

Economic expansion in St. John's attracts home buyers

Affordability drives first-time home buyer market

St. John's, October 10, 2019– The aggregate price of a home in St. John's decreased 4.7 per cent year-over-year to \$317,258 in the third quarter of 2019, according to the Royal LePage House Price Survey¹ released today.

When divided by housing type, the median price of a two-storey home in the area decreased 3.9 per cent year-over-year to \$353,943. Meanwhile, the median price of a bungalow decreased 5.5 per cent year-over-year to \$289,027.

“We remain a buyer's market but new economic developments in the region are influencing a turnaround,” said Joe Fleming, broker and owner, Royal LePage Vision Realty. “The White Rose Offshore Oil Project and the Voisey's Bay Underground Mine Expansion have contributed to the 5 per cent increase in employment in our region.”

Fleming added that the affordability of house prices makes St. John's a desirable location for first-time home buyers.

Nationally, the aggregate price of a home in Canada has continued to post steady year-over-year gains during the third quarter of 2019 as the real estate market sustained its recovery from the significant downturn of 2018 and early 2019, following the introduction of the federal mortgage stress test.

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 median price of a home in Canada increased 1.4 per cent year-over-year to \$630,335 in the third quarter of 2019. Looking to the fourth quarter of 2019, Royal LePage forecasts that the aggregate price of a home in Canada will rise 1.5 per cent year-over-year to \$632,226, which is a 0.3 per cent increase compared to the third quarter of 2019. The 2019 fourth quarter forecast is dependent on consistent economic conditions and no new housing policy changes.

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About the Royal LePage House Price Survey

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 Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 63 of the nation's largest real estate markets. Housing values in the Royal LePage House Price Survey are based on the Royal LePage Canadian Real Estate Market 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

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