

## News Release

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## LOCAL HOUSING MARKET REMAINS BALANCED

London, ON – In July 2023, 640 homes were sold via the MLS® System of the London and St. Thomas Association of REALTORS® (LSTAR), 19.6% more than in the seventh month of last year. The local housing supply increased from 2.2 months of inventory in June to 2.9 months in July. During the same period, 1,333 new listings came on the market, up by 8.2% over 2022. “In July 2023, LSTAR’s overall sales-to-new-listings ratio sat at 48%, indicating a fairly balanced market,” said 2023 LSTAR President Adam Miller.

“The higher borrowing costs triggered by Bank of Canada’s latest hike in its benchmark interest rate barely put a dent in July’s home sales and prices,” Miller noted. “This speaks not only to the local market’s appeal and resilience, but also to the huge demand for housing sparked by the increased immigration, which, according to a recent study, reached unprecedented levels in the last twelve months,” he added.

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

AREA	JULY 2023 MLS® HPI BENCHMARK PRICE	JULY 2023 AVERAGE PRICE
Central Elgin	\$637,300	\$694,595
London East	\$496,100	\$505,226
London North	\$727,400	\$750,787
London South	\$608,800	\$648,835
Middlesex Centre	\$869,200	\$1,308,286
St. Thomas	\$541,900	\$621,991
Strathroy-Caradoc	\$748,300	\$652,303
<b>LSTAR</b>	<b>\$612,800</b>	<b>\$668,821</b>

July’s overall average home price came in at \$668,821, slightly lower than in the previous month, but 1.7% higher than a year ago. LSTAR’s composite MLS® HPI Benchmark Price was \$612,800, 2.1% down from June, but 6.1% up when compared to six months ago.

“While the average sales price is calculated by adding all the sale prices for all types of homes sold and dividing that sum by the total number of units sold, the HPI benchmark price reflects the value of a “typical home” as seen by the local buyers based on various housing features. Since averages may be skewed by only a handful of high-end sales recorded over one month, the HPI benchmark prices can better help us identify price trends,” Miller explained.

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

<b>MLS® HOME PRICE INDEX BENCHMARK PRICES</b>			
<b>Benchmark Type</b>	<b>July 2023</b>	<b>Change over June 2023</b>	<b>Change over 6 months ago</b>
LSTAR Composite	\$612,800	↓2.1%	↑6.1%
LSTAR Single-Family	\$657,500	↓2.5%	↑6.5%
LSTAR One Storey	\$594,000	↓2.7%	↑6.6%
LSTAR Two Storey	\$702,500	↓2.3%	↑6.6%
LSTAR Townhouse	\$516,900	↓0.7%	↑5.1%
LSTAR Apartment	\$392,800	0.0%	↑3.6%

In terms of housing preferences, in July, the best-selling house style in LSTAR's jurisdiction was the single-family home, with 471 units exchanging hands. Condominium townhouses ranked second, with 110 units sold, followed by apartments, with 51 units sold.

In July, the average price of a single-family home located in LSTAR's jurisdiction stood at \$734,234, while that of a condo townhouse was \$546,569. The average price of an apartment sat at \$383,647.

"Despite London being identified as the most competitive housing market in Ontario, 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.

<b>AREA</b>	<b>MLS® HOME PRICE INDEX BENCHMARK PRICE</b>
Oakville-Milton	\$1,312,400
Greater Vancouver	\$1,210,700
Greater Toronto	\$1,161,200
Mississauga	\$1,141,500
Fraser Valley	\$1,046,700
Victoria	\$887,900
Hamilton-Burlington	\$873,600
Guelph & District	\$852,000
Barrie & District	\$820,900
Kitchener-Waterloo	\$765,000
Cambridge	\$764,600
Brantford Region	\$691,500
Woodstock-Ingersoll	\$674,700
Niagara Region	\$667,600
Ottawa	\$650,200
<b>London St. Thomas</b>	<b>\$612,800</b>
Huron-Perth	\$582,600
Calgary	\$551,300
Saskatoon	\$384,200
Edmonton	\$375,100
Winnipeg	\$347,200
<b>CANADA</b>	<b>\$757,300</b>

A 2019 research study<sup>1</sup> conducted by Altus Group shows that the average housing transaction in Ontario generates approximately \$77,420 in ancillary expenditures over a period of three years from the purchase date. These expenditures encompass a wide range of costs, which include, but are not limited to, legal fees, moving expenses, furniture purchases, and renovation costs. "This means the home sales recorded by LSTAR in July can potentially bring more than \$49 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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<sup>1</sup> Economic Impacts of MLS® Systems Home Sales and Purchases in Canada and the Provinces, Altus Group, 2019