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ANALYSIS OF THE RESALE MARKET FOURTH QUARTER 2006

Québec Metropolitan Area

An objective look at housing

Canada Mortgage and Housing Corporation

www.cmhc.ca

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Market at a glance

4th Quarter 2006 vs
4th Quarter 2005

Sales volume	:	↑	3.7%
Median price	:	↑	7.4%
Sellers per buyer	:		5.8

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Sales down slightly in the fourth quarter

Sales of existing properties fell slightly in the last quarter of 2006 in the Québec census metropolitan area (CMA). According to Service inter-agences / Multiple Listing Service (S.I.A. / MLS)[®] data, transactions reached 1,524 units¹, down by 3.7 per cent from the fourth quarter of 2005. This small decrease in activity reflected the overall results for 2006 in the provincial capital area. In fact, the year 2006 ended with 6,960 transactions, compared to 7,045 in 2005. There was nothing dramatic about this decline of 1.2 per cent, as it should be recalled that 2005 had been a very active year, with a volume very close to the all-time record set in 2002 (7,071 sales). This result was rather an indication that activity is levelling off at a high plateau in the context of low interest rates and a robust job market.

On the supply side, the number of properties for sale continued to rise, giving buyers more choice. In the last

quarter of 2006, 3,599 homes with "For Sale" signs were listed on the S.I.A. / MLS[®] network, or 13 per cent more than one year earlier. This increase in supply and small decrease in sales led to a new rise in the seller-to-buyer ratio, which has now reached 5.8 to 1², up from 5.3 to 1 in the fourth quarter of 2005. The market therefore continues to favour sellers but is gradually tending toward a better balance. However, the supply of properties for sale did not evolve in the same manner for all housing types. While listings of semi-detached and row homes went down by 5 per cent, the supply of condominiums jumped up by 20 per cent. It is no surprise that the semi-detached and row home market segment had the tightest conditions, with a seller-to-buyer ratio of 3.3 to 1 and a median listing period of 40 days. Conversely, the condominium market had a ratio of 7.9 to 1 and a listing period of 77 days.

¹It should be pointed out that some transactions made during the current quarter are entered later. As a result, the number of transactions is generally revised upwards.

² 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)



CHAMBRE IMMOBILIERE DE QUEBEC



With a seller's market still prevailing, the median price continued to rise steadily. The price growth rate attained 7.4 per cent in the fourth quarter of 2006. The gradual increase in the seller-to-buyer ratio, however, slowed down the growth in prices in recent quarters. It should be recalled that this rate was 7.9 per cent in the last quarter of 2005 and peaked at 17 per cent at the end of 2003.

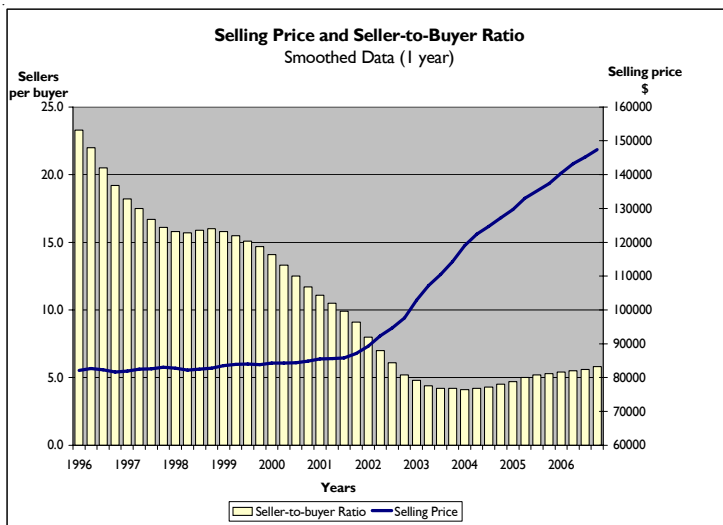
Certain properties easier to sell

Do you want to sell your property and take advantage of the increase in value

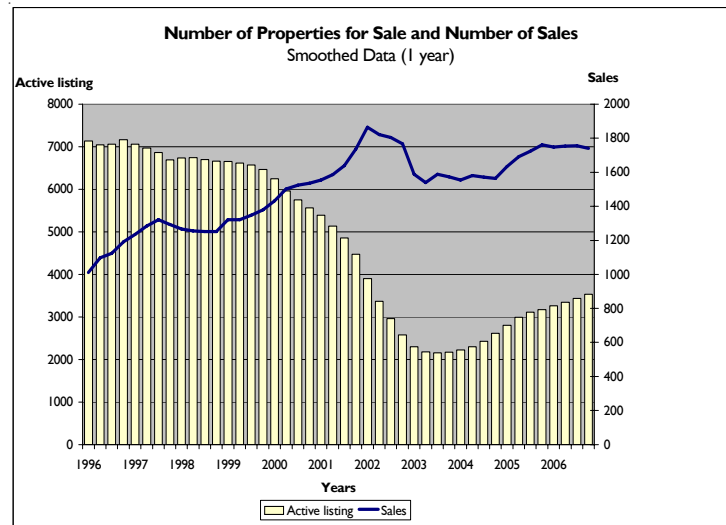
in recent years? You should know that, if your home is valued between \$100,000 and \$150,000, it is quite likely very desirable and will probably sell quickly. In fact, single-detached, semi-detached and row houses in this price range had seller-to-buyer ratios of just 3 to 1 and median listing periods varying between 35 and 42 days. In the case of condominiums, it was in the range from \$100,000 to \$125,000 that the market was the tightest, with a seller-to-buyer ratio of 5.7 to 1, but it took around 75 days to close a sale.

Obviously, the more your property for sale is expensive, the smaller your pool

of potential buyers becomes. If your single-detached house is valued at more than \$200,000, you are in a buyer's market, with a seller-to-buyer ratio of 11.6 to 1 and a median listing period of 87 days. If you have a condominium to sell instead, you should rather expect a seller-to-buyer ratio of 13.5 to 1 and a listing period of 102 days. It should not be forgotten that, in the higher price ranges, competition from new homes is definitely stronger.



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 4th Q 2006	Seller-to-Buyer Ratio 4th Q 2005	Sales 4th Q 2006	Annual Change (%)	Sales (year-to-date)	Annual Change (%)	Listing Period (days)	Annual Change (days)
Detached	Under \$100,000	3.8	3.3	32	-37.3	169	-36.7	37	-2
	\$100,000 to \$124,999	3.1	2.6	46	-39.5	241	-47.0	37	-4
	\$125,000 to \$149,999	3.1	3.2	233	-16.2	1121	-22.6	42	-3
	\$150,000 to \$199,999	5.1	5.6	394	23.9	1718	23.7	59	-7
	\$200,000 or over	11.6	10.6	214	7.0	1014	18.5	87	-3
	All prices	5.6	5.3	919	-0.4	4263	-3.4	57	0
Semi-det. & row	Under \$100,000	4.2	2.5	5	-16.7	29	-54.0	33	-6
	\$100,000 to \$124,999	2.1	2.1	50	-38.3	248	-37.7	37	2
	\$125,000 to \$149,999	2.9	3.3	92	-21.4	429	27.3	35	-7
	\$150,000 or over	5.6	6.3	72	94.6	228	57.2	54	3
	All prices	3.3	3.1	219	-9.1	934	-1.0	40	0
Condominium	Under \$100,000	7.8	6.0	62	-16.2	298	-20.1	74	13
	\$100,000 to \$124,999	5.7	6.3	62	-31.9	372	10.1	75	5
	\$125,000 to \$149,999	8.4	7.1	75	-1.3	312	7.2	70	-2
	\$150,000 to \$199,999	9.7	8.7	48	-4.0	278	23.6	85	3
	\$200,000 or over	13.5	11.7	43	4.9	177	29.2	102	35
	All prices	7.9	6.9	290	-12.7	1437	5.4	77	8

Source : CIQ (CMHC compilation)

RESALE MARKET CONDITIONS IN THE QUÉBEC AREA - 4th QUARTER 2006 vs 4th QUARTER 2005

	Jobs	Chg.		Rate	Chg.		Index	Chg.		Rate	Chg.
Employment	367 200	-6.5%	Unemployment rate	5,3	1,3	Consumer confidence	115.3	5,0 %	Mortgage rate - 5-year	6.6	0,4
											



: very favourable



: favourable



: unfavourable



: very unfavourable

RESALE MARKET CONDITIONS IN THE QUÉBEC AREA - 4th QUARTER 2006 vs 4th 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	1,524	-3.7	147,463	7.4	95.6	151	3,599	13.0	5.8	0.5	56	1	SELLER'S		
	Detached	919	-0.4	157,975	7.8	95.8	150	2,094	11.3	5.6	0.3	57	0	SELLER'S		
	Duplex	96	11.6	154,491	12.9	94.9	157	158	19.7	5.5	0.3	44	-3	SELLER'S		
	Semi-det. & row	219	-9.1	129,588	6.7	96.0	157	252	-5.3	3.3	0.2	40	0	OVERHEATING		
	Condominium	290	-12.7	123,970	4.5	95.0	151	1,094	20.6	7.9	1.0	77	8	SELLER'S		
Zone 1	All types	90	-1.1	132,113	7.6	94.1	167	286	38.8	6.8	1.2	59	10	SELLER'S		
	Detached	27	17.4	141,934	9.8	93.2	160	46	35.3	4.6	0.8	51	15	OVERHEATING		
	Semi-det. & row	6	0.0	n.a.	n.a.	n.a.	n.a.	12	50.0	n.a.	n.a.	n.a.	n.a.	n.a.		
	Condominium	29	-25.6	124,365	5.7	94.3	167	200	39.9	9.3	1.7	86	14	BALANCED		
Zone 2	All types	75	-21.1	169,046	0.5	94.3	156	279	8.6	9.1	1.0	91	21	BALANCED		
	Detached	10	0	309,217	5	92	166	20	33	8	2	113	26	n.a.		
	Semi-det. & row	4	0	n.a.	n.a.	n.a.	n.a.	7	40	n.a.	n.a.	n.a.	n.a.	n.a.		
	Condominium	58	-22.7	158,578	-0.7	94.1	154	249	7.8	9.6	1.0	91	20	BALANCED		
Zone 3	All types	188	-5.1	143,664	5.2	96.0	154	346	13.4	4.6	0.3	49	-3	OVERHEATING		
	Detached	108	4.9	157,663	3.7	96.0	152	209	18.1	4.8	0.2	49	-3	OVERHEATING		
	Semi-det. & row	43	-30.6	130,399	7.9	96.2	159	42	-2.3	2.4	0.0	30	-1	OVERHEATING		
	Condominium	26	-10.3	121,062	5.4	95.8	153	81	9.5	6.4	1.0	84	12	SELLER'S		
Zone 4	All types	241	-11.4	180,121	8.0	95.0	146	553	6.8	5.7	0.3	60	4	SELLER'S		
	Detached	130	-17.7	205,496	9.1	95.0	147	303	7.4	5.6	0.3	59	2	SELLER'S		
	Semi-det. & row	46	12.2	170,316	14.1	96.2	149	54	17.4	3.8	0.1	44	1	OVERHEATING		
	Condominium	60	-13.0	145,188	15.0	95.2	140	190	3.3	6.9	0.1	80	15	SELLER'S		

RESALE MARKET CONDITIONS IN THE QUÉBEC AREA - 4th QUARTER 2006 vs 4th QUARTER 2005

Market	Type	Sales	% Chg.	Meaian Selling Price	% Chg.	Selling Price / Listing Price	%	Selling Price / Mun. Assess.	%	Active Listings	% Chg.	Sellers-to-Buyer	Chg.	Listing Perioa (aays)	Chg.	Market Classification
Zone 5	All types	214	13.8	142,865	9.2	96.0		156		406	21.2	4.5	0.2	46	-6	OVERHEATING
	Detached	166	25.8	148,476	9.0	96.0		154		334	21.9	4.8	0.3	49	-6	OVERHEATING
	Semi-det. & row	33	-15.4	125,529	8.0	96.6		162		31	-18.4	2.5	-0.5	32	-18	OVERHEATING
	Condominium	4	-33.3	n.a.	n.a.	n.a.		n.a.		17	70.0	n.a.	n.a.	n.a.	n.a.	n.a.
Zone 6	All types	241	3.0	143,878	7.4	95.0		155		556	13.0	6.2	1.0	58	1	SELLER'S
	Detached	147	-5.8	157,498	9.4	95.0		154		337	6.3	5.8	0.3	55	-3	SELLER'S
	Semi-det. & row	34	36.0	131,920	9.1	95.8		162		24	-44.2	4.0	1.4	50	14	OVERHEATING
	Condominium	52	20.9	102,211	5.8	94.5		156		177	45.1	8.6	3.0	74	3	BALANCED
Zone 7	All types	218	1.4	142,290	8.4	95.5		155		558	3.3	6.6	0.5	62	2	SELLER'S
	Detached	156	0.6	154,628	10.8	95.3		155		406	3.0	7.0	0.8	64	2	SELLER'S
	Semi-det. & row	24	20.0	121,859	7.2	95.8		161		27	-22.9	3.2	-0.2	42	-8	OVERHEATING
	Condominium	27	-6.9	95,917	11.7	95.3		158		90	26.8	7.3	-0.5	85	17	SELLER'S
Zone 8	All types	174	-12.1	145,192	7.4	96.3		140		408	10.6	5.4	0.3	62	9	SELLER'S
	Detached	122	-0.8	157,059	10.0	96.0		139		316	18.8	5.8	0.4	69	11	SELLER'S
	Semi-det. & row	20	-35.5	124,491	2.9	96.8		148		29	-9.4	3.2	-0.2	46	5	OVERHEATING
	Condominium	26	-27.8	122,618	-0.1	99.3		144		51	-5.6	5.1	-0.5	49	-16	SELLER'S
Zone 9	All types	83	-8.8	142,663	10.1	95.7		137		205	25.0	5.7	0.3	58	3	SELLER'S
	Detached	53	-15.9	149,246	11.1	95.5		136		123	0.0	5.5	-0.4	59	-1	SELLER'S
	Semi-det. & row	9	-30.8	n.a.	n.a.	n.a.		n.a.		26	62.5	n.a.	n.a.	n.a.	n.a.	n.a.
	Condominium	8	33.3	n.a.	n.a.	n.a.		n.a.		40	122.2	n.a.	n.a.	n.a.	n.a.	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 (Limoulou, 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, Boischâtel, 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.



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