

Despite Price Gains Over Second Quarter, GTA Home Prices Still Down Compared to Last Year

Greater Toronto Area home prices forecast to increase 2.0 per cent over the next three months

TORONTO, October 16, 2018 – According to the Royal LePage House Price Survey¹ and Market Survey Forecast released today, the aggregate price of a home in the Greater Toronto Area (GTA) decreased 0.4 per cent year-over-year in the third quarter of 2018 to \$836,402.

When broken out by housing type, the median price of a two-storey home in the GTA decreased 1.8 per cent year-over-year to \$974,399, while the median price of a bungalow fell 2.6 per cent year-over-year to \$806,772. Meanwhile, the median price of a condominium within the region saw significant price appreciation, increasing 8.3 per cent to \$513,546.

During the period, the City of Toronto saw healthy home price appreciation within the mid-single-digit range, supported by strong demand compared to listings. In contrast, in most suburban regions within the ‘905’, home appreciation continued to decline year-over-year. However, quarter-over-quarter trends are pointing to the beginning of a modest recovery in many of these regions.

“The GTA housing market is seeing steady demand for housing, despite the diminished purchasing power of many would-be buyers as a result of rising interest rates and the new mortgage stress test,” said Chris Slightham, president, Royal LePage Signature Realty. “Consumer confidence appears to be returning to the market. In the third quarter, we saw the tail end of a correction, mostly concentrated in the ‘905’, with the market now shifting toward a healthy, moderate recovery. This is providing welcome relief to buyers compared to the recent market frenzies seen in the region.”

Slightham added that Toronto remains an economically competitive and culturally diverse city that continues to attract buyers from across the country and around the world. Well-priced homes that reflect current market value continue to sell quickly and receive multiple offers.

Looking ahead, Royal LePage forecasts that the aggregate price of a home in the GTA will rise 2.0 per cent to \$853,097 in the fourth quarter of 2018.

Greater Toronto Area Market Summaries

The aggregate price of a home in the **City of Toronto** increased 5.2 per cent year-over-year to \$883,892 in the third quarter of 2018. The region continues to experience a high volume of activity within the condominium market, especially among millennial buyers. Over the same

¹ Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

period of time, the median price of a condominium increased 9.3 per cent year-over-year to \$561,733.

Scarborough moved toward a balanced market during the third quarter of 2018, with many new Canadians and families still moving into the region. The aggregate price of a home within the region decreased 1.8 per cent year-over-year to \$658,923.

Richmond Hill and **Vaughan** continued to experience declining home appreciation in the third quarter of 2018. The aggregate home price in Richmond Hill and Vaughan decreased by 8.1 per cent and 5.8 per cent year-over-year to \$1,141,304 and \$1,016,339, respectively.

The real estate market in **Markham** continued to see year-over-year home price declines in the third quarter. The aggregate home price in Markham decreased by 9.7 per cent year-over-year to \$988,630. However, prices for condominiums continued to grow, due to their relative affordability, as buyers adapt to the installation of the new mortgage lending regulations. During the period, the median price of a condominium increased 1.7 per cent year-over-year to \$458,739.

Brampton remains an attractive location for many first-time buyers and young families because of the selection of affordable detached two-storey homes. Over the three-month period, the region's aggregate home value decreased by 2.1 per cent year-over-year to \$702,851

The **Mississauga** real estate market posted a modest gain in the third quarter of 2018, while the market in **Oakville** continued to cool. During the period, the aggregate price of a home in Mississauga and Oakville increased 1.3 per cent and decreased 2.1 per cent year-over-year to \$747,808 and \$1,081,472, respectively.

Home price appreciation in **Milton** decreased in the third quarter. However, the town's booming smart manufacturing economy continues to attract many families to the region. The aggregate home price within the city decreased 2.9 per cent year-over-year to \$736,302.

Home values across the Durham Region continued to decrease during the third quarter of 2018. Over the three-month period, the aggregate home price in **Oshawa** and **Ajax** decreased 2.8 per cent and 6 per cent year-over-year to \$538,757 and \$664,640, respectively. Home values in **Pickering** also depreciated when compared to the same time last year by 4.4 per cent to \$709,260, and the aggregate price in **Whitby** decreased 3.5 per cent to \$677,243.

Nationally, year-over-year home prices made modest gains in many regions across Canada in the third quarter of 2018. The Royal LePage National House Price Composite², compiled from proprietary property data in 63 of the nation's largest real estate markets, showed that the price of a home in Canada increased 2.2 per cent year-over-year to \$625,499 in the third quarter. When broken out by housing type, the median price of a two-storey home rose 1.4 per cent year-over-year to \$736,337, while the median price of a bungalow climbed 1.5 per cent to \$519,886.

² Beginning in the first quarter of 2018, seven real estate markets were added to the Royal LePage National House Price Composite. The new regions are smaller markets in Ontario, Alberta, Quebec and British Columbia. Due to the relative size of the markets, any change to the Royal LePage National House Price Composite is expected to be within 0.15 per cent.

Condominiums continued to see the highest rate of appreciation nationally when compared to the detached segment, rising 6.7 per cent year-over-year to \$441,240.

Looking ahead, Royal LePage is projecting a further uptick in home price appreciation in the fourth quarter, forecasting a 1.5 per cent increase in the aggregate price of a home in Canada over the next three months.

“Positive economic fundamentals, supported by a new agreement on trade, should bolster consumer confidence across Canada and stoke demand in the nation’s real estate market,” said Phil Soper, president and CEO, Royal LePage. “Dangerously overheated regions have cooled considerably this year, while home prices have remained remarkably resilient. This is the soft landing that policy makers were hoping for.”

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 63 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, RPS Real Property Solutions, 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 close to 18,000 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.

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