

News Release

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NOVEMBER SEES LACKLUSTER HOME SALES

London, ON – 421 homes were sold last month via the MLS® System of the London and St. Thomas Association of REALTORS® (LSTAR), 8.9% less than in November 2022.

"While housing demand is exceptionally high throughout our region and the entire country, the resale data from November appears to indicate that this demand may not be reflected by the activity in the local real estate market for the remainder of this year, and possibly not until spring 2024," explained 2023 LSTAR Chair Adam Miller. "The resurgence in activity we witnessed this past spring could serve as a preview of what to expect next year. The determining factors will include whether the Bank of Canada finds it necessary to raise interest rates again or if, by next March, it becomes a matter of when we'll witness the Bank's first rate cut," he added.

The number of newly listed properties declined from 1,232 in October to 928 in November. Despite the significant monthly drop, this number still represents a record high for new listings for the month of November.

"The November data also shows that some sellers might be delaying their plans until the spring. Nonetheless, there remains a substantial number of individuals actively engaged in the market, eager to finalize deals before the end of this year. For valuable information and guidance on how to best navigate the current real estate environment, we encourage you to reach out to a local REALTOR®," Miller said.

The real estate landscape in LSTAR's jurisdiction witnessed a few other shifts in key indicators during November.

Housing supply saw a slight month-over-month growth from 4.3 months in October to 4.7 months in November.

The average home price in November for the entire jurisdiction of LSTAR was \$605,661, exhibiting a modest decrease from \$629,605 in October. Concurrently, the Composite MLS® Home Price Index (HPI) Benchmark Price settled at \$577,400, a slight dip from the October figure of \$592,100.

"It is essential to distinguish between these two metrics: the HPI benchmark price represents the value of a "typical home" as perceived by buyers in a specific area, considering various housing attributes. In contrast, the average sales price is derived by summing all home sale prices and dividing the total by the number of homes sold. That is why the HPI benchmark price serves as a more reliable tool for tracking trends over time: because it offers a stable reference point. This is particularly significant as average sales prices may fluctuate due to changes in the mix of sales activity from one month to the next," Miller stated.

The following table indicates the average and MLS® HPI Benchmark Prices recorded last month in LSTAR's main regions.

AREA	NOVEMBER 2023 MLS® HPI BENCHMARK PRICE	NOVEMBER 2023 AVERAGE PRICE
Central Elgin	\$596,200	\$612,857
London East	\$463,800	\$475,192
London North	\$681,300	\$690,401
London South	\$573,800	\$614,409
Middlesex Centre	\$824,600	\$963,503
St. Thomas	\$509,500	\$559,812
Strathroy-Caradoc	\$736,900	\$705,880
LSTAR	\$577,400	\$605,661

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The table below shows the November benchmark prices for all housing types within LSTAR's jurisdiction, and how they compare with those recorded in the previous month and three months ago.

MLS® HOME PRICE INDEX BENCHMARK PRICES			
Benchmark Type	November 2023	Change over October 2023	Change over August 2023
LSTAR Composite	\$577,400	↓2.5%	↓4.9%
LSTAR Single-Family	\$620,200	↓2.1%	↓4.8%
LSTAR One Storey	\$565,800	↓4.0%	↓4.7%
LSTAR Two Storey	\$660,000	↓0.8%	↓4.7%
LSTAR Townhouse	\$484,500	↓4.8%	↓5.0%
LSTAR Apartment	\$375,500	↓2.5%	↓5.8%

"Relative to provincial and national benchmarks, homes within the LSTAR jurisdiction maintained their favourable reputation for affordability in November, positioning our region as an attractive housing market for many," remarked Miller. The table below shows the most recent HPI benchmark prices, as provided by CREA.

AREA	MLS® HOME PRICE INDEX BENCHMARK PRICE IN NOVEMBER
Oakville-Milton	\$1,209,600
Greater Vancouver	\$1,185,100
Greater Toronto	\$1,081,300
Mississauga	\$1,042,100
Fraser Valley	\$1,003,900
Victoria	\$869,500
Hamilton-Burlington	\$805,700
Guelph & District	\$795,100
Barrie & District	\$781,300
Cambridge	\$725,100
Kitchener-Waterloo	\$708,600
Brantford Region	\$671,300
Niagara Region	\$635,400
Woodstock-Ingersoll	\$631,500
Ottawa	\$628,900
London St. Thomas	\$577,400
Windsor-Essex	\$563,700
Calgary	\$557,400
Huron-Perth	\$555,000
Montreal	\$514,300
Halifax-Dartmouth	\$509,300
Saskatoon	\$380,000
Edmonton	\$368,200
St. John's, NL	\$335,400
Winnipeg	\$332,700
CANADA	\$719,000

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According to a recent study¹ by Altus Group, an average housing transaction in Ontario sets in motion approximately \$77,420 in secondary spending within three years from the purchase date. These expenditures encompass various aspects, including legal fees, moving costs, furniture acquisitions, and home improvement expenses. "In simpler terms, November's LSTAR home sales have the potential to inject over \$32 million into the local economy," Miller pointed out.

The London and St. Thomas Association of REALTORS® (LSTAR) exists to provide its REALTOR® Members with the support and tools they need to succeed in their profession. As one of Canada's largest real estate associations, LSTAR serves and represents over 2,250 REALTORS® who are working in Middlesex and Elgin Counties, a trading area of more than 500,000 residents. LSTAR adheres to a Quality of Life philosophy, supporting growth that fosters economic vitality, and is a proud participant in the REALTORS Care Foundation's Every REALTOR™ Campaign. LSTAR provides housing opportunities, respects the environment, and builds good communities and safe neighbourhoods.

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¹ *Economic Impacts of MLS® Systems Home Sales and Purchases in Canada and the Provinces*, Altus Group, 2019