

PRESS RELEASE

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Greater Montreal Area Real Estate Market Shows Continued Momentum with Renewed Stability and Confidence in the Province

Condominium resale market makes a strong comeback, while two-storey home segment posts robust sales increases in the second quarter of 2016

Montreal, July 13, 2016 – The Royal LePage House Price Survey¹ and Market Survey Forecast released today showed that in the Greater Montreal Area real estate market activity continued to improve. In the second quarter of 2016, the aggregate² house price in the region increased 3.5 per cent year-over-year to \$344,620.

“For a second consecutive quarter, the market has strengthened, with sharper price increases than what we observed in the last few years,” stated Dominic St-Pierre, senior director, Royal LePage, Quebec Region. “We observed that buyers are particularly drawn towards two-storey houses, since prices and sales volumes are growing robustly for this property type. Incidentally, this housing segment is witnessing multiple offers in certain cases, a trend that hasn’t been seen in years in Montreal. If this trend continues, the two-storey house category could become a seller’s market by the end of 2016.”

In the Greater Montreal Area, the median price of a bungalow saw a 2.5 per cent increase to \$283,755, compared to year end 2015. Two-storey home prices saw a healthy increase of 5.1 per cent to a median price of \$437,378, while the median price of a condominium rose slightly by 1.4 per cent to \$283,710. These increases indicate the beginning of a transition from a buyer’s market to a more balanced market for condominiums and bungalows, while the two-storey segment trends toward a seller’s market.

According to the survey, the condominium resale market is making a comeback, with inventory slightly declining and sales activity increasing. “The excess supply in Montreal, created by numerous new housing starts over the years, is starting to decline,” said St-Pierre. Condominium sales in the Greater Montreal region grew by 4.4 per cent year-over-year in the second quarter, indicating more vigour than in the past quarters for the Greater Montreal Area.

Forecasts Revised Upwards

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

While growth in Quebec and the city of Montreal showed less than remarkable results than anticipated, the environment of low mortgage rates, an improved economic climate, rising employment and other factors have boosted demand in residential real estate this quarter. The Conference Board of Canada reported³ that the number of Quebecers who believe this is the right time to make large purchases, such as property, reached 38 per cent.

Looking ahead to the remainder of the year, Royal LePage revised its forecast upwards, to a 3 per cent price increase for the Greater Montreal Area reaching a median price of \$350,400, and an increase in sales volumes of between four and five per cent. “The beauty of the Montreal real estate market is that it appreciates at a more steady and predictable rate, compared to Toronto and Vancouver’s hot markets”, concluded St-Pierre.

Royal LePage House Price Survey Data : Greater Montreal Second Quarter 2016

Two-Storey			
	Q2 2016 Median Price	Q1 2016 - Q2 2016 Average (%)	Q2 2015 – Q2 2016 Average (%)
Laval	\$390,233	-1.6%	-1.7%
Montreal Centre	\$562,501	2.6%	8.7%
Montreal East	\$491,831	1.4%	6.2%
Montreal West	\$435,924	-0.6%	4.2%
Montreal (North Shore)	\$357,455	1.2%	3.2%
Montreal (South Shore)	\$383,308	0.3%	4.8%
Greater Montreal	\$437,378	0.9%	5.1%

³ Source: FCIQ, <http://us2.campaign-archive2.com/?u=148c91c4c7e94d910f6fa59b1&id=df1056ac6a&c=>

Bungalow			
	Q2 2016 Median Price	Q1 2016 - Q2 2016 Average (%)	Q2 2015 – Q2 2016 Average (%)
Laval	\$294,321	0.5%	3.1%
Montreal Centre	\$385,025	-0.5%	1.3%
Montreal East	\$309,666	-1.7%	-1.3%
Montreal West	\$327,342	0.3%	0.1%
North Shore Montreal	\$257,617	0.9%	3.4%
South Shore Montreal	\$274,801	1.4%	3.1%
Greater Montreal	\$283,755	0.7%	2.5%

Condominium			
	Q2 2016 Median Price	Q1 2016 - Q2 2016 Average (%)	Q2 2015 – Q2 2016 Average (%)
Laval	\$240,644	0.1%	0.6%
Montreal Centre	\$331,766	2.2%	1.9%
Montreal East	\$263,642	-2.0%	-2.4%
Montreal West	\$265,372	0.1%	3.9%

North Shore Montreal	\$199,173	-1.8%	-4.4%
South Shore Montreal	\$228,375	2.2%	8.0%
Greater Montreal	\$283, 710	1.0%	1.4%

Aggregate			
	Q2 2016 Median Price	Q1 2016 - Q2 2016 Average (%)	Q2 2015 – Q2 2016 Average (%)
Laval	\$318,939	-0.5%	0.5%
Montreal Centre	\$416,953	2.1%	4.9%
Montreal East	\$368,234	-0.1%	2.5%
Montreal West	\$382,670	-0.3%	3.4%
Montreal (North Shore)	\$283,154	0.8%	2.6%
Montreal (South Shore)	\$314,251	0.9%	4.5%
Greater Montreal	\$ 344,620	0.9%	3.5%

*The data in the above table may not correspond to those previously reported for the same period due to later updates in the market.

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 16,500 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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