

News Release

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HOME SALES, PRICES CLIMB IN FEBRUARY

London, ON – 594 homes exchanged hands last month via the MLS® System of the London and St. Thomas Association of REALTORS® (LSTAR), marking a 33.2% increase in sales activity over February 2023. The number of newly listed properties rose from 873 in January to 1,024 in February, showing a 31.8% increase over a year ago.

“While the number of home sales remained on par with LSTAR’s 10-year-average for February, the number of newly listed properties soared to new heights, reaching its second highest value for that month,” said 2024 LSTAR Chair Kathy Amess. “Many of the Sellers who chose to adopt a ‘wait-and-see’ approach in the last months of 2023 were encouraged by the fact that the Bank of Canada decided once again not to increase its benchmark rates,” she explained.

Out of the 594 residential properties sold in February in LSTAR’s jurisdiction, 417 were single-family homes, 104 were townhouses, and 54 – apartments. The average price for a single-family home in LSTAR’s jurisdiction surged from \$605,785 in the first month of the year to \$682,780 last month, while that of a townhouse climbed only slightly - from \$504,304 in January to \$507,229 in February. The average price of an apartment from the London-St. Thomas region increased from \$319,210 in January to \$382,496 last month. “In addition, the average prices for single-family homes and apartments saw slight year-over-year increases, rising by 1.7% and 3.9% respectively,” Amess emphasized. “However, when compared to February 2023, the average price of a townhouse remained virtually unchanged,” she added.

Housing supply plummeted from 3.3 months of inventory in January to 2.7 months in February.

“LSTAR’s sales-to-new listings ratio settled at 58% last month. This is something that we like to see because indicates a fairly balanced real estate market, which benefits all the parties involved,” Amess said.

The overall average home price of LSTAR saw a month-over-month uptick – from \$605,785 in January to \$617,790 last month – but was 0.2% lower than in February 2023. However, the Composite MLS® Home Price Index (HPI) Benchmark Price posted month-over-month and year-over-year gains – of 2.5%, and 1.7% respectively - climbing to \$587,400.

The table below displays an analysis of February’s average and MLS® HPI Benchmark Prices in LSTAR’s main regions.

AREA	FEBRUARY 2024 MLS® HPI BENCHMARK PRICE	FEBRUARY 2024 AVERAGE PRICE
Central Elgin	\$618,600	\$695,790
London East	\$483,300	\$497,204
London North	\$682,900	\$704,356
London South	\$584,500	\$611,351
Middlesex Centre	\$805,400	\$911,067
St. Thomas	\$531,500	\$599,212
Strathroy-Caradoc	\$743,000	\$659,157
LSTAR	\$587,400	\$617,790

“In analyzing February’s figures, it is necessary to make a clear distinction between average prices and MLS® benchmark prices. The latter shows us what a ‘typical home’ from a specific area looks like for the local buyers and what housing attributes these buyers value the most. In contrast, the average sales price is calculated by summing all home sale prices and dividing that total by the number of homes sold.

Because average prices can experience high fluctuations from one month to the next, due to only a few outliers from the sales activity mix, the HPI benchmark price is a more reliable tool for tracking trends over time,” Amess stated.

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

MLS® HOME PRICE INDEX BENCHMARK PRICES			
Benchmark Type	February 2024	Change over January 2024	Change over November 2023
LSTAR Composite	\$587,400	2.5%	1.7%
LSTAR Single-Family	\$634,000	2.3%	2.2%
LSTAR One Storey	\$573,900	2.0%	1.4%
LSTAR Two Storey	\$678,500	2.5%	2.8%
LSTAR Townhouse	\$474,200	0.3%	-2.1%
LSTAR Apartment	\$386,300	9.9%	2.9%

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

AREA	MLS® HOME PRICE INDEX BENCHMARK PRICE - FEBRUARY 2024
Oakville-Milton	\$1,282,000
Greater Vancouver	\$1,183,300
Greater Toronto	\$1,093,900
Mississauga	\$1,070,000
Fraser Valley	\$994,600
Victoria	\$848,000
Hamilton-Burlington	\$835,900
Guelph & District	\$801,800
Barrie & District	\$781,600
Cambridge	\$742,600
Kitchener-Waterloo	\$729,300
Brantford Region	\$666,800
Ottawa	\$628,500
Niagara Region	\$619,600
Woodstock-Ingersoll	\$616,200
London St. Thomas	\$587,400
Calgary	\$567,900
Windsor-Essex	\$559,300
Huron-Perth	\$548,700
Halifax-Dartmouth	\$531,200
Montreal	\$519,100
Saskatoon	\$388,300
Edmonton	\$375,300
Winnipeg	\$345,400
St. John's, NL	\$328,800
CANADA	\$720,500

According to a recent study¹ by Altus Group, an average housing transaction in Ontario generates approximately \$77,420 in spin-off spending within three years from the date of purchase. These expenses include legal fees, moving costs, furniture acquisitions, and home improvement expenses, as well as some other charges.

"Only through the secondary spending they are prompting, LSTAR's February home sales could potentially bring almost \$46 million to the region's budget. This demonstrates the importance of our real estate market's contribution to the local economy," Amess 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