

**PRESS RELEASE**  
For immediate release

## **Condominiums in Greater Montreal enter a balanced market in the fourth quarter of 2017 due to steady increase in sales**

- *High demand in the condominium market may become even stronger as new mortgage rules come into effect*
- *The Greater Montreal Area is seeing some of the largest home price increases since 2011*

**MONTREAL, January 10, 2018** – According to The Royal LePage House Price Survey released today, the aggregate<sup>1</sup> price of properties in the Greater Montreal Area increased by 6.5 per cent in the fourth quarter of 2017 year-over-year, reaching \$388,011. Historic price data for the region shows that the year-over-year increases recorded in the last three quarters of 2017 are the highest since the beginning of 2011, a sign that the Montreal real estate market is not slowing down.

When broken down by property type, the median price of two-storey homes in the Greater Montreal Area increased by 8.4 per cent, compared to the same quarter in 2016, reaching \$492,082, while the price of bungalows saw a more modest increase of 3.0 per cent to \$297,801. The price of condominiums increased significantly by 5.3 per cent, rising to \$313,156.

“Montreal’s real estate market is booming,” said Dominic St.Pierre, Senior Director of Royal LePage for the Quebec region. “The single-family home segment, which has experienced a shortage of inventory in recent quarters, has definitely entered a seller’s market. As a result, multiple offers in high-demand neighbourhoods have increased. This is an undeniable sign of the demand for Montreal real estate and we are seeing multiple offers across housing types.” Bungalow and two-storey sales increased by 1.2 per cent and 3.2 per cent, respectively, during the fourth quarter.

The appeal for the island’s central neighbourhoods, compared with the suburbs, continued to support price and sales growth in these urban areas in the last quarter. “We are noticing that the eastern and western neighbourhoods are now competing more with the suburbs than with the central districts of Montreal,” said St.Pierre. “This reality is closely linked to first-time buyers’ need for proximity. Millennial buyers, many of whom have now reached the age to buy their first home, want to make as few compromises as possible and geographic location is number one on their list, which explains the high demand for condominium units, especially in the centre of the island.”

## **Condominiums see the strongest sales increase of the year recorded in the fourth quarter**

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<sup>1</sup>Aggregate prices are calculated via a weighted average of the median values of three types of properties in the regions surveyed. Powered by RPS Real Property Solutions.

In the fourth quarter, the Greater Montreal Area condominium segment shifted from a buyer's market to a balanced market for the first time in over five years. Sales in the condominium market jumped 21.7 per cent year-over-year in the fourth quarter of 2017, the strongest increase recorded this year. Condominiums on Montreal's North Shore and in Laval recorded the largest sales increasing 40.8 per cent and 31,0 per cent, respectively. The condominium market is expected to strengthen even more as a result of the Office of the Superintendent of Financial Institutions stress test that took effect on January 1, 2018, due to their relative affordability.

St.Pierre noted that the recent financing stress test will have limited effects in Greater Montreal and that they will be contained in the first half of the year.

"The impact will be felt to a lesser extent in Montreal, where the median price is much lower, than in Toronto and Vancouver," said St.Pierre, adding that the primary intention of this measure targets markets with very strong price appreciation.

"Previous mortgage rules sidelined first-time homebuyers, the largest demographic of home purchasers, from the market, whereas the new stress test is mostly limited to existing homeowners looking for a move-up property. This group will either modify their purchasing decision or delay it while they accumulate the necessary down payment," suggested St.Pierre.

### 2018 Forecast

The Greater Montreal Area real estate market will continue its momentum in 2018. "The supply of properties for sale is expected to remain weak in nearly all market segments, which will maintain upward pressure on prices. As previously reported, we anticipate a 5.5 per cent home price increase. Despite tighter mortgage rules and a potential first key interest rate increase by the Bank of Canada in 2018, real estate sales in the area will increase 6.0 per cent in 2018," concluded St.Pierre.

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

Two-Storey Homes			
	Q4 2017 Median Price	Change 2017 Q3 – 2017 Q4 (%)	Change 2016 Q4 – 2017 Q4 (%)
Laval	\$419,989	0.2%	4.9%
Montreal Centre	\$736,777	1.1%	21.1%

Montreal East	\$511,722	2.4%	2.3%
Montreal West	\$469,003	2.1%	0.7%
Montreal's North Shore	\$372,904	0.7%	2.1%
Montreal's South Shore	\$443,132	5.6%	7.9%
<b>Greater Montreal</b>	<b>\$492,082</b>	<b>2.3%</b>	<b>8.4%</b>

<b>Bungalow</b>			
	Q4 2017 Median Price	Change 2017 Q3 – 2017 Q4 (%)	Change 2016 Q4 – 2017 Q4 (%)
Laval	\$309,822	0.2%	3.5%
Montreal Centre	\$438,697	-2.9%	3.3%
Montreal East	\$345,823	1.7%	4.3%
Montreal West	\$364,403	0.3%	7.6%
Montreal's North Shore	\$261,418	-0.7%	1.0%
Montreal's South Shore	\$295,656	0.7%	3.8%
<b>Greater Montreal</b>	<b>\$297,801</b>	<b>0.0%</b>	<b>3.0%</b>

<b>Condominium</b>			
	Q4 2017 Median Price	Change 2017 Q3 – 2017 Q4 (%)	Change 2016 Q4 – 2017 Q4 (%)
Laval	\$242,505	-1.7%	-2.3%
Montreal Centre	\$380,138	0.6%	7.6%
Montreal East	\$284,488	-0.1%	3.7%
Montreal West	\$264,858	-0.4%	0.2%
Montreal's North Shore	\$239,096	3.1%	8.3%
Montreal's South Shore	\$229,764	0.1%	-0.2%
<b>Greater Montreal</b>	<b>\$313,156</b>	<b>0.4%</b>	<b>5.3%</b>

<b>Aggregate</b>			
	Q4 2017 Median Price	Change 2017 Q3 – 2017 Q4 (%)	Change 2016 Q4 – 2017 Q4 (%)
Laval	\$349,389	0.0%	3.4%
Montreal Centre	\$510,192	0.7%	13.9%
Montreal East	\$396,078	1.6%	3.0%

Montreal West	\$417,247	1.5%	1.7%
Montreal's North Shore	\$302,660	0.4%	2.3%
Montreal's South Shore	\$354,267	3.5%	5.7%
<b>Greater Montreal</b>	<b>\$388,011</b>	<b>1.4%</b>	<b>6.5%</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 Royal LePage House Price Survey are based on the Royal LePage Canadian real estate market Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, RPS Real 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 close to 18,000 real estate professionals 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 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 <http://www.royallepage.ca>.

***For more information, please contact:***

Lambert Guilbault  
Kaiser Lachance Communications  
514-677-5978  
[lambert.guilbault@kaiserlachance.com](mailto:lambert.guilbault@kaiserlachance.com)