

PRESS RELEASE**September 9, 2010
For Immediate Release****MODERATION IS A GOOD THING**
— — —**August MLS® Active Listings Up 4%; Sales Down 12%**

WINNIPEG – Despite a drop in sales activity this summer in comparison to July and August last year, year-to-date sales are slightly above 2009 while dollar volume is up nearly 11% and closing in on \$2 billion – the fastest pace at which this milestone level will be reached in WinnipegREALTORS® 107-year history.

August 2010 is clearly showing a softer first-time buyer market where residential-detached sales under \$200,000 are down 33%. Even sales from \$200,000 to \$250,000 are off 16%. With the exception of the \$300,000 to \$350,000 price range where there were 6% more residential-detached units sold in August 2009 than August 2010, sales in the upper price range brackets are either equal or better than 2009 (e.g. twice as many sales over \$500,000 in 2010 including two sales above \$1,000,000).

Whether it is the Province of Manitoba's high land transfer tax which has negatively impacted the first-time buyer market going back to 2009 (no first-time home buyer exemption as is the case in B.C. and Ontario), weaker economic conditions, tighter mortgage lending requirements and the specter of higher interest rates which prompted first-time buyers to fast track purchasing plans earlier in the year, the reality is Winnipeg's August MLS® market is well off the five-year brisker pace set in 2005.

On the positive side, a moderating market which is allowing listings to catch up to demand is a good thing and is creating more balance and breathing room for buyers to have opportunities to purchase a home they desire. More proof of this happening in August is the fact the total sales price to total list price ratio of residential-detached market activity was just over 100%. 100% indicates equilibrium between sales and listings.

However, it is important to note sales from \$150,000 to \$200,000 sold on average in only 20 days so a less hectic market than previous years should not be misconstrued for all properties.

Another positive development is the change in the unsustainable rapid trajectory of the average monthly home sale price which was not only bound to level off from earlier months this year but come back down to more reasonable expectations based on the 2010 market forecast. While the year-to-date average sale price of \$242,000 remains 11% higher over the same period last year, the August average monthly home sale price of \$234,000 has dropped off from the earlier peak months of \$250,000.

August MLS® unit sales were down 12% (1,016/1,151) while dollar volume is off 5% (\$220.2 million/\$231.2 million) in comparison to the same month last year. Year-to-date MLS® unit

sales have risen less than 1% (8,663/8,620) while dollar volume is up 11% (\$1.93 billion/\$1.75 billion) in comparison to the same period in 2009. The 14,843 listings entered on the MLS® this year are up 15% from 2009.

“Lots of reason for optimism even with moderating activity over the summer months,” said Claude Davis, president of WinnipegREALTORS®. “Our first week of MLS® sales in September is running neck and neck with 2009 and there is a better supply and choice of listings going into the fall than in a number of years.”

Davis added, “It cannot be overemphasized that in any market, especially one where adjustments are taking place and different factors are at play depending on location and price range, that buyers and sellers should contact a REALTOR® who is a neighbourhood expert and will provide professional advice.”

For residential-detached sales in August, the most active price ranges were the \$150,000 - \$199,999 and the \$200,000 - \$249,999 at 22% and 21% respectively. Average days on market for sale for a residential-detached listing was 30 days, two days slower than last month and the same time as August 2009.

As for condominium sales, the most active price ranges were the \$150,000 – 199,999 and the \$100,000 - \$149,999 at 33% and 27% respectively. There was only one condominium sale that sold for under \$100,000. The average days on market for condominium sales was 34 days, 3 days slower than last month and 6 days faster than August 2009.

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For further information, contact Peter Squire at 786-8854.

