

Winnipeg Home Prices See Healthy Growth in Fourth Quarter of 2017

Increased demand from buyers trying to beat stress test drive home prices up

WINNIPEG, January 10, 2018 – The aggregate price of a home in Winnipeg saw healthy growth in the fourth quarter of 2017, rising 3.9 per cent year-over-year to \$296,907, according to the Royal LePage House Price Survey¹ released today.

When broken out by housing type, the report showed healthy year-over-year growth in prices across all housing types surveyed in Winnipeg. In the fourth quarter of 2017, the median price of a two-storey home, bungalow and condominium increased 3.7 per cent, 4.2 per cent and 4.0 per cent year-over-year to \$313,994, \$289,632 and \$243,914, respectively.

“Prices have been up across the board as a result of shrinking supply, coupled with increased demand as buyers try to get into the market ahead of the new Office of the Superintendent of Financial Institutions stress test,” said Michael Froese, managing partner, Royal LePage Prime Real Estate. “Sales were down slightly from their previous highs of last year, but not at a significant rate. Last year was a record year and the fourth quarter is always slower due to seasonal norms.”

“Although prices have been climbing, we’re still one of the most affordable major city centres in the country,” continued Froese. “First-time buyers are provided with a lot of affordable options to choose from, giving them the opportunity to build equity before they eventually purchase their ideal home. As we enter the new year, it will be interesting to see if interest rates continue to rise, given that they could have a bigger impact than any market factor we’re currently seeing.”

Nationally, Canada’s residential real estate market saw strong, but slowing year-over-year price growth in the fourth quarter of 2017. The Royal LePage National House Price Composite, compiled from proprietary property data in 53 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 10.8 per cent year-over-year to \$626,042 over the three-month period. When broken out by housing type, the median price of a two-storey home rose 11.1 per cent year-over-year to \$741,924, and the median price of a bungalow climbed 7.1 per cent to \$522,963. During the same period, the median price of a condominium appreciated faster than any other housing type studied, rising 14.3 per cent to \$420,823 on a year-over-year basis.

“To prospective homeowners in our largest cities, condominiums represent the last bastion of affordability,” said Phil Soper, president and CEO, Royal LePage. “This is especially true for first-time buyers whose purchasing power has been reduced by tightening mortgage regulations.”

In line with Royal LePage’s previous [Market Survey Forecast](#), Royal LePage predicts that the price of a home in Canada will increase 4.9 per cent by the end of 2018. Looking ahead, the company anticipates that the new OSFI stress test will slow the housing market in the first half of

¹ Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

2018, as buyers adjust their expectations and many market participants take a “wait and see” approach.

“The unsustainably high rates of home price appreciation witnessed in recent years in B.C. and Ontario were dangerous to the stability of not only the housing market, but to the broader economy itself,” continued Soper. “Policy measures like the OSFI stress test will quell runaway housing inflation to an extent. However, we do foresee an upswing in demand in the latter portion of the year, as prospective buyers adjust to the new realities. To put it another way, the demand is still there.”

About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 53 of the nation’s largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, RPS Real Property Solutions, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

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 close to 18,000 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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