

PRESS RELEASE

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For Immediate Release**

MLS® SALES AND NEW LISTINGS REBOUND IN MAY

May MLS® Sales and New MLS® Listings Up 5%

WINNIPEG – Not only did May 2011 record the highest dollar volume month ever in WinnipegREALTORS® 108-year history to eclipse the \$350 million level, sales and new listings outperformed May 2010 and showed a marked improvement over a disappointing April 2011. The May MLS® market rebound in sales and listings from April is proof flood-related concerns dampened activity. This factor alone held back what normally is a brisker spring start to WinnipegREALTORS®' busiest months.

Despite improvement in new listings in May, tight supply remains an ongoing issue with two of the most active residential-detached price ranges from \$150,000 to \$199,999 and \$200,000 to \$249,999 being down from last year's amount going into June. In both of these price ranges the inventory would run out in a little over a month if no new listings were added.

While MLS® May sales for all property types were up 5% there was some big divergence in residential-detached versus condominium sales increases with the latter rising 16% and the former up less than 2%. Vacant land residential sales increased an astounding 103% with 67 sales in May. Speaking of land, one 2 acre vacant commercial property near the airport sold for over \$1.6 million. There were also three million plus residential-detached property sales in May – two in East St. Paul.

May MLS® unit sales increased 5% (1,463/1,394) while dollar volume rose 7% (\$350.0 million/\$325.9 million) in comparison to the same month last year. Year-to-date MLS® sales are up 2% (5,144/5,020) while dollar volume has risen 6% (\$1.19 billion/\$1.12 billion) in comparison to the same period last year. MLS® listings entered on the MLS® this year are identical to last year's total of 3,385.

“In viewing these May MLS® results as the glass half full given our recovery from last month, nevertheless one major concern still remains the fall off in first-time buyer activity relative to the same month last year,” said Ralph Fyfe, president of WinnipegREALTORS®.

“This pattern or trend has emerged over the last few years as house prices have continued to climb. Here we are again with residential-detached sales under \$250,000 down 15% in comparison to May 2010. With housing affordability becoming a bigger issue at the lower end of the market where coming up with the necessary down payment and closing costs is more difficult, it really is time for the province to give serious consideration to offering a first-time home buyer exemption on the land transfer tax. Ontario and B.C. have had one in place for years.”

Looking ahead, a real good piece of news for home buyers is the Bank of Canada's reluctance to hike the overnight lending rate in the next few months given ongoing concerns with the U.S. and global economies. The expectation now by leading Canadian bank economists is nothing will

happen until September. They do not expect the rates to go up higher than 75 basis points by year end.

For residential-detached sales in May, the most active price range was the \$200,000 to \$249,999 with 21% of total sales. Next busiest was the \$250,000 to \$299,999 price range at 19%. The shift and tilt to higher price range brackets is clearly evident in May with 70% of all residential-detached sales occurring at \$200,000 and over. Average days on market for residential-detached sales was 22 days, 4 days faster than last month and one day slower than May 2010.

The lion's share of condominium sales activity in May was from \$150,000 to \$199,999 with 42% of total sales. Another 21% came from the next lowest price bracket of \$100,000 to \$149,999. The average days on market was 28 days, six days quicker than last month and one day off the pace set in May 2010.

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