

Home Prices in Kingston See Double-Digit Growth in the Fourth Quarter of 2018

Region sees shortage of inventory and a slowdown in condo development

KINGSTON, January 11, 2019 – According to the Royal LePage House Price Survey¹ released today, the aggregate price of a home in Kingston saw significant growth in the fourth quarter of 2018, rising 13.8 per cent year-over-year to \$388,173.

When broken out by housing type, the median price of a standard two-storey home rose 9.4 per cent year-over-year to \$415,624 in the fourth quarter of 2018. Meanwhile, the median price of a bungalow rose 12.6 per cent year-over-year to \$357,333.

“The increase in demand in conjunction with record low inventory levels resulted in home prices seeing double-digit growth at the end of 2018 compared to last year,” said Bob Armer, area manager, Royal LePage Pro Alliance Realty. “As units became available on the market, they began to receive multiple offers, putting further upward pressure on prices across housing segments.

“Kingston is becoming more attractive to millennials looking for family houses with enough space for their children. Two-storey homes are often their first choice,” added Armer. “However, there is not sufficient inventory of two-storey homes to meet the growing demand since baby boomers are not selling their properties until they find a suitable smaller option, which is usually a condominium, to be able to downsize.”

Armer added that since the City of Kingston adheres to a high standard of architectural design and heritage protection, very few condominium developments are on the horizon, and he expects inventory levels to remain low into 2019.

Nationally, year-over-year home prices made healthy gains in many regions across Canada in the fourth quarter of 2018. The Royal LePage National House Price Composite, compiled from proprietary property data in 63 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 4.0 per cent year-over-year to \$631,223 in the fourth quarter of 2018. When broken out by housing type, the median price of a two-storey home rose 3.9 per cent year-over-year to \$745,007, while the median price of a bungalow climbed 1.5 per cent to \$516,950. Condominiums continued to see the highest rate of appreciation nationally when compared to the detached segment, rising 7.2 per cent year-over-year to \$447,915.

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.



“The invisible hand that guides our complex economy hit the real estate reset button in 2018 and that is a good thing,” said Phil Soper, president and CEO, Royal LePage. “Major market home price inflation through much of the decade had led to dangerous overheating in our most populous regions. Government regulatory intervention and rising interest rates, when combined with property price overshooting, triggered the correctional cycle we find ourselves working through today.”

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