



Resale Market Still Rising

Montréal, November 14, 2005 – In the third quarter of 2005, 7,345 transactions were closed in Greater Montréal, or 8 per cent more than during 2004. In terms of year-to-date sales, 2005 is looking just as good as 2004. In fact, from January to September 2005, 28,685 sales were recorded on the S.I.A.[®]/MLS[®] network, compared to 28,151 during the same period last year, for an increase of 2 per cent.

Overall, the resale market still remains favourable to sellers. “The rise in transactions recorded on the S.I.A.[®]/MLS[®] network demonstrates the continued interest in real estate. The increase in prices—all in all moderate—is encouraging sellers and not scaring off buyers,” commented Paul Cardinal, Senior Market Analyst at Canada Mortgage and Housing Corporation (CMHC).

The most popular type of property remains single-family houses, which registered the most sales, by far, during the third quarter, and also had the shortest average listing period (67 days). Nearly 70 per cent of the single-family home sales occurred in the North Shore, South Shore and Laval sectors. In Greater Montréal, the average S.I.A.[®]/MLS[®] price of single-family houses reached \$228,528, up by 4 per cent over the third quarter of last year. It should be noted that 25 per cent of the homes sold in Greater Montréal are priced at over \$250,000. The segment comprising houses selling for over \$250,000 favours buyers in all zones, except on the Island, where this segment is balanced.

The condominium resale market remains very active, as sales went up by 23 per cent in the third quarter of 2005, for the strongest increase in the quarter. The growth observed in certain parts of the Island of Montréal, particularly zones 5 and 7, which posted gains of 37 per cent and 38 per cent, respectively, contributed to this result. However, a certain balancing is under way on this market. The listings-to-sale ratio went from 5 to 1 up to 7 to 1 in the third quarter of 2005. The average listing period is also on an upward course, having reached 78 days during the quarter that just ended.

“Condominiums remain a popular housing type on the resale market. In fact, the average selling price rose by 7 per cent over the third quarter of 2004, and has now attained \$202,366. Given their relative affordability, condominiums remain the way to access homeownership for many households in Greater Montréal,” noted Michel Beauséjour, FCA, Chief Executive Officer of the Greater Montréal Real Estate Board (GMREB).

It is interesting to note that condominium transactions, which used to take place almost exclusively on the Island, are now moving out to the suburbs. In fact, during the third quarter of 2005, 35 per cent of condominium sales occurred in the Laval, North Shore and South Shore sectors.

Finally, 2 to 5-unit plex sales remained stable in relation to the third quarter of 2004. This situation is no doubt attributable to the small rise in supply, as active listings on the S.I.A.[®]/MLS[®] network increased by just 3 per cent. The average selling price went up by 15 per cent over last year, for the strongest price hike observed during the quarter. For the first time, the average price of plexes surpassed the \$300,000 mark in Greater Montréal, reaching \$300,627.

The Analysis of the Resale Market of the Montreal Metropolitan Area is available at: http://www.cigm.qc.ca/uploads/document/rapport_3t_2005_a.pdf.

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