

London Real Estate Market Experiences Double-Digit Growth in the Third Quarter of 2015

First-time homebuyers entering the market with significant down payments

LONDON, October 14, 2015 – The Royal LePage House Price Survey^[1] released today showed healthy year-over-year median price increases for all housing types surveyed in London. During the third quarter of 2015, the aggregate^[2] price of homes in the region rose 11.3 per cent to \$293,344.

Over this period, London saw a strong increase in the median price of bungalows with a year-over-year gain of 13.1 per cent to \$264,095, while the median price for a two-storey home surged 11.0 per cent to \$337,608. During the same period, the price of a condominium rose a healthy 4.5 per cent year-over-year to \$157,395.

“First-time buyers aged 25 to 35 are hitting the market in full force, significantly driving up sales volumes in the region,” said Peter Hoffman, broker and owner, Royal LePage Triland Realty. “This group is demonstrating a clear preference for traditional detached homes over condominiums and are able to make down payments due to strong employment levels in the local technology sector.”

After nine years of weakness, London is currently seeing economic gains and an unemployment rate below the Ontario average. The key factors in the region’s economic turnaround can be attributed to the export-led recovery in manufacturing as well as a renewed strength in its technology companies.

Nationally, home prices showed moderate to strong year-over-year price increases in most markets in Canada. According to the report, the price of a home in Canada increased 8.0 per cent year-over-year to \$502,643 in the third quarter. The price of a two-storey home rose 9.9 percent year-over-year to \$615,304, and the price of a bungalow increased 6.8 per cent to \$421,757. During the same period, the price of a condominium increased 2.8 per cent to \$338,684.

“Economic slowdowns in energy-dependent markets, most notably in western Canada, have in part been offset by both renewed industrial activity in other parts of the country and the Bank of Canada’s recent interest rate cuts,” said Phil Soper, chief executive officer, Royal LePage. “In line with recent quarters, strong national home price increases are largely being driven by continued double-digit percentage increases in the Greater Toronto Area and Greater Vancouver, where housing affordability is already becoming a growing challenge for many individuals and families.”

“Home ownership remains a bright light amid unsettled investment and savings options in volatile global capital markets. As we lead up to election day, it’s not surprising that all of the major political parties are acknowledging the housing sector’s prominence as the foundation on which the economy has been built for years, and a critical foundation upon which Canadians can build their savings,” continued Soper.

Beginning this quarter, Royal LePage’s House Price Survey includes the Royal LePage National House Price Composite comprising house values for 53 of the nation’s largest real estate markets through the use of a proprietary, custom-built system that analyzes a housing database containing millions of real estate transactions. The enhancements are made possible through Royal LePage’s collaboration with its sister company, Brookfield RPS, a leader in residential real estate data and analytics in Canada.

About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 53 of the nation’s largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, Brookfield RPS, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

About Royal LePage

Serving Canadians since 1913, Royal LePage is the country’s leading provider of services to real estate brokerages, with a network of more than 16,000 sales representatives in 600 offices across Canada. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women’s and children’s shelters, as well as educational programs aimed at ending domestic violence. Royal LePage is an affiliate of Brookfield Real Estate Services Inc., a company listed on the Toronto Stock Exchange under the symbol “TSX: BRE”.

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[1] Powered by Brookfield RPS

[2] Aggregate prices are calculated via a weighted average of the median values of homes in the regions surveyed