Hamilton House Prices Experience Double-Digit Growth in First Quarter of 2017

GTA market factors spill over into Hamilton, with homebuyers entering the region in search of affordable property

HAMILTON, April 18, 2017 – The aggregate[1] price of a home in Hamilton saw significant double-digit growth in the first quarter of 2017, increasing by 17.4 per cent year-over-year to $457,452, according to the Royal LePage House Price Survey[2] released today.

When broken out by housing type, the median price of a condominium led all market segments in terms of appreciation, increasing by 23.0 per cent year-over-year to $343,421 in the first quarter of 2017. Over the same period, the median price of a two-storey home and bungalow rose by 17.8 per cent and 15.2 per cent year-over-year to $480,279 and $409,360, respectively.

"Home prices in Hamilton have rapidly increased thanks to a severe imbalance in supply and demand. There is simply not enough product out there to satisfy the number of buyers in the market," said Joe Ferrante, broker of record, Royal LePage State Realty. "With a new Hamilton GO train station, and a lot of infrastructure being developed along the QEW corridor, prospective homebuyers from across the Greater Toronto Area have increasingly begun to spill into the region in search of affordability, intensifying market conditions and creating a highly competitive environment where properties often receive multiple offers."

"We've never seen a first quarter as strong as this," added Ferrante. "The spring market started on January 2nd this year."

Nationally, Canada's residential real estate market saw substantial price growth in the first quarter of 2017, increasing 12.6 per cent year-over-year to $574,103. The price of a two-storey home rose 13.9 per cent year-over-year to $681,728, and the price of a bungalow increased 11.0 per cent to $490,018. During the same period, the price of a condominium increased 8.9 per cent to $372,638.

While the majority of housing markets in Canada posted modest gains, price appreciation across much of Ontario significantly outpaced the rest of the country. Meanwhile, the pace of year-over-year home price appreciation in Greater Vancouver was noticeably lower than the historic highs witnessed in 2016.

"For the first time in several years, real estate markets in Vancouver and Toronto are headed in opposite directions," said Phil Soper, President and CEO, Royal LePage. "The Vancouver market stalled, as confused consumers took to the sidelines after a series of uncoordinated moves by all three levels of government. With its housing shortage becoming more acute, Toronto easily stepped forward to assume the title of Canada's most overheated real estate market."

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[1] Aggregate prices are calculated via a weighted average of the median values of homes for reported property types in the regions surveyed

[2] Powered by Brookfield RPS

Significant home price appreciation, caused by market dynamics similar to those that have driven housing activity in the Greater Toronto Area, is being seen across the entire "Golden Horseshoe" region of south-central Ontario, and as far away as Windsor and London in southwestern Ontario. In fact, the torrid pace of home price appreciation in much of Ontario contributed almost half of the national aggregate home price increase in the first quarter, with the rest of Canada appreciating by a healthy, but much lower, 6.4 per cent year-over-year when excluding all Ontario-based regions.

"The overall Canadian market is healthier in 2017 than it has been in years, yet the downside risks are greater too," concluded Soper. "Our economy, which has recovered nicely from the 2014 oil crisis, is sadly dependent on moves by an unpredictable U.S. federal government and can be swayed by unforeseen global events, such as fallout from Europe's restructuring. Still, housing activity is strong and prices are rising at a healthy mid-single-digit rate across the land. The trend in Alberta, Quebec and Atlantic Canada is particularly encouraging. Our concerns with the state of Canadian real estate begin and end in Toronto and Vancouver."

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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