

## Regina Home Prices Remain Flat in the Fourth Quarter of 2018

*Mortgage stress test and interest rate hikes dampen price growth and sales activity*

**REGINA, January 11, 2019** – According to the Royal LePage House Price Survey<sup>1</sup> released today, the aggregate price of a home in Regina remained relatively flat in the fourth quarter of 2018, rising 0.1 per cent year-over-year to \$327,160.

When broken out by housing type, the median price of a two-storey home decreased 0.5 per cent year-over-year to \$395,722. During the same period, the median price of a bungalow increased 0.2 per cent year-over-year to \$299,522. Meanwhile, the median price of a condominium saw a moderate increase, rising 2.5 per cent year-over-year to \$230,344.

“Federal measures to cool rising home prices at the beginning of 2018 had a significant impact in Regina’s real estate market,” said Mike Duggleby, managing partner, Royal LePage Regina Realty. “The introduction of a new mortgage stress test and increases in interest rates affected both sales activity and prices in the region, as the cost of purchasing a home rose for many buyers.

“Condo inventory was very high last year as a result of previous provincial and municipal government programs to encourage developers to build more units,” added Duggleby. “The market worked through much of this inventory throughout 2018. However, with some oversupply remaining, price increases in this segment have remained moderate.”

Duggleby added that immigration is also playing an important role in the region’s housing market dynamics, as the provincial nominee program is accelerating investment in the region’s real estate from overseas.

Nationally, year-over-year home prices made healthy gains in many regions across Canada in the fourth quarter 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 increased 4.0 per cent year-over-year to \$631,223 in the fourth quarter of 2018. When broken out by housing type, the median price of a two-storey home rose 3.9 per cent year-over-year to \$745,007, while the median price of a bungalow climbed 1.5 per cent to \$516,950. Condominiums continued to see the highest rate of appreciation nationally when compared to the detached segment, rising 7.2 per cent year-over-year to \$447,915.

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<sup>1</sup> 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.



“The invisible hand that guides our complex economy hit the real estate reset button in 2018 and that is a good thing,” said Phil Soper, president and CEO, Royal LePage. “Major market home price inflation through much of the decade had led to dangerous overheating in our most populous regions. Government regulatory intervention and rising interest rates, when combined with property price overshooting, triggered the correctional cycle we find ourselves working through today.”

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