

News Release
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HOME SALES TAPER OFF IN AUGUST

London, ON – Last month, 569 homes exchanged hands via the MLS® System of the London and St. Thomas Association of REALTORS® (LSTAR), 3.2% fewer than in August 2022. During the same period, 1,212 new listings came on the market, 13.2% more than in the eighth month of 2022. The local housing supply saw a slight increase from 2.9 months of inventory in July to 3.4 months in August.

"In August, the local real estate market experienced a lull, with home sales hitting their lowest point since 2014. Whether that was just a simple summer lull or a direct effect of the Bank of Canada's mid-July decision to raise interest rates and their messaging about the lingering above-target inflation, that remains to be determined by the real estate activity we'll see in the next few months," said 2023 LSTAR Chair Adam Miller.

With new listings outpacing sales, LSTAR's overall sales-to-new listings ratio fell to 46.9% in August. "This gave buyers more options and slowed the rate of price growth in our area," Miller added.

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

AREA	AUGUST 2023 MLS® HPI BENCHMARK PRICE	AUGUST 2023 AVERAGE PRICE
Central Elgin	\$636,700	\$747,120
London East	\$497,000	\$492,858
London North	\$709,100	\$716,507
London South	\$605,400	\$702,729
Middlesex Centre	\$847,700	\$978,164
St. Thomas	\$541,700	\$555,051
Strathroy-Caradoc	\$750,600	\$722,763
LSTAR	\$607,400	\$663,663

August's overall average home price sat at \$663,663, slightly lower than in the previous month, but 4.2% higher than a year ago. LSTAR's composite MLS® HPI Benchmark Price came in at \$607,400, 0.9% down from July, but 1% over a year ago.

"The average sales price is determined by adding up the sale prices of all types of homes sold and dividing that total by the overall number of units sold. In contrast, the HPI benchmark price provides insight into the value of what's considered a 'typical home' according to local buyers, taking various housing characteristics into account. While averages can be influenced by a small number of high-end sales occurring within a single month, the HPI benchmark prices offer a more reliable means of identifying long-term price trends," Miller explained.

The table below shows the August benchmark prices for all housing types within LSTAR's jurisdiction, comparing changes from the previous month and six months ago.

MLS® HOME PRICE INDEX BENCHMARK PRICES			
Benchmark Type	August 2023	Change over July 2023	Change over 6 months ago
LSTAR Composite	\$607,400	↓0.9%	↑3.9%
LSTAR Single-Family	\$651,200	↓1.0%	↑3.6%
LSTAR One Storey	\$593,600	↓0.1%	↑6.0%
LSTAR Two Storey	\$692,700	↓1.4%	↑2.6%
LSTAR Townhouse	\$510,100	↓1.3%	↑4.6%
LSTAR Apartment	\$398,700	↑1.5%	↑9.4%

The single-family home remains the favourite house type of local buyers, with 427 sales in August. Condominium townhouses rank second, with 86 units sold, followed by apartments, with 51 units exchanging hands.

In August, the average price of a single-family home located in LSTAR's jurisdiction stood at \$726,263, while that of a condo townhouse was \$519,970. The average price of an apartment sat at \$417,321.

"It's interesting to note that condos, one-storey homes, and apartments saw the highest year-over-year price appreciation. That may be a reflection of the changing needs of an aging population," Miller observed.

"Despite these price appreciations, homes in LSTAR's jurisdiction continue to maintain their affordability compared to other major Ontario and Canadian centers," Miller said. The following table shows the latest HPI benchmark prices, courtesy of CREA.

AREA	MLS® HOME PRICE INDEX BENCHMARK PRICE - AUGUST 2023
Oakville-Milton	\$1,331,000
Greater Vancouver	\$1,208,400
Greater Toronto	\$1,141,400
Mississauga	\$1,127,200
Fraser Valley	\$1,037,700
Victoria	\$888,000
Hamilton-Burlington	\$863,700
Guelph & District	\$836,800
Barrie & District	\$818,000
Cambridge	\$758,000
Kitchener-Waterloo	\$745,100
Brantford Region	\$667,600
Woodstock-Ingersoll	\$664,500
Niagara Region	\$660,900
Ottawa	\$649,800
London St. Thomas	\$607,400
Huron-Perth	\$571,500
Calgary	\$553,800
Saskatoon	\$378,300
Edmonton	\$374,100
Winnipeg	\$345,700
CANADA	\$750,100

According to a research study¹ conducted by Altus Group in 2019, the typical housing transaction in Ontario triggers around \$77,420 in ancillary expenditures over a span of three years following the purchase. These encompass a broad spectrum of costs, such as legal fees, moving costs, furniture acquisitions, and costs related to home renovations, among others.

"In other words, the home sales recorded by LSTAR in August 2023 could potentially bring more than \$44 million back 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 2,300 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