ROYAL LEPAGE

Regina Home Prices see Slight Decrease in First Quarter of 2018

Resource-dependent, provincial economy still impacting home prices in Saskatchewan municipalities

REGINA, April 13, 2018 – The aggregate price of a home in Regina decreased modestly this quarter by 1.0 per cent year-over-year to $329,727, according to the Royal LePage House Price Survey[1] released today.

When broken out by housing type, the median price of a two-storey home decreased by 1.6 per cent year-over-year to $401,548, while the median price of a bungalow saw a 0.8 per cent increase year-over-year to $300,750. During the same period, the median price of a condominium posted a significant decrease of 10.0 per cent year-over-year to $228,360.

"There is an overstock of condominiums in Regina as a result of overbuilding a number of years back," said Mike Duggleby, broker and managing partner, Royal LePage Regina Realty. "There were government incentives to create new rental stock, and as a result, many new builds went up and prices started to come down. Sales of condos continue to occur but because there is so much inventory, it will take a few years for supply to be absorbed by demand."

Looking ahead, Duggleby believes the housing market will pick up in the coming year.

"We are a resource-based economy, and the real estate market will reflect the performance of the oil and potash industries," explained Duggleby. "In the last several months, things have started moving again and we expect 2018 to be a stronger year for real estate in Regina."

Nationally, Canada's residential real estate market saw slowing year-over-year increases in the first three months of 2018. On a quarter-over-quarter basis for the same period, home prices in many markets across the country remained relatively flat, with approximately half of the markets studied by Royal LePage posting slight declines.

"We are experiencing a broad-based, residential housing correction in Canada, triggered by federal and provincial intervention," said Phil Soper, president and CEO, Royal LePage. "Strong house price gains in the first half of 2017 mask some of the recent market shifts when comparing year-over-year home value trends."

"The combination of declining affordability and government intervention has for the most part neutralized very high home price appreciation levels in the greater Vancouver and Toronto regions, relative to the extreme heights witnessed in recent periods," continued Soper. "However, the demand for housing is so strong that the rate of home price appreciation is expected to pick up again in the second half of 2018."

The Royal LePage National House Price Composite, compiled from proprietary property data in 63 of the nation's largest real estate markets, showed that the price of a home in Canada

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[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.

increased 6.2 per cent year-over-year to $605,512 in the first quarter of 2018. When broken out by housing type, the median price of a two-storey home rose 5.7 per cent year-over-year to $715,726, and the median price of a bungalow climbed 4.5 per cent to $501,985. Condominiums continued to witness the highest price appreciation rates among housing types studied, rising 10.3 per cent to $418,245.

"While we have recently seen both overshooting and corrections in Canada's largest markets, on a national basis we believe the Canadian housing market is amidst a long-term expansionary cycle supported by strong economic fundamentals," said Soper. "Canada's stature is rising on a global scale. Our cities continue to be ranked among the most desired places to live in the world. Our economy is strong, our unemployment levels are the lowest they've been in four decades and we have one of the fastest-growing populations among advanced economies. These factors combined are incredibly supportive of long-term housing demand and valuations."

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 63 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 almost 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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