

News Release

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SUBDUED DECEMBER SALES CONCLUDE A MODERATE YEAR

London, ON – Last month 335 homes exchanged hands via the MLS® System of the London and St. Thomas Association of REALTORS® (LSTAR), bringing the total number of residential properties sold in 2023 in our area to 6,717.

"2023 was the year with the lowermost number of units sold in LSTAR's jurisdiction since we entered the new millennium," said 2023 LSTAR Chair Adam Miller. "This record low was caused by the high borrowing costs, which are weighing down heavily on the local consumers' buying power," he added.

Out of the 335 properties sold in December, 248 were single-family homes, 58 were townhouses, and 27 – apartments. "In 2023, LSTAR Members sold 5,006 single-family homes, 1,078 townhouses, and 552 apartments," Miller emphasized.

The number of newly listed properties dropped from 928 in November to 386 in December. Despite the significant monthly decline, this number is still in line with LSTAR's ten-year average for new listings for the month of December.

"Our December data appears to indicate that some sellers are opting to delay their plans until the spring. Despite this, there are still quite a few individuals actively participating in the market. For more insights and expert guidance on how to navigate the current real estate landscape, we encourage you to connect with a local REALTOR®," Miller said.

In December, our local real estate market experienced a few other noteworthy changes in key parameters. Housing supply saw a minor monthly decrease, moving from 4.7 months in November to 4.4 months in December.

The average home price for the entire LSTAR jurisdiction reached \$628,047 in December, showing a modest increase from the November figure of \$605,661. However, the Composite MLS® Home Price Index (HPI) Benchmark Price sat at \$571,200, marking a slight dip from November's \$577,400. Year-to-date, LSTAR's overall average price settled at \$647,190.

"It is crucial to make a distinction between these two metrics. The HPI benchmark price reflects the perceived value of a 'typical home' in a specific area, considering certain housing attributes valued by local buyers. On the other hand, the average sales price is calculated by summing all home sale prices and dividing that total by the number of homes sold. This is why the HPI benchmark price is a more reliable tool for tracking trends over time: because it provides a more stable reference point when compared with average sales prices, which may greatly vary from one month to the next due to only a few outliers from the sales activity mix," stated Miller.

The table below presents a detailed breakdown of December's average and MLS® HPI Benchmark Prices in LSTAR's main regions.

AREA	DECEMBER 2023 MLS® HPI BENCHMARK PRICE	DECEMBER 2023 AVERAGE PRICE
Central Elgin	\$603,200	\$657,780
London East	\$460,300	\$503,734
London North	\$669,700	\$675,433
London South	\$566,200	\$636,539
Middlesex Centre	\$808,200	\$1,340,019
St. Thomas	\$514,900	\$546,987
Strathroy-Caradoc	\$715,700	\$685,785
LSTAR	\$571,200	\$628,047

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

MLS® HOME PRICE INDEX BENCHMARK PRICES			
Benchmark Type	December 2023	Change over November 2023	Change over September 2023
LSTAR Composite	\$571,200	-1.1%	-4.0%
LSTAR Single-Family	\$616,700	-0.6%	-3.6%
LSTAR One Storey	\$565,300	-0.1%	-4.5%
LSTAR Two Storey	\$654,300	-0.9%	-3.0%
LSTAR Townhouse	\$473,300	-2.3%	-5.7%
LSTAR Apartment	\$355,100	-5.4%	-5.8%

"When compared to the prices recorded in other provincial and national centres, homes within the LSTAR jurisdiction remained relatively affordable, positioning our region as an attractive housing market for many," Miller said. The table below shows the most recent HPI benchmark prices, as provided by CREA.

AREA	MLS® HOME PRICE INDEX BENCHMARK PRICE IN DECEMBER
Oakville-Milton	\$1,223,500
Greater Vancouver	\$1,168,700
Greater Toronto	\$1,067,200
Mississauga	\$1,027,200
Fraser Valley	\$988,900
Victoria	\$858,100
Hamilton-Burlington	\$804,000
Guelph & District	\$799,400
Barrie & District	\$768,000
Cambridge	\$706,800
Kitchener-Waterloo	\$705,700
Brantford Region	\$660,600
Woodstock-Ingersoll	\$624,100
Ottawa	\$623,900
Niagara Region	\$617,000
London St. Thomas	\$571,200
Windsor-Essex	\$560,700
Calgary	\$554,500
Huron-Perth	\$544,600
Halifax-Dartmouth	\$511,600
Montreal	\$508,300
Saskatoon	\$374,100
Edmonton	\$370,500
St. John's, NL	\$335,400
Winnipeg	\$332,100
CANADA	\$710,300

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According to a recent study¹ by Altus Group, an average housing transaction in Ontario triggers approximately \$77,420 in ancillary spending within three years from the date of purchase. These expenditures encompass various aspects, including legal fees, moving costs, furniture acquisitions, and home improvement expenses. "This means that the secondary spending generated by LSTAR's 2023 home sales could contribute over \$520 million to the local economy by 2026," Miller concluded.

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