

Strengthening consumer confidence in Q3 drives healthy growth in Greater Toronto Area detached home prices

First-time buyers saving for single-family properties as price gap with condominiums diminishes

TORONTO, October 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 3.7 per cent year-over-year to \$858,443 in the third quarter of 2019.

When broken down by housing type, the median price of a two-storey home and bungalow in the GTA saw moderate appreciation, increasing 2.9 per cent and 1.8 per cent year-over-year, to \$989,498 and \$811,090 respectively in the third quarter. Meanwhile, condominiums within the region saw strong price appreciation, with the median price rising 8.5 per cent to \$561,144.

The condo segment continued to drive home price appreciation in the GTA in the third quarter of 2019. The third quarter saw strong growth in the condo market across the GTA, with prices increasing in Mississauga, Toronto, Scarborough, Brampton and Whitby by 9.6 per cent, 9.2 per cent, 7.0 per cent, 6.7 per cent, and 6.1 per cent respectively.

While there was broad strength across the GTA, four suburban areas experienced depreciation in the aggregate price of their homes. Despite the strength in the condo segment, the aggregate price of a home in Oshawa decreased 0.3 per cent, while the median price of a home in Ajax and Markham decreased 1.3 per cent. Richmond Hill saw the largest depreciation among all the suburban regions examined by Royal LePage, with a 3.2 per cent decrease in the aggregate price. Conversely, aggregate prices in Pickering and Toronto showed the highest gains, increasing 6.5 per cent and 6.2 per cent respectively.

The recent marginal decline in the benchmark five-year interest rate used to assess homebuyers' mortgage eligibility boosted consumer confidence. Healthy price growth in the detached segment combined with affordable new condominium developments and strengthening efforts to improve transit connectivity in some suburban areas contributed to an increase in the number of transactions, especially in the suburban 905 area code.

“The shrinking price gap between condominiums and detached properties in many areas of the GTA has encouraged some homebuyers to save for a bit longer and enter the market owning a bungalow or a two-storey home,” said Chris Slightham, president, Royal LePage Signature Realty. “We’ve also seen an increase in consumer confidence across the GTA partly because of the recent decline in the benchmark five-year interest rate, which has made single-family homes more attractive.”

Slightham added that the GTA housing market may take a pause in the coming months, as potential buyers put investment decisions on hold to digest the implications of the outcome of the federal election.

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

Looking to the fourth quarter of 2019, Royal LePage forecasts that the aggregate price of a home in the Greater Toronto will rise 3.1 per cent year-over-year to \$859,301, which is a 0.1 per cent increase compared to the third quarter of 2019.

Greater Toronto Area Market Summaries

Homes in the **City of Toronto** witnessed strong price appreciation in the third quarter of the year, with an aggregate price increase of 6.2 per cent year-over-year. The median price of a standard two-storey home and bungalow increased 5.5 per cent and 1.8 per cent to \$1,308,641 and \$870,179 respectively. Sustained population growth and low inventory levels in the condominium market translated into strong price appreciation, with median prices increasing 9.2 per cent year-over-year to \$618,391.

Brampton's proximity to Toronto and relative affordability continued to attract condominium buyers. The median price of a condominium increased 6.7 per cent on a year-over-year basis, to \$400,641. Meanwhile, the median price of a standard two-storey and bungalow increased 3.4 per cent and 4.0 per cent year-over-year to \$752,065 and \$661,583 respectively. Overall, the aggregate price of a home increased 3.5 per cent year-over-year to \$727,259.

Condominiums also led the housing market in **Mississauga**, as the median price increased 9.6 per cent to \$455,243 year-over-year. The aggregate price of a home in the region increased 5.2 per cent to \$778,590. The median price of a standard two-storey home and bungalow increased 4.8 per cent and 2.8 per cent to \$882,435 and \$850,487 respectively.

The aggregate price of a home in **Oakville** saw a moderate increase of 2.9 per cent to \$1,120,120 in the third quarter. While the median price of a standard two-storey home increased 3.4 per cent to \$1,207,784, bungalows were relatively flat, declining 0.6 per cent to \$953,268.

In **Markham**, the aggregate price of a home decreased 1.3 per cent to \$962,040. The region saw the highest price depreciation in the bungalow market, with a double-digit decline of 11.1 per cent to \$936,995. Standard two-storey homes also witnessed depreciation with median prices decreasing 1.0 per cent to \$1,032,428. Conversely, condominium prices within the area saw a moderate increase of 2.8 per cent to \$477,120.

The median price of a standard two-storey home in **Richmond Hill** decreased 3.3 per cent on a year-over-year basis to \$1,183,725. Oshawa, Ajax and Markham also reported moderate depreciation in the two-storey market, with prices decreasing 2.1 per cent, 1.7 per cent and 1.0 per cent respectively. The median price of a bungalow in Richmond Hill decreased 5.2 per cent to \$835,899. Weakness in the detached segment led to an overall decrease in the aggregate price of a home in the region of 3.2 per cent to \$1,083,495.

Vaughan's housing market experienced modest appreciation, with the aggregate price of a home increasing 1.3 per cent year-over-year to \$1,008,247. The median prices of a standard two-storey home and bungalows increased 0.7 per cent and 7.2 per cent to \$1,079,762 and \$1,281,083 respectively. The condominium segment saw healthy appreciation, as increased efforts to

improve transit connectivity with the recent subway extension continues to attract first time homebuyers. The median price of a condo increased 3.9 per cent to \$492,298.

Condominiums drove the market in **Scarborough**, as the median price increased 7.0 per cent to \$416,219. The announced opening of a new Amazon fulfillment centre attracted new homebuyers looking for entry level properties. In the detached segment, two-storey homes and bungalows saw healthy appreciation, increasing 3.3 per cent and 3.7 per cent to \$797,348 and \$755,610 respectively. The aggregate price of a home in the region increased 4.0 per cent to \$684,910

Milton's housing prices witnessed steady growth across the board. The aggregate price of a home increased 3.3 per cent to \$760,057, while the median price of a standard two-storey home, bungalow and condominium increased 3.2 per cent, 5.9 per cent and 3.6 per cent to \$778,642, \$806,436 and \$447,939 respectively.

In the Durham Region, the aggregate price of a home in **Ajax** and **Oshawa** decreased 1.3 per cent and 0.3 per cent to \$656,470 and \$529,300 respectively. **Whitby** homes saw modest appreciation, with the aggregate price increasing 1.2 per cent year-over-year to \$678,968. Meanwhile, **Pickering** home prices experienced the highest appreciation in the region with an increase in the aggregate price of 6.5 per cent to \$737,276. The region's strong economy, including the new jobs created by the anticipated opening of a casino in Pickering and an increasing number of students attending the educational institutions in the region, continued to drive the housing market during the third quarter of 2019.

Nationally, the aggregate price of a home in Canada has continued to post steady year-over-year gains during the third quarter of 2019 as the real estate market sustained its recovery from the significant downturn of 2018 and early 2019, following the introduction of the federal mortgage stress test.

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 median price of a home in Canada increased 1.4 per cent year-over-year to \$630,335 in the third quarter of 2019. Looking to the fourth quarter of 2019, Royal LePage forecasts that the aggregate price of a home in Canada will rise 1.5 per cent year-over-year to \$632,226, which is a 0.3 per cent increase compared to the third quarter of 2019. The 2019 fourth quarter forecast is dependent on consistent economic conditions and no new housing policy changes.

For national and regional analysis, visit Royal LePage's [media room](#) to find [city-specific releases](#). The media room also contains [royalty-free assets](#) such as images and b-roll that are free for media use.

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

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of over 18,000 real estate professionals in over 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, please visit www.royallepage.ca.

For further information, please contact:

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