

THE REISS REPORT

CONDO REAL ESTATE BLOG

Condominiums are still the one property type performing better than the other MLS® property types this year as we head into the final quarter of 2022.

Sales for the first three quarters are at 1,819. While condo sales are down less than 10% from the same period in 2021, you must keep in mind that in 2021 at this time of year sales were up 49% over 2020 and ended up by 39% at year end, when sales catapulted well above the 2000 threshold level for the first time, to reach 2,572 in total.

2022 will deliver the second consecutive year of 2,000 plus sales when the fourth quarter wraps up. While the last quarter may not be as stellar as 2021, due to less activity in general in real estate markets across the country including here, the annual result will be second best on record.

To give you a sense of how much better condominiums are doing this year in relation to other MLS® residential property types for the first three quarters, single family homes are down 17%, single-attached off 18%, townhouses have decreased 28% and duplexes fallen by 37%, while condo sales are down less than 10%.

Another area where condominiums depart from what is happening with respect to single family and non-condo residential-attached properties in 2022 is with respect to the number of new listings entered onto the MLS®. The 12,224 single family listings entered in the first nine months are only down by 1% from 2021 and similarly for residential-attached listings are up 1% from last year with 1,357 new listings coming to market.

For condominiums, listings of 2,593 have decreased 15% from the 3,037 listings in 2021. Whatever the reasons for the reluctance and challenges condo owners have felt this year which led them to hold back on listing their properties, it does help explain a tightening of this market. This tightening has led to increases in sales above list price. We have seen some months starting in February where the percentage of above list price sales was 23% higher than any month in 2021 when sales were so brisk. Above list price sales grew as year progressed with March coming in at 10 percentage points higher at 33% and the highest above list price sales reaching 38% in June.

It should be to no one's surprise that the highest condo average sales price month was also June at \$278,266. Things did settle down in the third quarter with above list price sales at 22% in July and then falling back to the high teen percentages in August and September.



The condo average sales price in September was \$265,671 and year-to-date it is \$265,586. It compares favorably to last year where the September average was \$230,796 and the year-to-date was 244,171.

September condo sales showed upper market price range strength with 9 sales over \$500,000 as compared to no such sales in September of 2021. The highest sales price for a condo sold was \$1,160,000. The most active price range was from \$150,000 to \$199,999 representing 24% of total sales

While condo sales activity in September dropped off more in line with some other property types with an 18% decline, the average monthly sales price held firm with the annual average sales price. In the case of single family sales, the monthly average sales price has fallen back from its peak in May at over \$450,000 to \$384,000 in September. The year-to-date single family average sales price is \$421,495.

Another interesting development this year is the fact that after nine months the 70% conversion of condo listings to sales is equal to the conversion rate for single family homes. The Winnipeg Regional Real Estate Board cannot recall that happening before because single family has historically always outperformed condominiums on this important metric of success for properties listed on MLS®. For this to happen single family's conversion rate came down and condos went up but it still is not something we have seen before.

Speaking about conversions, some condo neighborhoods have done exceptionally well with very high listing to sale conversion ratios.

One MLS® area with a complete sell out of all its 19 listings is West Charleswood (south of Roblin Blvd. and abutting the perimeter highway to its west). Immediately to the east is the main MLS® area of Charleswood and 19 of 21 listings sold there. The Linden Woods conversion rate is at 89% with 114 sales out of 128 listings sold and East Transcona/Canterbury Park has sold all of its 8 condo listings. 12 of the 13 listings in East St. Paul have been sold this year and North Headingly (north of Assiniboine River) sold all of its 10 listings in 2022.

We are expecting to see slower sales in the fourth quarter. Not only because it is a time of year when sales do slow down compared to busier second and third quarters but because there are headwinds to contend with due to higher interest rates and less urgency in general to be engaged given how overactive the market was in second half of 2020 and through the record-shattering year of 2021.

ALAN REISS

CCI MB Newsletter Committee

RE/MAX PROFESSIONAL, Condo Specialist 🇨🇦

Ask your broker about Wawanesa Condo Coverage

 **Wawanesa Insurance**

wawanesa.com/condo