

PRESS RELEASE

For immediate release

House Prices in Greater Montreal Rise in the First Quarter

The condominium market booms in west and east neighbourhoods of the Island

Montreal, April 18, 2017 – The Royal LePage House Price Survey¹ released today showed that property prices in the Greater Montreal Area increased by 4.9 per cent year-over-year in the first quarter of 2017, bringing the aggregate² price of a home in the region to \$367,702.

When broken out by housing type, the median price of a two-storey home in the Greater Montreal Area increased moderately by 5.6 per cent year-over-year to \$456,158, while the price of a bungalow saw a modest 3.0 per cent increase to \$290,892. During the same period, the price of a condominium increased by 4.7 per cent this year over last, settling at \$302,915. According to the survey, a continuing decline in inventory across all property types is contributing to a steady rise in home prices.

"Consumer confidence in Quebec, which indicates the proportion of consumers who feel it is a good time to make a major purchase like property, came close to 39 per cent in March 2017, well above the five-year average. This confidence is being reflected in the resilience of the region's housing market," said Dominic St-Pierre, Senior Director, Royal LePage, for the Quebec region. "Quebec's economy is doing very well and unemployment is at its lowest level since 1976. Montreal plays a big part in this success story. There is a real sense of enthusiasm around the city. Investment announcements are multiplying, and the technology and artificial intelligence fields are growing."

While bungalow sales decreased slightly by 1.2 per cent on an annual basis, activity in the two-storey market segment increased by 4.3 per cent over the same period. Condominium sales also jumped in the first quarter of 2017, rising significantly by 13.5 per cent this year over last. It is on the west and east side of the Island where condominium sales activity was highest, increasing 21.5 and 19.7 per cent year-over-year, respectively.

Contrary to what many onlookers initially believed, the new mortgage insurance rules introduced in October 2016 have had a minimal impact on the Montreal residential real estate market's affordability or sales activity. "Buyers have now factored the new mortgage conditions into their purchasing decisions, adapting their expectations accordingly by opting to look at less expensive market segments, like condominiums. This partly explains the increase of sales in this segment,"

¹ Powered by Brookfield RPS

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

suggests St-Pierre.

Renewed interest from international buyers

"We are noticing an increase in the number of international buyers in the Greater Montreal Area," continued St-Pierre. "While Americans and Europeans still remain the most dominant foreign purchasers of property in the region, buyers from China have increasingly come into the area in hopes of purchasing property, thanks in part to the weak Canadian dollar, new direct air connections to Beijing and Shanghai, and more restrictive U.S. immigration policies. Montreal's position as one of the best international student cities has also helped to bolster the region's reputation globally, attracting a number purchasers from abroad into the area in the hopes of getting a premier education."

"The effects of the foreign buyers tax in Vancouver continue to be a topic of discussion across the country, particularly in Toronto, where some are calling for a similar measure," added St-Pierre. "If this happens, Montreal could see yet another increase in foreign buyer activity, especially given its growing employment opportunities, healthy economy and relative affordability compared to Toronto and Vancouver."

Royal LePage Greater Montreal Area House Price Survey Data: First Quarter, 2017

Two-Storey			
	Q1 2017 Median Price	Change 2016 Q4 – 2017 Q1 (%)	Change 2016 Q1 – 2017 Q1 (%)
Laval	\$410,002	1.5%	3.3%
Montreal Centre	\$597,067	1.3%	6.6%
Montreal East	\$513,377	1.9%	7.2%
Montreal	\$478,990	-0.3%	7.9%

West			
Montreal (North Shore)	\$364,701	-0.4%	2.3%
Montreal (South Shore)	\$410,964	-1.0%	6.0%
Greater Montreal	\$456,158	0.4%	5.6%

Bungalow			
	Q1 2017 Median Price	Change 2016 Q4 – 2017 Q1 (%)	Change 2016 Q1 – 2017 Q1 (%)
Laval	\$301,283	0.7%	2.9%
Montreal Centre	\$435,149	1.3%	2.6%
Montreal East	\$336,698	1.2%	2.8%
Montreal West	\$338,407	0.3%	3.2%
Montreal North Shore	\$257,830	0.1%	1.0%
Montreal South Shore	\$287,401	0.5%	5.3%

Greater Montreal	\$290,892	0.5%	3.0%
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Condominium			
	Q1 2017 Median Price	Change 2016 Q4 – 2017 Q1 (%)	Change 2016 Q1 – 2017 Q1 (%)
Laval	\$248,928	0.4%	2.6%
Montreal Centre	\$361,478	2.3%	6.6%
Montreal East	\$277,093	0.8%	2.1%
Montreal West	\$265,872	0.4%	3.7%
Montreal North Shore	\$222,000	2.0%	2.2%
Montreal South Shore	\$235,194	1.4%	2.5%
Greater Montreal	\$302,915	1.8%	4.7%

Aggregate			
	Q1 2017 Median Price	Change 2016 Q4 – 2017 Q1 (%)	Change 2016 Q1 – 2017 Q1 (%)

Laval	\$343,200	1.1%	3.1%
Montreal Centre	\$449,883	1.8%	6.4%
Montreal East	\$392,846	1.5%	5.2%
Montreal West	\$419,404	-0.1%	6.8%
Montreal (North Shore)	\$295,976	0.0%	1.7%
Montreal (South Shore)	\$337,048	-0.3%	5.3%
Greater Montreal	\$367,702	0.7%	4.9%

*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 Royal LePage 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 is 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 more than 17,000 sales representatives in 600 offices across

Canada. 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, as well as educational programs aimed at ending domestic violence. Royal LePage is an affiliate of Brookfield Real Estate Services Inc., a company listed on the Toronto Stock Exchange under the symbol "TSX:BRE".

For more information please visit www.royallepage.ca

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