

Winnipeg Detached Home Prices Continue Steady Climb in the Third Quarter

Condominiums see moderate price declines due to oversupply

WINNIPEG, October 16, 2018 – According to the Royal LePage House Price Survey¹ and Market Survey Forecast released today, the aggregate home price in Winnipeg rose 3.3 per cent to \$309,101 in the third quarter of 2018.

When broken out by housing type, the median price of a two-storey home and bungalow rose 5.7 per cent and 1.6 per cent year-over-year to \$337,424 and \$293,387, respectively. Meanwhile, the aggregate price of a condominium declined 2.1 per cent year-over-year to \$240,933.

“Winnipeg’s housing market has been very resilient, buoyed by the region’s stable and diverse economy,” said Michael Froese, managing partner, Royal LePage Prime Real Estate. “We have a very healthy market right now. Inventory has crept higher, and sales activity has fallen slightly from the strong 2017 market, but home prices have remained steady. The market is relatively affordable across a wide variety of housing types, which is a positive environment for buyers.”

Froese added that the Winnipeg market is balanced overall, but that it is a neighbourhood-specific story. Desirable urban neighbourhoods have experienced more rapid price growth, while new homes built since 2015 have seen a 10 per cent increase in sales activity. Meanwhile, condominiums have been the notable laggard in the Winnipeg region.

“Condominium inventory has been rising throughout 2018,” said Froese. “Last year we saw a large number of housing starts. Demand hasn’t been strong enough to keep up as those units come onto the market, and this has caused some downward pressure on condo prices.”

Froese also added that changes in the Condominium Act, namely the requirement that condo projects undergo a reserve fund study, have increased condo fees at some projects and reduced the purchasing power of potential buyers.

Looking forward to the end of the fourth quarter, Royal LePage forecasts that the aggregate price of a home in Winnipeg will rise 1.0 per cent quarter-over-quarter to \$312,189.

Nationally, year-over-year home prices made modest gains in many regions across Canada in the third quarter of 2018. The Royal LePage National House Price Composite², compiled from proprietary property data in 63 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 2.2 per cent year-over-year to \$625,499 in the third quarter. When broken out by housing type, the median price of a two-storey home rose 1.4 per cent year-over-year to \$736,337, while the median price of a bungalow climbed 1.5 per cent to \$519,886.

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.

² Beginning in the first quarter of 2018, seven real estate markets were added to the Royal LePage National House Price Composite. The new regions are smaller markets in Ontario, Alberta, Quebec and British Columbia. Due to the relative size of the markets, any change to the Royal LePage National House Price Composite is expected to be within 0.15 per cent.

Condominiums continued to see the highest rate of appreciation nationally when compared to the detached segment, rising 6.7 per cent year-over-year to \$441,240.

Looking ahead, Royal LePage is projecting a further uptick in home price appreciation in the fourth quarter, forecasting a 1.5 per cent increase in the aggregate price of a home in Canada over the next three months.

“Positive economic fundamentals, supported by a new agreement on trade, should bolster consumer confidence across Canada and stoke demand in the nation’s real estate market,” said Phil Soper, president and CEO, Royal LePage. “Dangerously overheated regions have cooled considerably this year, while home prices have remained remarkably resilient. This is the soft landing that policy makers were hoping for.”

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 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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