

TRREB: The 2023 GTA Housing Market: High Borrowing Costs and Growing Affordability Challenges

TORONTO, ONTARIO, January 4, 2024 – While the overall demand for housing remained buoyed by record immigration in 2023, more of this demand was pointed at the rental market. The number of Greater Toronto Area (GTA) home sales in 2023 came in at less than 70,000 due to affordability issues brought about by high mortgage rates.

“High borrowing costs coupled with unrealistic federal mortgage qualification standards resulted in an unaffordable home ownership market for many households in 2023. With that said, relief seems to be on the horizon. Borrowing costs are expected to trend lower in 2024. Lower mortgage rates coupled with a relatively resilient economy should see a rebound in home sales this year,” said new Toronto Regional Real Estate Board (TRREB) President Jennifer Pearce.

There were 65,982 home sales reported through TRREB’s MLS® System in 2023 – a 12.1 per cent dip compared to 2022. Despite an uptick during the spring and summer, the number of new listings also declined in 2023. The trend for listings has been largely flat-to-down over the past decade, which is problematic in the face of a steadily growing population. On a seasonally adjusted monthly basis, sales increased compared to November, while new listings declined for the third straight month.

The average selling price for all home types in 2023 was \$1,126,604, representing a 5.4 per cent decline compared to 2022. On a seasonally adjusted monthly basis, the average selling price edged higher, while the MLS® Home Price Index Composite edged lower.

“Buyers who were active in the market benefitted from more choice throughout 2023. This allowed many of these buyers to negotiate lower selling prices, alleviating some of the impact of higher borrowing costs. Assuming borrowing costs trend lower this year, look for tighter market conditions to prompt renewed price growth in the months ahead,” said TRREB Chief Market Analyst Jason Mercer.

“Record immigration into the GTA in the coming years will require a corresponding increase in the number of homes available to rent or purchase. People need to have comfort in knowing that they can plan their lives and future with the certainty that they will have the stability of an affordable place to live,” said TRREB CEO John DiMichele.

TRREB is releasing its 2024 Market Outlook and Year in Review report and digital digest on Thursday, February 8. Discover the listings, sales and price forecast for 2024 and a more in-depth look at the 2023 housing market. The outlook will also include the latest Ipsos polling on home buying and selling intentions, homeowners’ viewpoints on government policy and taxation, and insights on immigration.

TRREB MLS® Sales and Average Price December 2023

	2023			2022		
	Sales	Average Price	New Listings	Sales	Average Price	New Listings
City of Toronto (416)	1,266	\$1,062,914	1,517	1,150	\$1,018,516	1,516
Rest of GTA (905)	2,178	\$1,097,351	2,369	1,940	\$1,069,570	2,645
GTA	3,444	\$1,084,692	3,886	3,090	\$1,050,569	4,161

TRREB MLS® Sales and Average Price by Home Type December 2023

	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	371 20.8% ▲	1,150 11.4% ▲	1,521 13.6% ▲	\$1,626,980 0.3% ▼	\$1,351,009 3.1% ▲	\$1,418,323 2.5% ▲
Semi-Detached	128 56.1% ▲	196 26.5% ▲	324 36.7% ▲	\$1,173,171 1.5% ▲	\$932,255 0.1% ▼	\$1,027,432 1.7% ▲
Townhouse	112 1.8% ▲	511 24.6% ▲	623 19.8% ▲	\$1,101,416 25.3% ▲	\$870,975 1.2% ▲	\$912,403 5.5% ▲
Condo Apartment	641 0.5% ▲	303 5.0% ▼	944 1.4% ▼	\$709,283 4.1% ▼	\$625,918 1.2% ▼	\$682,525 3.1% ▼

TRREB MLS® HPI December 2023

	Composite	Single Family Detached	Single Family Attached	Townhouse	Apartment
All TRREB Areas	0.41% ▼	0.55% ▲	0.64% ▲	1.25% ▲	1.25% ▼
Halton Region	2.07% ▼	1.73% ▼	0.48% ▼	2.32% ▲	0.79% ▲
Peel Region	1.40% ▼	0.23% ▼	1.69% ▼	0.48% ▲	2.69% ▼
City of Toronto	0.22% ▲	2.31% ▲	1.59% ▲	1.86% ▲	1.46% ▼
York Region	0.06% ▲	0.16% ▲	1.32% ▲	4.44% ▲	0.37% ▼
Durham Region	0.45% ▼	0.48% ▼	0.65% ▼	0.71% ▼	2.40% ▲
Orangeville	1.14% ▼	0.93% ▼	0.71% ▲	0.07% ▼	0.24% ▲
South Simcoe County ²	0.81% ▲	1.53% ▲	3.80% ▲	7.00% ▼	1.57% ▼

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)	24,352	\$1,096,994	54,141	27,736	\$1,140,168	55,577
Rest of GTA (905)	41,630	\$1,143,925	88,092	47,311	\$1,220,402	100,092
GTA	65,982	\$1,126,604	142,233	75,047	\$1,190,749	155,669

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

	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	6,910 9.8% ▼	22,594 12.6% ▼	29,504 12.0% ▼	\$1,724,593 3.7% ▼	\$1,384,354 6.2% ▼	\$1,464,040 5.4% ▼
Semi-Detached	2,196 14.3% ▼	3,515 18.7% ▼	5,711 17.0% ▼	\$1,296,209 5.2% ▼	\$1,002,121 6.7% ▼	\$1,115,204 5.7% ▼
Townhouse	2,292 17.1% ▼	8,720 11.6% ▼	11,012 12.8% ▼	\$1,015,726 2.2% ▼	\$932,130 4.6% ▼	\$949,529 4.2% ▼
Condo Apartment	12,797 11.9% ▼	6,384 5.8% ▼	19,181 10.0% ▼	\$743,318 5.0% ▼	\$666,670 5.5% ▼	\$717,807 5.3% ▼

TRREB MLS® Seasonally Adjusted Stats ¹								December 2023	
	Sales	% Change	New Listings	% Change	Average Price	% Change	MLS® HPI ²	% Change	
December 2022	5,164	0.5% ▼	11,678	3.7% ▲	\$1,096,893	0.4% ▼	\$1,095,500	0.9% ▼	
January 2023	4,924	4.6% ▼	12,048	3.2% ▲	\$1,068,554	2.6% ▼	\$1,080,100	1.4% ▼	
February 2023	5,117	3.9% ▲	9,212	23.5% ▼	\$1,064,178	0.4% ▼	\$1,075,300	0.4% ▼	
March 2023	5,055	1.2% ▼	8,597	6.7% ▼	\$1,073,967	0.9% ▲	\$1,082,500	0.7% ▲	
April 2023	6,337	25.4% ▲	9,454	10.0% ▲	\$1,104,533	2.8% ▲	\$1,105,200	2.1% ▲	
May 2023	6,614	4.4% ▲	10,492	11.0% ▲	\$1,141,854	3.4% ▲	\$1,132,700	2.5% ▲	
June 2023	6,097	7.8% ▼	12,062	15.0% ▲	\$1,158,091	1.4% ▲	\$1,153,400	1.8% ▲	
July 2023	5,580	8.5% ▼	13,036	8.1% ▲	\$1,149,234	0.8% ▼	\$1,162,100	0.8% ▲	
August 2023	5,333	4.4% ▼	13,149	0.9% ▲	\$1,132,807	1.4% ▼	\$1,156,800	0.5% ▼	
September 2023	5,213	2.3% ▼	14,455	9.9% ▲	\$1,130,079	0.2% ▼	\$1,145,300	1.0% ▼	
October 2023	5,000	4.1% ▼	13,864	4.1% ▼	\$1,131,781	0.2% ▲	\$1,126,500	1.6% ▼	
November 2023	4,990	0.2% ▼	12,996	6.3% ▼	\$1,102,627	2.6% ▼	\$1,108,100	1.6% ▼	
December 2023	6,052	21.3% ▲	11,354	12.6% ▼	\$1,130,263	2.5% ▲	\$1,094,000	1.3% ▼	

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