

News Release

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Market cools in July

The decline in market activity forecast by the Canadian Real Estate Association (CREA) and Canada Mortgage and Housing Corporation (CMHC) continued to dampen real estate sales for a second consecutive month. “This is not just our local market,” explains Joe Hough, Past President of the London and St. Thomas Association of REALTORS®, “it’s nationwide. What happened was this: the Great Recession created pent-up demand in our local real estate market; then, when it became clear in the Autumn of last year that Canada and our region had successfully weathered the economic storm, that pent up demand exploded, fueling our market for the period October 2009 until the end of May 2010.” Hough says that area REALTORS® are not concerned. “Now that demand has been met and we’re entering into a transition period,” he observes, “a period of stabilization, a kind of tempering of the market supported by improving job markets, historically low interest rates and further gains in household incomes.”

A total of 714 homes sold in July of 2010 compared to 904 in July 2009 – down 21%. We are still ahead year-to-date over 2009 by 8.3%.

Year	July Sales
2010	714
2009	904
2008	950
2007	1009
2006	800
2005	793
2004	883
2003	895
2002	746
2001	677

A breakdown of July’s sales activity follows:

Type	Units Sold	Average Price	% Change from July 2009
Total Detached	589	\$232,725	0.2%
Total Condo	125	\$174,659	7.1%
Total Residential	714		

House Style	Units Sold	Average Price
2 storey	173	\$289,618
Bungalow	118	\$162,407
Ranches	90	\$274,978
Townhouse Condo	63	\$153,490

The best-selling house style in London for the month of July was the two-storey, followed by the bungalow, the ranch and the townhouse condo.

Year	Average Price Total Residential
2010 YTD	\$228,283
2009	\$213,402
2008	\$210,888
2007	\$202,256
2006	\$188,942
2005	\$178,058
2004	\$166,138
2003	\$152,586
2002	\$142,106
2001	\$136,636

One of the indicators of a healthy real estate market is a modest gain in average house price over time. "The London CMA is remarkably stable in terms of price," says Hough. "We are consistently right-priced." This month, as in previous months and years, homes in LSTAR's jurisdiction maintain their affordability compared to other major Ontario and Canadian centers. According to the CREA's Major Market MLS® Statistical Survey for April 2010 (the most current available), the average price

year-to-date for:

- **London and St. Thomas -- \$228,283**
- Vancouver -- \$673,579
- Toronto --\$437,566
- Calgary -- \$395,847
- Edmonton -- \$339,172
- Ottawa -- \$333,854
- Hamilton --\$ 239,819
- Durham -- \$304,451
- St. Catharines -- \$317,909

Sales in London's sister city St. Thomas decreased by 12.5% with sales being 63 in July 2010 compared to 72 in July 2009. Year-to-date sales (433) continue to be ahead by 2.9% with sales in the same time period last year (421).

According to a recent study prepared for the Canadian Real Estate Association by Altus Group Economic Consulting in Toronto, a total of \$46,400 in ancillary expenditure is generated by the average housing transaction in Canada over a period of three years from the date of purchase. "That means that this month's sales will generate \$33,129,600 of economic activity over the next few years," says Hough. "It's the stimulus the market needs and we're happy to contribute to making that happen for all of us."

The London and St. Thomas Association of REALTORS® (LSTAR) is one of Canada's fifteen largest real estate associations, representing 1,500 REALTORS® working in Middlesex and Elgin Counties, a trading area of 500,000 residents. LSTAR adheres to a Quality of Life philosophy, supporting growth that fosters economic vitality, provides housing opportunities, respects the environment and builds good communities and safe neighbourhoods. As members of the Canadian Real Estate Association, LSTAR members may use the REALTOR® trademark, which identifies them as real estate professionals who subscribe to a strict code of ethics. The Association operates the local Multiple Listing Service® (MLS®) and provides ongoing professional education courses for its members. Advertisements of local MLS® property listings and information about the services provided by a REALTOR® can be found at [www. REALTOR.ca](http://www.REALTOR.ca). More information about LSTAR is available at www.lstar.ca.