

**PRESS RELEASE**  
**For immediate release**

**Despite Latest Mortgage Tightening Measures, House Price Appreciation in Greater Montreal Area Continued to Accelerate in the Fourth Quarter of 2016**

*There is a balance of power between sellers and buyers, and 2017 looks to be a positive year*

**Montreal, January 12, 2017** – The Royal LePage House Price Survey<sup>1</sup> and Market Survey Forecast released today revealed steady home price appreciation in the Greater Montreal Area in the final quarter of 2016, with an increase of 6.5 per cent, bringing the aggregate<sup>2</sup> price of a home to \$371,085 when compared to the same period in 2015.

The survey shows that the median price of a two-storey home in the region increased considerably by 7.2 per cent to \$458,122, compared to the same quarter of last year, while the price of a bungalow saw a moderate 3.3 per cent increase to \$290,635. Condominiums recorded the highest increase this quarter at 7.8 per cent, with prices reaching \$311,876.

"The price increases in the fourth quarter were as a result of declining property inventory levels in the area, which keeps diminishing in the region. The increase in real estate sales, combined with the decline in new listings, has created upward pressure on prices," explained Dominic St-Pierre, Senior Director, Royal LePage, for the Quebec region.

"Furthermore, Montreal's economic vitality and major infrastructure projects, including the Caisse de dépôt et placement du Québec's Réseau électrique métropolitain (REM), are very positive for the city's real estate market as well as its attractiveness. This is in addition to the many initiatives surrounding the city's 375th anniversary, which will further boost activity in central Montreal."

The survey also shows that sales increased 6.3 and 3.3 per cent for bungalows and two-storeys respectively, this quarter, while condominium sales rose by a significant 8.4 per cent. Meanwhile, luxury properties on the island recorded their greatest jump of the year, with single-family sales increasing 70 per cent. According to St-Pierre, this impressive growth is due to a significant drop in single-family inventory in the area.

**Despite tightened mortgage insurance measures, buyers remain firm in their desire for homeownership**

The new mortgage insurance measures implemented on October 17 of last year ultimately did not have the negative impact predicted by some.

"Certain buyers have had to alter their goals by making more modest decisions, but they have not abandoned their real estate dreams. For the time being, we are seeing a minimal impact on the

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<sup>1</sup> Powered by Brookfield RPS

<sup>2</sup> Aggregate prices are calculated via a weighted average of the median values of three types of properties in the regions surveyed.

number of sales in the fourth quarter. Looking forward to 2017, condominiums may become increasingly attractive to offset the potential impacts of recently introduced mortgage rules and some buyers may choose to settle in generally less expensive neighbourhoods.

### Moderate house price increases for 2017

"Many economic factors remain uncertain for 2017, but all fundamentals are present for the market to remain positive," states St-Pierre. "The medium- and long-term impact of the new mortgage measures, as well as the effects of the new US economic policies to be implemented by the new Trump administration, will be monitored," suggests St-Pierre. Since this fall, the Government of Canada has been considering how to rebalance the proportion of financial risk absorbed by the central bank and that of the country's primary mortgage banks. Even if the policy rate remains unchanged over the next year, financial institutions may decide to proactively raise their rates in anticipation of potential repercussions.

Despite all of this, the Greater Montreal Area is displaying continued signs of growth. Due to the uncertainty of these factors, we predict a conservative increase of 5.0 per cent in sales and 4.0 per cent in prices by the end of 2017.

### Royal LePage Greater Montreal House Price Survey Data: Fourth Quarter, 2016

<b>Two-Storey</b>			
	Q4 2016 Median Price	Quarter-over-Quarter % Change	Year-over-Year % Change
Laval	\$428,759	4.1%	6.5%
Montreal Centre	\$583,079	1.1%	7.0%
Montreal East	\$503,616	1.9%	7.3%
Montreal West	\$476,228	4.0%	6.4%

<b>Two-Storey</b>			
	Q4 2016 Median Price	Quarter-over-Quarter % Change	Year-over-Year % Change
Montreal (North Shore)	\$367,868	1.1%	3.8%
Montreal (South Shore)	\$422,195	3.1%	10.1%
<b>Greater Montreal</b>	<b>\$458,122</b>	<b>2.4%</b>	<b>7.2%</b>

<b>Bungalow</b>			
	Q4 2016 Median Price	Quarter-over-Quarter % Change	Year-over-Year % Change
Laval	\$306,830	1.1%	6.3%
Montreal Centre	\$429,928	0.8%	1.1%
Montreal East	\$332,983	1.5%	2.7%
Montreal West	\$337,204	0.5%	1.9%
Montreal North Shore	\$260,235	0.5%	2.2%
Montreal South Shore	\$283,223	1.1%	4.0%

<b>Bungalow</b>			
	Q4 2016 Median Price	Quarter-over-Quarter % Change	Year-over-Year % Change
<b>Greater Montreal</b>	\$290,635	0.9%	3.3%

<b>Condominium</b>			
	Q4 2016 Median Price	Quarter-over-Quarter % Change	Year-over-Year % Change
Laval	\$254,058	1.7%	5.3%
Montreal Centre	\$376,550	4.4%	10.3%
Montreal East	\$289,355	5.1%	6.1%
Montreal West	\$268,702	1.8%	4.5%
Montreal North Shore	\$211,236	0.5%	-3.5%
Montreal South Shore	\$237,986	0.6%	7.8%
<b>Greater Montreal</b>	\$311,876	3.5%	7.8%

<b>Aggregate</b>			
	Q4 2016 Median Price	Quarter-over-Quarter % Change	Year-over-Year % Change
Laval	\$355,001	2.9%	6.3%
Montreal Centre	\$453,493	2.7%	8.3%
Montreal East	\$392,684	2.8%	6.3%
Montreal West	\$417,820	3.3%	5.5%
Montreal (North Shore)	\$296,930	0.8%	2.4%
Montreal (South Shore)	\$341,391	2.2%	8.0%
<b>Greater Montreal</b>	<b>\$371,085</b>	<b>2.3%</b>	<b>6.5%</b>

\*The data presented in the above tables may not correspond to those previously reported for the same period due to subsequent market updates.

### **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 17,000 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](http://www.royallepage.ca).

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