

## Greater Toronto Area Home Price Appreciation Begins to Cool in Second Quarter of 2017

*Prices across GTA begin slower ascent on the back of extreme highs witnessed in beginning of 2017*

**TORONTO, July 13, 2017** – The Royal LePage House Price Survey<sup>1</sup> and Market Survey Forecast released today showed that home prices across the Greater Toronto Area (GTA) continued to appreciate by a sizable margin in the second quarter of 2017, surpassing levels witnessed in the first three months of the year. In the second quarter, the aggregate<sup>2</sup> price of a home in the region reached new heights, rising 24.0 per cent year-over-year to \$837,232.

When broken out by housing type, home prices across all housing segments saw notable year-over-year gains. In the second quarter, the median price of a two-storey home in the GTA climbed 24.9 per cent to \$987,938, while the median price of a bungalow increased 22.7 per cent to \$825,237. During the same period, the median price of a condominium within the region also saw a significant price increase, rising 20.2 per cent to \$450,474.

The introduction of the Ontario Fair Housing Plan triggered an immediate slowdown in sales activity across the GTA, as many would-be buyers retreated to the sidelines in order to gauge the potential impacts of the new policies. Just prior to this, the market saw a noticeable surge in listings across the GTA, providing buyers with a variety of new options, creating what appears to be a temporary reprieve from the region's hyper-competitive real estate environment. While having no immediate impact on year-over-year appreciation within the region, these policies and market factors have helped to temporarily slow price growth on a month-to-month basis.

“Activity in the Greater Toronto Area began to stabilize in the second quarter as more listings came onto the market as a result of a late start to the spring,” said Dianne Usher, senior vice president, Johnston and Daniel, a division of Royal LePage. “While we didn't see a direct impact to annualized home price appreciation in the second quarter as a result of the new policies, they have led to a psychological pause, with prospective homeowners adopting a ‘wait and see’ approach, sitting on the sidelines in the hopes of a material drop in property values across the region. However, we believe that the hit to consumer confidence will only create a temporary lull in sales activity and anticipate that the region's seller's market will continue over the coming months.”

Looking ahead to the end of 2017, Royal LePage forecasts that the aggregate price of a home in the GTA will rise by 18.5 per cent year-over-year to \$862,264, when compared to year-end, 2016.

---

<sup>1</sup> Powered by Brookfield RPS

<sup>2</sup> Aggregate prices are calculated via a weighted average of the median values of homes for reported property types in the regions surveyed

“Home prices across the Greater Toronto Area are expected to continue rising for the rest of 2017, with year-over-year appreciation slowing slightly, but remaining within the double-digit range,” added Usher. “Prospective homeowners will re-enter the market once they realize prices are not going anywhere and push inventory back to the low levels witnessed earlier this year.”

### **Greater Toronto Area Market Summaries**

Home prices in the **City of Toronto** witnessed astounding growth in the second quarter of 2017, with the region’s median aggregate home price rising 22.8 per cent year-over-year to \$843,590. The area continued to be a strong seller’s market driven by multiple offers across all housing categories.

Prices in **Scarborough** continued to climb in the second quarter due to an influx in millennials seeking affordable options, relative to many other regions in the GTA. Retaining its position as one of the most affordable and accessible areas within the GTA, the aggregate price of a home in the region rose 21.1 per cent year-over-year to \$674,194, with a minimal slowdown in appreciation anticipated in the coming months.

Year-over-year home price appreciation in York Region continued to surpass the majority of markets nationwide, with **Vaughan** witnessing the highest price gains in the country, posting an increase of 27.5 per cent year-over-year to \$1,100,478. **Richmond Hill** prices also appreciated significantly over the same period, rising 26.6 per cent to \$1,334,946. A drop in sales volumes triggered primarily by the introduction of the Ontario Fair Housing Plan, however, was felt strongly in the region, leading to some month-over-month price softness in these costly markets.

Constrained inventory levels pushed prices higher in **Markham** during the second quarter of 2017, as the aggregate price of a home rose by 25.9 per cent year-over-year to \$1,063,022. Looking forward, appreciation within the region is poised to slow, as sellers increasingly place their homes on the market, increasing inventory across all housing types.

**Brampton** witnessed significant appreciation in the second quarter of 2017, with the region’s aggregate home price rising 23.9 per cent year-over-year to \$682,161. Due to the market’s lower price point and attractive property sizes relative to other areas across the GTA, prospective buyers from the downtown core, as well as Richmond Hill and Vaughan have begun to enter the market, causing home values to inch upwards. However, activity within the region has begun to slow in recent weeks, as buyers are increasingly willing to wait and see whether pricing will continue to soften in the near future.

In the second quarter, home prices in **Mississauga** increased by 25.1 per cent year-over-year to an aggregate of \$725,092. Strong demand and a dip in inventory in April resulted in strong quarter-over-quarter price increases, despite the introduction of the Ontario Fair Housing Plan, which slowed appreciation across the area and caused the number of listings on the market to rise in both May and June.

The aggregate price of a home in **Milton** climbed 23.2 per cent year-over-year in the second quarter of 2017 to \$755,116. In April, activity skyrocketed as a result of buyers migrating west into the market, with sellers jumping to list their properties in fear of a slowdown resulting from new policies being introduced in the province. While activity has leveled out over the past month, prices and sales are expected to see a net increase for the remainder of the year as sellers reset their plans to sell lower or take their homes off the market.

Year-over-year home price growth in **Oakville** continued to climb throughout the second quarter of 2017, with the aggregate price in the region rising 23.7 per cent to \$1,088,420. As seen in the York Region, Oakville saw a material drop in sales volumes following the Ontario Fair Housing Plan announcement, and is expected to see slower month-to-month home price appreciation rates, which will likely stabilize in the fall.

During the second quarter, Durham Region continued to see rising house prices due to its relative affordability. **Oshawa** experienced the second largest gains in appreciation nationwide, rising 27.1 per cent year-over-year to \$564,189. **Whitby**, **Pickering** and **Ajax** also saw significant surges, as aggregate prices rose by 23.1 per cent, 22.4 per cent and 22.4 per cent to \$698,085, \$717,009 and \$674,199 year-over-year, respectively.

## Regional Pricing Data

Market	Two-Storeys			Bungalows			Condominiums			Aggregate		
	Q2 2016	Q2 2017	Year-Over-Year % Change	Q2 2016	Q2 2017	Year-Over-Year % Change	Q2 2016	Q2 2017	Year-Over-Year % Change	Q2 2016	Q2 2017	Year-Over-Year % Change
Greater Toronto Area	\$790,997	\$987,938	24.9%	\$672,716	\$825,237	22.7%	\$374,839	\$450,474	20.2%	\$675,241	\$837,232	24.0%
Toronto	\$980,005	\$1,213,696	23.8%	\$715,880	\$878,874	22.8%	\$410,731	\$495,781	20.7%	\$686,715	\$843,590	22.8%
Scarborough	\$666,566	\$797,885	19.7%	\$637,783	\$781,974	22.6%	\$270,200	\$334,087	23.6%	\$556,681	\$674,194	21.1%
Richmond Hill	\$1,135,070	\$1,443,294	27.2%	\$1,022,682	\$1,292,796	26.4%	\$338,471	\$372,007	9.9%	\$1,054,457	\$1,334,946	26.6%
Vaughan	\$931,933	\$1,198,971	28.7%	\$1,032,419	\$1,311,024	27.0%	\$388,457	\$431,245	11.0%	\$863,233	\$1,100,478	27.5%
Markham	\$907,067	\$1,146,101	26.4%	\$973,944	\$1,251,094	28.5%	\$356,589	\$413,413	15.9%	\$844,133	\$1,063,022	25.9%
Brampton	\$572,132	\$709,719	24.0%	\$484,055	\$594,530	22.8%	\$264,309	\$315,245	19.3%	\$550,737	\$682,161	23.9%
Mississauga	\$665,288	\$842,673	26.7%	\$627,515	\$757,366	20.7%	\$288,570	\$338,047	17.1%	\$579,773	\$725,092	25.1%
Milton	\$630,783	\$783,179	24.2%	\$594,743	\$683,810	15.0%	\$341,855	\$369,874	8.2%	\$612,886	\$755,116	23.2%
Oakville	\$942,711	\$1,164,386	23.5%	\$756,622	\$919,134	21.5%				\$879,770	\$1,088,420	23.7%
Ajax	\$565,457	\$692,216	22.4%	\$459,524	\$556,181	21.0%	\$271,412	\$335,305	23.5%	\$550,974	\$674,199	22.4%
Pickering	\$614,152	\$752,395	22.5%	\$560,508	\$678,836	21.1%	\$291,315	\$359,269	23.3%	\$585,922	\$717,009	22.4%
Oshawa	\$466,125	\$598,743	28.5%	\$406,077	\$502,152	23.7%	\$204,209	\$252,588	23.7%	\$443,789	\$564,189	27.1%
Whitby	\$579,642	\$722,443	24.6%	\$538,996	\$609,749	13.1%	\$325,469	\$418,280	28.5%	\$566,902	\$698,085	23.1%

Nationally, Canada's residential real estate market posted strong home price gains in the second quarter of 2017, with the majority of metropolitan markets across Canada displaying expansionary trends. During the quarter, the Royal LePage National House Price Composite showed that the price of a home in Canada increased 13.8 per cent year-over-year to \$609,144. When broken out by housing type, the price of a two-storey home rose 14.6 per cent year-over-year to \$725,391, while the price of a bungalow increased by 10.7 per cent to \$511,965. Over the same period, the price of a condominium climbed 13.4 per cent to \$397,826.

“Following a period of unprecedented regional disparity in activity and price appreciation, we are now seeing a return to healthy growth in the majority of Canadian housing markets,” said Phil Soper, president and CEO, Royal LePage. “The white-hot markets are moderating to very warm; the depressed markets are beginning to grow again. Canadian housing is in great shape – a statement that I certainly did not make last quarter.”

“The rate of national house price appreciation that we experienced in the second quarter continues to be above what we would consider a normal range, driven primarily by very strong year-over-year price growth across much of Ontario,” continued Soper.

Looking ahead to the remainder of the year, Royal LePage forecasts that the national aggregate price of a home will increase by 9.5 per cent in 2017 to \$617,773 when compared to year-end, 2016.

### **About the Royal LePage House Price Survey**

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 53 of the nation's largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, Brookfield RPS, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

### **About Royal LePage**

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of over 17,000 real estate professionals in more than 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information visit: [www.royallepage.ca](http://www.royallepage.ca).

***For further information, please contact:***

Michael Jesus  
Kaiser Lachance Communications  
647-725.2520 ext. 234  
[michael.jesus@kaiserlachance.com](mailto:michael.jesus@kaiserlachance.com)