

TRREB: HIGH INTEREST RATES IMPACTING THE MARKET, BUT POPULATION GROWTH WILL SOON SPUR DEMAND

TORONTO, ONTARIO, October 4, 2023 – The impact of high borrowing costs, high inflation, uncertainty surrounding future Bank of Canada decisions and slower economic growth continued to weigh on Greater Toronto Area (GTA) home sales in September. However, despite the market being better-supplied with listings, the average selling price was up year-over-year.

“The short and medium-term outlooks for the GTA housing market are very different. In the short term, the consensus view is that borrowing costs will remain elevated until mid-2024, after which they will start to trend lower. This suggests that we should start to see a marked uptick in demand for ownership housing in the second half of next year, as lower rates and record population growth spur an increase in buyers,” said TRREB President Paul Baron.

REALTORS® reported 4,642 home sales through TRREB’s MLS® System in September 2023 – down 7.1 per cent compared to September 2022. The year-over-year dip in sales was more pronounced for ground-oriented homes, particularly semi-detached houses and townhouses. On a month-over-month seasonally-adjusted basis, sales were also down slightly.

New listings were up strongly on a year-over-year basis from the extremely low level in September 2022. The number of listings also trended upward on a month-over-month seasonally adjusted basis.

The MLS® Home Price Index (HPI) Composite benchmark was up by 2.4 per cent year-over-year. The average selling price was up by three per cent over the same time period. On a month-over-month seasonally-adjusted basis, both the average selling price and the MLS® HPI Composite benchmark edged lower by less than one per cent.

“GTA home selling prices remain above the trough experienced early in the first quarter of 2023. However, we did experience more balanced market in the summer and early fall, with listings increasing noticeably relative to sales. This suggests that some buyers may benefit from more negotiating power, at least in the short term. This could help offset the impact of high borrowing costs,” said TRREB Chief Market Analyst Jason Mercer.

“TRREB’s annual consumer polling has shown that half of intending home buyers in Toronto will be first-time buyers in any given year. The average price of a condo apartment in Toronto is over \$700,000. Yet, the first-time buyer exemption threshold for the City’s upfront land transfer tax has remained at \$400,000 for a decade-and-a-half. With this in mind, TRREB applauds Toronto City Council for asking City staff to provide a report on a more appropriate exemption level moving forward,” said TRREB CEO John DiMichele. He further stressed that “many housing and taxation policies are currently set in opposition and we need all levels of government to align policies and work together to solve this housing crisis.”

TRREB MLS® Sales and Average Price						September 2023
	2023			2022		
	Sales	Average Price	New Listings	Sales	Average Price	New Listings
City of Toronto (416)	1,744	\$1,119,452	6,517	1,733	\$1,062,157	4,494
Rest of GTA (905)	2,898	\$1,119,414	9,741	3,266	\$1,099,475	6,787
GTA	4,642	\$1,119,428	16,258	4,999	\$1,086,538	11,281

TRREB MLS® Sales and Average Price by Home Type						September 2023
	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	549 11.8% ▲	1,600 12.0% ▼	2,149 7.0% ▼	\$1,724,007 8.5% ▲	\$1,343,606 2.5% ▲	\$1,440,786 5.2% ▲
Semi-Detached	160 11.1% ▼	242 24.1% ▼	402 19.4% ▼	\$1,281,956 5.9% ▲	\$969,855 2.2% ▲	\$1,094,074 4.9% ▲
Townhouse	176 2.9% ▲	565 13.6% ▼	741 10.2% ▼	\$992,319 5.1% ▲	\$925,925 4.1% ▲	\$941,695 4.5% ▲
Condo Apartment	850 2.3% ▼	457 4.1% ▲	1,307 0.2% ▼	\$732,106 4.9% ▼	\$660,491 0.8% ▲	\$707,065 3.3% ▼

TRREB MLS® HPI						September 2023
	Composite	Single Family Detached	Single Family Attached	Townhouse	Apartment	
All TRREB Areas	2.41% ▲	3.75% ▲	3.40% ▲	2.45% ▲	0.27% ▲	
Halton Region	0.75% ▲	1.29% ▲	1.17% ▲	5.29% ▲	2.74% ▲	
Peel Region	1.57% ▲	2.78% ▲	2.16% ▲	3.20% ▲	2.05% ▼	
City of Toronto	1.35% ▲	3.17% ▲	2.23% ▲	0.30% ▼	0.61% ▲	
York Region	5.80% ▲	6.53% ▲	6.65% ▲	7.06% ▲	0.06% ▼	
Durham Region	2.19% ▲	2.49% ▲	2.59% ▲	0.84% ▲	2.88% ▼	
Orangeville	1.54% ▲	2.54% ▲	2.16% ▲	5.93% ▲	2.13% ▼	
South Simcoe County ²	2.56% ▲	3.35% ▲	3.81% ▲	1.81% ▼	3.84% ▼	

Please note the methodology used to calculate MLS® HPI has been changed. For more information, click [HERE](#).

TRREB MLS® Sales and Average Price						Year-to-Date 2023
	2023			2022		
	Sales	Average Price	New Listings	Sales	Average Price	New Listings
City of Toronto (416)	19,678	\$1,100,770	42,560	22,916	\$1,157,604	46,284
Rest of GTA (905)	34,088	\$1,152,041	69,586	39,606	\$1,244,454	83,799
GTA	53,766	\$1,133,276	112,146	62,522	\$1,212,621	130,083

TRREB MLS® Sales and Average Price by Home Type Year-to-Date 2023

	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	5,504 11.5% ▼	18,504 14.5% ▼	24,008 13.8% ▼	\$1,743,246 5.2% ▼	\$1,393,281 7.4% ▼	\$1,473,513 6.7% ▼
Semi-Detached	1,708 19.2% ▼	2,857 23.1% ▼	4,565 21.6% ▼	\$1,314,712 6.3% ▼	\$1,014,907 7.4% ▼	\$1,127,079 6.7% ▼
Townhouse	1,881 18.1% ▼	7,100 13.8% ▼	8,981 14.7% ▼	\$1,014,085 3.6% ▼	\$944,087 5.3% ▼	\$958,748 5.0% ▼
Condo Apartment	10,465 13.6% ▼	5,286 6.0% ▼	15,751 11.2% ▼	\$748,486 5.4% ▼	\$667,352 6.9% ▼	\$721,257 6.0% ▼

TRREB MLS® Seasonally Adjusted Stats¹ September 2023

	Sales	% Change	New Listings	% Change	Average Price	% Change	MLS® HPI ²	% Change
September 2022	5,193	3.0% ▼	9,974	14.9% ▼	\$1,097,526	2.8% ▼	\$1,125,600	0.8% ▼
October 2022	5,137	1.1% ▼	10,666	6.9% ▲	\$1,095,173	0.2% ▼	\$1,113,800	1.0% ▼
November 2022	5,084	1.0% ▼	11,270	5.7% ▲	\$1,097,721	0.2% ▲	\$1,105,300	0.8% ▼
December 2022	5,089	0.1% ▲	11,189	0.7% ▼	\$1,098,615	0.1% ▲	\$1,093,700	1.0% ▼
January 2023	4,957	2.6% ▼	11,372	1.6% ▲	\$1,067,732	2.8% ▼	\$1,077,600	1.5% ▼
February 2023	5,204	5.0% ▲	8,883	21.9% ▼	\$1,062,676	0.5% ▼	\$1,072,600	0.5% ▼
March 2023	5,149	1.1% ▼	8,343	6.1% ▼	\$1,073,249	1.0% ▲	\$1,080,400	0.7% ▲
April 2023	6,436	25.0% ▲	9,185	10.1% ▲	\$1,104,409	2.9% ▲	\$1,102,800	2.1% ▲
May 2023	6,708	4.2% ▲	10,250	11.6% ▲	\$1,142,070	3.4% ▲	\$1,131,600	2.6% ▲
June 2023	6,167	8.1% ▼	11,861	15.7% ▲	\$1,159,062	1.5% ▲	\$1,154,700	2.0% ▲
July 2023	5,596	9.3% ▼	12,892	8.7% ▲	\$1,150,076	0.8% ▼	\$1,163,700	0.8% ▲
August 2023	5,303	5.2% ▼	13,090	1.5% ▲	\$1,133,515	1.4% ▼	\$1,160,900	0.2% ▼
September 2023	5,205	1.8% ▼	14,532	11.0% ▲	\$1,131,907	0.1% ▼	\$1,152,000	0.8% ▼

Source: Toronto Regional Real Estate Board; CREA Seasonal Adjustment. ¹ Preliminary seasonal adjustment undertaken by the Canadian Real Estate Association (CREA). Removing normal seasonal variations allows for more meaningful analysis of monthly changes and underlying trends. ² MLS® HPI Composite Benchmark, seasonally adjusted.

READ THE [FULL REPORT](#).

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