



Market still active but more balanced

Montréal, May 9, 2006 – In the Montréal metropolitan area, the resale market remained very active in the first quarter of 2006. In all, 11,198 properties were sold through the S.I.A.[®]/MLS[®] network, compared to 10,852 during the first three months of 2005, for an increase of 3.2 per cent.

“However, while sales may have increased, the rise in listings over the past two years got the better of the soaring property prices,” explained David L’Heureux, Market Analyst at Canada Mortgage and Housing Corporation (CMHC). For example, after having risen by 14 per cent in 2004, the average price of single-family houses climbed by 6 per cent in the first quarter of 2006. The resale market is therefore gradually easing. It is more balanced but still remains a seller’s market overall.

In the first quarter, single-family home transactions in the Montréal metropolitan area went up by 2 per cent over the same period last year. The average price of single-family houses reached \$225,526, for a gain of 6 per cent compared to the first quarter of 2005. Active listings continued to rise (+10 per cent), for a twelfth straight quarter. This segment of the resale market remained favourable to sellers.

In the Montréal metropolitan area, the single-family home market showed significant differences depending on the price ranges. In fact, on the Island, market conditions favoured sellers in the case of properties priced at under \$300,000, but gave the edge to buyers for properties selling for over \$500,000. In the suburbs, the market favoured sellers for properties priced at under \$250,000 in Laval and on the South Shore and for homes selling for under \$200,000 on the North Shore. Conversely, buyers had the advantage in the case of properties selling for over \$250,000 in Laval and on the North Shore and for homes priced at over \$300,000 on the South Shore.

The condominium market is now balanced, with a listings-to-sales ratio of 8 to 1. This segment has eased on account of the rapid rise in listings for almost three years now. The trend continued in the first quarter with an increase of 28 per cent in the number of condominiums for sale. As a result, the growth in the average price (+3 per cent) was less significant than the gain registered in the first quarter of 2005 (+8 per cent). “While the condominium market may have eased, demand for this type of housing stayed strong, as evidenced by the increase of 10 per cent in the number of transactions closed,” indicated Michel Beauséjour, FCA, Chief Executive Officer of the Greater Montréal Real Estate Board (GMREB).

In the Montréal metropolitan area, the plex segment remained a seller's market, and the growth in the average price was still significant (+9 per cent). Despite a decrease of 7 per cent in transactions, this segment stayed tighter on account of the few listings on the market. On the Island, where most plex transactions take place, the average price went up by 8 per cent to \$319,238.

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For more information, please contact:

Paul Cardinal

Senior Market Analyst
Canada Mortgage and Housing
Corporation

www.cmhc.ca

Tel.: (514) 283-8391

E-mail: pcardina@cmhc.ca

Chantal de Repentigny

Assistant Director
Communications, Industry Relations and
Legal Affairs

Greater Montréal Real Estate Board

www.notwithoutmyagent.com

Tel.: (514) 762-2181, ext. 130

E-mail: chantal.derepentigny@gmreb.qc.ca