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News Release

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May market an improvement

702 detached homes and 180 condos exchanged hands in May 2011, for a total of 882 transactions. "As I predicted in last April's media release -- and with the help of better weather -- we saw improved sales figures in May, only 1.8% off from last year's," says Jack Lane, President of the London and St. Thomas Association of REALTORS®. "However, sales don't tell the whole story. The number of listings factors in as well and, as of the end of May, a total of 1,845 listings had been processed. That's up 7.3% from the previous year." Active Listings End of Period -- a measure of inventory -- were also up 13.9% from 2010. "We're entering more of a balanced market," says Lane, "which benefits both buyers and sellers. Moreover, sales in London's Sister City of St. Thomas also showed improvement, ending only 6.5% lower than the previous year -- another sign that our market overall is beginning to stabilize."

On May 9, 2011 the Canadian Real Estate Association predicted a percentage drop in Ontario home sales of 5.1% this year, followed by a slight rebound in 2012 of 1.2% as interest rates remain low and job growth continues. "Given our manufacturing base, the economic meltdown of 2008 hit the London and St. Thomas market harder than it did some," says Lane, "and the recent run of really awful weather certainly hasn't helped. However, there are a host of initiatives in the works that I predict will have a positive impact not only on the housing sector, but also on our region's performance overall -- the further development of downtown, for example, and the commercialization of the 401 corridor."

In determining how much properties have appreciated over time, LSTAR gives more credence to their increase from one month to the next, as opposed to year over year, as this more accurately represents the level and pace of actual appreciation. The average sale price recorded by LSTAR in May rose 1.9% to stand at \$256,489. "It's important for consumers to understand that any price increase month over month may be due to a greater number of higher-priced homes having been sold in that month rather than to any real change in value," says Lane. He adds, "If a home is priced correctly, it will tend to sell within a reasonable period of time. If it is overpriced for the current market, however, it may remain on the market longer. That's why it would be wise for sellers to review a Current Market Analysis with their REALTOR® before determining their asking price."

This month, as in previous months and years, homes in LSTAR's jurisdiction maintain their affordability compared to other major Ontario and Canadian centers. According to the CREA's National MLS® Report for April 2011, the average price that month was:

- **London and St. Thomas -- \$242,111 (April 2011's average price)**
- Vancouver -- \$801,719
- Victoria -- \$498,536
- Toronto -- \$463,072
- Calgary -- \$407,900
- Edmonton -- \$325,097
- Ottawa -- \$347,417
- Hamilton -- \$328,483
- Kitchener-Waterloo -- \$316,582
- St. Catharines -- \$259,266

Month	Year	Average Price
May	2010	\$230,056
June	2010	\$229,208
July	2010	\$228,283
Aug.	2010	\$227,794
Sept.	2010	\$227,152
Oct.	2010	\$227,636
Nov.	2010	\$227,257
Dec.	2010	\$227,056
Jan.	2011	\$223,667
Feb.	2011	\$228,931
Mar.	2011	\$229,548
April	2011	\$242,111
May	2011	\$246,644

House Style	Units Sold	Average Price
2 storey	225	\$324,929
Bungalow	150	\$196,097
Ranch	100	\$302,000
Townhouse Condo	74	\$157,496

The best-selling house style in LSTAR's jurisdiction for May 2011 was the two-storey, followed by the bungalow, then the ranch, then the townhouse condominium.

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 translates into \$40,924,800 of economic activity that this month's sales will stimulate locally over the next few years," says Lane.

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 and is a proud participant in the REALTORS Care Foundation's Every REALTOR™ Campaign. 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.

