



Increased housing supply cools Kingston's hot housing market

Region continues to see year-over-year growth as prices decline on quarterly basis

KINGSTON, July 13, 2022 – According to the Royal LePage House Price Survey released today, the aggregate¹ price of a home in Kingston increased 19.6 per cent year-over-year to \$771,200 in the second quarter of 2022. During that same period, the median price of a single-family detached home increased 15.9 per cent to \$828,700, while the median price of a condominium increased 19.0 per cent to \$446,200. While home prices continue to show year-over-year growth, on a quarterly basis, the aggregate price of a home in Kingston decreased 4.3 per cent in the second quarter of 2022.

“Kingston is moving from an extreme seller’s market to a more balanced market due to the influx of inventory available,” said Bob Armer, area manager, Royal LePage ProAlliance Realty. “The increase in supply can be largely attributed to the typical seasonal slowdown in demand, however this is the most inventory we have seen in the last two years which has helped to soften the market.”

Buyers who qualify for a mortgage are experiencing a more manageable market as there are fewer multiple-offer scenarios and properties are selling closer to the asking price.

“With more modest prices and less competition, qualified buyers now have the option of including conditions like financing or home inspections; something we have not seen over the last few years,” Armer added. “We are seeing this primarily with first-time buyers who are jumping back into the market to take advantage of lower prices.”

Armer notes that rising mortgage rates and the surge in inflation will continue to contribute to the cooling of Kingston's housing market. Higher mortgage rates will help slow down the market and create more supply, with the region seeing fewer buyers and subsequently fewer sales.

“I expect that increased inventory and softened demand will continue through the remainder of the year, however it is largely dependent on the interest rates set by the Bank of Canada,” said Armer.

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 includes both resale and new build.

Nationally, the aggregate price of a home in Canada increased 12.1 per cent year-over-year to \$815,000 in the second quarter of 2022. On a quarterly basis, the aggregate price of a home in Canada decreased 4.9 per cent in the second quarter after reaching record year-over-year highs in Q1. This is reflective of softening home prices in markets that saw exceptional price growth during the pandemic. The second quarter of 2022 is the first quarter in more than three years (since Q1 2019) to post a quarter-over-quarter decline in home prices.

Royal LePage is forecasting that the aggregate price of a home in Canada will increase 5.0 per cent in the fourth quarter of 2022, compared to the same quarter last year. The forecast has been revised downward from the previous quarter following more aggressive than expected interest rate hikes by the Bank of Canada, resulting in an expected temporary drop in demand in parts of southern Ontario and British Columbia.

“Some of the heat that was driving the market cooled during the quarter as rising interest rates coupled with economic uncertainty undermined consumer confidence and pushed buyers to the sidelines,” said Phil Soper, president and CEO of Royal LePage. “We have significantly reduced our outlook for 2022, however home prices are still forecast to end the year higher than 2021 and well above pre-pandemic norms. Following record price gains across the country, numerous markets in southern Ontario and parts of Greater Vancouver - specifically those that saw some of the highest price appreciation over the last two years - experienced a second quarter decline. I expect this highly unusual downward movement in home values will be short-lived as the country’s chronic housing shortage has not been resolved.”

The Royal LePage National House Price Composite is compiled from proprietary property data, nationally and in 62 of the nation’s largest real estate markets. When broken out by housing type, the national median price of a single-family detached home rose 12.4 per cent year-over-year to \$859,500, while the median price of a condominium increased 12.2 per cent year-over-year to \$589,000. Price data, which includes both resale and new build, is provided by Royal LePage’s sister company RPS Real Property Solutions, a leading Canadian real estate valuation company.

Royal LePage Home Price Data:

Royal LePage House Price Survey Chart: rlp.ca/house-prices-Q2-2022

Royal LePage Forecast Chart: rlp.ca/market-forecast-Q2-2022

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About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the most common types of housing, nationally and in 62 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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