

MONTRÉAL METROPOLITAN AREA RESALE MARKET CONTINUES TO RISE

Montréal, May 19, 2004 – The year 2004 started off on a high note in Greater Montréal, with a gain of 7 per cent in the number of transactions recorded through the Multiple Listing Service® S.I.A.®/MLS®. In the first quarter, member real estate agents carried out 728 more transactions than they did between January and March 2003, for a total of 10,919 resales. Condominiums once again posted the greatest increase in sales (+17 per cent). They were followed by plex resales (+6 per cent) and single-family homes (+4 per cent).

This was the third quarterly gain, following a decline in the first half of 2003. “The decrease in mortgage rates at the beginning of 2004 made market conditions even more favourable. In fact, encouraged by the job creation and affordable financing conditions that have been prevailing for several quarters, a significant proportion of consumers feel that now is a good time to make a major purchase,” explained Michel Beauséjour, FCA, Chief Executive Officer of the Greater Montréal Real Estate Board (GMREB).

In fact, buyers did not fail to show interest in condominiums, which were the only housing type for which sales went up in 2003 and the one that posted the strongest increase in activity in the first quarter (+17 per cent). According to Paul Cardinal, Senior Market Analyst at CMHC, “there are two key reasons why the condominium market is so active, for both new constructions and resales. First, this type of property represents an affordable choice for young households accessing homeownership. And, second, the aging population favours these dwellings, which require little maintenance and offer less space than single-detached houses.”

In addition to the increase in sales, listings also drew attention, with a significant gain of 22 per cent during the first three months of the year. Given the high prices on the market, the number of properties for sale was on the rise for a fourth consecutive quarter. Following 28 quarterly decreases in a row, this new rise in listings is welcome, but still far from sufficient to bring the market back to a balanced level.

The market therefore remains favourable to sellers, which is putting significant pressure on prices. As a result, prices continued in their stride and climbed by an average of 15 per cent for single-family homes. As for condominiums, the major increase in listings over the past year seems to have limited the rise in prices to 12 per cent in the first quarter. Finally, plexes, which were the last housing type to post an upturn in listings, recorded the greatest price hike, at 19 per cent.

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.

The ***Analysis of the Resale Market: Montréal Metropolitan Area*** is available online at <http://www.gmreb.qc.ca/pb/amr/2004/2004-01.pdf>

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For more information, please contact:

Paul Cardinal
Senior Market Analyst
Canada Mortgage and Housing
Corporation
Tel.: (514) 283-8391

Linda Grondin
Assistant Manager, Communications,
Industry Relations and Legal Affairs
Greater Montréal Real Estate Board
Tel.: (514) 762-2181, ext. 130