

THE REISS REPORT



CONDO REAL ESTATE BLOG

It bears repeating, as was stated in the first quarter report in the spring edition of the newsletter, that 2021 was an MLS® record-shattering year for the Winnipeg Regional Real Estate Board. Condominium sales lead the way with a 39% increase to leap ahead from record sales in 2020 of 1,847 to 2,582 in 2021.

In 2022, to even come close to reaching the sales achieved in the first half of 2021, would not have been easy given all the advanced sales that were generated during that period due to continued momentum from pandemic-induced sales and historic low interest rates combined with public awareness that interest rates would be heading upward in 2022.

A real limiting factor in getting sales off to a good start in the first quarter 2022 was the lack of listings. Usually there is an influx of new listings in April but the protracted winter led to decreases in listings from April 2021 of 20%. Sales were not much better with a drop off in activity compared to the same month in 2021 of 17%. This left year-to-date condo sales down nearly 12% from the first four months of 2021 but still well ahead of single-family homes which decreased 28% and other property types such as single-attached slipping 20% and duplexes dropping 36%.

May and June saw more listings come on the market and that includes condominiums. June saw 338 new condo listings or an increase of 12 more units than in May, and over 100 more units than in April. This notable increase in listings is helping to address supply and, as of the end of June, there were 478 listings.

What does this mean for sales? June in particular was a good month with sales of 229, down 3% or 7 sales fewer than June 2021. May was an improvement over April's 224 sales as 256 unit sales were generated (highest so far for 2022) but not able to come close to matching the highest condo monthly total record set in May 2021 of 293 sales.

Year-to-date condo sales of 1,236 are behind 2021 by 10% but up 22% over the 5-year average. Of the years prior to 2021, only 2017 came close to approaching the 1,000-threshold level at 935. For the first six months of the year, condominiums are by far the most competitive MLS® property type in terms of approaching the numbers in 2021 for sales activity.

As for condo average sale prices, while they have not seen the rapid climb of double-digit percentages that single-family homes have in 2022, they are rising and no better example of that came in June 2022 with an average sales price of \$278,266. This came about largely from many more sales over \$500,000 - 13 as compared to 5 in June 2021 - and the highest condo sale of the year going for \$1,200,000. We are also starting to see the \$200,000 to \$249,999 price range replace the perennial busiest price range of \$150,000 to \$199,999 as the most active sales range now.

On a year-to-date basis, the average condo sales price so far this year is \$264,208 which represents an 8% increase over the 2021 average sales price of \$244,957.

Two new developments worth mentioning are that in 2022 we are seeing many more condos selling for above list price than in previous years. In the second quarter each month saw above list sales of over 30% with April the highest at 38%. In comparison for sales over list price the second quarter in 2021 had two months at 15% and 17% with record-setting May attaining 21%.

The other highlight for condo sales is that for the first half of 2022, we have seen them convert at the same percentage of listings to sales as for single-family at 72%.

There has never been a conversion rate this high before nor has it ever come close to equaling the higher conversion rates of single-family home listings to sales.

In terms of specific MLS® areas with condo sales activity, Sage Creek has to get a nod for having 13 sales out of the 12 listings entered this year. This means that in addition to selling out everything entered in this MLS® area in 2022 for the first six months it sold a listing from 2021 that carried over to 2022. Their average sales price has also gone up from \$365,670 in 2021 to \$417,350 this year.

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