



Analysis of the Resale Market

First quarter 2007: year off to a great start

Montréal, May 14, 2007 – According to Greater Montréal Real Estate Board (GMREB) statistics, the Montréal census metropolitan area (CMA) resale market was very vigorous in the first quarter of this year. In all, during the first three months of 2007, 12,506 existing homes were sold through the GMREB Multiple Listing Service (MLS)[®] system, or 10 per cent more than during the first quarter of 2006.

“The volume of transactions registered in the first quarter of 2007 was exceptional, as only the first quarter of 2002 posted more than 12,506 existing property sales. There is no doubt that, in addition to the continued favourable financing conditions, the higher consumer confidence and low unemployment rate in the metropolitan area greatly contributed to this result,” said Michel Beauséjour, FCA, GMREB Chief Executive Officer.

The strong increase in sales (+10 per cent), combined with the moderate rise in listings (+3 per cent), helped keep the resale market a seller’s market overall.

In the quarter that just ended, 7,959 single-family homes were resold, up by 10 per cent over the first quarter of 2006. The increase was more pronounced in the case of houses priced at over \$250,000. During the first three months of the year, the average selling price of single-family houses reached \$236,085, for a gain of 5 per cent in relation to the first quarter of 2006. The appeal of single-family homes, as reflected by the significant volume of transactions, along with stable listings allowed this market to stay favourable to sellers.

Condominium sales went up by 11 per cent to 3,213 units in the first quarter of 2007. A strong demand for this housing type and a more moderate growth in supply kept this market balanced. The supply of condominiums remains abundant, and the average listing period reached 92 days. This average time period, which increased by almost two weeks over the first quarter of 2006, was longer than the average listing periods observed for single-family houses (73 days) and plexes (75 days). In the overall metropolitan area, the average price of condominiums has now risen to \$204,359, up by 8 per cent over the first quarter of 2006. This was the strongest price hike for a particular housing type.

Plex sales rose for the first time since the third quarter of 2005. In fact, 1,334 plexes changed owners, or 4 per cent more during the first quarter of 2006. The supply of plexes, which increased by just 1 per cent in relation to the first quarter of 2006, remained limited. The appeal of this housing type and the scarce supply have kept this segment a seller’s market. In the overall CMA, the average price of plexes reached \$318,845, for an increase of 5 per cent over the first quarter of 2006.

“The year 2007 got off to a great start on the resale market. Transactions increased not only for all property types but also in all sectors. Sales went up more significantly on the North Shore (+17 per cent) and in Vaudreuil-Soulanges (+16 per cent), which are part of the outer suburbs. These above-average gains in sales reflect the appeal of these suburbs for home buyers. The performance for the first three months of the year confirms our forecast that the resale market will remain very active in 2007,” explained Astrid Joseph, Market Analyst at Canada Mortgage and Housing Corporation (CMHC).

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