

MONTREAL REAL ESTATE MARKET CONTINUES TO SHOW SIGNS OF RESILIENCE IN THE FIRST QUARTER OF 2014

Increasing Inventory Levels a Welcome Sign for Buyers

MONTREAL, April 8, 2014 – The Royal LePage House Price Survey, released today, showed a moderate increase in sales activity levels across all surveyed property types in the Greater Montreal area, compared to the first quarter of 2013. Over the same period, house prices showed healthy year-over-year appreciation for detached homes, while prices of condominiums remained relatively flat.

“The Montreal real estate market is well in motion as we head into the all-important spring season,” said Dominic St-Pierre, director, Royal LePage for the Quebec region. “The market is more and more welcoming to buyers, given recent inventory increases across housing types, especially in the condominium category.”

Property prices in the Montreal region

The average price for a detached bungalow increased 3.3 per cent year-over-year to \$294,557. In the same period, the average price for a standard two-storey home increased 3.6 per cent to \$406,179, while standard condominiums remained relatively flat, declining 0.1 per cent to \$239,561.

“This time last year, the market was seeing a misalignment between higher house prices being asked by sellers and increasing inventory, which would normally put downward pressure on prices but simply was not happening,” commented St-Pierre. “During the first quarter of 2014, this situation started to level out and sellers became more flexible and agreeable to lowering their prices, thus enhancing their chances to make a deal.”

Real estate activity in the Montreal region

During the first quarter of 2014, sales volumes increased by 2.5 per cent across surveyed property types. While the Montreal region at large showed moderate increases in sales activity levels, the situation was quite different on the north and south shores of the island. Laval posted a sales decrease of 12.3 per cent, the most significant reduction in residential real estate activity levels in the Greater Montreal area. As for the south shore, the decrease was less drastic but still noticeable, especially in Brossard where sales activity levels dropped by 4.9 per cent. “These drops could be attributed to Laval’s municipal administration changes which have in recent times undermined the city’s reputation and to issues surrounding public works on the Champlain Bridge. These negatively impacted the island’s transportation network in south shore area,” explained St-Pierre.

More broadly, steady growth in Canada’s economy and the lower dollar are expected to have positive impacts on Quebec’s economy and housing market.

“The real estate market in Montreal, which has been in an adjustment phase as the country embarks on the path of economic recovery, is demonstrating its resiliency,” stated St-Pierre. “Encouragingly, we saw increased interest from first time buyers in the last quarter. This could

be attributed in part to the continued low interest rate environment and a healthy supply of condos. As well, some new buyers may be accelerating their purchase plans in light of the Canada Mortgage and Housing Corporation (CMHC)'s recent announcement to increase mortgage insurance premiums in May of this year, though the actual changes to buyers' monthly payments will be minimal."

"The market is showing improvements, but remains sensitive to global economic fluctuations or any further intervention by the Canadian government," added St-Pierre. "Still, this quarter's findings are largely reassuring and lead us to believe that the real estate market will remain buoyant and stable."

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House Price Survey for the first quarter of 2014

Average House Prices

Detached Bungalow				
	Average Q1 2014	Average Last Quarter	Average Q1 2013	Difference %
Beaconsfield	\$325,400	\$325,000	\$331,000	-1.7%
Dorval	\$301,000	\$301,000	\$301,000	0.00%
Pierrefonds	298 700\$	299 750\$	289 450\$	3.2%
Westmount	n/a	n/a	n/a	n/a
Notre-Dame-de-Grace/Côte-des-Neiges	n/a	n/a	n/a	n/a
Ville-Marie	n/a	n/a	n/a	n/a
Le Plateau Mont-Royal	n/a	n/a	n/a	n/a
Rosemont/La Petite Patrie	n/a	n/a	n/a	n/a
Laval	\$285,000	\$283,100	\$279,500	2.0%
Brossard	\$283,000	\$277,000	\$258,500	9.5%
Longueuil	\$265,000	\$251,500	\$245,500	7.9%
Boucherville	\$303,800	\$300,000	\$290,375	4.6%
Montréal	\$294,557	\$291,050	\$285,046	3.3%

Standard Two-Storey Home				
	Average Q1 2014	Average Last Quarter	Average Q1 2013	Difference %
Beaconsfield	n/a	n/a	n/a	n/a
Dorval	\$338,750	\$335,000	\$326,000	3.9%
Pierrefonds	\$386,250	\$390,000	\$386,000	0.1%
Westmount	n/a	n/a	n/a	n/a
Notre-Dame-de-Grace/Côte-des-Neiges	\$554,000	\$540,000	\$524,000	5.7%
Ville-Marie	n/a	n/a	n/a	n/a
Le Plateau Mont-Royal	n/a	n/a	n/a	n/a
Rosemont/La Petite Patrie	n/a	n/a	n/a	n/a
Laval	\$362,000	\$355,000	\$364,000	-0.5%
Brossard	\$403,250	\$402,000	\$389,500	3.5%
Longueuil	\$367,000	\$362,000	\$334,500	9.7%
Boucherville	\$432,000	\$428,000	\$420,000	2.9%
Montréal	\$406,179	\$401,714	\$392,000	3.6%

Standard Condominium				
	Average Q1 2014	Average Last Quarter	Average Q1 2013	Difference %
Beaconsfield	n/a	n/a	n/a	n/a
Dorval	n/a	n/a	n/a	n/a
Pierrefonds	\$213,000	\$205,000	\$209,000	1.9%
Westmount	n/a	n/a	n/a	n/a
Notre-Dame-de-Grace/Côte-des-Neiges	\$257,000	\$259,000	\$252,000	2.0%
Ville-Marie	\$310,000	\$315,000	\$325,000	-4.6%
Le Plateau Mont-Royal	\$320,100	\$325,000	\$323,000	-0.9%
Rosemont/La Petite Patrie	\$277,000	\$270,000	\$271,200	2.1%
Laval	\$200,000	\$199,900	\$198,900	0.6%
Brossard	\$194,000	\$195,000	\$195,000	-0.5%

Longueuil	\$174,250\$	\$174,000	\$175,000	-0.4%
Boucherville	\$210,700	\$211,000	\$210,000	0.3%
Montréal	\$239,561	\$239,322	\$239,900	-0.1%

Nationally, most regions showed healthy year-over-year price growth, with the average price of a home in Canada rising between 2.5 per cent and 5.4 per cent. In the first quarter, the average price of a two-storey home increased 5.4 per cent to \$428,943, while detached bungalows rose 4.4 per cent year-over-year to \$380,765. Standard condominiums posted slightly lower gains of 2.5 per cent to \$252,174.

"With the slightest trace of a weather recovery in most parts of the country, we are now finally seeing the arrival of housing inventory. This, combined with pent-up demand following a particularly long and harsh winter is setting the stage for an exceptionally robust spring 2014 market," said Phil Soper, President, Royal LePage. "This is good news for buyers, as the price spikes we have seen in a number of cities will be alleviated by this additional supply."

"With a number of supportive economic factors in place, the country's healthy real estate market continues to display its strength," added Soper. "The federal government is heading towards a balanced budget for the first time in over six years, while all signs point to a continued low interest rate environment. Moreover, the strengthening global economy and a weaker Canadian dollar are fueling demand for Canadian exports and reducing dependence on the household sector to sustain our economic success."

About the Royal LePage House Price Survey

The Royal LePage House Price Survey is the largest, most comprehensive study of its kind in Canada, with information on seven types of housing in over 250 neighbourhoods from coast to coast. This release references an abbreviated version of the survey which highlights house price trends for the three most common types of housing in Canada in 90 communities across the country. A complete database of past and present surveys is available on the Royal LePage website at www.royallepage.ca. Current figures will be updated following the complete tabulation of the data for the first quarter of 2014. A printable version of the first quarter 2014 survey will be available online on May 8, 2014. Housing values in the Royal LePage House Price Survey are Royal LePage opinions of fair market value in each location, based on local data and market knowledge provided by Royal LePage residential real estate experts.

About Royal LePage

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of over 15,000 real estate professionals in over 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

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