greatest decreases are in Laval, where condominium resales declined by 35 per cent in relation to the second quarter of last year. On the South Shore, the condominium market also registered the largest downturn, with a decrease of 18 per cent. Overall, on the Island of Montréal, the slowdown observed was less marked, with the exception of the zone covering Saint-Laurent and Ahuntsic, where decreases exceeding 20 per cent were recorded for all housing types.

The downward trend in the number of listings, which began in 1996, has intensified since the beginning of the year. Everywhere, and for all housing types, the seller-to-buyer ratios are largely favourable to sellers. Listing periods have gotten shorter.

“Following such a decrease in the supply, it is no surprise that the average price of existing properties on the Montréal area market went up more significantly in the first half of this year,” commented Marie-Christine Rioux, Market Analyst at Canada Mortgage and Housing Corporation (CMHC). The condominium market led the way with an increase of 18 per cent, followed by the single-family home and plex markets, with hikes of 12 per cent and 11 per cent, respectively.

Quebec consumer confidence in the economy has made a spectacular gain since the beginning of 2002. The fact that our economy is growing faster than that of our neighbours to the south is fuelling generalized optimism. “In the past, such renewed confidence has coincided with intense activity on the resale market. The good health of the economy, the exceptional performance of the job market and mortgage interest rates that will be maintained at historically low levels will contribute to giving a strong boost to the resale market,” pointed out Michel Beauséjour, Chief Executive Officer of the GMREB.

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:

Marie-Christine Rioux
Market Analyst
Canada Mortgage and Housing
Corporation
Tel.: (514) 283-2378

Linda Grondin
Coordinator, Editing and
Communications
Greater Montréal Real Estate Board
Tel.: (514) 762-2181, ext. 130