

Greater Toronto Area Home Prices See Moderate Appreciation in The First Quarter of 2019

Condominiums continued to lead the market in the first three months of the year

Increasing population and lack of inventory put pressure on home prices across the board

TORONTO, April 4, 2019 – According to the Royal LePage House Price Survey¹ released today, the aggregate price of a home in the Greater Toronto Area (GTA) increased 3.4 per cent year-over-year in the first quarter of 2019 to \$836,425.

When broken out by housing type, the median price of a two-storey home in the GTA increased 2.6 per cent year-over-year to \$967,867, while the median price of a bungalow increased 2.4 per cent year-over-year to \$814,457. Meanwhile, the median price of a condominium within the region saw notable price appreciation, increasing 8.2 per cent to \$525,986.

Among the suburban regions within the GTA, Richmond Hill, Oshawa and Markham were the weakest across all housing types. The aggregate price of a home decreased 0.8 per cent year-over-year in Richmond Hill, while Oshawa and Markham's aggregate home prices remained flat.

Across the region, the market for single-family homes and condominiums saw healthy, single-digit gains. Toronto homes led the market with aggregate prices growing 5.8 per cent year-over-year to \$885,063, while Oakville and Brampton also saw healthy house price appreciation, with aggregate prices rising 4.4 per cent and 4.3 per cent to \$1,111,099 and \$710,403 respectively.

“Homebuyers looking to move to or within the GTA felt the impact of a combination of lack of inventory and a growing number of offers for the available properties on the market, a trend that seems will continue beyond the season,” said Chris Slightham, president, Royal LePage Signature Realty. “The increasing number of jobs in the technology sector continues to attract talented workers who look forward to enjoying the city lifestyle. Regardless of the size of the property they can afford to purchase, we’re seeing younger generations attracted to the amenities that neighbourhoods have to offer, something completely different than what older generations sought out when looking to purchase their first home.”

Slightham added that the Federal government's First Time Home Buyer Incentive, introduced in the 2019 budget, will help to stimulate and strengthen consumer confidence, especially in those

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.

areas within the GTA where first-time homebuyers can still find condominiums priced under \$500,000.

Royal LePage forecasts the aggregate price of a home in the GTA will increase 0.5 per cent in the second quarter of 2019 to \$840,648. Slightham expects that multiple offer scenarios will continue to occur frequently for well-priced properties.

Greater Toronto Area Market Summaries

The aggregate price of a home in the **City of Toronto** increased 5.8 per cent year-over-year to \$885,063 in the first quarter of 2019. Over the same period of time, the median price of a two-storey home increased 4.8 per cent to \$1,250,910, the median price of a bungalow increased 2.5 per cent to \$871,170 and the median price of a condominium increased 9.3 per cent to \$577,159.

The aggregate price of a home in **Oakville** increased 4.4 per cent year-over-year to \$1,111,099, with two-storey homes increasing 4.7 per cent to \$1,193,302. Meanwhile, **Mississauga** saw an increase in the aggregate price of a home of 1.7 per cent year-over-year to \$729,177, remaining an attractive destination for first-time homebuyers looking for a more balanced market.

Brampton's housing market also saw a healthy increase as aggregate home prices increased 4.3 per cent year-over-year to \$710,403. Condominiums led the market, increasing 4.5 per cent to \$376,268.

The aggregate price of a home in **Scarborough** increased 3.6 per cent year-over-year to \$670,989. Condominiums saw the strongest increase among all types of properties, rising 9.8 per cent to \$408,789, reflecting the region's affordability that continues to attract homebuyers who want to enjoy the advantages of living close to Toronto's core.

Families of young professionals with young children continue to look to **Milton** for attractive and affordable properties, especially at the entry level. The aggregate price of a home in the region increased 3.3 per cent to \$742,991 with bungalows seeing a double-digit increase of 12.1 per cent to \$835,560.

The aggregate price of a home in **Whitby, Pickering** and **Ajax** increased 3.1 per cent to \$677,857, 2.0 per cent to \$702,756 and 1.3 per cent to \$670,938 respectively year-over-year. Uncertainty due to recent changes in the employment landscape in **Oshawa** led to a conservative approach from homebuyers that resulted in the aggregate price of a home in the region remaining flat at \$523,961. The harsher-than-normal winter hurt activity in the first quarter, but spring seems to be bringing positive news for the housing market in Whitby, Pickering, Ajax and Oshawa remains healthy.

Winter also took a toll in **Markham**, where the aggregate price of a home remained flat at \$1,001,446. Bungalows decreased 11.4 per cent year-over-year to \$1,059,184 and two-storey homes increased 0.8 per cent to \$1,076,958. As 2018 ended with particularly cold weather, homebuyers took a wait-and-see approach. The spring promises to reinvigorate the housing market in the region as condominium projects are expected to be finalized in the coming quarter.

Nationally, year-over-year home prices showed moderate gains in many regions across Canada in the first quarter of 2019. The Royal LePage National House Price Composite, 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 just 2.7 per cent year-over-year to \$621,575 in the first quarter of 2019, well below the long-term norm of approximately 5 per cent. When broken out by housing type, the median price of a two-storey home rose 2.6 per cent year-over-year to \$729,553, while the median price of a bungalow rose 1.1 per cent year-over-year to \$513,497. Condominiums remained the fastest growing housing type on a national basis, rising 5.4 per cent year-over-year to \$447,260.

“We are expecting this to be a sluggish year overall in Canada’s residential real estate market, with the hangover from the 2018 market correction and weaker economic growth acting as a drag on home price appreciation, balanced by lower for longer interest rates,” said Phil Soper, president and CEO, Royal LePage. “There is a silver lining here. This slowdown gives buyers, and first-time buyers in particular, an opportunity to buy real estate in our country’s largest cities.”

For further information, please contact:

Angela Pinzon
Kaiser Lachance Communications
647.295.0517
angela.pinzon@kaiserlachance.com