



ANALYSIS OF THE RESALE MARKET SECOND QUARTER 2006

Québec Metropolitan Area

An objective look at housing

Canada Mortgage and Housing Corporation

www.cmhc.ca

Date Released : Third Quarter 2006

Market at a glance

2nd Quarter 2006 vs
2nd Quarter 2005

Sales volume	:	↑	1.1%
Median price	:	↑	7.6%
Sellers per buyer	:		5.5

RESALE MARKET REMAINS VIGOUROUS

In the Québec census metropolitan area (CMA), the resale market was very active in the second quarter of 2006. According to Service inter-agences / Multiple Listing Service (S.I.A.[®] / MLS[®]) data, sales of existing properties reached 1,948 units, or 1 per cent more than during the same quarter last year. As well, this volume was close to the record for a second quarter set in 2001. Sales of existing homes therefore remained vigorous thanks to a most enviable job market and mortgage rates that stayed very affordable despite the hikes in recent quarters.

The number of properties for sale continued to rise. This growing supply was making things easier for buyers, helping them to find a home in line with their tastes. In fact, there were 3,671 dwellings for sale at the end of the second quarter, or 300 more than at the same time one year

earlier. Once again, it was the condominium market that posted the greatest increase in units for sale. Supply jumped up by 21 per cent in this market segment during the second quarter, while the rise was only 5 per cent for houses. The significant construction of condominiums in recent years has been the main reason for this increase in supply on the existing home market. As a result of this steadier increase in condominiums for sale, the seller-to-buyer ratio has now reached 7.5 to 1 and therefore moved closer to the balanced range¹. For the other types of properties, the context continued to give more of an edge to sellers, even though the seller-to-buyer ratios have been gradually rising again since 2004. In fact, these ratios attained 3.2 to 1 for semi-detached and row homes, 5.2 to 1 for duplexes and 5.4 to 1 for single-detached houses.

¹ It should be noted that, on a balanced market, which equally favours buyers and sellers, the seller-to-buyer ratio stands between 8 and 10 to 1. A ratio below 8 to 1 signifies a seller's market, while a ratio above 10 to 1 indicates a buyer's market.

* Multiple Listing Service (MLS) is a registered certification mark owned by the Canadian Real Estate Association (CREA)

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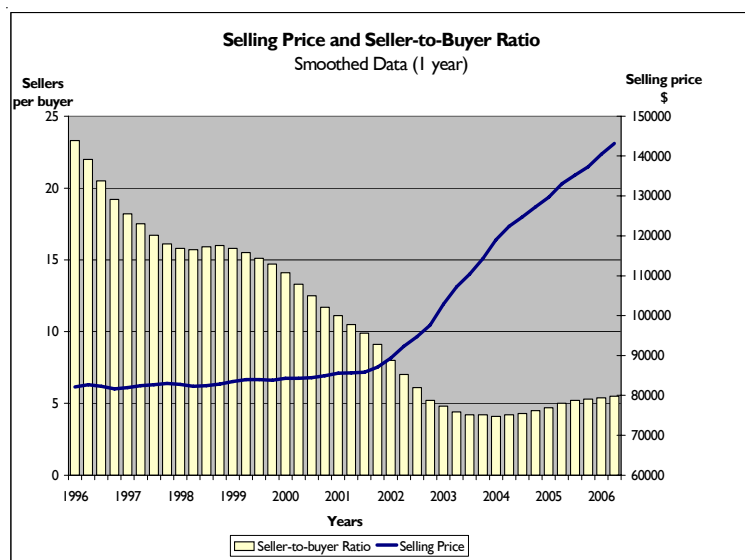
For all housing types combined, the median price went up by 7.6 per cent between the second quarter of 2005 and the second quarter of 2006. While the increase remained steady, it can still be noted that the pressure on prices has been tending to ease. It should be recalled that, during the corresponding periods in 2005, 2004 and 2003, prices had risen by 8.7 per cent, 14.1 per cent and 16.1 per cent, respectively. It should also be mentioned that the average listing period also showed signs that the market was becoming less tight. This period reached 55 days in the sec-

ond quarter of 2006, up from just 41 days during the same quarter in 2003.

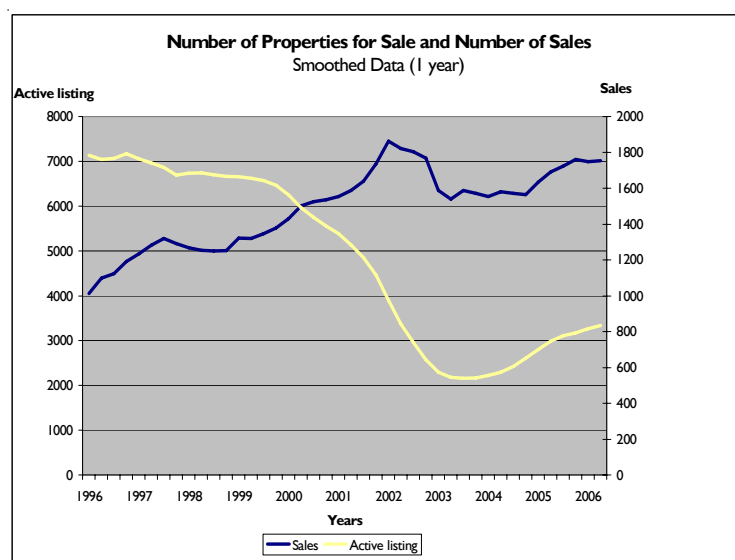
Affordable home market still very tight

Even if the seller-to-buyer ratio in the overall market has been on the rise for several quarters now, the affordable home segment has remained clearly tighter. In fact, the seller-to-buyer ratios for detached, semi-detached and row homes priced at under \$150,000 are below 4 to 1, indicating overheating

markets that are therefore very favourable to sellers. The median listing period is less than 45 days in this price range. Conversely, the market turns to the advantage of buyers when the price exceeds the \$200,000 mark, with 11 sellers per buyer and a listing period of 91 days. The same phenomenon can be noted for condominiums, although the seller-to-buyer ratios are higher in all price ranges. This ratio is below 7.5 to 1 for condominiums priced at under \$150,000, while there are 12 sellers per buyer in the case of units selling for \$200,000 or over.



Source : CIQ (CMHC compilation)







Source : CIQ (CMHC compilation)

Seller-to-Buyer Ratios and Sales by Price Range									
Property type	Price range	Seller-to-Buyer Ratio 2nd Q 2006	Seller-to-Buyer Ratio 2nd Q 2005	Sales 2nd Q 2006	Annual Change (%)	Sales (year-to-date)	Annual Change (%)	Listing Period (days)	Annual Change (days)
Detached	Under \$100,000	3,4	3,6	48	-31,4	101	-33,1	38	-3
	\$100,000 to \$124,999	2,8	2,6	57	-57,8	147	-50,5	40	1
	\$125,000 to \$149,999	2,9	3,6	328	-16,8	671	-21,9	44	-4
	\$150,000 to \$199,999	5,2	6,0	507	22,2	971	26,1	59	-7
	\$200,000 or over	11,1	10,8	303	22,7	555	19,4	91	8
	All prices	5,4	5,1	1243	-1,4	2445	-3,8	56	2
Semi-det. & row	Under \$100,000	3,7	2,2	5	-58,3	16	-63,6	40	9
	\$100,000 to \$124,999	2,2	2,3	57	-47,7	158	-37,3	37	3
	\$125,000 to \$149,999	2,9	3,5	108	54,3	243	56,8	35	-10
	\$150,000 or over	6,3	5,5	56	40,0	107	42,7	48	-3
	All prices	3,2	2,8	226	-2,2	524	-0,4	38	1
Condominium	Under \$100,000	7,0	5,7	73	-28,4	178	-21,2	66	10
	\$100,000 to \$124,999	6,1	5,4	90	3,4	221	10,5	78	20
	\$125,000 to \$149,999	7,5	6,7	104	65,1	178	14,1	74	12
	\$150,000 to \$199,999	8,7	8,6	80	31,1	171	40,2	86	8
	\$200,000 or over	12,2	11,3	45	7,1	93	43,1	85	21
	All prices	7,5	6,0	392	10,4	841	9,4	76	17

Source : CIQ (CMHC compilation)

RESALE MARKET CONDITIONS IN THE QUÉBEC AREA - 2nd QUARTER 2006 vs 2nd QUARTER 2005

	Jobs	Chg.		Rate	Chg.		Index	Chg.		Rate	Chg.
Employment	389200	5,3%	Unemployment rate	3,9	-1,9	Consumer confidence	119,7	-0,2%	Mortgage rate - 5-year	6,8	0,9
											



: very favourable



: favourable



: unfavourable



: very unfavourable

RESALE MARKET CONDITIONS IN THE QUÉBEC AREA - 2nd QUARTER 2006 vs 2nd QUARTER 2005

Market	Type	Sales		Median Selling Price		Selling Price / Listing Price		Selling Price / Mun. Assess.		Active Listings		Sellers-to-Buyer		Listing Period (days)		Market Classification
			% Chg.		% Chg.		%		%		% Chg.		Chg.		Chg.	
Québec CMA	All types	1948	1,1	143214	7,6	95,6		147		3671	9,1	5,5	0,5	55	3	SELLER'S
	Detached	1243	-1,4	153104	8,2	95,6		146		2203	4,4	5,4	0,3	56	2	SELLER'S
	Duplex	87	8,7	145463	10,0	94,1		153		163	18,1	5,2	0,1	42	-5	SELLER'S
	Semi-det. & row	226	-2,2	126462	8,3	96,0		153		277	5,3	3,2	0,4	38	1	OVERHEATING
	Condominium	392	10,4	123229	7,9	95,0		148		1028	20,7	7,5	1,5	76	17	SELLER'S
Zone 1	All types	105	15,4	128399	12,0	94,3		162		233	14,2	5,9	0,3	56	10	SELLER'S
	Detached	24	9,1	134990	11,4	93,7		160		33	0,0	4,0	0,1	48	19	OVERHEATING
	Semi-det. & row	5	25,0	131262	16,5	95,7		151		14	75,0	5,1	-0,3	45	-10	N/A
	Condominium	50	6,4	123714	10,9	94,6		166		157	12,1	8,0	0,7	85	20	BALANCED
Zone 2	All types	85	-13,3	164940	-1,6	94,7		149		273	9,6	8,7	1,4	78	16	BALANCED
	Detached	N/A	N/A	N/A	N/A	N/A		N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Semi-det. & row	N/A	N/A	N/A	N/A	N/A		N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Condominium	76	-8,4	158417	1,0	94,5		147		238	8,2	9,2	1,5	82	20	BALANCED
Zone 3	All types	239	-3,2	140225	5,7	96,0		151		348	3,3	4,4	0,4	48	-2	OVERHEATING
	Detached	134	-8,8	153869	4,7	96,0		148		211	2,4	4,6	0,1	50	-2	OVERHEATING
	Semi-det. & row	52	4,0	127576	10,9	96,0		155		37	-15,9	2,5	0,3	31	2	OVERHEATING
	Condominium	41	-2,4	121606	9,1	95,6		150		82	9,3	5,9	1,0	81	22	SELLER'S
Zone 4	All types	290	-4,3	172606	5,6	95,0		143		580	7,4	5,6	0,6	59	6	SELLER'S
	Detached	173	-3,4	197511	7,7	94,8		143		324	2,5	5,3	0,1	59	7	SELLER'S
	Semi-det. & row	31	-34,0	152408	1,9	96,1		144		56	-5,1	3,7	0,7	38	-6	OVERHEATING
	Condominium	83	12,2	138648	9,7	95,0		138		194	19,8	7,1	1,5	78	19	SELLER'S

RESALE MARKET CONDITIONS IN THE QUÉBEC AREA - 2nd QUARTER 2006 vs 2nd QUARTER 2005

Market	Type	Sales		Median Selling Price		Selling Price / Listing Price	Selling Price / Mun. Assess.	Active Listings		Sellers-to-Buyer		Listing Period (days)		Market Classification
		% Chg.		% Chg.		%	%	% Chg.		Chg.		Chg.		
Zone 5	All types	347	6,4	138925	9,3	96,0	153	422	6,0	4,4	0,2	44	-7	OVERHEATING
	Detached	281	2,9	145287	10,4	96,0	151	358	9,8	4,6	0,0	48	-6	OVERHEATING
	Semi-det. & row	45	40,6	121973	7,4	96,6	159	35	-10,3	2,9	0,4	35	-14	OVERHEATING
	Condominium	15	66,7	101668	15,1	96,8	168	11	-26,7	5,2	1,7	30	-14	N/A
Zone 6	All types	285	-4,7	139482	7,3	95,0	152	596	18,0	5,6	0,7	57	2	SELLER'S
	Detached	191	-5,9	151204	7,3	94,8	151	340	-0,6	5,6	0,2	57	-3	SELLER'S
	Semi-det. & row	32	14,3	130781	14,3	96,1	158	51	142,9	3,4	0,9	45	9	OVERHEATING
	Condominium	53	-8,6	100911	8,6	95,0	150	189	47,7	7,2	2,7	73	13	SELLER'S
Zone 7	All types	241	-6,6	137604	6,8	95,3	150	573	10,4	6,3	0,3	63	5	SELLER'S
	Detached	174	-12,6	147616	7,7	95,3	149	431	8,8	6,5	0,3	66	6	SELLER'S
	Semi-det. & row	18	-35,7	117741	8,1	95,4	157	24	-17,2	3,3	-0,1	56	20	N/A
	Condominium	30	50,0	93823	9,1	94,4	153	77	37,5	7,4	-0,6	63	-13	SELLER'S
Zone 8	All types	248	31,2	139975	6,7	96,3	136	418	4,5	5,3	0,7	59	8	SELLER'S
	Detached	179	20,1	150783	9,7	96,0	135	332	6,1	5,6	0,7	63	8	SELLER'S
	Semi-det. & row	31	47,6	124671	11,0	96,5	142	31	-16,2	3,5	0,6	42	-3	OVERHEATING
	Condominium	34	209,1	121481	-4,7	98,9	137	39	2,6	5,7	0,5	71	20	SELLER'S
Zone 9	All types	108	-6,9	137783	11,3	95,5	131	227	7,1	5,4	0,3	56	11	SELLER'S
	Detached	84	3,7	142444	10,3	95,5	130	149	-8,6	5,7	0,1	61	15	SELLER'S
	Semi-det. & row	9	-43,8	126179	6,8	96,4	131	24	20,0	3,4	0,3	37	-5	N/A
	Condominium	10	-9,1	129500	22,5	97,1	151	39	105,3	8,4	3,3	83	33	N/A

Please note that the prices presented in this report concern median data. The median is the middle value separating a group into two equal parts. For example, a median price of \$100,000 means that half of the properties sell for \$100,000 or less and the other half sell for \$100,000 or more.

Interpretation of the "Median Price / Municipal Assessment" ratio: For example, a ratio of 107% indicates that a house assessed at \$100,000 could sell for \$107,000.

Listing period: Please note that the median listing period could be underestimated. In fact, when a property is again listed for sale after the mandate has expired or when the real estate agent changes, the calculation does not take into account the previous listing period.

N/A: The market classification is not available when there are fewer than 20 transactions. The other data is also not available where the number of transactions is less than 5.

Note: All data published in this publication is smoothed data, with the exception of sales and active listings.

* Raw data: data observed for the current quarter

* Smoothed data: average for the last four quarters in order to reduce any major variations from one quarter to the next and provide a clearer trend.

Source : CIQ (compilation SCHL)

Québec Metropolitan Area - Market Zones

Zone 1: Québec Basse-Ville (Limoulu, St-Roch, St-Sauveur), Vanier

Zone 2: Québec Haute-Ville (St-Jean-Baptiste, Champlain, Montcalm)

Zone 3: Ancienne-Lorette, Neufchâtel, Duberger, Les Saules, Lebourgneuf

Zone 4: Ste-Foy, Sillery, Cap-Rouge, St-Augustin

Zone 5: Val-Bélair, St-Émile, Loretteville, Lac St-Charles, Valcartier, Shannon, Lac St-Joseph, Ste-Catherine, Fossambault

Zone 6: Charlesbourg, Lac Beauport, Lac Delage, Stoneham-Tewkesbury, Ste-Brigitte de Laval

Zone 7: Beauport, Boischatel, L'Ange-Gardien, Côte de Beaupré, Île d'Orléans

Zone 8: Charny, St-Romuald, St-Jean-Chrysostôme, St-Nicolas, St-Rédempteur, Breakeyville, St-Lambert, St-Étienne

Zone 9: Lévis, Pintendre, St-Henri

MARKET CLASSIFICATION TYPES

BALANCED: Market where neither sellers nor buyers are favoured; sales volume steadily progressing over a long period; prices increasing at or slightly above inflation.

BUYER'S: Market where buyers are favoured; surplus of listings; few sales; long listing periods; prices decreasing or increasing below inflation.

DECLINING: Extreme buyer's market; prices down significantly; further price decreases to be expected.

SELLER'S: Market where sellers are favoured; shortage of listings in relation to demand; short listing periods; prices increasing above inflation.

OVERHEATING: Extreme seller's market; sales and prices up considerably; further price increases to be expected.