

News Release

Wednesday, February 3, 2021

For Comment: Jack Lane, 519-670-6148

For Background: Bill Madder, 519-641-1400



Local Housing Market Shatters New Records

London, ON – The London and St. Thomas resale housing market started the year by shattering new records. 547 homes exchanged hands last month in our area, the highest number of home sales for the month of January since the Association began tracking data in 1978. During the same month, the overall Home Price Index (HPI) benchmark price for LSTAR climbed 5.7% over December 2020, to \$511,500, which marks the first time that LSTAR’s composite HPI price has exceeded \$500,000.

“2021 came in like a lion for the LSTAR housing market, which continues to see very low inventories and record home prices in all its main areas,” said 2021 LSTAR President Jack Lane. “Across all LSTAR main regions we witnessed increases not only in average home prices - which can be sometimes skewed by a few outliers - but also in the HPI benchmark prices for these regions - which paint a more accurate picture of the local property values,” Lane emphasized.

The following table shows last month’s benchmark prices by area and how they compare to the average prices recorded during the same month.

Area	January 2021 MLS® HPI Benchmark Price	January 2021 Average Price
Elgin	\$497,900	\$524,238
London East	\$443,100	\$423,686
London North	\$623,300	\$725,176
London South	\$504,100	\$705,148
Middlesex	\$725,300	\$603,740
St. Thomas	\$392,500	\$498,372
Strathroy	\$571,800	\$629,741
LSTAR	\$511,500	\$607,431

In January 2021, the aggregate average price for the entire jurisdiction of LSTAR sat at \$607,431, also an all-time high for our area.

An important measure of the health and sustainability of a housing market is inventory, which shows how long it would take to liquidate the existing supply at the current rate of sales activity.

“At the end of January, there were 0.8 months of inventory across the entire LSTAR area, slightly higher than in December, but still at one of the lowest levels in the past 10 years,” Lane said. “Out of the five main areas, St. Thomas had the lowest housing supply, with only 0.5 months of inventory, while London’s and Strathroy’s values were at 0.7 months, on par with the whole region,” he added.

Another important measure is the sales-to-new listings ratio. It was 81.9% for LSTAR, which the Canadian Real Estate Association (CREA) says represents conditions in the marketplace that favour sellers (a ratio between 40% and 60% is generally consistent with a balanced market). LSTAR’s five areas all recorded sales-to-new listings ratios over 60%, with the highest seen in Strathroy at 138.1% and the lowest in Elgin County at 66.7%.

Out of the 547 houses sold last month by LSTAR REALTORS®, 413 were single-family homes, 57 were townhouses and 57 were apartments. The table below shows the December benchmark prices for all house types and how they stack up against the values from a year ago.

MLS® Home Price Index Benchmark Prices		
Benchmark Type	January 2021	Change over January 2020
LSTAR Composite	\$511,500	↑ 26.2%
LSTAR Single-Family	\$561,200	↑ 30.1%
LSTAR One Storey	\$488,000	↑ 23.8%
LSTAR Two Storey	\$634,500	↑ 33.6%
LSTAR Townhouse	\$374,200	↑ 12.5%
LSTAR Apartment	\$294,600	↑ 14.3%

Despite these notable price increases, the homes in our area continue to remain relatively affordable when compared to houses from some other major Ontario and Canadian centres. The following table is based on data taken from the [CREA National Price Map](#) for December 2020.

City	December 2020 Benchmark Price
Greater Vancouver	\$1,047,400
Greater Toronto	\$909,500
Fraser Valley	\$888,100
Hamilton-Burlington	\$756,000
Victoria	\$736,400
Kitchener-Waterloo	\$642,100
Ottawa	\$545,500
Niagara Region	\$532,400
London St. Thomas	\$483,900
Calgary	\$418,400
Windsor-Essex*	\$438,643
Edmonton	\$321,500
CANADA	\$607,280

According to a research report¹, a total of \$73,250 in ancillary expenditures is generated by the average housing transaction in Ontario over a period of three years from the date of purchase.

"This means that our January home sales could translate into more than \$40 million back into the local economy within the next few years," Lane said. "No one knows for sure where the local real estate market is headed this year, but the numbers we've seen in January 2021 make us feel optimistic about the future of the region," he concluded.

The London and St. Thomas Association of REALTORS® (LSTAR) exists to provide its REALTOR® Members with the support and tools they need to succeed in their profession. LSTAR is one of Canada's 10 largest real estate associations, representing over 1,900 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.

**Areas displaying average prices; all other areas displaying MLS® Home Price Index benchmark prices. The benchmark price reflects the value of a "typical home" as assigned by buyers in a certain area based on various housing attributes.*

¹ Economic Impacts of MLS® Systems Home Sales and Purchases in Canada and the Provinces, Altus Group, 2019.