

## London Home Prices Show Significant Growth in Fourth Quarter of 2016

*Retirees seeking alternatives to GTA look to affordability in London*

**LONDON, January 12, 2017** – The aggregate<sup>1</sup> price of a home in London saw significant growth in the fourth quarter of 2016, increasing by 9.2 per cent year-over-year to \$300,025, according to the Royal LePage House Price Survey<sup>2</sup> and Market Survey Forecast released today.

When broken out by housing type, standard two-storey homes saw double-digit increases of 10.5 per cent year-over-year to \$330,281. During the same period, bungalows saw a healthy increase of 5.2 per cent to \$247,850.

“Inventory in London is at a record low this quarter and a big factor is the growing trend of retirees from the Greater Toronto Area coming to our region to take advantage of the affordability,” said Adam Miller, broker and office manager, Royal LePage Triland Realty. “Buyers are selling homes in Toronto for more than half of what they pay in London – allowing retirees to contribute the significant savings to a retirement fund. In addition, we’re also starting to receive attention from foreign buyers as a result of the B.C. land-transfer tax.”

Looking forward to 2017, Miller predicts the London real estate market will continue to grow in the first half of the year. “We are forecasting this pace to continue into the winter and spring months, but may see prices begin to moderate in late-summer or early-fall. This is due to sellers capitalizing on high house prices in fear of an eventual correction, which we expect to help increase inventory and stabilize the London housing market.”

Nationally, Canada’s residential real estate market saw significant year-over-year price appreciation in the fourth quarter of 2016, supported by considerable gains in the Greater Toronto Area (GTA) and Greater Vancouver. Looking ahead, Royal LePage expects the regional extremes in house price appreciation that characterized the national real estate market in 2016 to narrow in 2017. This trend is anticipated to be driven primarily by a price correction in the Greater Vancouver housing market, strong but moderating price appreciation in the GTA, and welcomed upward price trends in Quebec, Atlantic Canada and Alberta.

The price of a home in Canada increased 13.0 per cent year-over-year to \$558,153 in the fourth quarter of 2016 – the highest year-over-year national home price increase recorded in over a decade. The price of a two-storey home rose 14.3 per cent year-over-year to \$661,730, and the price of a bungalow increased 12.5 per cent to \$481,460. During the same period, the price of a condominium increased 7.4 per cent to \$356,307. Looking to the year ahead, Royal LePage forecasts that the aggregate price of a home will increase 2.8 per cent in 2017 when compared to year-end, 2016.

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<sup>1</sup> Aggregate prices are calculated via a weighted average of the median values of homes for reported property types in the regions surveyed

<sup>2</sup> Powered by Brookfield RPS

“The disparity in home price appreciation between Canadian regions has never been greater than that seen in 2016, with rates ranging from double-digit extremes in some cities to negative growth in others,” said Phil Soper, President and CEO, Royal LePage. “This economic drama put real estate at the forefront of everybody’s mind last year, from the Prime Minister to the recent grad. In 2017, we anticipate a movement away from the regional extremes of real estate feast and famine – and that is a very good thing.”

For the Canadian real estate market, 2016 was marked by a slew of new public policy initiatives at national, provincial and municipal levels. “While efforts to address deteriorating affordability in Ontario and B.C.’s largest metropolitan areas are well-intentioned, too many new taxes and regulations, by too many levels of government, introduced within such a short timeline and with perceivably little research and consultation, have caused confusion and triggered drops in consumer confidence, risking the long-term health of Canada’s housing market,” said Soper.

“Price appreciation disparities between regions have created a quandary for policymakers who have tried to tame overheated housing markets, while supporting slower ones. What our leaders have been slow to address, and what is at the heart of the matter, is the supply side of the equation in the country’s hottest markets. Housing shortages have put immense upward pressure on prices,” he concluded.

#### **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 over 17,000 real estate professionals in more than 600 locations nationwide. 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 and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

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