

GREATER MONTRÉAL RESALE MARKET: ACTIVITY GOES ON STRONGER THAN EVER

Montréal, August 17, 2004 – The Greater Montréal resale market continues to grow. During the second quarter, 10,460 transactions were recorded through the S.I.A.[®]/MLS[®] network, or 10 per cent more than in the same period last year. Also, price increases remained very strong.

“The resale market benefited from a new low in mortgage rates in March and an increase in active listings to maintain its growth,” explained Paul Cardinal, Senior Market Analyst at CMHC. In fact, in March, the rate for a five-year home loan fell to as low as 5.7 per cent – a level not seen since August 1955. “Even though mortgage rates have since started rising again, it can already be said that the year 2004 will mark a new transactions record. CMHC still forecasts a total of 36,000 resales through the S.I.A.[®]/MLS[®] network this year,” he added.

The increase in sales during the second quarter extended to all housing types. Condominiums led the way with a gain of 17 per cent, followed by single-family homes, with a rise of 11 per cent. Homes located in the suburbs turned out to be the most popular, as sales went up by 14 per cent on the North Shore and by 11 per cent in Laval and on the South Shore, compared to 7 per cent on the Island of Montréal. Sales of plexes with two to five units, for their part, went up by a meagre 2 per cent. It should be mentioned, though, that these transactions are still limited by the lowest level of listings among all housing types.

As well, there seems to be some confirmation of the upward trend in the number of properties for sale in Greater Montréal. At least, this is clearly the case for condominiums. Such listings have been on the rise for five straight quarters now. During the months from April to June, the gain reached 48 per cent over last year. For plexes with two to five units and single-family homes, the increases in listings are much

slimmer, but have still been lasting for three quarters in the first case and for four quarters in the second. During the last quarter, listings went up by 17 per cent for plexes and by 16 per cent for single-family homes.

It is also important to point out that home prices just keep on rising in Greater Montréal. To acquire a property in the Montréal area, it cost an average of 14 per cent more in the case of condominiums, 16 per cent more for single-family homes and 21 per cent for plexes with two to five units.

“The average price of a single-family home on the Island of Montréal has now exceeded the \$300,000 mark. This average price was \$312,450 for transactions registered between April and June,” commented Michel Beauséjour, FCA, Chief Executive Officer of the Greater Montréal Real Estate Board (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 homes, condominiums and plexes.

The ***Analysis of the Resale Market: Montréal Metropolitan Area*** is available online at <http://www.gmreb.qc.ca/pb/amr/2004/2004-02.pdf>

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