

PRESS RELEASE**June 8, 2009
For Immediate Release****MAY MLS® SALES OFF PEAK PERFORMANCE****MLS® Sales and Dollar Volume Drop 13 %**

WINNIPEG – Sales in May 2009 were more restrained than the last few years but that does not mean the MLS® market performed badly. It just indicates the market has come back down to earth and is more balanced compared to the heady run Winnipeg enjoyed over more recently in May. Going back to 2005, May kicked off a three year streak of best May's ever and some of WinnipegREALTORS® best months on record. May 2007 is the only month where sales have eclipsed 1,600. May 2008 fell back under 1,600 with sales of 1,564 but is still tied with June 2008 for the second best MLS® sales month ever in WinnipegREALTORS® 106-year history.

May 2009 market activity still resulted in the fifth best May for sales and the third highest for dollar volume, only beaten out by the last two banner years where for the first time, WinnipegREALTORS® had year end dollar volumes of over \$2 billion. With year-to-date dollar volume down just 9 % this year, there is every possibility 2009 could usher in a third consecutive \$2 billion year but too early to tell for sure.

There are a few good indicators of how the MLS® market has come off boiling to simmer. In May 2008 57% of residential-detached properties sold for above list price where this May it was 37%. Condominium above list price sales was well off its 57% level achieved last year too. Reflective of less multiple offer activity and strong bidding wars is the fact the average residential-detached selling price in comparison to the average residential-detached listing price in the City of Winnipeg was up 1 per cent this year where 2008 it was ahead by over 6 per cent. The average days on market too have slipped back from less than three weeks in May 2008 to 27 days in 2009. Given the much improved housing inventory compared to last year and the less frenetic pace of the spring market this year, conversion of residential-detached listings to sales fell from an outstanding 80 per cent in May 2008 to only 53 per cent in May 2009.

May MLS® unit sales were down 13% (1,367/1,564) while dollar volume as well declined 13% (\$278.3 million/\$319.7 million) in comparison to the same month last year. Year-to-date MLS® unit sales are off 12% (4,606/5,253) while dollar volume has decreased 9% (\$928.34 million/\$1.02 billion) in comparison to 2008. MLS® listings entered on WinnipegREALTORS® predominant residential database are up 3% (7,624/7,426).

“These May results are nothing to be discouraged about as are more symptomatic of a market where sellers have to be more realistic about their price expectations while buyers are less inclined to jump at the first available opportunity to place an offer on a property,” said Deborah Goodfellow, president of WinnipegREALTORS®. “It is also a market that is quite varied in demand depending on the neighbourhood and price range of the homes you are in. The best advice I can give you is talk to your REALTOR® about your own situation whether you are buying or selling.”

“I should also add that we are seeing quite a divergence in the percentage increases or decreases this year in MLS® property type activity,” said Goodfellow. “For example, year- to-date home and condominium sales are at the opposite end of the same percentage. Homes are down 12 per cent while condominiums are up 12 per cent.”

Looking ahead to June WinnipegREALTORS® remains optimistic MLS® sales activity will remain solid given factors such as Manitoba’s favourable employment picture relative to the rest of the country. Statistics Canada just reported Manitoba tied with Saskatchewan as having the lowest unemployment rate in the country at 4.9 per cent. Winnipeg actually saw its unemployment rate drop in May to 4.8 per cent from 4.9 per cent in April. No wonder a Probe Research survey in March showed the vast majority of Winnipeggers are positive about the future of the local economy. Housing affordability remains attractive too with mortgage rates being at historical lows and house prices stabilizing due to a more balanced market and less pent up demand.

For residential detached sales, the most active price ranges were \$200,000 to \$249,999 and the \$150,000 to \$199,999. They represented respectively 23% and 22% of the total sales activity. The under \$100,000 market is shrinking as it represented only 8% this month. The average days on market for sales of MLS® residential detached listings was 27 days, 4 days quicker than last month and a week off the fast pace set in May 2008.

Established in 1903, WinnipegREALTORS® is a professional association representing over 1,500 real estate brokers, salespeople, appraisers, and financial members active in the Greater Winnipeg Area real estate market. Its REALTOR® members adhere to a strict code of ethics and share a state-of-the-art Multiple Listing Service® (MLS®) designed exclusively for REALTORS®. WinnipegREALTORS® serves its members by promoting the benefits of an organized real estate profession.

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