

PRESS RELEASE
For immediate release

Median price of two-storey houses surpasses half a million dollars in Greater Montreal Area

- *The appreciation rate of property prices in Greater Montreal Area higher than Greater Toronto and Greater Vancouver Areas in the third quarter*
- *The median price of two-storey homes in Montreal Centre is up 14.4% over 12 months, reaching nearly \$750,000*
- *Royal LePage expects that by the end of the fourth quarter, home prices in the area will appreciate a further 0.7% to \$399,679*

MONTREAL, October 16, 2018 – According to the Royal LePage House Price Survey and Market Survey Forecast released today, the Greater Montreal Area recorded the highest appreciation rate in the third quarter of 2018 among the three largest metropolitan areas in the country as both the Greater Toronto Area and Greater Vancouver showed signs of recovery from a modest market correction. Although home values in the Greater Montreal Area are far from reaching the prices of the two other metropolitan areas, the aggregate¹ price of a home in the region rose 5.4 per cent year-over-year to \$396,909.

Price growth was the strongest in Montreal Centre in the third quarter, where the median price of a two-storey home rose 14.4 per cent year-over-year to \$749,795.

"A double-digit price increase in neighbourhoods where property values are already high means that the market is growing extremely fast," explained Dominic St-Pierre, Vice President, Royal LePage, for the Quebec Region. "It's not surprising that the median price of two-storey homes in the Greater Montreal Area has reached the half a million dollars mark this quarter," he adds.

The city's economy is running at full capacity and is a significant factor fueling the Greater Montreal Area's real estate market.

"If home prices continue to rise at such a fast pace, it is because the recent interest rate hikes and mortgage tightening have not weakened demand, contrary to several forecasts.

Quebec's historically low unemployment rate, fast growing wages and sound financial management have led to successive budget surpluses in recent years and resulted in strong consumer confidence. Real estate prices in the Greater Montreal Area have responded

¹Aggregate prices are calculated via a weighted average of the median values of three types of properties in the regions surveyed. These results are provided by RPS Real Property Solutions.

significantly to the demand," said St-Pierre.

By property type, the two-storey home saw the largest median price increase of the three housing types studied due to low inventory. As a result, the median price of a two-storey home continued to grow in the third quarter of 2018, increasing by 6.5 per cent over the same period in 2017, reaching \$500,021. During the same period, the median price of a bungalow rose 3.8 per cent year-over-year, climbing to \$310,172 and the median price of condominiums saw an increase of 4.5 per cent, reaching \$323,329.

Looking at sales² in the Greater Montreal Area, bungalows saw a modest increase of 0.6 per cent in the third quarter, while two-storey homes increased by 2.1 per cent year-over-year. During the same period, condominium sales rose by 12.1 per cent in the region year-over-year.

The South Shore of Montreal stood out in terms of sales this quarter with a 16.0 per cent increase year-over-year across all property types, with condominiums seeing a 30.8 per cent increase. On the North Shore, single-family home sales decreased slightly, while condominiums experienced a significant increase of 25.9 per cent. In the eastern part of the island, condominiums also saw sales increase by double-digits, rising 15.3 per cent. This was a result in a shift of demand caused by strong price increases in Montreal Centre and Montreal West.

Condominiums price appreciation further accelerating

The ongoing inventory decline in all segments is expected to continue to put upward pressure on prices in the upcoming quarters, particularly for condominiums.

"There has been a surplus of inventory in the condominium segment in Montreal for a long time, but the number of units for sale in the last year has decreased by almost 30 per cent," explained St-Pierre.

In fact, the price of condominiums has risen throughout the Greater Montreal Area, with the exception of the North Shore. These price increases are particularly pronounced in Montreal Centre and Montreal East, where median prices now stand at \$393,352 and \$301,705, an increase of 5.1 per cent and 7.5 per cent respectively, compared to same quarter last year.

Fourth Quarter Forecast

"Despite some concessions, the recent trade deal under the US-Mexico-Canada Agreement (USMCA) will help retain export-related jobs, which should maintain consumer confidence in the economy and the real estate market in the province and Greater Montreal," said St-Pierre. "However, the new deal could open the door for successive interest rate increases on both sides of the border."

² Sales data compiled by Royal LePage through Centris for the third quarter of 2018 in comparison to the same period in 2017.

Despite an anticipated rise in interest rates by the Bank of Canada towards the end of October, Royal LePage expects that, by the end of the fourth quarter of 2018, home prices in the Greater Montreal Area will appreciate 0.7 per cent to \$399,679. Royal LePage anticipate that the condominiums segment will see a the fastest appreciation rate.

**Royal LePage House Price Survey
Greater Montreal Area - Third Quarter 2018**

Two-Storey Homes			
	Q3 2018 Median Price	Q2 2018 – Q3 2018 Change (%)	Change Q3 2017 – Q3 2018 (%)
Laval	\$435 045	1.0%	5.6%
Montreal Centre	\$749,795	3.0%	14.4%
Montreal East	\$466,402	-2.5%	-5.2%
Montreal West	\$518,419	-5.0%	5.1%
North Shore Montreal	\$393,064	0.9%	5.5%
South Shore Montreal	\$441,810	1.2%	5.1%
Greater Montreal	\$500,021	0.4%	6.5%

Bungalow			
	Q3 2018 Median Price	Q2 2018 – Q3 2018 Change (%)	Change Q3 2017 – Q3 2018 (%)
Laval	\$319,241	1.1%	3.4%
Montreal Centre	\$464,352	1.8%	2.1%
Montreal East	\$349,230	0.7%	3.4%
Montreal West	\$390,072	2.1%	5.3%
North Shore Montreal	\$268,705	0.4%	2.4%
South Shore Montreal	\$309,045	1.1%	5.4%
Greater Montreal	\$310,172	1.0%	3.8%

Condominium/Apartment			
	Q3 2018 Median Price	Q2 2018 – Q3 2018 Change (%)	Change Q3 2017 – Q3 2018 (%)
Laval	\$253,235	2.3%	2.5%
Montreal Centre	\$393,352	1.9%	5.1%
Montreal East	\$301,705	3.2%	7.5%

Montreal West	\$274,704	0.0%	1.3%
North Shore Montreal	\$222,336	0.1%	-1.8%
South Shore Montreal	\$240,310	2.0%	4.2%
Greater Montreal	\$323,329	1.9%	4.5%

Aggregate			
	Q3 2018 Median Price	Q2 2018 – Q3 2018 Change (%)	Change Q3 2017 – Q3 2018 (%)
Laval	\$361,433	1.2%	4.5%
Montreal Centre	\$523,310	2.5%	9.5%
Montreal East	\$382,346	-0.3%	-0.3%
Montreal West	\$450,979	-3.2%	4.8%
North Shore Montreal	\$312,485	0.6%	3.5%
South Shore Montreal	\$358,996	1.2%	5.1%
Greater Montreal	\$396,909	0.9%	5.4%

*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 63 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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