

**GREATER MONTRÉAL AREA RESALE MARKET  
BACK ON THE ROAD TO GROWTH**

**Montréal, November 13, 2002** – Following a slight downturn in the second quarter, the Montréal area resale market posted renewed growth this summer. From July to September 2002, 5,737 sales were recorded through the Multiple Listing Service (MLS)<sup>®</sup> of the Greater Montréal Real Estate Board (GMREB), for an increase of 5 per cent compared to the same period in 2001. In all, 28,272 existing homes have been sold so far this year, up by 9 per cent over the first three quarters of last year.

All housing types contributed to this growth, but especially plexes (14 per cent) and condominiums (13 per cent). Since single-family home sales account for two-thirds of all resales in Greater Montréal, their more modest rise (6 per cent) attenuated the overall performance observed during the third quarter.

On the Island of Montréal, single-family home sales went down slightly (-1 per cent) from the first nine months of last year. In the southern and northern suburbs, however, such sales went up by 10 per cent and 13 per cent, respectively, reflecting a totally different situation. This vigorous activity was not extraneous to the fact that single-family houses are more affordable in these sectors. In fact, there is a gap of at least \$90,000 between the average price of these properties on the Island of Montréal (\$225,700) and in its suburbs (South Shore and Laval: \$134,700; North Shore: \$124,700).

Resales of condominiums (15 per cent) and plexes (10 per cent) continued to grow at a steady pace on the Island of Montréal. While, in absolute terms, transactions involving these housing types were less numerous in the suburbs, the gains on the plex market were particularly notable on the North Shore (54 per cent) and the South Shore (37 per cent). On the North Shore, the condominium market also stood out with an increase of 27 per cent and, conversely, only the Laval market sustained a slowdown (-12 per cent).

In all sectors across the Montréal metropolitan area, and for all housing types, average prices are considerably on the rise this year. “The Greater Montréal area resale market is adjusting to an increasingly limited supply, ratios that are clearly favourable to sellers and a steady demand,” explained Marie-Christine Rioux, Market Analyst at CMHC. In fact, for the first nine months of 2002, the average price of existing single-family houses on the Montréal area market stands at close to \$155,000, up by 13 per cent over the same period last year. But it was the condominium market that particularly stood out, as its average price rose by 19 per cent to almost \$137,000. On the plex market, the average price of \$180,000 shows a gain of 12 per cent. Still, as Michel Beauséjour, Chief Executive Officer of the GMREB, pointed out, home prices “...in the Montréal area make this city one of the most affordable in the world and one of the most attractive for long-term investments in Canada.”

The favourable economic indicators that are inciting households to take the plunge into homeownership will hold up over the short and medium terms and strengthen demand on the resale market during the coming year. Even if interest rates are expected to rise over the next coming year, mortgage rates will remain at historically low levels.

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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