

FOURTH QUARTER: RESALE MARKET ENDS THE YEAR ON A HIGH NOTE AND REACHES A PLATEAU

Montréal, February 18, 2004 – During the months from October to December, the upward trend observed in the previous quarter held up on the resale market. According to data from the Multiple Listing Service® S.I.A./MLS®, 8,501 transactions were recorded in the last quarter of 2003, for an increase of 6 per cent over the same period the year before. Condominiums again posted the greatest increase in sales (+13 per cent), followed by single-family homes (+5 per cent). Plex sales, for their part, remained stable.

“The resale market attained new heights in 2003. Thanks to the vigorous sales observed during the second half of the year, total transactions reached 35,323 units in Greater Montréal. Despite a small downturn of 3 per cent, the number of transactions enumerated on the resale market in 2003 ranks second, right behind the record set in 2002,” noted Michel Beauséjour, FCA, Chief Executive Officer of the Greater Montréal Real Estate Board (GMREB).

As for prices, the steady gains continued for all housing types in 2003. These increases were all the greater during the year since the market tightened. In fact, in the last quarter of 2003, the rise in plex prices picked up the pace and reached 26 per cent. The price hike was steadier in the case of single-family homes, attaining 16 per cent in the fourth quarter compared to the same period in 2002. Given the addition of new listings, the increase in condominium prices was more modest than in previous quarters and also stood at 16 per cent for the last three months of the year.

In 2003, condominium sales went up by 6 per cent. Single-family home and plex sales, for their part, went down very slightly (by 5 per cent and 4 per cent, respectively). “Still confident in the economy and wishing to take advantage of historically low financing

rates, buyers were present on the market all year. It was the change in supply that affected the sales performance of each housing type,” commented Bertrand Recher, Market Analyst at CMHC.

Annual supply jumped up for condominiums, but rose only marginally in the case of single-family homes. Active listings of plexes got scarcer and, for the first time since 1989, fell below the condominium supply. “One of the highlights of 2003 was the turnaround in the overall supply. After a major drop in listings of 37 per cent in 2002, a small upturn of 3 per cent was observed in 2003,” indicated Recher.

“Sales therefore reached a plateau in 2003. The increase in listings is good news, as it will breathe new life into a resale market where optimism reigns. In fact, at the end of 2003, more than half of Quebec residents felt that it was still a good time to make a major outlay for an item such as a home,” explained Beauséjour.

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/2003/2003-04.pdf>

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