

THIRD QUARTER: RESALE MARKET REBOUNDS IN GREATER MONTRÉAL

Montréal, November 18, 2003 – The third quarter results revealed that, in Greater Montréal, the resale market eluded the downward trend that had been observed in recent months. According to Multiple Listing Service S.I.A.®/MLS® data, 7,162 transactions were recorded during the months from July to September, for a jump of 25 per cent over last year. Condominiums continued to stand out, with a greater increase in sales (+38 per cent) than the gains recorded for single-family houses (+24 per cent) or plexes (+14 per cent).

However, these exceptional results did not fully offset the slowdown observed in the first half of the year. Since January, the market is down by 5 per cent in relation to 2002, as total transactions reached 26,822 units in Greater Montréal.

Despite this decline, the market remains extremely vigorous and continues to enjoy a good context. “The strong job creation in recent years and the still very favourable financing conditions, not to mention that the majority of households feel that now is a good time to make a major outlay, are all factors that are having a positive impact on the market,” explained Michel Beauséjour, FCA, Chief Executive Officer of the Greater Montréal Real Estate Board (GMREB).

The upward movement in listings, which began in the second quarter, continued over the past quarter (+13 per cent). However, the level of listings still remains historically very low, and buyers still have a very limited choice. Just like in the previous quarter, supply increased more in the condominium segment (+39 per cent) than in the single-family home market (+13 per cent) while, for plexes, supply continued to get scarcer (-11 per cent).

The growth in prices is still very strong. The average price for plexes climbed by 24 per cent, that for single-family houses went up by 16 per cent and that for condominiums rose by 13 per cent. For the past two quarters, however, the single-family home and condominium price gains have been less considerable than in previous quarters, while the increase in plex prices has been holding up and even accelerating.

“Even though supply may still be at a very low level, the increase in listings is still allowing market conditions to ease slightly and, consequently, limiting the growth in prices. During the third quarter, it was the price of plexes that went up the most, and this was the only housing type for which listings continued to decline. Condominiums, for their part, registered the smallest average price hike, while it was for this type of housing that listings rose the most (+39 per cent),” explained 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.

- 30 -

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