

London Home Prices Continue Significant Growth in the Third Quarter of 2017

Local population boom drives price appreciation

LONDON, October 12, 2017 – The aggregate price of a home in London experienced double-digit year-over-year growth in the third quarter of 2017, increasing 19.8 per cent to \$354,466, according to the Royal LePage House Price Survey¹ released today.

When broken out by housing type, the median price of a standard two-storey home saw a significant increase of 22.3 per cent year-over-year to \$395,715. During the same period, bungalows saw a year-over-year increase of 17.9 per cent to \$293,322.

“London real estate has long been recognized as undervalued and price appreciation in the region is playing catch-up. The city remains an affordable place to live and work,” said Peter Meyer, owner and broker of record, Royal LePage Triland Realty. “The region is very much in demand. Housing inventory levels are down 30 per cent compared to third quarter of 2016 and in August of this year, more than half of homes sold went for more than asking.”

Meyer noted that one factor contributing to demand is an increase in population as more students, retirees and buyers originally from London move back to the area.

“There are good opportunities in London. Young professionals and families want the financial flexibility that comes with carrying a more affordable mortgage,” added Meyer. “As a result, we don’t expect home price appreciation to continue growing at its current rate as affordability is driving demand.”

Nationally, the Royal LePage National House Price Composite, compiled from proprietary property data in 53 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 13.3 per cent year-over-year to \$628,411 in the third quarter. When broken out by housing type, the median price of a standard two-storey home rose 13.9 per cent year-over-year to \$748,049, and the median price of a bungalow grew 9.5 per cent to \$525,781. During the same period, the median price of a condominium rose 15.2 per cent to \$413,670.

Meanwhile, on a quarter-over-quarter basis, home prices in Canada’s five most populated housing markets are rising at a similar, healthy pace – the first time this has occurred in six years.

“For now, the Toronto and Vancouver housing markets have returned to earth,” said Phil Soper, President and CEO, Royal LePage. “After a period of unsustainable price inflation and sharp market corrections, we are seeing low single digit appreciation in each. Calgary has shaken off the oil-bust blues and Montreal appears to be at the beginning of a new era of economic prosperity. Rounding out the ‘big five,’ the Ottawa market is behaving like it usually does - a picture of healthy market growth.”

¹ Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

“Uneven regional economic growth has plagued Canada for much of the past decade, a challenge most evident in the nation’s housing markets,” continued Soper. “For the first time since 2011, we are seeing real estate in all five of our largest cities appreciate at a manageable, healthy clip. Canadian housing is enjoying a Goldilocks moment – not too hot, and not too cold.”

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, RPS Real Property Solutions, 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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