

News Release

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Market Slows In June

A few months ago the Canadian Real Estate Association (CREA) forecasted that national housing activity would decrease over the second half of 2010 and into 2011 as the pent-up demand created by the Great Recession was exhausted. June 2010 saw the beginning of that trend in the London CMA – a tempering of the market that CMHC described as, “an orderly transition supported as it will be by improving job markets, historically low interest rates and further gains in household incomes.”

A total of 816 homes sold in June of 2010, more in line with June of 2002 and 2003 than with recent years. “We are very satisfied with these numbers,” says Richard Thyssen, President of the London and St. Thomas Association of REALTORS®. “2003 and 2004 were strong years and recent events have shown that an up market (or a market that goes nowhere but up) is unsustainable over the long term. Besides, you have to look at the big picture. We’re down a bit in June, but year to date we’re 14.9% ahead of 2009.”

Year	June Sales
2010	816
2009	946
2008	905
2007	992
2006	1,011
2005	996
2004	904
2003	835
2002	779
2001	776

Average house price increased 4% in June and is up over 2009 by 8.3%. For the month’s price performance, see below.

Type	Units Sold	Average Price	% Change from June 2009
Total Detached	660	\$240,083	3.4 %
Total Condo	156	\$162,350	8.6 %
Total Residential	816	\$225,222	4%

Year	Average Price Total Residential
2010 YTD	\$229,208
2009	\$213,402
2008	\$210,888
2007	\$202,256
2006	\$188,942
2005	\$178,058
2004	\$166,138
2003	\$152,586
2002	\$142,106
2001	\$136,636

“Modest price gains like these signify both a recovering market and a healthy one,” says Thyssen. “Generally speaking, the London CMA is right-priced; there’s little danger that we might experience a housing bubble and that’s very good news. Again, what you want out of your market is that it’s both solid *and* sustainable.”

As proof of this, homes in LSTAR’s jurisdiction continue to maintain their affordability compared to other major

Ontario and Canadian centers. According to the Canadian Real Estate Association’s Major Market MLS® Statistical Survey for March 2010 (the most current available), the average price year-to-date for:

- **London and St. Thomas, \$229,208**
- Calgary, \$405,551
- Durham Region, \$286,635
- Edmonton, \$342,933
- Hamilton-Burlington and District, \$313,372
- Kitchener-Waterloo, \$278,432
- Ottawa, \$330,906
- St. Catharine’s & District, \$224,631
- Toronto, \$434,693 ; and
- Greater Vancouver, \$693,482

House Style	Units Sold	Average Price
2 storey	187	\$316,591
Bungalow	157	\$177,225
Ranches	94	\$266,394
Townhouse Condo	79	\$150,545

The best-selling house style in London for the month of June was the two-storey, followed by the bungalow, the ranch and the townhouse condo.

Sales in London’s sister city St. Thomas were comparable to those of 2003-2004. 63 homes exchanged hands in St. Thomas last month, down 30% from the previous June. The average price for a home in that city is up 1% % to stand at \$181,954 Year To Date>

“A strong real estate market makes for a strong community,” says Thyssen. “According to a recent study prepared for the Canadian Real Estate Association by Altus Group Economic Consulting in Toronto, a total of \$46,400 in ancillary expenditure is generated by the average housing transaction in Canada over a period of three years from the date of purchase. That

would mean that this month's sales alone will generate \$37,862,400 of economic activity over the next few years. We're proud of the contribution home sales make to our community."

The London and St. Thomas Association of REALTORS® (LSTAR) is one of Canada's fifteen largest real estate associations, representing 1,500 REALTORS® working in Middlesex and Elgin Counties, a trading area of 500,000 residents. LSTAR adheres to a Quality of Life philosophy, supporting growth that fosters economic vitality, provides housing opportunities, respects the environment and builds good communities and safe neighbourhoods. As members of the Canadian Real Estate Association, LSTAR members may use the REALTOR® trademark, which identifies them as real estate professionals who subscribe to a strict code of ethics. The Association operates the local Multiple Listing Service® (MLS®) and provides ongoing professional education courses for its members. Advertisements of local MLS® property listings and information about the services provided by a REALTOR® can be found at [www. REALTOR.ca](http://www.REALTOR.ca). More information about LSTAR is available at www.lstar.ca.