

## Home Prices in St. John's See Decrease in the Fourth Quarter of 2018

*New sources of employment expected to improve housing demand in the second half of 2019*

**ST. JOHN'S, January 11, 2019** – According to the Royal LePage House Price Survey<sup>1</sup> released today, the aggregate home price in St. John's decreased 2.6 per cent year-over-year to \$328,298 in the fourth quarter of 2018.

When broken out by housing type, the median price of a two-storey home decreased 5.3 per cent year-over-year to \$361,278 in the fourth quarter of 2018. Meanwhile, the median price of a bungalow was \$302,962, remaining flat when compared to the same period of 2017.

“The overall impact of the downturn in the energy sector, is reflected in a softening of home prices across all segments this quarter,” said Glenn Larkin, sales representative, Royal LePage Professionals 2000. “The volatility of the commodities market continues to significantly impact the local economy and the unemployment rate, resulting in a lack of confidence in homebuyers.

“We are optimistic that a couple of megaprojects under development in the nickel mining industry will boost the economy in 2019,” added Larkin. “This new source of employment is expected to make the region's real estate market in the second half of the year more active.”

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.

“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.”

**For further information, please contact:**

---

<sup>1</sup> 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.



Nick de Pass  
Kaiser Lachance Communications  
647.216.5897  
[nick.depass@kaiserlachance.com](mailto:nick.depass@kaiserlachance.com)