

CONDO REAL ESTATE BLOG

Now that we are well into January, Valentine's Day is nearly upon us. No doubt many loved ones will be receiving cards and flowers as part of that special occasion. 2022 was a 'special occasion' with respect to condo sales, not that I am suggesting you send a card for this! In 2022, condo was the one property type which proved to be the most resilient during a very challenging year, and while not as spectacular as the record shattering 2021, was still worthy of recognition (if not a card).

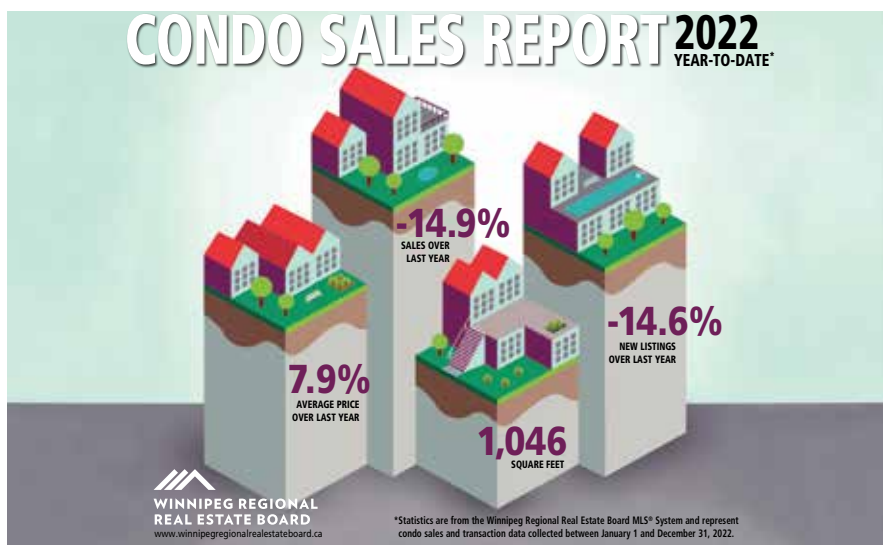
Overall, the Winnipeg Regional Real Estate Board MLS® sales decreased by 21% to finish with sales of 14,660 units as compared to the 18,675 units in 2021. The single-family homes market, which represents 70% of total sales, saw its sales drop off by 19%. The condo market, which is the second largest component of the real estate market in Winnipeg with 15% market share, saw sales fall by 15% but this was still the second-best year on record. Other MLS® property types fared far worse with annual sales falling by 39% for duplexes, 44% for vacant land, 33% for townhouses and by more than 30% for commercial sales.

Condo sales went over the threshold level of 2,000 to 2,184 for only the second time in condo sales history and this represents a 25% increase over 2019 (prior to the pandemic). Many are now viewing 2019 as a fairer benchmark year for 2022 given how supercharged 2020 and 2021 were for real estate.

Another notable development for condos in 2022, that was not seen before, is the fact that condos equalled single-family homes when it comes to the conversion rate for listings to sales. In 2022 both types of properties converted 70% of their listings to sales.

Additionally, the annual sales price percentage increase for condos almost matched single-family homes with an 8% rise in price making the average price of a condo in 2022 \$264,512. Single-family homes rose just 1% more to 9%. However, the spread between the average value for a single-family home versus a condo remains significant with the price of an average single-family home coming in at \$413,912 in 2022. This means condos will continue to be an affordably priced option for many home buyers and particularly for first-time home buyers.

It is important to keep in mind that these annual average sales prices reflect the



surge of prices at the beginning of 2022 as prices did come down considerably in the latter part of the year to where they were in 2021. For the month of December 2022, the average sales price of a single-family home was \$378,978 while the average price of a condo was \$243,749 – much lower than the annual average price and close to where they were at the end of 2021.

More listings, slower sales activity in general and higher mortgage rates contributed to prices coming back to more affordable levels. Not surprisingly, there were many fewer sales above list price toward the end of 2022 as compared to earlier in the year.

Realtors® in fact were talking about condos seeing more multiple offers situations than they had ever seen before in the first six months of 2022, due to a lack of listings and buyers trying to secure/lock in lower mortgage rates, understanding that mortgage rates were going to be increasing. In the second quarter of 2022 the percentage of sales for condos above list price was consistently over 30%, with April being the highest month at 38%. These were new heights for condos and were far above the numbers for the same period in 2021, when they were at 15%, 17% and 21% respectively for the second quarter months.

In the end, 2022 finished off with condos seeing 545 units (or one out of four sales) going far above list price. The average price for those listings selling above list price was \$304,730 as compared to the \$246,920 average list price for the 61% of condos that sold below list price.

Another highlight of 2022 worth mentioning is that the most active price range was the \$150,000 to \$199,999 price range. This

range accounted for 23% of all sales. The next largest price range was that of \$200,000 to \$249,999, which accounted for 21% of sales. This is a notable difference from 2021. The higher average sales price in 2022 was partly the result of a higher percentage of sales in the higher valued condos. The percentage of sales in 2022 for condos valued over \$350,000 was 20% in 2022 versus 14% in 2021. Further, sales of condos valued over \$500,000 were almost double in 2022 compared to 2021. Condos sold faster as well in 2022 with the average days on the market being 31 as compared to 44 days in 2021.

The highest price for a condo sale in 2022 was \$1,200,000. I was pleased to be the listing agent in that sale, which was for a newer multi-level townhouse condo offering over 3,600 square feet of living are in the Wildwood Park area of west Fort Garry.

The three leading MLS® areas for sales activity in 2022 were Osborne Village/ Crescentwood (197), Linden Woods (131) and downtown (113). Linden Woods was even more impressive for converting 92% of its 141 listings to sales.

In the next issue we will touch on not only how higher mortgage rates will have an impact on condo sales this year but how the new federal ban on foreign homebuyers will affect sales. Many of these foreign homebuyers are those looking to buy a condo for their children who are planning to attend the University.

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