



Chronic housing supply shortage in Greater Toronto Area continues to drive price increases across the region

Detached home prices increased 22.4% in the fourth quarter of 2021

TORONTO, January 14, 2022 – According to the Royal LePage House Price Survey released today, the aggregate¹ price of a home in the Greater Toronto Area increased 17.3 per cent year-over-year to \$1,119,800 in the fourth quarter of 2021. Broken out by housing type, the median price of a single-family detached home increased 22.4 per cent to \$1,421,200, while the median price of a condominium increased 14.8 per cent to \$665,400 during the same period.

“If the fourth quarter of 2021 is any indication of what is in store for the GTA housing market in the coming months, buyers can expect tight competition through the spring, as demand continues to outpace supply across the region and in every segment of the market,” said Karen Yolevski, chief operating officer, Royal LePage Real Estate Services Ltd. “This competition will continue to put upward pressure on prices, pushing some buyers to increase their budgets, expand the parameters of their geographical search or consider a different housing type.”

In the city of Toronto, the aggregate price of a home increased 8.1 per cent year-over-year to \$1,138,000 in the fourth quarter of 2021. During the same period, the median price of a single-family detached home increased 12.5 per cent to \$1,580,500, while the median price of a condominium increased 13.8 per cent to \$711,200.

“As affordability continues to wane in the downtown core and the greater region, demand for condominiums is increasing. Many first-time buyers, as well as those who have been priced out of the detached segment over the last year, see condos as an opportunity to enter the real estate market. Without a significant and speedy boost in housing supply, major urban centres like Toronto will remain firmly in a seller’s market.”

Yolevski noted that while many towns and smaller cities in the Golden Horseshoe have been affected by the trend of Torontonians migrating outside the city since the onset of the pandemic, most newcomers expected to enter Canada in 2022 will settle in one of the three largest urban centres. This will increase competition in both the resale and rental markets.

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 and includes both resale and new build.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in the Greater Toronto Area will increase 11.0 per cent in the fourth quarter of 2022, compared to the same quarter in 2021.

Nationally, the aggregate price of a home in Canada increased 17.1 per cent year-over-year to \$779,000 in the fourth quarter of 2021. Canada's real estate market has sustained another year of record prices, as strong buyer demand continues to outpace supply in almost every market from coast to coast. Canada's chronic housing shortage pre-existed the pandemic and with growing household formation and more newcomers to Canada adding to demand, affordability threatens to erode again.

“Everywhere, in our largest urban centres, and in the nation's small and medium-sized towns and cities, new homes are not being built fast enough to satisfy growing demand,” said Soper. “In addition to the slow and expensive regulatory processes that burden builders, construction has been hampered by pandemic-specific challenges, including labour shortages and the increased cost of construction materials as suppliers struggle with supply chain issues. Some developers have been hesitant to commit to new projects.”

The Royal LePage National House Price Composite is compiled from proprietary property data, nationally and in 62 of the nation's largest real estate markets. When broken out by housing type, the national median price of a single-family detached home rose 21.1 per cent year-over-year to \$811,900, while the median price of a condominium increased 15.8 per cent year-over-year to \$553,800. Price data, which includes both resale and new build, is provided by Royal LePage's sister company RPS Real Property Solutions, a leading Canadian real estate valuation company.

In December, Royal LePage issued its 2022 forecast stating that the national aggregate price of a home is expected to increase 10.5 per cent year-over-year.

Royal LePage Home Price Data:

Royal LePage House Price Survey Chart: rlp.ca/house-prices-Q4-2021

Royal LePage Forecast Chart: rlp.ca/market-forecast-Q4-2021

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About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the most common types of housing, nationally and in 62 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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