

The Montreal Housing Market Exceeded Forecasts in 2015

Quebecers believe now is a good time to purchase property

MONTREAL, January 13, 2016 – The Royal LePage House Price Survey¹ and Market Survey Forecast released today showed that home prices in the Greater Montreal Area continued to increase during the fourth quarter, with the aggregate² price of a home in the region rising 2.3 per cent to \$340,207. The year-over-year price increase as well as sales activity levels were higher than expected in 2015 and the outlook for 2016 is positive and influenced by favourable economic factors.

The survey showed that in the Greater Montreal Area, the median price for a bungalow saw a moderate 2 per cent year-over-year increase to \$281,154, while two-storey homes saw a 3.3 per cent increase to \$435,586. The median price of condominiums remained relatively flat, sliding up 0.4 per cent to \$283,050.

"The house price increases we are seeing in the region can be explained by the fact that the economy is doing relatively well, interest rates are low and consumer confidence is intact," said Dominic St-Pierre, senior director, Royal LePage, for the Quebec region. "Over 35 per cent³ of Quebecers believe that now is a good time to make a major purchase, such a property, which shows a certain optimism and contributed to this quarter's increase in sales."

Inventory decreases seen across all property types in Montreal for the first time in six years

"Across all property types this quarter, the number of properties for sale has experienced its first decline in six years," said Dominic St-Pierre, adding that this is a sign that the market is slowly stabilizing. "The decrease in inventory levels, although still quite high, is expected to put upward pressure on property prices in the upcoming months. Currently, there is a balanced market for single-family dwellings and a buyer's market for condominiums on the island of Montreal. On the outskirts of the island, the market is favorable to buyers in most segments," said St-Pierre.

Bungalow sales saw a remarkable 30.7 per cent increase on the island of Montreal in the fourth quarter, similar to the increase recorded in the previous quarter. In Montreal's North Shore, sales for two-storey houses saw remarkable increase by 25.9 per cent.

Positive 2016 outlook for the Quebec housing market

Overall, the housing market is expected to continue to grow in 2016 due to a favourable economic environment. "A positive economic outlook and property inventory levels that should gradually decline will lead to increased property value. We predict slight price increases in 2016, similar to 2015," added

¹ Powered by Brookfield RPS

² Aggregate prices are calculated via a weighted average of the median values of homes for reported property types in the regions surveyed.

³ Source: Conference Board of Canada; October 2015; http://www.fciq.ca/Nouvelles_economiques/ICC_Confiance_Conso_EN.html

St-Pierre. He suggests that the new down payment regulations for properties of more than \$500,000 will only marginally affect Montreal buyers.

Royal LePage forecasts that properties on the island of Montreal will experience a moderate 2.2 per cent price increase in 2016 and Greater Montreal Area properties will see a 1.8 per cent price increase for the full year when compared to 2015. The company predicts a 3 to 4 per cent increase in sales in the Greater Montreal Area in 2016.

"The potential rise in interest rates in Canada, now less likely in 2016, may prolong the stability of the Quebec and Montreal real estate markets," predicts St-Pierre. "The weak Canadian dollar will continue to boost Quebec's economy and the renewed manufacturing industry will increase exports." According to the Conference Board of Canada, Quebec's GDP could increase by 2.7 per cent in 2016, its highest growth since 2002.

Royal LePage House Price Survey Data: Fourth Quarter, 2015

Two-Storey			
	2015 Q4 Median Home Price	Quarter-over-Quarter % Change	Year-over-Year % Change
Laval	\$415,152	5.7%	3.7%
Montreal Centre	\$537,353	-2.4%	2.1%
Montreal East	\$462,029	-4.3%	-0.2%
Montreal West	\$476,340	1.3%	10.7%
Montreal (North Shore)	\$349,955	4.2%	0.1%
Montreal (South Shore)	\$384,389	6.6%	5.1%
Greater Montreal Area	\$435,586	1.4%	3.3%

Bungalow			
	2015 Q4 Median Home Price	Quarter-over-Quarter % Change	Year-over-Year % Change
Laval	\$292,523	6.8%	4.0%
Montreal Centre	\$417,635	-7.4%	7.9%

Montreal East	\$305,841	0.7%	-3.2%
Montreal West	\$328,681	-2.9%	-0.8%
Montreal (North Shore)	\$254,783	3.7%	2.5%
Montreal (South Shore)	\$264,431	-1.0%	0.5%
Greater Montreal Area	\$281,154	0.9%	2.0%

Condominium			
	2015 Q4 Median Home Price	Quarter-over-Quarter % Change	Year-over-Year % Change
Laval	\$234,948	-0.6%	-0.7%
Montreal Centre	\$323,508	-0.3%	-2.3%
Montreal East	\$287,041	0.4%	7.1%
Montreal West	\$249,532	3.2%	-0.1%
Montreal (North Shore)	\$219,665	-5.3%	3.3%
Montreal (South Shore)	\$218,227	2.5%	4.3%
Greater Montreal Area	\$283,050	-0.2%	0.4%

Aggregate			
	2015 Q4 Median Home Price	Quarter-over-Quarter % Change	Year-over-Year % Change
Laval	\$324,663	5.2%	3.2%
Montreal Centre	\$404,177	-1.8%	0.6%
Montreal East	\$362,760	-2.0%	1.7%

Montreal West	\$400,100	0.6%	7.0%
Montreal (North Shore)	\$279,551	2.9%	1.7%
Montreal (South Shore)	\$305,987	3.3%	3.3%
Greater Montreal Area	\$340,207	0.9%	2.3%

About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 53 of the nation’s largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, Brookfield RPS, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

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 16,000 real estate professionals in more than 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. For more information visit: www.royallepage.ca.

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