

TRREB: Higher Borrowing Costs See Buyers Remain on Hold

TORONTO, ONTARIO, November 2, 2023 – Lack of affordability and uncertainty remained issues for many would-be home buyers in the Greater Toronto Area (GTA) in October 2023. As a result, sales edged lower compared to last year. However, selling prices remained higher than last year's levels.

“Record population growth and a relatively resilient GTA economy have kept the overall demand for housing strong. However, more of that demand has been pointed at the rental market, as high borrowing costs and uncertainty on the direction of interest rates has seen many would-be home buyers remain on the sidelines in the short term. When mortgage rates start trending lower, home sales will pick up quickly,” said TRREB President Paul Baron.

REALTORS® reported 4,646 GTA home sales through TRREB's MLS® System in October 2023 – down 5.8 per cent compared to October 2022. On a month-over-month seasonally-adjusted basis, sales were also down in comparison to September.

New listings in October 2023 were up noticeably compared to the 12-year low reported in October 2022, but up more modestly compared to the 10-year average for October. New listings, on a seasonally-adjusted basis, edged slightly lower month-over-month compared to September 2023.

The October 2023 MLS® Home Price Index Composite benchmark and the average selling price were both up on year-over-year basis, by 1.4 per cent and 3.5 per cent respectively. On a seasonally adjusted basis, the MLS® HPI Composite benchmark edged lower compared to September 2023 while the average selling price remained at a similar level. Both the MLS® HPI Composite benchmark and average price remained above the cyclical lows experienced at the beginning of 2023.

“Competition between buyers remained strong enough to keep the average selling price above last year's level in October and above the cyclical lows experienced in the first quarter of this year. The Bank of Canada also noted this resilience in its October statement. However, home prices remain well-below their record peak reached at the beginning of 2022, so lower home prices have mitigated the impact of higher borrowing costs to a certain degree,” said TRREB Chief Market Analyst Jason Mercer.

“In the current environment of extremely high borrowing costs, it is disappointing to see that there has been no relief for uninsured mortgage holders reaching the end of their current term. If these borrowers want to shop around for a more competitive rate, they are still forced to unrealistically qualify at rates approaching eight per cent. Following their most recent round of consultations, the Office of the Superintendent of Financial Institutions should have eliminated this qualification rule for those renewing their mortgages with a different institution,” said TRREB CEO John DiMichele.

TRREB MLS® Sales and Average Price						October 2023
	2023			2022		
	Sales	Average Price	New Listings	Sales	Average Price	New Listings
City of Toronto (416)	1,836	\$1,127,635	5,669	1,880	\$1,087,719	4,106
Rest of GTA (905)	2,810	\$1,124,812	8,728	3,050	\$1,087,510	6,327
GTA	4,646	\$1,125,928	14,397	4,930	\$1,087,590	10,433

TRREB MLS® Sales and Average Price by Home Type							October 2023
	Sales			Average Price			
	416	905	Total	416	905	Total	
Detached	586 1.5% ▼	1,571 7.2% ▼	2,157 5.7% ▼	\$1,718,440 8.2% ▲	\$1,350,022 4.7% ▲	\$1,450,112 6.1% ▲	
Semi-Detached	194 3.0% ▼	234 3.3% ▼	428 3.2% ▼	\$1,278,347 4.7% ▲	\$957,117 0.6% ▼	\$1,102,721 2.1% ▲	
Townhouse	162 11.5% ▼	564 11.5% ▼	726 11.5% ▼	\$1,017,094 1.1% ▲	\$905,222 1.1% ▲	\$930,185 1.1% ▲	
Condo Apartment	883 0.2% ▲	413 7.0% ▼	1,296 2.2% ▼	\$729,160 1.7% ▼	\$665,208 0.4% ▼	\$708,780 1.2% ▼	

TRREB MLS® HPI						October 2023
	Composite	Single Family Detached	Single Family Attached	Townhouse	Apartment	
All TRREB Areas	1.42% ▲	2.70% ▲	3.04% ▲	1.96% ▲	0.71% ▼	
Halton Region	0.03% ▲	1.01% ▲	0.96% ▲	0.92% ▲	2.31% ▲	
Peel Region	0.33% ▲	1.27% ▲	1.11% ▲	2.76% ▲	1.66% ▼	
City of Toronto	0.34% ▲	2.31% ▲	2.88% ▲	0.33% ▲	1.18% ▼	
York Region	4.36% ▲	4.55% ▲	5.53% ▲	10.01% ▲	1.23% ▲	
Durham Region	1.55% ▲	1.71% ▲	1.55% ▲	1.26% ▲	0.37% ▲	
Orangeville	2.73% ▲	2.86% ▲	4.26% ▲	4.10% ▲	3.54% ▼	
South Simcoe County ²	3.08% ▲	4.05% ▲	4.20% ▲	4.10% ▼	4.58% ▼	

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)	21,501	\$1,103,138	48,238	24,796	\$1,152,305	50,396
Rest of GTA (905)	36,866	\$1,149,911	78,347	42,656	\$1,233,232	90,190
GTA	58,367	\$1,132,681	126,585	67,452	\$1,203,483	140,586

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

	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	6,085 10.7% ▼	20,055 14.0% ▼	26,140 13.3% ▼	\$1,741,407 4.1% ▼	\$1,389,943 6.6% ▼	\$1,471,758 5.8% ▼
Semi-Detached	1,901 17.8% ▼	3,087 21.9% ▼	4,988 20.4% ▼	\$1,311,198 5.5% ▼	\$1,010,580 7.1% ▼	\$1,125,150 6.1% ▼
Townhouse	2,043 17.6% ▼	7,657 13.7% ▼	9,700 14.5% ▼	\$1,014,292 3.3% ▼	\$941,077 4.9% ▼	\$956,497 4.6% ▼
Condo Apartment	11,341 12.7% ▼	5,698 6.1% ▼	17,039 10.6% ▼	\$746,884 5.2% ▼	\$667,249 6.4% ▼	\$720,253 5.7% ▼

TRREB MLS® Seasonally Adjusted Stats¹ October 2023

	Sales	% Change	New Listings	% Change	Average Price	% Change	MLS® HPI ²	% Change
October 2022	5,168	1.5% ▲	10,837	9.2% ▲	\$1,095,885	0.1% ▼	\$1,110,800	0.9% ▼
November 2022	5,153	0.3% ▼	11,364	4.9% ▲	\$1,098,255	0.2% ▲	\$1,104,400	0.6% ▼
December 2022	5,173	0.4% ▲	11,245	1.0% ▼	\$1,099,289	0.1% ▲	\$1,094,800	0.9% ▼
January 2023	5,047	2.4% ▼	11,399	1.4% ▲	\$1,068,317	2.8% ▼	\$1,079,800	1.4% ▼
February 2023	5,281	4.6% ▲	8,925	21.7% ▼	\$1,062,749	0.5% ▼	\$1,075,400	0.4% ▼
March 2023	5,204	1.5% ▼	8,382	6.1% ▼	\$1,073,197	1.0% ▲	\$1,083,100	0.7% ▲
April 2023	6,445	23.8% ▲	9,222	10.0% ▲	\$1,104,515	2.9% ▲	\$1,106,100	2.1% ▲
May 2023	6,729	4.4% ▲	10,284	11.5% ▲	\$1,142,332	3.4% ▲	\$1,133,300	2.5% ▲
June 2023	6,167	8.4% ▼	11,861	15.3% ▲	\$1,158,229	1.4% ▲	\$1,154,900	1.9% ▲
July 2023	5,526	10.4% ▼	12,894	8.7% ▲	\$1,149,498	0.8% ▼	\$1,162,400	0.6% ▲
August 2023	5,395	2.4% ▼	13,057	1.3% ▲	\$1,132,933	1.4% ▼	\$1,156,900	0.5% ▼
September 2023	5,125	5.0% ▼	14,528	11.3% ▲	\$1,130,922	0.2% ▼	\$1,144,900	1.0% ▼
October 2023	4,867	5.0% ▼	14,103	2.9% ▼	\$1,132,805	0.2% ▲	\$1,125,300	1.7% ▼

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