



Royal LePage: Hamilton home prices surge in second quarter as buyers return to market before sellers

Region sees wave of buyer demand during pandemic as buyers seek larger homes

HAMILTON, July 9, 2020 – According to the Royal LePage House Price Survey¹ released today, the aggregate price of a home in Hamilton increased 9.1 per cent to \$592,059 in the second quarter of 2020.

Broken out by housing type, the median price of a standard two-storey home increased 9.7 per cent year-over-year to \$616,992 and the median price of a bungalow increased 7.3 per cent year-over-year to \$557,340. During the same period, the median price of a condominium rose 10.3 per cent to \$414,110.

“Over the past month we have seen a significant surge in buyer demand but sellers have taken more time to bring their listings to the market. The result has been significant upward pressure on prices,” said Joe Ferrante, broker of record, Royal LePage State Realty.

Ferrante added that while there has always been healthy and steady real estate demand from Toronto, the level of interest his brokerage is seeing has significantly increased.

“The more Toronto-based buyers can work from home, the more demand there is for real estate in Hamilton,” said Ferrante. “We are seeing young Toronto-based families who have been largely house-bound during the pandemic tell us that they need more space. Home offices and large yards quickly moved up the list of important features.”

Looking to the remainder of the year, Ferrante said that while the number of listings will likely remain low for the remainder of the year, sellers are returning to the market and inventory is expected to improve.

Nationally, the aggregate price of a home in Canada increased 6.8 per cent year-over-year to \$673,072, in the second quarter. Once provinces allowed regular real estate activity to resume, demand surged in many markets. Inventory levels, already constrained pre-pandemic, have failed to keep pace.

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.

“Home prices shot up in the second quarter as a crush of buyers entered the market, attracted by extremely low interest rates and the perception of bargains to-be-had,” said Phil Soper, President and CEO of Royal LePage. “Across Ontario, Quebec and British Columbia in particular, the demand for housing outpaced the growth in supply, particularly in the early weeks post-lockdown. The surge in the number of first-time buyers was felt acutely, as these housing consumers soaked up supply without contributing to it.”

The Royal LePage National House Price Composite is compiled from proprietary property data in 64 of the nation’s largest real estate markets. When broken out by housing type, the median price of a two-storey home rose 8.0 per cent year-over-year to \$794,392, while the median price of a bungalow increased 3.9 per cent to \$550,289. The median price of a condominium increased 5.3 per cent year-over-year to \$503,983.

As home sellers return to the market, inventory levels are expected to rise, relieving the acute upward pressure on home prices that characterized the supply-constrained second quarter of 2020. Uncertainty clouds Canada’s real estate outlook as a lengthy recovery for the Canadian and world economies is expected. The negative impact on home prices should be muted by the balanced nature of Canadian housing, as chronic housing supply shortages offset dampened medium-term demand.

Royal LePage has revised its forecast slightly upward, with national aggregate prices expected to end 2020 up 2.3 per cent in the fourth quarter compared to the same period in 2019.

Royal LePage Home Price Data and Forecasts:

- Royal LePage House Price Survey Chart (Canada’s largest 64 housing markets): rlp.ca/q2-2020-house-prices
- Royal LePage Market Survey Forecast Chart: rlp.ca/q2-2020-market-forecast

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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 64 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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