



MERRILL LYNCH CLAIM IGNORES ECONOMIC FACTS

For immediate release

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Regina, Saskatchewan - a claim attributed to a Merrill Lynch report which appeared in a recent news article in the Regina Leader-Post that Regina housing values are overvalued ignores the economic growth taking place in Regina and Saskatchewan, says the Association of Regina REALTORS® Inc.

According to the article, the report states that housing values are overvalued in Regina by 48% and as much as 50% in Saskatoon.

The association contends that these claims are not substantiated and do not take in consideration the economic, job, population and household growth occurring in the Regina area and in the province. The Conference Board of Canada is forecasting GDP growth of 4.2% for Saskatchewan in 2008 and growth of 2.8% in 2009.

The average price of a home sold on the association's Multiple Listing Service® in July was \$247,000. Using the Merrill Lynch claim of 48% overvalued, this would equate to an average price of \$167,000 – amongst the lowest in Canada and back to levels before the effects of the current economic upturn and positive in-migration began to occur.

Regina's current average MLS® price is substantially lower than the Canadian major markets average of \$341,000 reported in June by the Canadian Real Estate Association (CREA). The Regina average price ranked as having the 12th highest average price of 25 Canadian markets listed by CREA.

“Although we have passed what was an intense seller's market and significant price growth beginning in 2007 now into a balanced market which favours neither the seller nor buyer, there is no indication that home values will plummet due to affordability factors as claimed in this report”, said Gord Archibald, Executive Officer of the association.

“In many cases buyers who are relocating to the Regina area from Alberta or BC because of job opportunities and a higher quality of life in a smaller city are bringing a substantial amount of equity with them to purchase a home here.”

“While economic growth has slowed in other areas of the country, Saskatchewan's economy is on a roll. We believe that this coupled with our balanced housing market will continue to support home values in the Regina area”, concluded Archibald.”

The Association of Regina REALTORS® Inc. is governed by a volunteer Board of Directors elected from the ranks of the membership. The Association has been serving Regina and area since 1912 and ensures that its members adhere to a strict Code of Ethics and Standards of Business Practice.

The Association provides the Multiple Listing Service® to Regina and area, publishes the Regina Real Estate Review and operates The REALTOR® Channel on cable TV channel 9.

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