

Condominium Home Price Appreciation Continues its Lead in the Greater Toronto Area Housing Market

Improved unit sales reflect a healthy real estate market

TORONTO, July 10, 2019– According to the Royal LePage House Price Survey¹ released today, the aggregate price of a home in the Greater Toronto Area (GTA) increased 2.6 per cent year-over-year to \$841,729 in the second quarter of 2019.

When broken out by housing type, the median price of a two-storey home and bungalow in the GTA saw moderate appreciation, increasing 1.7 per cent and 1.6 per cent year-over-year, to \$970,772 and \$809,648 respectively in the second quarter. Meanwhile, condominiums within the region saw strong price appreciation, with the median price rising 7.2 per cent to \$542,203.

Home buyers' showed healthy interest in homes under the one million dollar mark, which drove the market in the GTA and led to more active unit sales in some areas during the second quarter of the year. While downtowners encountered a seller's market, homebuyers in the northern parts of the GTA witnessed a buyer's market, putting the region's market in balanced territory.

“Recent economic announcements aiming to strengthen first-time home buyers' purchase power including CMHC's incentive, have the potential to impact the condominium market,” said Chris Slightham, president, Royal LePage Signature Realty. “Our team witnessed some buyers putting decisions on hold until the new mortgage incentives get fully established, waiting to see how they can benefit from the encouraging new measures.”

Slightham added that once the Ontario Government's Housing Supply Action Plan unfolds, the forecasted additional housing supply for the region has the potential to take some pressure off prices for first-time buyers. Slightham foresees a healthy summer housing market, as the province's economy continues on a stable path.

A significant portion of the markets within the GTA saw single-digit value increases across all housing types, with a few exceptions. Suburban areas including Markham bungalows, Whitby condominiums and Oakville bungalows all saw declines, decreasing 11.4 per cent, 6.7 per cent and 5.5 per cent respectively, on a year-over-year basis.

Looking ahead to the end of the year, Royal LePage is forecasting prices to remain relatively flat across the board, with aggregate prices expected to increase 1.4 per cent from year-end 2018.

Greater Toronto Area Market Summaries

The **City of Toronto** witnessed healthy price gains in the second quarter of the year, with the aggregate price of a home increasing 4.3 per cent to \$898,013. The median price of a standard-two storey home and bungalow increased 2.8 per cent and 2.4 per cent to \$1,260,823 and

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.

\$875,360 respectively. Meanwhile, the median price of a condominium increased 7.9 per cent to \$596,995. Higher price appreciation in condominiums on a year-over-year basis was seen in Oshawa and Scarborough, where median prices increased by 12.2 per cent and 10.0 per cent respectively.

Condominiums drove the housing market in **Mississauga**, which saw a significant increase in unit sales. That led to price appreciation of 6.1 per cent year-over-year in the category, rising to \$430,488. Overall, the aggregate price of a home in the area saw moderate appreciation, rising 1.6 per cent year-over-year to \$744,622. The median price of a two-storey home increased 0.5 per cent to \$841,193, while bungalows increased 3.7 per cent to \$848,375.

Low inventory drove the aggregate home price in **Oakville** to a healthy increase in the second quarter, rising 3.4 per cent to \$1,103,200. The median price of a two-storey home increased 4.8 per cent to \$1,196,724.

Brampton's relative affordability continued to attract home buyers in the second quarter. The aggregate price of a home increased 3.3 per cent year-over-year to \$712,371. While the median price of a two-storey home and bungalow saw similar price increases of 3.2 per cent and 3.7 per cent to \$736,299 and \$652,902 respectively. The median price of a condominium experienced strong appreciation, rising 6.8 per cent to \$392,927.

Scarborough's active condominium market closed the second quarter with notable price appreciation, as values increased 10.0 per cent to \$418,552. A significant number of baby boomers moving out welcomed younger home buyers, mostly coming from downtown Toronto to purchase their first home in the area. The aggregate price of a home increased 3.5 per cent year-over-year to \$677,979, while the median price of a two-storey home and bungalow saw moderate growth, rising 2.7 per cent and 1.8 per cent respectively.

Ajax and **Oshawa** saw a decreases of 1.1 per cent and 0.1 per cent in the aggregate price of a home respectively, while the aggregate price in **Whitby** increased 2.7 per cent for the same period. The aggregate price of a home in **Pickering** increased 3.3 per cent to \$716,063, consistent with median price appreciation of a two-storey home, which increased 3.3 per cent to \$743,582.

The aggregate price of a home in **Vaughan** remained relatively flat, rising 0.5 per cent year-over-year to \$1,001,401, while the median price of a home in **Richmond Hill** decreased 2.1 per cent to \$1,096,007.

The bungalow market in **Markham** was the only area in the GTA to see double-digit depreciation, as the medium price decreased 11.4 per cent year-over-year to \$977,343, while the aggregate price of a home in the area decreased 0.8 per cent to \$983,610. The median price of a two-storey home and condominium saw similar price depreciation, decreasing 0.3 per cent and 0.4 per cent respectively.

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 1.1 per cent year-over-year to \$621,696 in the second quarter of 2019. When broken out by housing type, the median price of a two-storey home rose 1.0 per cent year-over-year to \$727,165, while the median price of a bungalow dipped 0.4 per cent year-over-year to \$516,048. Condominiums remained the fastest growing housing type on a national basis, with its median price rising 3.8 per cent year-over-year to \$452,451.

“We now have evidence of a sustained market recovery in the nation’s largest market, and signs of a price floor in other regions hit hard by the eighteen month-old housing correction,” said Phil Soper, president and CEO, Royal LePage. “Only in the West do we see a significant number of home buyers remaining on the sidelines, depressing sales volumes and causing prices to sag. Buoyed by supportive economic conditions, many stubborn homeowners in B.C. and Alberta remain unwilling to let their precious real estate go for less than what they perceive as fair value, which has gone a long way to protecting existing home values.”

Royal LePage expects national home prices to see a modest uptick by the end of the year, rising 0.4 per cent compared to the end of 2018.

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 Royal LePage House Price Survey are based on the Royal LePage Canadian Real Estate Market 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

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