

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

## **2018 was a record year for the Montreal real estate market**

- *The appreciation rate of home prices in the Greater Montreal Area once again surpasses that of the Greater Toronto Area and Greater Vancouver in the fourth quarter of 2018*
- *The aggregate price of a home in the Greater Montreal Area exceeded \$400,000 in the fourth quarter of 2018*

**MONTREAL, January 11, 2019** – According to the Royal LePage House Price Survey released today, the Greater Montreal Area real estate market saw, in the fourth quarter of 2018, the highest appreciation rate among the three largest metropolitan areas in the country, for a second consecutive quarter, with an increase of 4.1 percent, compared with the same quarter in 2017, reaching an aggregate price<sup>1</sup> of \$407,230.

In the Greater Montreal Area, the median price of a two-storey home experienced an increase of 3.5 per cent during the fourth quarter of 2018 compared to the same quarter in 2017, reaching \$517,190. During the same period, the median price of a bungalow increased by 5.1 per cent year-over-year, reaching \$315,257, whereas the median price of a condominium marks its continued growth with a 4.9 per cent increase, reaching \$328,254.

According to Royal LePage, the country's second most populated real estate market, which did not see the same soaring price appreciation witnessed in the Greater Toronto Area and Greater Vancouver markets over the last decade, is picking up the pace and attracting demand thanks to this stability. However, even if the market remains vigorous, buyers will find the price of a home in the Greater Montreal Area is half the price of the Greater Toronto Area market and one third of the price of the Greater Vancouver market.

“2018 was a record year in the Greater Montreal real estate market,” said Dominic St-Pierre, Vice-President and General manager of Royal LePage in Quebec. “The price appreciation rate exceeded the national average for the last three quarters of 2018, the unemployment rate remained historically low, and consumer confidence greatly surpassed the average of the past 10 years,” he added. The Quebec consumer confidence index for major purchases, such as a property, reached 40 per cent in December<sup>2</sup>.

St-Pierre asserts that Montreal will maintain its leading position in the Canadian real estate

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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. These results are provided by RPS Real Property Solutions.

<sup>2</sup> According to the Conference Board of Canada, Press release by the Quebec Federation of Real Estate Boards, December 14, 2018.

market in 2019, albeit at a slower pace than in 2018. The Conference Board of Canada has also ranked the area as the leading Canadian city in terms of economic growth for 2018<sup>3</sup>, however, it expects the region will slow down slightly in 2019.

This quarter, the western part of the city, which had seen some of the sharpest appreciation rates in recent quarters, saw a relatively stable increase in the median price of a two-storey home, rising 1.0 per cent year-over-year, reaching \$522,701, whereas the median price of a bungalow saw a leap of 11.1 per cent for the same period, reaching \$403,752.

“This upturn can be explained by the concentrated demand for two-storey homes in the price range \$300,000 to \$350,000, which is below the median price,” said St-Pierre, explaining that the increases from previous quarters had been remarkably higher. “There is also a noticeable shift in demand for bungalows from families seeking to gain a foothold in the real estate market.”

In terms of sales<sup>4</sup> in the Greater Montreal Area, bungalows remained relatively stable with a slight 0.3 per cent increase, while two-storey homes increased by 2.6 per cent during the fourth quarter of 2018 compared to the same quarter in 2017. During this time, condominium sales increased by 11.8 per cent.

“The condo market remained the most resilient and the most active this quarter, just like the rest of the year,” said St-Pierre. “However, this segment may have reached a plateau in terms of sales growth. We may notice a very gradual reduction in demand over the next year.”

## **2019 Forecast**

Royal LePage reported in its recent forecast that the Greater Montreal Area will remain the leading Canadian city in terms of home price appreciation in 2019, with an estimated increase of 3.0 per cent, compared to a slight 1.3 per cent price increase in the Greater Toronto Area and 0.6 per cent in Greater Vancouver.

As many economists forecasted, the Bank of Canada kept its overnight rate at 1.75 per cent on January 9th, and this pause in rate hikes is expected to be the norm for the first half of the year, benefiting affordability. On the other hand, the steady rise in home prices in the metropolitan area and the ongoing competitiveness of the market suggest that prices will continue to rise in 2019.

“Greater Montreal will remain a sellers' market in 2019, and likely longer. The Montreal market is very active due to its affordability compared to other Canadian cities and unprecedented

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<sup>3</sup>The Conference Board of Canada's Metropolitan Outlook Report, November 20, 2018.

<sup>4</sup>Sales data compiled by Royal LePage through the Centris system for the fourth quarter of 2018, compared to the same quarter in 2017.

economic conditions, including rising wages,” he concluded.

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

<b>Two-Storey Homes</b>			
	Q4 2018 Median Price	Change 2018 Q3 – 2018 Q4 (%)	Change Q4 2017 – Q4 2018 (%)
Laval	\$438,575	0.5%	5.1%
Montreal Centre	\$789,423	1.1%	3.7%
Montreal East	\$480,638	1.0%	1.5%
Montreal West	\$522,701	0.4%	1.0%
North Shore Montreal	\$401,275	1.1%	-0.2%
South Shore Montreal	\$463,228	-0.5%	7.1%
<b>Greater Montreal</b>	<b>\$517,190</b>	<b>0.6%</b>	<b>3.5%</b>

<b>Bungalow</b>			
	Q4 2018 Median Price	Change 2018 Q3 – 2018 Q4 (%)	Change Q4 2017 – Q4 2018 (%)

Laval	\$328,658	2.9%	5.9%
Montreal Centre	\$483,634	3.3%	7.9%
Montreal East	\$362,907	2.7%	5.6%
Montreal West	\$403,752	1.6%	11.1%
North Shore Montreal	\$271,476	0.6%	2.9%
South Shore Montreal	\$309,712	0.3%	4.6%
<b>Greater Montreal</b>	<b>\$315,257</b>	<b>1.2%</b>	<b>5.1%</b>

<b>Condominium/Apartment</b>			
	Q4 2018 Median Price	Change 2018 Q3 – 2018 Q4 (%)	Change Q4 2017 – Q4 2018 (%)
Laval	\$252,886	1.4%	3.7%
Montreal Centre	\$399,251	1.4%	6.0%
Montreal East	\$311,930	2.6%	3.4%
Montreal West	\$277,537	1.3%	1.8%
North Shore Montreal	\$222,715	0.8%	1.4%

South Shore Montreal	\$243,178	1.2%	5.2%
<b>Greater Montreal</b>	<b>\$328,254</b>	<b>1.5%</b>	<b>4.9%</b>

<b>Aggregate</b>			
	Q4 2018 Median Price	Change 2018 Q3 – 2018 Q4 (%)	Change Q4 2017 – Q4 2018 (%)
Laval	\$366,156	1.3%	5.2%
Montreal Centre	541 843 \$	1.3%	4.9%
Montreal East	\$394,891	1.7%	2.7%
Montreal West	\$457,179	0.7%	2.9%
North Shore Montreal	\$317,123	0.9%	1.2%
South Shore Montreal	\$369,677	-0.1%	6.1%
<b>Greater Montreal</b>	<b>\$407,230</b>	<b>0.9%</b>	<b>4.1%</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 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 over 18,000 real estate professionals in over 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 <http://www.royallepage.ca>.

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

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