



Manitoba

Winnipeg

While tighter lending policies and the land transfer tax have impacted the first-time buying segment of the housing market, trade-up purchasers continue to make their moves in Winnipeg. Year-to-date sales have experienced a modest decline, down from 8,663 units between January and August 2009 to 8,620 units during the same period this year. Average price remains strong, up 11 per cent over last year at \$242,000. Active listings are up 15 per cent, although a shortage of well-kept and updated homes has been responsible for numerous multiple offer situations in recent months. In fact, a staggering 32 per cent of properties sold for over list price in August. Yet affordability remains front and centre with purchasers in Winnipeg—given that housing values have nearly tripled over the past 10 years. Condominiums are a popular choice with entry-level buyers, with 60 per cent of condominium apartments and town homes selling under the \$200,000 price point. More upscale condominium developments—offering product in the mid-to-upper price ranges—have experienced a slowdown this year, with units taking longer to sell. The traditional audience—empty nesters and retirees—are now looking at bungalows when they downsize. Sales of luxury homes, on the other hand, continue to surge, with 188 sales recorded over the \$500,000 price point this year, up from 92 units one year earlier. Winnipeg boasts some of the soundest economic fundamentals in the country, including an unemployment rate of six per cent in August. However, uncertainty created and accentuated by a dismal American economic rebound has given purchasers reason to pause. The market overall is expected to be balanced for the remainder of the year, leaning in favour of the seller. Housing sales are forecast to remain stable, while prices level off from earlier peak levels.

Saskatchewan

Regina

While Regina's solid economic performance—and job creation program—continue to lead the country, an unusually wet summer dampened home-buying activity to some extent. The market has since started to turn around, with the number of transactions gaining momentum. Two thousand, six hundred and twenty-eight homes changed hands between January and August 2010, almost on par with the 2009 figure of 2,659 for the same period. Pressure on average price remains steady, with values up eight per cent to \$265,140 year-to-date from \$246,559 one year ago. Inventory levels currently match those recorded in 2009, but listings are considerably less than reported in 2008. Overall supply is balanced—a far cry from 2006 and 2007 when vendors were looking at as many as 20 offers and taking hundreds and thousands of dollars over ask price. First-time buyers, move-up purchasers, and ex-pats returning from other parts of the country in search of employment are all contributing to the overall health of the marketplace. While affordability has diminished in recent years, homeownership is still within reach for many. Condominiums cover the gamut for many purchasers—offering entry-level product priced competitively, as well as upscale units selling for \$750,000 and more. Empty nesters and retirees are particularly active in the market, with many choosing to buy a condominium in Regina and spend winters down south, as opposed to travelling to popular retirement destinations in the West. The upper end of the market is exceptionally vibrant, with luxury sales up 72 per cent over one year ago. Ninety-one properties—including the city's first million-dollar-plus sale—moved over the \$500,000 price point this year, up from 53 in 2009. Regina's housing market has shown remarkable resilience—bolstered by an economy that continues to fire on all cylinders. The city has the best seasonally adjusted employment rate in the country at 4.8 per cent and has created 6,000 jobs this year alone. Regina is expected to lead the country in GDP growth



UPPER-END RESIDENTIAL SALES BY MARKET YEAR-TO-DATE (AUGUST)

Market	2010	2009	% +/-	Upper-End Price Point
St. John's	48	30	60.0%	\$500,000
Halifax-Dartmouth	355	277	28.2%	\$400,000
Saint John	58	39	48.7%	\$350,000
Greater Montreal	144	120	20.0%	\$1,000,000
London-St. Thomas	234	151	55.0%	\$500,000
Barrie	131	88	48.9%	\$500,000
Greater Toronto	2,135	1,401	52.4%	\$1,000,000
Hamilton	53	36	47.2%	\$750,000
Kitchener-Waterloo	54	22	145.5%	\$750,000
Sudbury	44	15	193.3%	\$500,000 - \$750,000
Ottawa	820	579	41.6%	\$500,000
Winnipeg	188	92	104.4%	\$500,000
Regina	91	53	71.7%	\$500,000
Saskatoon	31	18	72.2%	\$750,000
Edmonton	240	190	26.3%	\$700,000
Calgary	242	194	24.7%	\$1,000,000
Greater Vancouver	1,356	940	44.3%	\$1,500,000
Victoria	172	134	28.4%	\$1,000,000
Kelowna	29	11	163.6%	\$1,000,000

Source: Local Real Estate Boards, RE/MAX

in 2011—at a phenomenal 6.3 per cent. Optimism abounds and that enthusiasm will be reflected in sales figures in the final quarter of the year. The number of homes sold in Regina will be on par or slightly ahead of 2009 levels, while average price will continue to climb, hovering at five to seven per cent above last year's figure.

Saskatoon

Although economic concerns have hampered home-buying activity to some extent, year-to-date sales are just marginally off 2009 levels in Saskatoon. To date, 2,527 homes have changed hands, down from 2,696 between January and August of 2009. Average price, however, continues to climb—up eight per cent in August to

more than \$305,000—and \$292,323 year-to-date, an increase of five per cent over the same period last year. Greater sales in the mid-to-upper end of the market have contributed to the upswing in housing values. The seasonal summer slowdown has spilled over into September. Inventory levels are climbing (up 25 per cent in August). Saskatoon also lost 2,000 jobs in August, raising the unemployment level to 5.7 per cent. First-time buyers are driving the market, fuelling activity for homes priced between \$300,000 to \$350,000. Condominium product, priced between \$150,000 and \$250,000, has also been a popular choice with consumers, with one and two bedroom condominiums experiencing strong demand. Overall sales are down in the condo segment, with a slight oversupply of units on the market. Prices are expected to hold steady as some



product comes off the market. Investors typically take their properties off the market if they don't sell, with most putting their units into a rental pool. New construction activity is up and holding stable. While investors have been less active in the condominium segment than in years past, demand for revenue properties continues to be solid. Financing appears to be a non-issue as most buyers are moving forward with their purchases. Homes that are priced at fair market value are selling, although time on market has edged up slightly. Housing sales in Saskatoon are expected to finish the year down modestly from 2009 levels, while average price is forecast to move ahead in 2010.

Alberta

Edmonton

The urgency in Edmonton's residential housing market, prompted by tighter lending policies and the threat of higher interest rates earlier in the year has subsided, giving way to more stable conditions heading into the final quarter of 2010. Year-to-date sales have slipped 14 per cent to 11,773 units, compared to 13,694 during the same period one year ago. The sales-to-listing ratio, sitting at 47 per cent, is down from 59 per cent in 2009, but up from the 42 per cent recorded in 2008. Average price is holding steady, rising close to four per cent to \$332,789 in 2010, approximately \$12,000 higher than one year ago. Inventory levels are up marginally over last year, but are well-off peak levels reached in 2007 and 2008. As a result, the housing market has been characterized as balanced, slightly favouring the buyer. First-time purchasers remain most active, driving sales of single-family homes priced between \$250,000 and \$350,000. Condominiums—now representing 34 per cent of residential sales—continue to be a popular choice for those looking for affordable options. An influx of new units in recent months has inflated inventory levels, creating some downward pressure on condominium pricing. Changes to lending criteria have also impacted

this segment, with a 20 per cent down payment requirement proving to be detrimental to investment activity. One area of the market that has outperformed all others is the upper end. Sales of homes priced in excess of \$700,000 are up 26 per cent over 2009—with 240 up-scale properties changing hands in 2010, compared to 190 units one year ago. Fifty-five homes have sold over the \$1 million benchmark. While most Albertans acknowledge that the province is not out of the woods just yet, concerns over the economy are starting to fade. Positive announcements in the oil and gas sector should spur renewed activity in residential real estate—as evidenced in the first few weeks of September. Despite recent hikes, interest rates remain attractive, with a five-year closed hovering at four per cent. The outlook for the remainder of the year is stable, with no real fluctuations in either sales or price.

Calgary

After four months of hesitation and month-over-month declines in activity, homebuyers in Calgary are finally showing signs of renewed confidence. While some concerns still exist about sluggish economic growth in Canada and the U.S., buyers who are moving forward have been enticed by lower prices, greater selection, favourable borrowing conditions, and a healthier outlook for the future. Year-to-date sales of single-family and condominium homes in the Calgary Metro area are down 12.6 per cent, with 12,511 properties changing hands vs. 14,317 in 2009. Affordability has kept the condominium segment slightly more buoyant, with sales down just under 10 per cent year-to-date versus almost 14 per cent in the single-family home category, while the average condominium price posted a modest four per cent gain. Average residential price in the Calgary Metro area, (single family and condominiums combined) however, is up a solid six per cent year-to-date to \$411,233 compared with the year-ago figure of \$388,302. This has been pulled up by the strength of the upper end, as well as the fact that more homes sold at the lower end of the spectrum one year ago.



On the front lines, realtors have been noting softer values with reductions relatively commonplace. This is reflected by the city's year-to-date median sale prices. The median price for single family homes in the Calgary Metro area is now \$387,000 (down six per cent from \$412,500 in 2009), while the median price for condominiums now stands at \$258,000 (a four per cent decrease from the year-ago figure of \$269,000). Currently, nearly 7,500 listings are available for sale, with supply more than adequate. First-time buyers are most active, driving sales at the \$300,000 to \$400,000 price point. Move-up buyers are starting to follow suit, albeit with a measure of caution. That growing influx, combined with any positive economic news, should help to kick start momentum going forward. The upper end remains a bright spot in Calgary's real estate market, with year-to-date sales over \$1 million surging 25 per cent ahead of 2009 levels (242 units vs. 194 units), as buyers take advantage of the current window of opportunity. Investors have also recognized their advantage, snapping up condos and half duplexes throughout the city. Multiple offers are still occurring on quality product that is priced precisely at fair market value and in an excellent location. Conditions are firming up in Calgary and buyers are starting to take notice. The market is expected to remain steady going forward, in line with the healthier September momentum, closing some of the gap between year-over-year sales. Ultimately, sales will remain off 2009 figures, but average price will level out and post a modest gain.

British Columbia

Vancouver

While sales have slowed from heated post-recession levels, residential home-buying activity is alive and well in Greater Vancouver. The combination of first-time buyers, empty nesters, and new immigrants now play a crucial role in today's housing market, fuelling demand for homes priced from \$300,000 to \$3 million and more.

Although year-to-date sales have softened from one year ago, with 22,022 homes changing hands between January and August—down from 23,158 units during the same period one year earlier—average price, while down from peak levels reported in April, is still 16 per cent ahead of 2009 levels, hovering at \$667,227 (vs. \$574,061 in 2009). Housing values are expected to hold steady in the months to come as fewer new listings—down 17.5 per cent in August—come on-stream and existing resale properties are absorbed. Despite the lull in the market, consumer confidence is solid, with reduced values drawing purchasers into the market in early September. Conditions remain balanced, leaning slightly in favour of the buyer. The condominium segment continues to be vibrant, leading sales in August. Condominium apartments and towns now represent one in two residential sales in Vancouver—their universal appeal attracting entry-level purchasers to affluent, experienced buyers. The market for high-end properties is also robust. So far this year, 1,356 sales occurred—priced in excess of \$1.5 million—compared to 940 properties in 2009. Wealthy Chinese immigrants are driving luxury sales, bolstered by China's strong economy, and this phenomenon is expected to continue into 2011. The strength of the first half has moderated and the upward pressure on price has subsided. The summer months were dampened by the introduction of the Harmonized Sales Tax (HST) and the confusion that followed. Purchasers are just now realizing that the HST applies to new construction only—which has been a boon to the resale market. Demand has since improved, with activity strongest in the lower price points. While the number of homes sold by year-end may be off 2009 levels, average price is poised to set a new record in the Greater Vancouver Area in 2010.



Victoria

After an exceptionally strong start to the year, Victoria's housing market has returned to more normal levels of activity. Year-to-date sales hover at 4,856 units, down from the 5,521 reported between January and August of 2009. Average price, bolstered by the momentum earlier in the year, remains more than eight per cent higher than last year at \$495,993, an increase of close to \$40,000 over the 2009 figure. Inventory has increased year-over-year, although the supply of homes listed for sale is well under levels recorded during the recession. Market conditions in Victoria are currently balanced, leaning slightly in favour of the buyer. Home-buying activity has subsided since the first quarter when purchasers moved to secure homeownership ahead of tighter lending criteria, higher interest rates, and the Harmonized Sales Tax (HST). Fewer buyers overall are in the market, and of those that are able to buy, many are impacted by new calculations on residual income on in-law suites—which raises the amount needed to qualify for a mortgage. Still, consumers remain confident and homes that are well-priced continue to sell. Days on market are down from last year, with most homes moving within 53 days. The top end of the market has been surprisingly active, with sales of million dollar plus homes up 28 per cent over one year ago. To date, 172 high-end properties have changed hands, an increase from 134 during the same period one year ago. The upswing has been attributed to softer luxury housing values, which have prompted savvy purchasers to take advantage of the opportunities that currently exist in the marketplace. Affordability remains top of mind and resale condominiums—especially those priced from \$250,000 to \$350,000—and single-detached homes priced between \$450,000 and \$550,000—are in high demand and short supply. Activity is expected to pick-up as the traditional fall market gets underway. Attractive interest rates and stable housing values should prompt home-buying activity in the final quarter, although volumes will pale in comparison to last year's frenzied pace.

Kelowna

A significant summer slowdown has done little to dampen year-to-date activity in Kelowna's housing market, as sales up to the end of August remain eight per cent ahead of 2009 levels (2,728 units vs. 2,523). Yet, economic concerns—both in Canada and south of the border—have affected consumer confidence, with buyers growing more cautious. The introduction of the Harmonized Sales Tax (HST) served to dampen demand for residential properties, before purchasers finally realized there would be little impact on resale product and moved forward. As a result, activity continues to gain momentum, with sales posting an encouraging September start. While average price appreciation has begun to moderate—up close to two per cent in August—the average residential value remains nearly seven per cent ahead of year-ago levels at \$418,598. Attractive interest rates, a great selection of product and buyer's market conditions continue to draw purchasers into the fold. Active listings remain on a downward trend, now at 5,309 units (more than ample), with buyers maintaining the advantage. While some trepidation exists, those who are moving forward seem confident in their decisions, reflected by a contraction in days on market—now at 90 days from 97 one year ago. Homes ranging from \$400,000 to \$500,000 in price are in greatest demand, with those priced at fair market value moving well. The condominium market has posted a three per cent gain, with sales edging ahead of year-to-date 2009 levels (1,702 vs. 1,655). The average price of a condominium has held firm as well, posting a two per cent gain to \$258,000—up from \$253,000 on year earlier. The luxury home segment has been especially resilient. Twenty-nine properties priced over \$1 million have sold to date, up from 11 in January to August of 2009—an increase of 163 per cent. Overall, activity in Kelowna's residential housing market is expected to maintain a healthy pace and remain stable through the final quarter and into 2011.