



Royal LePage: Home prices in Niagara/St. Catharines post double digit gains during pandemic

Strong demand from locals and buyers relocating from the GTA

NIAGARA/ST.CATHARINES, July 9, 2020 – According to the Royal LePage House Price Survey¹ released today, the aggregate home price in the Niagara/St. Catharines region posted a double-digit price gain rising 11.3 per cent year-over-year to \$475,835 in the second quarter of 2020.

The median price of a standard two-storey home rose 11.4 per cent year-over-year to \$485,038, while the price of a bungalow rose 11.2 per cent year-over-year to \$463,599.

“Buyer demand in the Niagara and St.Catharines region felt like it was the 2016 market again. Sales are outpacing new listings coming to market, putting significant upward pressure on prices,” said Brad Johnstone, broker of record, Royal LePage NRC Realty. “Buyers are prioritizing space for an improved quality of life in the new norm. Locals are moving up to larger properties and GTA-based buyers are looking for more affordability to get more house for their dollar.”

Johnstone added that all segments of the market are seeing strong demand.

“From entry-level to luxury properties and from urban to rural, real estate demand in Niagara/St. Catherines and the surrounding region is high,” said Johnstone. “With multiple offers on most properties and homes selling before they are even listed, buyers need to come prepared with their must-haves listed and their financing in order.”

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.

“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

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.

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

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of over 18,000 real estate professionals in over 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 Bridgemarq Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information, please visit www.royallepage.ca.

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