

## News Release

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### For Comment:

Adam Miller, 519-871-6198

Randy Pawlowski, 519-661-7578

### For Background:

Bill Madder, 519-641-1400



## LOCAL HOUSING MARKET TIGHTENS

London, ON – In March 2023, only 1,079 new residential listings were posted on the MLS® System of the London and St. Thomas Association of REALTORS® (LSTAR). This makes last month the March with the third lowest number of new listings in the last decade.

The number of residential transactions for the month stood at 685, thus marking the lowest number of home sales seen by LSTAR in March since 2014. The overall sales-to-new listings ratio for the entire jurisdiction of LSTAR jumped to 63.5%, and the inventory fell from 3 months in February to only 2 in March.

“The market downturn caused by the rising borrowing costs has created a window of opportunity for buyers to enter the market at a potentially lower price point, but the lack of inventory remains a concern. The coming months will be crucial in determining if the current trend continues, or if there will be a rebound in the market,” said 2023 LSTAR President Adam Miller.

“Despite the ongoing economic uncertainty, the figures recorded by LSTAR in March indicate a tightening of the local real estate market, which is also reflected in the average and HPI benchmark prices observed across the region,” Miller added.

In March 2023, the average home price and composite MLS® Home Price Index (HPI) Benchmark Price in the jurisdiction of LSTAR were significantly lower compared to the same month in the previous year, by 20.6% and 23.4% respectively. However, these figures were notably higher than those recorded in 2020 and earlier years. In addition, both metrics saw modest month-over-month gains. The average home price for LSTAR in March 2023 was **\$653,611**, while the composite MLS® HPI Benchmark Price was **\$592,600**.

The following table shows how March’s average home prices in LSTAR’s main regions compare to the benchmark prices for the same areas.

AREA	MARCH 2023 MLS® HPI BENCHMARK PRICE	MARCH 2023 AVERAGE PRICE
Central Elgin	\$605,200	\$789,663
London East	\$484,000	\$476,392
London North	\$706,000	\$749,499
London South	\$588,100	\$659,698
Middlesex Centre	\$825,600	\$957,712
St. Thomas	\$517,400	\$602,530
Strathroy-Caradoc	\$723,600	\$564,180
<b>LSTAR</b>	<b>\$592,600</b>	<b>\$653,611</b>

Last month, the most popular type of housing in LSTAR's jurisdiction remained the single-family home, with 497 units sold, followed by the condo townhouse with 98 units changing hands. The apartment came in third place, with only 57 units sold.

"While the average price of single-family homes experienced a year-over-year decline, they still fared better than other house types, with a decrease of only 19.5% compared to March 2022. Moreover, their average price remains 48% higher than that of the third month of 2020. Additionally, the MLS® HPI benchmark price for single-family homes is 46.5% higher than three years ago," noted Miller.

The following table shows the March 2023 benchmark prices for all housing types in LSTAR's jurisdiction and how they compare with the values from 2022 and 2020.

<b>MLS® HOME PRICE INDEX BENCHMARK PRICES</b>			
<b>Benchmark Type</b>	<b>March 2023</b>	<b>Change over March 2022</b>	<b>Change over March 2020</b>
LSTAR Composite	\$592,600	↓23.4%	↑44.6%
LSTAR Single-Family	\$638,500	↓22.7%	↑46.5%
LSTAR One Storey	\$576,000	↓23.2%	↑44.9%
LSTAR Two Storey	\$681,800	↓22.4%	↑47.5%
LSTAR Townhouse	\$499,500	↓24.2%	↑46.1%
LSTAR Apartment	\$350,600	↓31.9%	↑18.8%

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

<b>AREA</b>	<b>MLS® HOME PRICE INDEX BENCHMARK PRICE</b>
Oakville-Milton	\$1,308,800
Greater Vancouver	\$1,143,900
Greater Toronto	\$1,118,500
Mississauga	\$1,073,000
Fraser Valley	\$965,100
Victoria	\$851,400
Hamilton-Burlington	\$835,800
Guelph & District	\$808,200
Barrie & District	\$798,200
Cambridge	\$764,300
Kitchener-Waterloo	\$739,400
Brantford Region	\$673,200
Niagara Region	\$641,600
Woodstock-Ingersoll	\$631,300
Ottawa	\$622,300
London St. Thomas	\$592,600
Huron-Perth	\$535,100
Calgary	\$528,700
Saskatoon	\$376,300
Edmonton	\$371,200
Winnipeg	\$336,300
<b>CANADA</b>	<b>\$727,700</b>

As per a research report conducted by Altus Group, the average housing transaction in Ontario generates \$73,250 in ancillary expenditures over a period of three years from the purchase date. "Based on this figure, the home sales recorded by LSTAR in March 2023 have the potential to bring over \$61 million in spin-off spending to our local economy by 2026," stated Miller.

"In the coming months and years, potential homebuyers and renters should pay attention to economic trends and the actions taken by policymakers. By staying informed about the factors that influence the housing market and by consulting with a local REALTOR®, they will be better equipped to make informed decisions regarding their housing needs and options," 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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