

News Release
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GROWING DEMAND AND LOW INVENTORY FUEL HOME PRICE GAINS

London, ON – In April 2023, 964 new properties came on the market and 723 homes exchanged hands via the MLS® System of the London and St. Thomas Association of REALTORS® (LSTAR).

"Since the beginning of 2023 we've been noticing steady month-over-month increases in the number of home sales and prices, which indicate that the property demand and the housing supply issue are still there. Both of these are also demonstrated by the sales-to-new-listings ratio, which sky-rocketed in April, and by the dwindling housing inventory," said 2023 LSTAR President Adam Miller.

The overall sales-to-new listings ratio for the entire London-St. Thomas area climbed from 63.5% in March to 75% in April, while the inventory plunged from 2 months in March to only 1.8 in April.

"Out of the five main regions of LSTAR, the city of St. Thomas was the one with the lowest number of properties available for sale, with only one month of housing inventory in April," Miller emphasized.

"In their turn, the low inventory and the growing housing demand are putting upward pressure on the local average and MLS® HPI Benchmark Prices," Miller added.

In April 2023, in the jurisdiction of LSTAR, the average home price and the composite MLS® Home Price Index (HPI) Benchmark Price were lower compared to the same month in the previous year, by 13.6% and 17.1% respectively. However, both these figures were higher than those seen in the previous months. The average home price for LSTAR in April 2023 was \$664,149, while the composite MLS® HPI Benchmark Price was \$607,200.

The following table shows how home sales and prices evolved in the first quarter of this year in LSTAR's jurisdiction.

	JANUARY 2023	FEBRUARY 2023	MARCH 2023	APRIL 2023
LSTAR HOME SALES	344	436	685	723
LSTAR'S OVERALL AVERAGE PRICE	\$585,252	\$621,912	\$653,611	\$664,149
LSTAR'S COMPOSITE MLS® HPI BENCHMARK PRICE	\$568,300	\$583,500	\$592,600	\$607,200

Last month, the single-family home remained on top of the local buyers' preferences, with 519 units sold. The condo townhouse ranked second, with 100 units changing hands. The apartment came in third place, with only 61 units sold.

"Since the Bank of Canada pressed the pause button on interest rate hikes, single-family homes saw month-over-month gains in their MLS® HPI Benchmark prices. In April 2023, LSTAR's overall MLS® HPI Benchmark Price for single-family homes stood at \$654,100," observed Miller.

The following table shows the April 2023 benchmark prices for all housing types in LSTAR's jurisdiction and how they compare with the values from 2022.

LSTAR'S MLS® HPI BENCHMARK PRICES IN APRIL 2023

Benchmark Type	April 2023	Change over April 2022
Composite	\$607,200	↓17.1%
Single-Family	\$654,100	↓16.5%
One Storey	\$583,400	↓18.7%
Two Storey	\$703,100	↓15.1%
Townhouse	\$500,400	↓19.8%
Apartment	\$382,400	↓21.6%

"When compared to other values logged provincially and nationally, homes in our area continue to remain relatively affordable," Miller said. The most recent HPI benchmark prices for April, provided by CREA, can be found in the following table.

AREA	MLS® HOME PRICE INDEX BENCHMARK PRICE
Oakville-Milton	\$1,355,100
Greater Vancouver	\$1,170,700
Greater Toronto	\$1,145,700
Mississauga	\$1,116,200
Fraser Valley	\$992,000
Hamilton-Burlington	\$868,800
Victoria	\$861,400
Guelph & District	\$824,500
Barrie & District	\$809,000
Cambridge	\$774,500
Kitchener-Waterloo	\$759,600
Brantford Region	\$685,600
Niagara Region	\$654,100
Woodstock-Ingersoll	\$640,700
Ottawa	\$635,600
London St. Thomas	\$607,200
Calgary	\$538,200
Huron-Perth	\$538,000
Saskatoon	\$375,600
Edmonton	\$373,000
Winnipeg	\$344,600
CANADA	\$744,600

In 2019, Altus Group, a leading research and advisory firm, released a report that highlights the amount of ancillary expenditures associated with the average housing transaction in Ontario. The study reveals that, over a period of three years from the date of purchase, an average housing transaction in Ontario generates a total of \$73,250 in ancillary expenditures. These expenditures encompass a wide range of costs, including, but not limited to, legal fees, moving expenses, furniture purchases, and renovation costs.

"This data shows the significant financial impact that a housing transaction can have on both homebuyers and the wider economy. According to this report, the home sales recorded by LSTAR in April 2023 could potentially bring over 52 million in spin-off spending to our 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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