

London Home Prices Continue to See Double-Digit Growth in the Second Quarter of 2017

Decreased housing inventory coupled with strong demand from Greater Toronto Area homebuyers continues to drive upward growth

LONDON, July 13, 2017 – The aggregate¹ price of a home in London saw significant growth in the second quarter of 2017, increasing 11.6 per cent year-over-year to \$320,824, according to the Royal LePage House Price Survey² and Market Survey Forecast released today.

When broken out by housing type, the median price of a two-storey home saw a strong increase, rising by 12.6 per cent year-over-year to \$353,832 in the second quarter. During the same period, the median price of a bungalow posted a 10.7 per cent year-over-year increase to \$265,796.

“London continued to see a very active market in the second quarter of 2017, with high demand and a severe inventory shortage leading to a clear seller’s market in the region,” said Peter Meyer, owner and broker of record, Royal LePage Triland Realty. “We have seen a notable increase in demand in the area, as buyers from the Greater Toronto Area are venturing out to take advantage of our region’s relative affordability and value. The dynamics within the marketplace in May were unprecedented for the city, driven by an acute shortage of listings failing to meet the region’s growing demand.”

Looking ahead to the remainder of the year, Meyer anticipates a continuation of strong home price growth in the region, with a slight slowdown expected over the fall.

“While multiple offers are still happening, the Ontario Fair Housing Plan announcement has helped to slow activity levels slightly, with a moderate, but likely temporary, cooling effect on home prices over the horizon,” added Meyer.

Nationally, Canada’s residential real estate market posted strong home price gains in the second quarter of 2017, with the majority of metropolitan markets across Canada displaying expansionary trends. During the quarter, the Royal LePage National House Price Composite showed that the price of a home in Canada increased 13.8 per cent year-over-year to \$609,144. When broken out by housing type, the price of a two-storey home rose 14.6 per cent year-over-year to \$725,391, while the price of a bungalow increased by 10.7 per cent to \$511,965. Over the same period, the price of a condominium climbed 13.4 per cent to \$397,826.

“Following a period of unprecedented regional disparity in activity and price appreciation, we are now seeing a return to healthy growth in the majority of Canadian housing markets,” said Phil Soper, president and CEO, Royal LePage. “The white-hot markets are moderating to very warm; the depressed markets are beginning to grow again. Canadian housing is in great shape – a statement that I certainly did not make last quarter.”

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

“The rate of national house price appreciation that we experienced in the second quarter continues to be above what we would consider a normal range, driven primarily by very strong year-over-year price growth across much of Ontario,” continued Soper.

Looking ahead to the remainder of the year, Royal LePage forecasts that the national aggregate price of a home will increase by 9.5 per cent in 2017 to \$617,773 when compared to year-end, 2016.

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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