

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

## **Montreal Carves Out an Enviably Place Next to Canada's Two Largest Real Estate Markets**

*Steady and healthy home price growth brings increased buyer interest to the market when compared to Toronto and Vancouver, where housing affordability is eroding*

- Property prices continue to grow while remaining sustainable and relatively affordable for households in majority of neighbourhoods
- The condominium segment keeps growing with a 6.8 per cent price increase in the third quarter
- Recent investments by technology sector giants will help to sustain high employment, in addition to fostering migration into the city and real estate demand

**Montreal, October 12, 2017** – The Royal LePage House Price Survey<sup>1</sup> released today showed that the residential real estate market in the Greater Montreal Area experienced strong price increases in the third quarter of 2017, across all main neighbourhoods and property types for the third consecutive quarter. The aggregate price of a home increased by 6.6 per cent year-over-year during the quarter to \$384,055.

When broken down by housing type, the median price of a standard two-storey home in the Greater Montreal Area rose by 7.3 per cent year-over-year to \$483,213, while the price of a bungalow saw a more moderate increase of 4.5 per cent to \$299,276. Meanwhile, the median price of a condominium increased by 6.8 per cent year-over-year to \$311,634.

“When we look at Canada as a whole, Montreal stands out,” said Dominic St-Pierre, Senior Director, Royal LePage, Quebec Region. “Real estate markets in other Canadian cities, particularly Vancouver and Toronto, are still unaffordable for the average household, leaving many sellers and buyers on the sidelines. In Montreal, home price appreciation remains healthy and sustainable for current and future homeowners in the vast majority of neighbourhoods,” with the exception of Montreal Centre where the aggregate price increased by 14.3 year-over-year, which can be explained partly by the shortage of inventory in the single-family category.

### **Foreign buyers attracted by market stability**

After an additional 15 per cent tax was introduced for foreign nationals in Vancouver and Toronto, all eyes turned to Montreal as the next city to welcome foreign property owners. “Although it would be premature to establish a direct correlation between the increased level of

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<sup>1</sup> Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

foreign buyers in Montreal and the steps taken by the provincial governments of the country's largest real estate markets, our real estate agencies in Montreal's central districts such as the Town of Mount-Royal, Westmount and downtown are doing more and more business with international clients, particularly from China," said Mr. St-Pierre.

"Increased demand from potential foreign buyers, attracted by the city's economic and political stability and the healthy upward trend of house prices, could put upward pressure on property prices in these targeted districts. However, what is contributing to price appreciation in the city is first and foremost the increasing demand coming from locals and the lack of supply in the single-family housing segment," added St-Pierre. "On the other hand, the province of Quebec requires consistent immigration in order to maintain its thriving and sustainable economy and attract talent; it is a major driver for the economic development of our province. We believe the government is far from the point of imposing an additional tax on foreign buyers."

Furthermore, technology giants such as Google, Amazon, Facebook and more recently, Samsung, consider Montreal a large-scale centre of excellence for research and development, particularly in the field of Artificial Intelligence. These recent investments will help preserve our local talent, attract internationally renowned experts to our city and grow its reputation in the sector. "These newly created specialized jobs are expected to increase real estate demand in various Montreal neighbourhoods, and possibly increase property values," added St-Pierre.

An analysis of overall sales in the Greater Montreal Area for the third quarter showed that sales of condominiums increased by an impressive 16 per cent year-over-year, and 18.8 per cent on the island. For single-family dwellings, standard two-storey homes rose by 7.3 per cent, while bungalows saw a slight 2.7 percent decline in sales. The study also shows that demand for properties in Montreal Centre is growing more rapidly than anywhere else on the Island and surrounding areas, which explains the larger increase in these sectors.

### **Increased interest rates did not affect the strength of the real estate market**

The recent Bank of Canada's overnight interest rate increases had no effect on the strength of Greater Montreal Area's real estate market. In fact, the Conference Board of Canada's consumer confidence index rose to 40.7 per cent in August, well above the five-year average of 33 per cent.

"It is important to understand that a rate above 40 per cent is exceptional and confirms our economy is healthy," concluded St-Pierre.

### **Royal LePage Greater Montreal Area House Price Survey Data: Third Quarter, 2017**

Standard Two-Storey Homes			
	Q3 2017 Median Price	Quarter-over-Quarter % Change Q3 vs Q2	Year-over-Year % Change Q3 2017 vs Q3 2016

Laval	\$420,613	1.6%	5.8%
Montreal Centre	\$740,214	7.2%	19.2%
Montreal East	\$492,416	-1.0%	0.6%
Montreal West	\$474,075	3.4%	4.8%
Montreal (North Shore)	\$371,687	1.4%	2.9%
Montreal (South Shore)	\$414,360	2.5%	2.7%
<b>Greater Montreal Area</b>	<b>\$483,213</b>	<b>3.2%</b>	<b>7.3%</b>

<b>Bungalow</b>			
	Q3 2017 Median Price	Quarter-over-Quarter % Change Q3 vs Q2	Year-over-Year % Change Q3 2017 vs Q3 2016
Laval	\$310,183	1.1%	4.9%
Montreal Centre	\$465,710	0.9%	11%
Montreal East	\$339,787	1.9%	4.1%
Montreal West	\$370,956	3.5%	10.0%
Montreal (North Shore)	\$264,446	0.9%	2.3%
Montreal (South Shore)	\$293,144	1.3%	4.4%
<b>Greater Montreal Area</b>	<b>\$299,276</b>	<b>1.3%</b>	<b>4.5%</b>

<b>Condominium</b>			
	Q3 2017 Median Price	Quarter-over-Quarter % Change Q3 vs Q2	Year-over-Year % Change Q3 2017 vs Q3 2016
Laval	\$249,570	-0.8%	2.2%
Montreal Centre	\$377,314	1.8%	9.2%

Montreal East	\$288,033	1.8%	5.6%
Montreal West	\$269,481	0.2%	2.6%
Montreal (North Shore)	\$223,210	3.1%	4.2%
Montreal (South Shore)	\$230,819	-0.8%	1.9%
<b>Greater Montreal Area</b>	<b>\$311,634</b>	<b>1.4%</b>	<b>6.8%</b>

Aggregate			
	Q3 2017 Median Price	Quarter-over-Quarter % Change Q3 vs Q2	Year-over-Year % Change Q3 2017 vs Q3 2016
Laval	\$351,189	1.1%	5.1%
Montreal Centre	\$511,129	4.5%	14.3%
Montreal East	\$387,876	0.2%	2.5%
Montreal West	\$422,515	3.0%	5.4%
Montreal (North Shore)	\$301,411	1.3%	2.8%
Montreal (South Shore)	\$339,931	1.7%	3.1%
<b>Greater Montreal Area</b>	<b>\$384,055</b>	<b>2.3%</b>	<b>6.6%</b>

\*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, RPS Residential Property Solutions, 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, please visit [www.royallepage.ca](http://www.royallepage.ca).

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