

MARKET CONTINUES TO BALANCE OUT AS BORROWING COSTS TREND HIGHER

TORONTO, ONTARIO, June 3, 2022 – Greater Toronto Area (GTA) housing market conditions continued to evolve in response to higher borrowing costs. Similar to April results, May 2022 sales were down on a monthly and annual basis. Conversely, active listings at the end of May were up on a month-over-month and year-over-year basis. More balanced market conditions have provided buyers with more negotiating power. As a result, while benchmark and average home prices were up substantially compared to last year, selling prices trended lower on a month-over-month basis.

“Bank of Canada rate hikes, including the 50-basis point hike on June 1, are impacting home buyers in the short term. There is now a psychological aspect where potential buyers are waiting for a bottom in price. This will likely continue through the summer. However, as home buyers adjust to higher borrowing costs, housing demand will be supported by extremely low unemployment, high job vacancies, rising incomes and record immigration,” said TRREB President Kevin Crigger.

GTA REALTORS® reported 7,283 sales through TRREB’s MLS® System in May 2022 – down 38.8 per cent compared to May 2021 and down nine per cent compared to April 2022. The number of new May listings was similar to last year’s level and edged up on a month-over-month basis. With sales down and new listings trend flat to slightly up, the number of active listings was up on a year-over-year basis by 26 per cent.

Market conditions remained tight enough to support an overall average selling price of \$1,212,806 for May 2022, representing an annual growth rate of 9.4 per cent. The MLS® Home Price Index Composite Benchmark was also up on a year-over-year basis by 23.9 per cent. On a month-over-month basis, both price metrics were lower, reflecting more balanced market conditions.

“Price trends observed over the past three months – both in terms of moderating annual growth rates and the recent month-over-month dips – are in line with TRREB’s forecast for 2022. After a strong start to the year, the current rate tightening cycle has changed market dynamics, with many potential home buyers putting their purchase on hold. This has led to more balance in the market, providing buyers with more negotiating power,” said TRREB Chief Market Analyst Jason Mercer.

“The recent elections have shown that senior levels of government understand the need for more housing to support regional growth. The approval of new and more diverse housing types happens at the municipal level, subject to provincial laws and regulations. It will be important to understand the stance of local policymakers as we move toward the fall local elections. The shorter term impact of higher interest rates will not be with us forever. Supply remains the long-term challenge,” said TRREB CEO John DiMichele.

Summary of TRREB MLS® System Sales and Average Price May 1–31, 2022

	2022			2021		
	Sales	Average Price	New Listings	Sales	Average Price	New Listings
City of Toronto ("416")	2,679	1,233,748	6,877	4,101	1,117,457	7,052
Rest of GTA ("905")	4,604	1,200,621	11,802	7,802	1,103,219	11,541
GTA	7,283	1,212,806	18,679	11,903	1,108,124	18,593

TRREB MLS® System Sales & Average Price by Home Type May 1–31, 2022

	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	814	2,552	3,366	1,914,890	1,432,951	1,549,498
Yr./Yr. % Change	-34.8%	-42.6%	-40.9%	11.5%	7.8%	9.5%
Semi-Detached	316	436	752	1,426,273	1,044,443	1,204,893
Yr./Yr. % Change	-29.1%	-44.4%	-38.9%	7.5%	14.1%	13.2%
Townhouse	267	984	1,251	1,045,874	958,558	977,194
Yr./Yr. % Change	-47.9%	-40.8%	-42.4%	10.4%	13.8%	12.7%
Condo Apartment	1,264	584	1,848	793,124	722,778	770,894
Yr./Yr. % Change	-32.5%	-29.5%	-31.6%	10.5%	19.7%	12.9%

May 2022 Year-Over-Year Per Cent Change in the MLS® HPI

	Composite (All Types)	Single-Family Detached	Single-Family Attached	Townhouse	Apartment
TRREB Total	23.89%	22.83%	23.64%	24.93%	28.29%
Halton Region	16.95%	16.32%	19.28%	13.51%	24.53%
Peel Region	28.66%	27.73%	28.07%	29.80%	35.11%
City of Toronto	20.04%	17.30%	15.31%	24.70%	26.50%
York Region	28.45%	26.47%	30.53%	30.52%	33.38%
Durham Region	28.50%	28.25%	28.48%	30.42%	35.76%
Orangeville	23.07%	22.35%	23.34%	33.84%	46.69%
South Simcoe County¹	24.89%	24.00%	27.76%	28.87%	31.92%

Source: Toronto Regional Real Estate Board

¹South Simcoe includes Adjala-Tosorontio, Bradford West Gwillimbury, Essa, Innisfil and New Tecumseth

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

Year-to-Date Summary of TRREB MLS® System Sales and Average Price May 2022

	2022			2021		
	Sales	Average Price	New Listings	Sales	Average Price	New Listings
City of Toronto ("416")	15,129	1,202,309	27,597	20,283	1,046,292	30,031
Rest of GTA ("905")	25,716	1,317,557	51,699	38,676	1,086,795	56,734
GTA	40,845	1,274,869	79,296	58,959	1,072,861	86,765

YTD TRREB MLS® System Sales & Average Price by Home Type May 2022

	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	4,030	13,922	17,952	1,949,769	1,605,461	1,682,754
Yr./Yr. % Change	-25.8%	-36.6%	-34.5%	14.4%	22.1%	20.9%
Semi-Detached	1,362	2,362	3,724	1,490,389	1,173,963	1,289,691
Yr./Yr. % Change	-26.7%	-34.8%	-32.0%	14.6%	27.0%	22.7%
Townhouse	1,508	5,387	6,895	1,096,537	1,051,374	1,061,252
Yr./Yr. % Change	-32.7%	-32.2%	-32.3%	17.8%	25.7%	23.8%
Condo Apartment	8,124	3,810	11,934	808,540	740,306	786,756
Yr./Yr. % Change	-23.5%	-20.0%	-22.4%	16.4%	25.6%	18.9%

Source: Toronto Regional Real Estate Board

Seasonally Adjusted TRREB MLS® Sales and Average Price¹

		Month-over-Month		Month-over-Month %
	Sales	% Chg.	Average Price	Chg.
May '21	10,599	-3.9%	\$1,072,561	1.7%
June '21	10,015	-5.5%	\$1,074,565	0.2%
July '21	9,685	-3.3%	\$1,083,025	0.8%
August '21	9,094	-6.1%	\$1,111,997	2.7%
September '21	8,977	-1.3%	\$1,135,667	2.1%
October '21	9,624	7.2%	\$1,152,123	1.4%
November '21	9,196	-4.4%	\$1,179,538	2.4%
December '21	8,942	-2.8%	\$1,209,971	2.6%
January '22	8,689	-2.8%	\$1,272,867	5.2%
February '22	9,351	7.6%	\$1,288,923	1.3%
March '22	8,011	-14.3%	\$1,258,201	-2.4%
April '22	6,842	-14.6%	\$1,214,077	-3.5%
May '22	6,207	-9.3%	\$1,176,368	-3.1%

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.

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