

News Release

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Rebound in real estate market continues

Last month's home sales spell good news for the London CMA: sales were up 2.3% for detached homes and 10.8% for condos. All in all, 898 homes exchanged hands, a modest improvement over last May's 864 sales. "May is the eighth consecutive month in which we've seen home sales top those of the previous year," says Richard Thyssen, President of the London and St. Thomas Association of REALTORS®. "That means we're easing back to pre-Great Recession levels."

Year	May Sales
2010	898
2009	864
2008	825
2007	1161
2006	1031
2005	973
2004	973
2003	837
2002	852
2001	820

Average price also increased, with the average price of a detached home Year To Date sitting at \$243,331, up 9.3% from last year, and the average price of a condo YTD coming in at \$174,263. The average price YTD total residential sits at \$230,056, up 9.6% from the previous year. For the month's price performance, see below.

Type	Units Sold	Average Price	% Change from May 2009
Total Detached	714	\$246,331	7.9 %
Total Condo	184	\$180,243	9.7 %

Total Residential	898	\$232,790	7.8%
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Year	Average Price Total Residential
2010 YTD	\$230,056
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

“Like an increase in sales, a rise in average price points to a recovering market,” says Thyssen. “It’s important to realize, however, that the decline in average price we saw in late 2008 was due more to the decline in the number of higher-priced transactions that took place over than period than to an overall decline in value. People sat out the Great Recession on the fence; now they’re getting back in the game. The price goes up accordingly.”

Despite price gains, London remains affordable when compared to other Canadian centres. 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, \$230,056**
- 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	213	\$313,297
Bungalow	153	\$181,443
Ranches	88	\$277,507
Townhouse Condo	91	\$160,737

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

As was the case with London, St. Thomas saw sales increase 2.7% in May and 18.5% YTD. The average price for a home in St. Thomas rose 2.6% YTD to \$181,024.

“The more vibrant the real estate market, the more vibrant the 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 \$41,667,200 of economic activity over the next few years. That's significant."

According to the Canadian Real Estate Association (CREA), activity in the first half of 2010 is expected to remain strong as the last of pent-up demand is exhausted and homebuyers make purchase decisions in advance of interest rate increases and the introduction of the HST in British Columbia and Ontario. CREA forecasts national housing activity will decrease over the second half of 2010 and into 2011 as pent-up demand is exhausted and housing affordability slightly erodes. "We're not looking at anything drastic," says Thyssen. "Just a tempering of the market that CMHC has described as an orderly transition, supported as it will be by improving job markets, historically low interest rates and further gains in household incomes."

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. More information about LSTAR is available at www.lstar.ca.