

PRESS RELEASE
For immediate release

Condominium segment on the Island of Montreal shifts to a seller's market for the first time in five years

- *Low inventory drives multiple offers in the single-family home market*
- *Steady rise in single-family home price appreciation pushes demand towards condominiums*
- *Montreal Centre and Montreal West dominate the market with the highest price increases in the two-storey home segment*

MONTREAL, April 13, 2018 – The Royal LePage House Price Survey released today shows that the aggregate price of a home¹ in the Greater Montreal Area increased by 6.1 per cent year-over-year in the first quarter of 2018, reaching \$389,197. The Montreal real estate market remains very strong, driven by low single-family home inventory. In the condominium market, demand has almost absorbed the surplus of inventory that defined the market in recent years, causing buyers to accelerate their purchase process in light of limited supply.

When broken down by property type, the median price of a two-storey home increased by 8.3 per cent, compared to the same quarter in 2017, reaching \$492,751, while the price of a bungalow saw a more modest increase of 3.4 per cent to \$301,662. During the same period, the median price of a condominium increased by 3.5 per cent to \$314,554.

Condominiums shift to seller's market

Condominiums continue to display the largest sales growth among all property types studied for the Greater Montreal Area and the Island of Montreal, increasing by 17.1 per cent and 13.5 per cent year-over-year, respectively, in the first quarter.

"The condominium segment on the Island of Montreal has shifted from a buyer's market to a seller's market for the first time in over five years," said Dominic St-Pierre, senior director, Royal LePage, Quebec region. "In fact, the price of condominiums in Montreal Centre increased by 5.4 per cent to \$382,902. This trend is beginning to overflow into some suburbs.

"Two elements are driving condominium market momentum. First, the inventory shortage in the single-family segment is putting upward pressure on prices for these homes, prompting some buyers to favour condominiums. Second, the limited number of available condominiums is allowing sellers to define market conditions," said St-Pierre. "This will likely translate into an increase in housing starts in this segment for the remainder of the year, providing developers with renewed confidence in selling units."

¹Aggregate prices are calculated via a weighted average of the median values of three types of properties in the regions surveyed.
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The study also shows that bungalow sales increased by 4.3 per cent while two-storey home sales remained stable, increasing by 0.7 per cent in the first quarter of 2018, compared to the same period last year.

Montreal West and Montreal Centre lead market growth

The increase in multiple offers observed in the single-family home segment in Montreal Centre has now spread to Montreal West this quarter due to decreased inventory in this part of the city.

"Multiple offers that initially targeted single-family properties in the \$300,000 range are now being seen for properties in the \$400,000 price range given the strong demand," explains Mr. St-Pierre.

The central and western neighbourhoods of the island, compared to the suburbs, continued to show price appreciation and sales growth in the first quarter.

"Economic development and new residential construction projects are attracting buyers to these areas, while possibilities in Montreal East are just beginning," said St-Pierre. "The eastern area of the island could, however, become very attractive to real estate developers, thanks to public transit projects such as the expansion of the Montreal metro blue line that will launch in the coming years."

Price appreciation for two-storey homes in Montreal Centre and Montreal West is also growing, with median price appreciation of 13.9 per cent and 14.4 per cent, respectively, in the first quarter compared to the same period last year. The bungalow market saw more modest increases of 1.5 and 2.6 per cent, respectively, in these two regions of the city.

In the suburbs, condominiums remained in a buyer's market during the first quarter, as the median price increased year-over-year by 0.4 per cent and 2.6 per cent on the South Shore and the North Shore of Montreal, respectively, while single-family homes for the most part are well into a balanced market with price increases ranging from 3.1 to 7.6 per cent.

Royal LePage Greater Montreal Area House Price Survey Data: First Quarter, 2018

Two-Storey Homes			
	Q1 2018 Median Price	Q4 2017 – Q1 2018 Change (%)	Change Q1 2017 – Q1 2018 (%)

Laval	\$427,563	1.4%	5.7%
Montreal Centre	\$686,253	0.1%	13.9%
Montreal East	\$506,489	-0.5%	1.0%
Montreal West	\$549,226	7.2%	14.4%
North Shore Montreal	\$394,215	1.2%	7.6%
South Shore Montreal	\$431,775	-0.9%	4.8%
Greater Montreal	\$492,751	1.0%	8.3%

Bungalow			
	Q1 2018 Median Price	Change Q4 2017 – Q1 2018 (%)	Change Q1 2017 – Q1 2018 (%)
Laval	\$312,062	0.6%	3.8%
Montreal Centre	\$443,691	0.3%	1.5%
Montreal East	\$348,687	0.8%	6.3%
Montreal West	\$355,430	-1.0%	2.6%
North Shore Montreal	\$267,749	1.9%	3.1%

South Shore Montreal	\$296,842	0.9%	3.4%
Greater Montreal	\$301,662	1.0%	3.4%

Condominium			
	Q1 2018 Median Price	Change Q4 2017 – Q1 2018 (%)	Change Q1 2017 – Q1 2018 (%)
Laval	\$242,781	-0.6%	-2.8%
Montreal Centre	\$382,902	0.6%	5.4%
Montreal East	\$283,987	0.5%	2.5%
Montreal West	\$265,255	-0.5%	-0.3%
North Shore Montreal	\$230,025	-0.1%	2.6%
South Shore Montreal	\$232,737	0.9%	0.4%
Greater Montreal	\$314,554	0.5%	3.5%

Aggregate			
	Q1 2018 Median Price	Change Q4 2017 – Q1 2018 (%)	Change Q1 2017 – Q1 2018 (%)

Laval	\$354,080	0.9%	3.9%
Montreal Centre	\$493,244	0.4%	9.2%
Montreal East	\$393,545	0.0%	2.1%
Montreal West	\$460,657	5.0%	10.7%
North Shore Montreal	\$313,680	1.3%	5.3%
South Shore Montreal	\$349,205	-0.2%	3.9%
Greater Montreal	\$389,197	0.9%	6.1%

*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 more than 18,000 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 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>.

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