



Winnipeg REALTORS®

PRESS RELEASE

**March 6, 2009
For Immediate Release**

FEBRUARY MLS® SALES DOWN 14%

Under \$200,000 House Sales Activity Most Affected in Decline

WINNIPEG - The Winnipeg real estate market in February saw its activity fall back in comparison to the most recent bullish period of real estate where activity really started to ramp up in the latter part of 2003. 2003 was the last year February sales dipped below 700 and with the exception of 2002 and 1997, you have to go all the way back to 1992 when February sales eclipsed the 700 mark.

While there is no question some buyers, especially ones purchasing homes under \$200,000, are being more hesitant this year than last due to global economic uncertainties and a drop in consumer confidence, you cannot discount the unusually harsh February weather as a factor in keeping away more buyers than usual.

On the other hand February dollar volume remained strong as the level resulted in the third highest on record. It was only less than 2007 and 2008 - WinnipegREALTORS® only years where MLS® dollar volume surpassed \$2 billion. However, the reason for February being as high as it was is due to a clear compositional shift where home sales activity, in comparison to the same month last year, was quite different. Sales in the price ranges under \$200,000 were noticeably down whereas sales over \$200,000 were only slightly off last year.

Confirmation of a balanced MLS® market is shown in a new chart (see below) that tracks the number of months of MLS® inventory at the end of each month of sales activity. A balanced market is considered to be between 3.5 and 4.5 months worth of supply and we recorded 3.8 months at the end of February. This is an all property type number for the entire WinnipegREALTORS® market territory so you need to talk to a REALTOR® about specific supply issues for a particular property type in an area of Winnipeg or in the outlying rural municipalities.

Another good indicator of balance in our current market is the fact residential-detached sales in Winnipeg at least have a sale price to list price ratio just under 100 per cent. This effectively means sellers on average are getting a sale price very close to the list price they posted on MLS®. There were 34 per cent of residential-detached properties in February selling at or above list price. Where the difference is most pronounced as a result of much tighter supply issues last February and more buyer demand is that February 2008 had 57 per cent of all residential-detached sales go for above list price where this February it was 22 per cent.

New listings entered on the MLS® in February were up 14% (1,206/1,059) and left the inventory at the end of the month 58% higher than the same period last year. Lots of choice is a good thing for buyers.



February MLS® unit sales of 660 and a dollar volume of \$126.6 million show sales in February 2009 were a throwback to earlier years where sales stayed in the 600s. Dollar volume however is much more in line with current higher priced sales due to price increases over the past six years. February MLS® sales were down 14% (660/772) while dollar volume was off 9% (\$126.6million/\$138.6 million) in comparison to the same month in 2008.

Year-to-date MLS® sales are down 12% (1,184/1,341) while dollar volume has decreased 5% (\$223.1 million/\$234.2 million). The conversion of MLS® listings to sales for the year is 51%. It was 66% last year.

“It is really important to point out that while MLS® activity slowed in February the average days on market for homes selling was 32 days, an improvement over January of 10 days and only a week off February 2008 where brisker conditions prevailed,” said Deborah Goodfellow, president of WinnipegREALTORS®. “Contrast our 32 days in February to Vancouver’s 67 day average days on market and we should not feel overly concerned about our current market situation.”

Dave Watt, president of the Real Estate Board of Greater Vancouver in the Board’s March 3rd MLS® market release says, “It took, on average, 67 days to sell a home in Greater Vancouver in February, seven days less than last month, but behind the seller’s market of last February when the average stood at 33 days.”

“With such favourable mortgage rates, affordability in our market is a real positive going forward,” said Goodfellow. “However, given some very real economic concerns, the provincial government could well take a page out of the federal government’s January budget and provide some relief to home buyers in its upcoming March 25th budget. They can do this by reducing the millions of dollars it generates from the provincial land transfer tax it levies on home buyers in this province. There is no land transfer tax in Saskatchewan and Alberta, and Ontario and B.C have a first time home buyer exemption in place.”

Goodfellow cautioned consumers to be careful what they read into national housing figure reports and articles that do not reflect local market conditions. “There is one national housing index created by the National Bank/Teranet that only includes figures from six markets across the country and Winnipeg’s is not one of them,” said Goodfellow. She added, “Our local MLS® data is thoroughly reviewed and double checked at the end of each month to ensure the sales and listings reported are accurate and reliable.”

Residential-detached sales in February show the most sales activity was in the price range from \$150,000 to \$199,999 with 25% of total sales. It was followed closely by the \$200,000 to \$249,999 price range with 21% of sales. The highest sale price was \$920,000 while the lowest went for \$20,000. Average days on market for sales of residential-detached listings was 32 days, 10 days faster than last month and a week off the pace set in February 2008.

The highest priced condominium sold for \$405,000. The average days on market for sales of condominiums was 30 days, a week quicker than last month and 4 days slower than February 2008.



Winnipeg REALTORS®

Established in 1903, WinnipegREALTORS® is a professional association representing over 1,500 real estate brokers, salespeople, appraisers, and financial members active in the Greater Winnipeg Area real estate market. Its REALTOR® members adhere to a strict code of ethics and share a state-of-the-art Multiple Listing Service® (MLS®) designed exclusively for REALTORS®. WinnipegREALTORS® serves its members by promoting the benefits of an organized real estate profession.

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

