

PRESS RELEASE

**August 8, 2011
For Immediate Release**

A ROCK SOLID PERFORMANCE IN JULY

MLS® Sales Up 4%; MLS® Dollar Volume Jumps 10%

WINNIPEG - Spectacular weather in July which kept ice cream and beer vendors busy did not deter sellers and buyers from remaining engaged in the market after an exceptional June of over 1,500 MLS® sales. While not as active given Winnipeggers' penchant for taking advantage of a plethora of summer festivals and frequent trips to Manitoba's diverse cottage country, sales of close to 1,250 were on par with the third best July on record in 2007. July 2008 is by far the best July ever at over 1,400 sales with the 10-year average for July sitting at 1,200 sales. New listings were ahead of last July too with over 1,700 added in July 2011.

To no ones surprise, given a strong sales performance for this month and higher average sale prices in each successive year, dollar volume once again set a new record for month of July. It still however fell short of the \$300 million monthly mark that was substantially eclipsed each of the two previous months. The average selling price in July for a residential-detached home was \$254,486 – up nearly 7% compared to the July 2010 average of \$238,441.

July MLS® unit sales increased 4% (1,246/1,195) while dollar volume went up 10% (\$288.1 million/\$261.3 million) in comparison to the same month last year. Year-to-date MLS® sales are up 3% (7,906/7,647) while dollar volume is ahead by just under 8% (\$1.84 billion/\$1.71 billion) in comparison to the same period last year. The 7% increase in new listings this month over the same month last year translated into an overall 1% increase in year-to-date listings from 2010. As of the end of July, 11, 767 listings have been entered on the MLS® system this year.

“An improvement in new listings in July helped keep prices in check as the monthly average home price of over \$254,000 is still under the year-to-date average of \$256,000 and there were less above list priced sales too so buyers had a little more breathing room,” said Ralph Fyfe, president of Winnipeg REALTORS®. “However, inventory still remains tight overall, especially in a number of Winnipeg neighbourhoods. So depending on the price range and neighbourhood you are interested in, multiple offers may well be in play. As a result, your best recourse regardless of potential competition for a home you want to buy is to call a REALTOR® to advise you accordingly on your own situation.”

What is really starting to emerge this year and was no more apparent than in July is what was referred in WinnipegREALTORS® 2011 January forecast speech as a ‘flight to affordability’.

“The Winnipeg Jets may be taking off too but in the real estate market the alternative flight path and clearly more affordable offerings of condominiums and single-attached homes in contrast to residential or single-family –detached is as real as a Goog at the BDI,” said Fyfe.

In July, condominium sales were up 23% while single-attached residential properties rose an astounding 76%. Year-to-date numbers are impressive as well. The former are outpacing last year's sales at this time by 10% while the latter or single-attached are up 16%. Residential-detached property sales have increased less than 3% for the year and just over 1% for July.

The spread between the year-to-date residential-detached average sale price of \$256,000 and the average sale price of condominiums and single –attached is \$54,000 and \$63,000 respectively. Not only are these two alternative property types more affordable, the highest land transfer tax in the country at 2% over \$200,000 does not apply at all or very minimally if you were to pay the average price. For every \$50,000 in value above \$200,000, the provincial government collects \$1,000 from the home buyer before they can take title to their new property.

For buyers of residential-detached homes in the southwest and southeast quadrants of Winnipeg where the average sale price this year is above \$300,000, this means they are paying at least \$2,000 more in land transfer taxes as a result of the 2% land transfer tax rate.

WinnipegREALTORS® is calling on Manitobans at 2muchltt.com to tell the provincial government they need to reduce the unfair burden of the Manitoba land transfer tax on property buyers. Based on what you would have paid for an average priced home in 1987 when this tax was introduced and what you would pay now if you buy an average priced home, land transfer taxes have gone up tenfold.

As has been stated before, the impact of the land transfer tax is more acute with first-time buyers where every after tax dollar they save is critical to going towards the required down payment and closing costs (includes the Manitoba land transfer tax).

For residential-detached sales in July, the most active price range was from \$200,000 to \$249,999 at 24% of total sales. Second busiest was from \$250,000 to \$299,999 at 19%. For condominium sales, the most active price range was from \$150,000 to \$199,999 at 42% with the \$100,000 to \$149,999 range well back at 22%.

Average days-on-market for residential-detached sales in July was 26 days, 3 days slower than June and 2 days faster than July 2010. For condominiums, the average days-on-market was 27 days, 5 days off the pace set in June and 4 days quicker than July 2010.

Established in 1903, WinnipegREALTORS® is a professional association representing over 1,600 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. REALTOR®, MLS® and Multiple Listing Service® are trademarks owned and controlled by the Canadian Real Estate Association and are used under licence.

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

Residential Detached Sales

July 1st to July 31st, 2011

