

News Release

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Home Prices Jump in January

London, ON – 529 home sales were recorded by the London and St. Thomas Association of REALTORS® (LSTAR) via its MLS® system in the first month of 2022, thus marking the Association’s second best January for home sales ever. During the same month, the local real estate market saw 669 new listings, out of which 286 were still active at month end.

“Despite the fact that slightly more new listings came on the market, there were only 0.5 months of inventory available at the end of January,” said 2022 LSTAR President Randy Pawlowski. “In other words, at the current pace of sales, the entire listing inventory of LSTAR could be liquidated in just two weeks, something that we have never seen before,” he explained.

The extraordinary buyers’ demand combined with the severe shortage of housing supply continues to favour home sellers and to exacerbate home prices. “At the end of January, LSTAR’s overall sales-to-new-listings ratio was 79.1%, 5.9% lower than a year ago, but the LSTAR average home price climbed to \$793,222 – almost \$90,000 higher than in December 2021 and more than double the value recorded back in January 2019,” Pawlowski added.

The LSTAR composite MLS® Home Price Index Benchmark Price also jumped 6.1% last month to \$697,700, up 96.6% over three years ago. “When looking at price trends, the MLS® Home Price Index (HPI) benchmark prices are more reliable than average prices. LSTAR’s HPI benchmark price represents the value of a ‘typical home’ as assigned by local buyers based on various housing features. Depending on how the home you want to buy matches these standards, the property’s value can be higher or lower than the benchmark price,” he said.

The following table shows how January’s average sales prices compare to the benchmark prices.

Area	January 2022 MLS® HPI Benchmark Price	January 2022 Average Price
Central Elgin	\$754,900	\$856,954
London East	\$606,766	\$604,600
London North	\$823,600	\$897,449
London South	\$692,500	\$818,517
Middlesex Centre	\$1,016,500	\$1,042,114
St. Thomas	\$614,400	\$689,687
Strathroy-Caradoc	\$784,000	\$758,641
LSTAR	\$697,700	\$793,222

While the bulk of last month’s sales consisted of single-family homes, condo townhouse and apartment sales continued to increase. “71 condo townhouses and 62 apartments were sold last month in our area. Both these house types saw significant price gains. In January, the average price for a condo in LSTAR’s jurisdiction was \$643,951, while the overall average price for an apartment sat at \$463,466.” Pawlowski added.

The following table shows the January benchmark prices for all housing types in LSTAR’s jurisdiction and how they stack up against the values from a year ago.

MLS® Home Price Index Benchmark Prices		
Benchmark Type	January 2022	Change over January 2021
LSTAR Composite	\$697,700	↑ 37.8%
LSTAR Single-Family	\$760,200	↑ 35.9%
LSTAR One Storey	\$671,300	↑ 37.6%
LSTAR Two Storey	\$840,700	↑ 35.2%
LSTAR Townhouse	\$550,500	↑ 47.3%
LSTAR Apartment	\$377,200	↑ 47.1%

Despite these increases in the HPI benchmark prices and average sale prices, homes in LSTAR’s jurisdiction continue to remain more affordable than houses from many other Ontario and Canadian centres. The following table is based on data provided by the Canadian Real Estate Association (CREA) for January 1st, 2022.

Area	MLS® Home Price Index Benchmark Price
Oakville - Milton	\$1,645,000
Greater Toronto	\$1,259,900
Mississauga	\$1,257,600
Greater Vancouver	\$1,255,200
Fraser Valley	\$1,237,000
Hamilton-Burlington	\$1,058,000
Cambridge	\$940,700
Kitchener-Waterloo	\$924,900
Victoria	\$920,400
Guelph & District	\$910,400
Barrie & District	\$880,300
Brantford Region	\$758,300
Niagara Region	\$748,800
London St. Thomas	\$697,700
Ottawa	\$689,700
Woodstock-Ingersoll	\$683,700
Huron - Perth	\$591,600
Calgary	\$458,800
Edmonton	\$339,600
Winnipeg	\$331,300
Saskatoon	\$328,600
CANADA	\$825,800

According to a research report¹, a total of \$73,250 in ancillary expenditures is generated by the average housing transaction in Ontario over a period of three years from the date of purchase. "This means that our January home sales could generate almost 39 million in spin-off spending over the next three years, which proves the essential role played by the real estate industry in the economic recovery of our region," Pawlowski concluded.

The London and St. Thomas Association of REALTORS® (LSTAR) exists to provide its REALTOR® Members with the support and

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

tools they need to succeed in their profession. LSTAR is one of Canada's 10 largest real estate associations, representing over 2,000 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 and is a proud participant in the REALTORS Care Foundation's Every REALTOR™ Campaign.