
GTA MONTHLY HOUSING REPORT

Prepared Exclusively for Royal LePage Signature Realty by Urbanation Inc.

November 2022

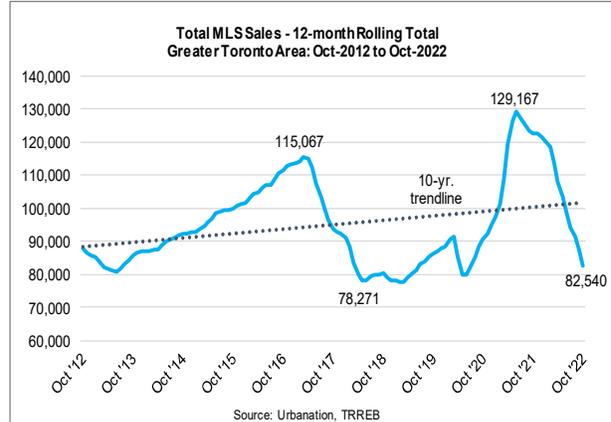
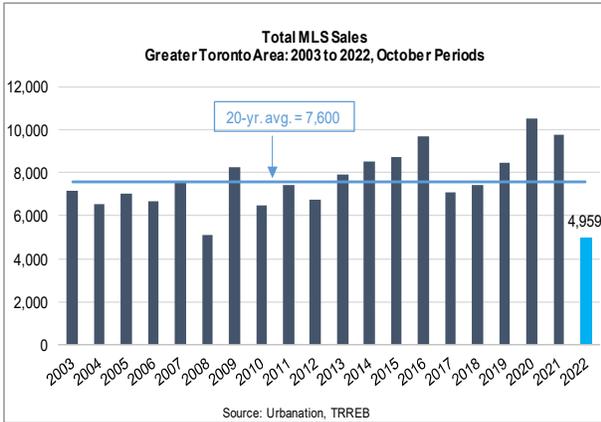
Prices Increase for Third Straight Month in October

Summary Points

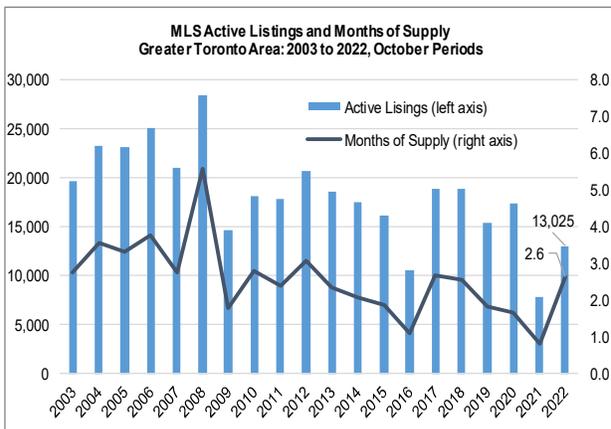
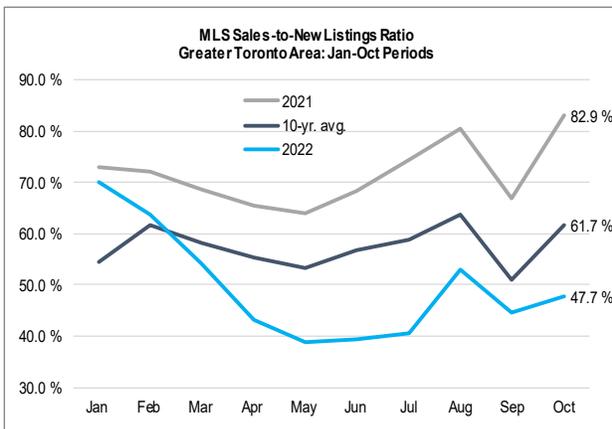
- Continued declines in supply helped support a third consecutive monthly increase in average selling prices despite sales activity being weighed down by the sharp rise in interest rates and low consumer confidence.
- Total resale volume in the GTA declined 49% year-over-year to 4,959 transactions in October, falling 35% below the 10-year average. Sales also decreased month-over-month by 1% between September and October — a period that normally sees a seasonal increase in activity.
- The 12-month rolling sales total fell to 82,540 — approximately 20% below the long-term trend level of just over 100,000 sales per year.
- The number of new listings declined 12% annually and 8% monthly in October to its lowest level for the month during the past 20 years.
- The ratio of sales-to-new listings improved from 45% in September to 48% in October, while months of supply edged down from 2.7 to 2.6. Active listings at month-end totaling 13,025 units were 29% below the 20-year average (18,292).
- The average home sold for 98.1% of asking price during September, representing a three-month high. The average time on market fell to a three-month low of 21 days.
- The average sale price of \$1,089,464 in October edged up 0.2% from September and was 1.4% higher than three months earlier in July.
- Compared to a year ago, prices were down 5.7%. Compared to two years ago, prices were up 12.5%. Compared to three years ago, prices were up 27.9%.

Summary Charts for October 2022

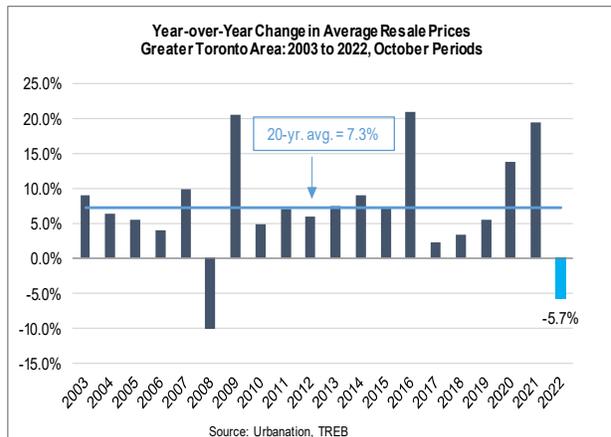
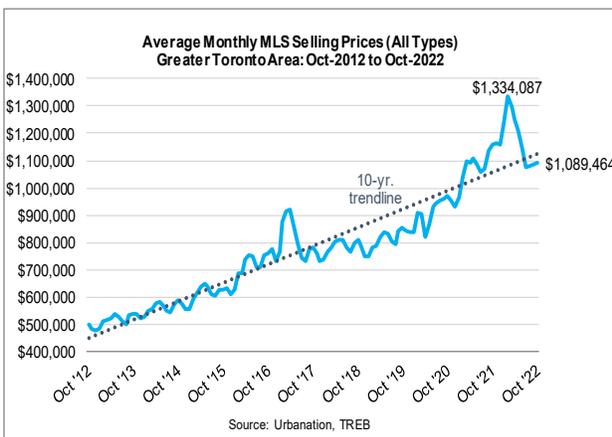
Demand Indicators



Supply Indicators

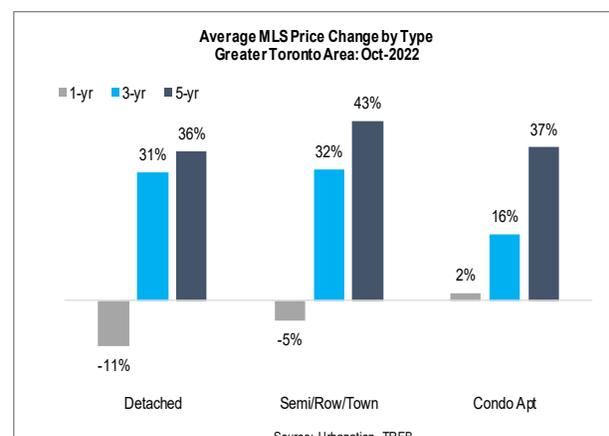
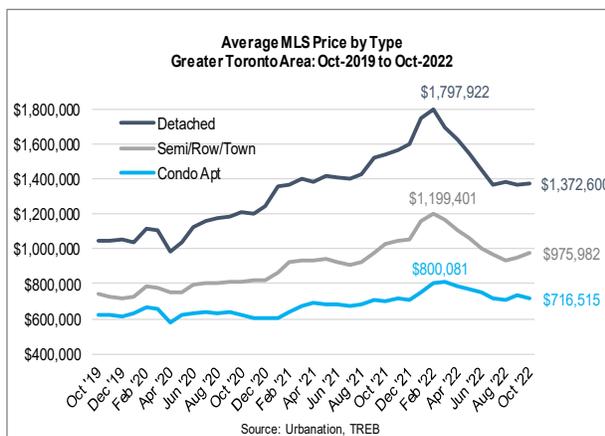
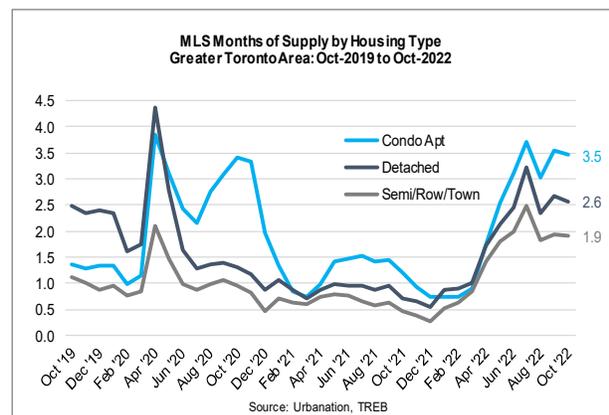
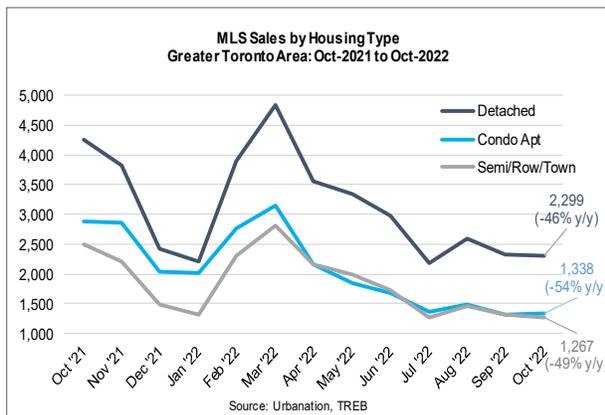


Price Indicators



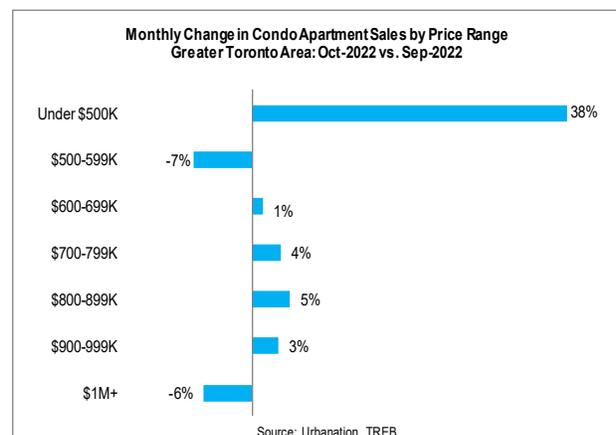
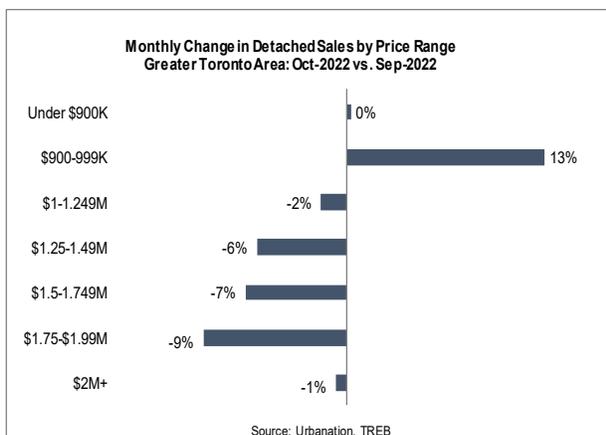
Prices Begin to Rise Grow for Semis/Rows/Towns

- Condo apartment sales recorded a 2% month-over-month increase in October, whereas sales for detached and semis/rows/towns continued to record monthly declines. However, compared to a year ago, condo apartments experienced the largest decline in sales (-54%) among housing types.
- Months of supply edged lower between September and October across all housing types, with the highest supply remaining in the condo apartment segment at 3.5 months and the lowest supply in the semi-row/town category at 1.9 months.
- Month-over-month average prices were fairly stable for detached homes (+0.2%), while average prices for semis/rows/towns grew 2.2% from September to a four-month high and condo apartment prices dipped by 2.0%, nearly reversing September's monthly gain of 2.7%. Overall, condo apartments were the only housing type with average prices higher than a year ago (+2%), with five-year cumulative growth now surpassing that of detached homes (37% vs. 36%).



Sales Continue to Increase for Homes Priced Under \$1 Million

- For detached properties, sales registered a 13% monthly increase in October for homes selling for \$900-\$999K. The volume of detached homes selling for under \$900K was flat from September but has increased 269% since February. At the highest end of the market, detached home sales for \$2 million-plus were down slightly month-over-month (-1%), compared to larger declines experienced for homes selling for between \$1.0 and 1.99 million (-2% to -9%).
- Within the condo apartment segment, sales surged 38% month-over-month for the lowest cost units under \$500K. All condo price segments between \$600 and \$999K experienced sales growth between September and October.



Central Toronto Detached prices on the Rise

- Central Toronto detached properties, considered a bellwether of the underlying health of the GTA housing market, recorded a 6% monthly increase in median prices during October to \$2.15 million, pushing prices 5% higher than a year ago. Strong monthly price gains of 9% were also recorded for semis/rows/towns in the City of Toronto. The lowest level of housing supply in the GTA was identified amongst detached homes in Toronto East (1.2 months).

MLS Market Summary by Area and Housing Type																		
Greater Toronto Area: October 2022																		
	Detached						Semi/Row/Town						Condo Apartment					
	Sales	Y/Y %	Median Price	M/M%	Y/Y%	Mths of Supply	Sales	Y/Y %	Median Price	M/M%	Y/Y%	Mths of Supply	Sales	Y/Y %	Median Price	M/M%	Y/Y%	Mths of Supply
Toronto West	193	-43%	\$1,170,000	-1%	-10%	3.0	118	-56%	\$932,246	4%	-4%	2.3	200	-43%	\$615,000	-1%	2%	2.9
Toronto Central	155	-52%	\$2,150,000	6%	5%	3.6	131	-51%	\$1,211,740	1%	-4%	2.4	573	-56%	\$690,000	-1%	-1%	3.7
Toronto East	251	-37%	\$1,075,000	-2%	-14%	1.2	137	-47%	\$1,003,102	8%	0%	1.6	115	-56%	\$580,000	1%	5%	3.8
City of Toronto	599	-44%	\$1,230,000	-5%	-12%	2.4	386	-51%	\$1,036,049	9%	-1%	2.1	888	-54%	\$655,000	-2%	0%	3.5
Halton Region	257	-43%	\$1,330,000	-1%	-12%	3.0	138	-49%	\$872,768	-2%	-10%	2.3	74	-41%	\$627,500	4%	3%	4.0
Peel Region	419	-49%	\$1,202,000	-3%	-11%	2.8	304	-53%	\$867,470	-2%	-5%	2.0	177	-59%	\$595,000	2%	5%	3.1
York Region	446	-56%	\$1,450,000	3%	-9%	3.0	242	-48%	\$1,048,512	3%	-5%	1.7	157	-55%	\$650,000	-4%	2%	3.2
Durham Region	427	-38%	\$925,000	-3%	-10%	1.7	160	-41%	\$745,075	1%	-6%	1.4	35	-49%	\$520,000	-7%	-10%	2.9
905 Region of GTA	1,549	-48%	\$1,218,300	-1%	-12%	2.6	844	-49%	\$897,000	0%	-6%	1.8	443	-54%	\$614,000	-1%	3%	3.3

Source: Urbanation Inc., TREB

Key Takeaways

- The GTA housing market has effectively been in a holding pattern since July, with minimal changes in sales activity and price levels in recent months. After a sharp drop in sales and prices due to the shock increase in interest rates, the market appears to be finding its footing and adjusting to the reduction in affordability.
- Encouragingly, sales and prices have stabilized in recent months despite continued aggressive moves by the Bank of Canada, which raised its key policy interest rate by a further 50 basis points in October to 3.75% — up from 0.25% at the start of the year and the highest level since February 2008.
- With mortgage rates now in the 5.5% range (and qualification rates in the 7.5% range), subdued levels of housing sales can be expected to remain in the coming months. However, with inflation starting to ease and the Bank of Canada signalling that it is nearing the end of its interest rate hiking cycle, consumer confidence levels should begin to improve from current low levels, providing support for housing sales and prices.
- Downside risks for the housing market from an expected slowdown in the economy remain contained given current low levels of unemployment (and record high job vacancies), record low levels of mortgage arrears, and a strong acceleration in the population, which will receive a further boost from recently announced increases to Canadian immigration targets to 500,000/year by 2025.
- Housing prices continue to receive support from low levels of supply. There appears to be little urgency in the market among sellers, and homes priced appropriately for the current market are selling well at close to or above asking price. The medium-term outlook for supply has recently deteriorated as new condominium and rental launches have been put on hold. As a result, the provincial government is trying to push forward housing supply initiatives to tackle the housing supply deficit.

About Urbanation Inc.

Urbanation is a consulting firm focusing on the Greater Toronto Area condominium sector, providing market research and in-depth market analysis services to the real estate industry since 1981. Urbanation uses a multi-disciplinary approach that combines empirical research techniques with first-hand market observations. On a quarterly basis, Urbanation tracks the new, resale, rental and proposed condominium apartment markets in the Greater Toronto Area. Urbanation also actively conducts site specific market feasibility studies and produces customized market intelligence reports for its clients.

Caveat

The analysis and insights contained herein have been prepared on the information and assumptions set forth in this report. However, this report relies on information from secondary sources and Urbanation cannot guarantee the accuracy of this data. Moreover, it is not possible to fully document all factors or account for all changes that may occur in the future.

This report has been prepared solely for the purposes outlined in an agreement between Urbanation Inc and Royal LePage Signature Realty, and is not to be used for any other purposes, or by any other party without the prior written authorization from Urbanation and Royal LePage Signature Realty. Urbanation and Royal LePage Signature Realty assume no responsibility for losses sustained as a result of implementing any actions based on information set forth in this report. This report is intended for internal uses only and it is prohibited from being posted on social media, and reproduced and redistributed in whole outside of Royal LePage Signature Realty.