

News Release

Thursday, July 6, 2023

For Comment:

Adam Miller, 519-871-6198 OR

Randy Pawlowski, 519-661-7578

For Background:

Bill Madder, 519-641-1400



HOUSING MARKET REMAINS STABLE

London, ON – The local housing market continued its steady streak in June, with 745 homes exchanging hands via the MLS® System of the London and St. Thomas Association of REALTORS® (LSTAR). Housing supply increased from 1.7 months of inventory in May to 2.2 months of inventory in June, showing signs of market stabilization.

“The sales activity in June is consistent with the activity from the last several months,” said 2023 LSTAR President Adam Miller. “This happened despite another interest rate hike last month. Halfway through the year, the sales demonstrate the strong demand for homes across the region, which is very encouraging.”

The table below highlights home sales, average home prices and benchmark prices in LSTAR’s jurisdiction over the past four months.

	MARCH 2023	APRIL 2023	MAY 2023	JUNE 2023
LSTAR HOME SALES	685	723	846	745
LSTAR'S OVERALL AVERAGE PRICE	\$653,611	\$664,149	\$682,561	\$675,923
LSTAR'S COMPOSITE MLS® HPI BENCHMARK PRICE	\$592,600	\$607,200	\$619,800	\$626,200

The overall sales-to-new listing ratio for LSTAR was 52.7% in June, slightly down from 60.6% in May. According to the Canadian Real Estate Association (CREA), a ratio between 40% and 60% is generally consistent with a balanced market.

“Although the data indicates a more stable marketplace, it’s important to remember that every home transaction is unique,” Miller said. “Depending on what the Bank of Canada decides to do during its July 12 announcement, your local REALTOR® can provide the necessary support on navigating the evolving environment, with real-time data and professional guidance.”

The June average home price was \$675,923, slightly down from \$682,561 in May. The composite MLS® Home Price Index (HPI) Benchmark Price was \$626,200, up from \$619,800 in May. The HPI benchmark price reflects the value of a “typical home” as assigned by buyers in a certain area based on various housing attributes, while the average sales price is calculated by adding all the sale prices for homes sold and dividing that total by the number of homes sold. The HPI benchmark price is helpful to gauge trends over time since averages may fluctuate by changes in the mix of sales activity from one month to the next.

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

MLS® HOME PRICE INDEX BENCHMARK PRICES			
Benchmark Type	June 2023	Change over May 2023	Change over March 2023
LSTAR Composite	\$626,200	↑1.0%	↑5.6%
LSTAR Single-Family	\$674,300	↑1.1%	↑5.3%
LSTAR One Storey	\$610,300	↑0.5%	↑5.7%
LSTAR Two Storey	\$719,200	↑1.5%	↑5.2%
LSTAR Townhouse	\$520,300	↑1.3%	↑4.8%
LSTAR Apartment	\$392,800	↓0.3%	↑12.8%

In terms of housing preferences, the single-family home remained the top choice among local buyers, with 543 units sold, followed by 108 condo townhouses and 52 apartments.

"When compared to other values recorded provincially and nationally, homes in our area continue to remain relatively affordable," Miller said. The following table shows the latest HPI benchmark prices, courtesy of CREA.

AREA	MLS® HOME PRICE INDEX BENCHMARK PRICE
Oakville-Milton	\$1,350,900
Greater Vancouver	\$1,203,000
Greater Toronto	\$1,171,300
Mississauga	\$1,153,000
Fraser Valley	\$1,040,900
Victoria	\$885,100
Hamilton-Burlington	\$873,100
Guelph & District	\$851,300
Barrie & District	\$824,300
Cambridge	\$778,600
Kitchener-Waterloo	\$777,800
Brantford Region	\$698,600
Niagara Region	\$667,100
Woodstock-Ingersoll	\$662,800
Ottawa	\$652,700
London St. Thomas	\$626,200
Huron-Perth	\$570,100
Calgary	\$548,300
Saskatoon	\$381,400
Edmonton	\$376,800
Winnipeg	\$348,100
CANADA	\$760,600

According to a research study conducted by Altus Group, the average housing transaction in Ontario generates \$77,420 in ancillary expenditures over a period of three years from the purchase date. These expenditures encompass a wide range of costs, including, but not limited to, legal fees, moving expenses, furniture purchases, and renovation costs. "That means home sales in June are potentially contributing with more than \$57 million to the local economy," Miller said.

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.