

## **REGINA HOME PRICES SOFTEN DURING THE FOURTH QUARTER**

*Supply imbalance that has pushed prices down is expected to cease in 2015*

**REGINA, January 14, 2015** – The Royal LePage House Price Survey and Market Survey Forecast released today showed year-over-year price decreases in detached bungalows and two-storey homes in Regina, while condominium prices increased moderately.

The average prices for single-family homes in Regina depreciated in the fourth quarter, with standard two-storey homes dropping 6.8 per cent year-over-year to \$345,000 and bungalows dropping 6.5 per cent to \$310,000. These declines were juxtaposed by a 5.4 per cent increase in the average price for standard condominiums, which rose to \$223,500.

“Over the past year, Regina real estate prices have been largely influenced by an oversupply of housing, comprised of both resale homes and new builds. This accumulation of homes available for sale has put downward pressure on most housing types,” said Mike Duggleby, broker and managing partner, Royal LePage Regina Realty. “After more than a year with an overabundance of supply, we are starting to see a retrenchment back towards historical norms. This will likely allow for a more balanced market in 2015, with average prices likely increasing by the end of the year.”

According to Duggleby, unit sales have been fairly consistent with 2013 levels and high relative to historical standards. “In nearly every housing category we are within a couple of per cent of the unit sales levels from the year prior. It has felt like a slower market in 2014, but that can be attributed to the high number of units available for sale, which means homes take longer to sell.”

“Despite the softening of average prices, the Regina market remains sturdy, supported by a strong and growing local economy,” added Duggleby.

Royal LePage forecasts that average prices for Regina residential real estate will see further weakness during the first part of the year as the remaining supply works its way through the system with average prices expected to decrease by 1.3 per cent.

“While there are some economic headwinds due to the substantial decline in oil prices at the end of last year, Saskatchewan’s strong economy and job prospects should continue to attract new workers to the province, which in turn will buoy the housing market in the long run,” concluded Duggleby.

Nationally, average home prices showed modest to healthy year-over-year gains in most markets in the fourth quarter of 2014.

During the quarter, the average price of a home in Canada increased between 4.5 per cent and 6.7 per cent year-over-year. The average price of detached bungalows rose 6.7 per cent to \$406,218, while standard two-storey homes increased 6.0 per cent to \$443,379, and standard condominiums saw a 4.5 per cent increase to \$257,624. Against the backdrop of a decidedly mixed macroeconomic environment at home and abroad, Royal LePage expects home prices to increase moderately in 2015, forecasting a 2.9 per cent national increase for the year ahead.

“In the fourth quarter of 2014, real estate markets unfolded as we anticipated, with modest year-over-year price changes in most regions contrasted against continued steep price increases in Western Canada and Greater Toronto,” said Phil Soper, president and chief executive of Royal LePage. “This follows a similar trend observed in the third quarter of 2014, when we predicted the beginning of a cyclical slowing in home price appreciation, to a pace that better reflects broad economic factors.”

“For our 2015 forecast, we could not ignore the potential impact of the steep decline in the price of oil on housing markets across Canada,” continued Soper. “In the immediate term we anticipate that the natural slowing of home price appreciation we called for in the third quarter of 2014 will be delayed in Central Canada and accelerated in the West by recent developments in the energy sector. Meanwhile in Atlantic Canada, buyers should continue to have the upper hand, with home prices across the region forecast to rise below general inflation.”

### **About the Royal LePage House Price Survey**

The Royal LePage House Price Survey is the largest, most comprehensive study of its kind in Canada, with information on seven types of housing in over 250 neighbourhoods from coast to coast. This release references an abbreviated version of the survey which highlights house price trends for the three most common types of housing in Canada in 90 communities across the country. A complete database of past and present surveys is available on the Royal LePage

website at [www.royallepage.ca](http://www.royallepage.ca). Current figures will be updated following the complete tabulation of the data for the fourth quarter of 2014. A printable version of the fourth quarter 2014 survey will be available online on February 9, 2015. Housing values in the Royal LePage House Price Survey are Royal LePage opinions of fair market value in each location, based on local data and market knowledge provided by Royal LePage residential real estate experts.

### **About Royal LePage**

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of over 16,000 real estate professionals in more than 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

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### ***For further information, please contact:***

Colleen Dunbar  
Kaiser Lachance Communications  
O: 604-637-6654  
C: 778-989-1469  
[Colleen.Dunbar@kaiserlachance.com](mailto:Colleen.Dunbar@kaiserlachance.com)