



GTA homebuyers face mounting competition as supply levels remain low in second quarter

Aggregate home price increased 6.6% quarter-over-quarter as fewer new listings hit market

TORONTO, July 13, 2023 – According to the Royal LePage House Price Survey released today, the aggregate¹ price of a home in the Greater Toronto Area increased 1.1 per cent year-over-year to \$1,180,400 in the second quarter of 2023. On a quarterly basis, the aggregate price of a home in the GTA increased 5.4 per cent.

Broken out by housing type, the median price of a single-family detached home increased 0.7 per cent year-over-year to \$1,447,600 in the second quarter of 2023, while the median price of a condominium decreased 1.0 per cent to \$731,100 during the same period.

“The GTA housing market continues to see strong activity across all segments, despite new listings currently sitting below levels seen during the same period last year. Buyers in the market today are educated, determined and prepared to make a purchase, but they are facing tight competition once again,” said Karen Yolevski, chief operating officer, Royal LePage Real Estate Services Ltd. “The additional interest rate hikes are causing many would-be sellers to hesitate. Our strong job market and flexibility to work remotely means most people can afford to wait it out, causing further supply shortages and multiple-offer scenarios on almost every listing.”

In the city of Toronto, the aggregate price of a home decreased 1.9 per cent year-over-year to \$1,222,000 in the second quarter of 2023. During the same period, the median price of a single-family detached home increased 4.9 per cent to \$1,778,500, while the median price of a condominium decreased 1.9 per cent to \$728,700.

As affordability and low supply continue to challenge buyers, the region’s rental market is also getting tighter. In the Greater Toronto Area, the average rental price of a one-bedroom apartment increased more than 15 per cent year-over-year in the first quarter of 2023.²

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.

² TRREB, Rental Market Report, 2023 Q1, https://trreb.ca/files/market-stats/rental-reports/rental_report_Q1-2023.pdf

“In Ontario, individual landlords own a healthy proportion of rental units, with little support from the government. Now that many of them are facing the impacts of rising interest rates and inflation, the already short supply of rental units is at risk, as some investors will choose, or be forced, to pull out of the market. This will create further scarcity of rental inventory, and put more upward pressure on prices,” said Yolevski.

Royal LePage is forecasting that the aggregate price of a home in the Greater Toronto Area will increase 11.0 per cent in the fourth quarter of 2023, compared to the same quarter last year. The previous forecast has been revised upward to reflect strong activity and price appreciation in the first half of the year.

Nationally, the aggregate price of a home in Canada decreased modestly by 0.7 per cent year-over-year to \$809,200 in the second quarter of 2023, indicating that nationally, the real estate market is close to the point where it will have recovered fully from 2022’s post-pandemic market correction. On a quarter-over-quarter basis, the aggregate price of a home in Canada rose 4.0 per cent in Q2. This was the second consecutive quarter to show positive growth following a rapid decline in prices over the last year as a result of the Bank of Canada’s aggressive interest rate hike campaign, which began in March of 2022.

“Almost all Canadian homeowners have seen the value of their properties appreciate handsomely over time. A few who purchased at the tail end of the pandemic-fueled real estate boom saw the value of their homes drop below purchase price during the subsequent market correction,” said Phil Soper, president and CEO of Royal LePage. “We are close to that pivotal point where people who purchased at the peak would break even if they sold today.

“The Bank of Canada’s prolonged series of interest rate hikes has changed where and how people live. It has pushed some buyer hopefuls to choose less expensive housing types or neighbourhoods. Others have chosen to relocate to more affordable markets across their province or across the country. And some buyers have been pushed to the sidelines indefinitely,” Soper continued. “Economic uncertainty has caused some potential sellers to reevaluate their plans as well. The worry that they will be unable to find the move-up home they need in today’s tight market is a major concern. Further, there are those who secured fixed-rate mortgages at generational lows of two per cent or even less, who are understandably reluctant to wade back into a market with substantially higher borrowing costs. Fewer sellers mean fewer listings, which adds further pressure to our chronic shortage of inventory. Access to affordable housing in Canada will continue to be a major social issue.”

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 declined 2.0 per cent year-over-year to \$841,900, while the median price of a condominium remained essentially flat, decreasing by just 0.4 per cent year-over-year to \$586,900. On a quarter-over-quarter basis, the median price of

a home in these property segments rose 4.1 and 2.7 per cent, respectively. 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.

Royal LePage is forecasting that the aggregate price of a home in Canada will increase 8.5 per cent in the fourth quarter of 2023, compared to the same quarter last year. The previous forecast has been revised upward to reflect strong activity and price appreciation in the first half of the year.

Royal LePage Home Price Data:

Royal LePage House Price Survey Chart: rlp.ca/house-prices-Q2-2023

Royal LePage Forecast Chart: rlp.ca/market-forecast-Q2-2023

Royal LePage Royalty-Free Media Assets:

Royal LePage's [media room](#) contains [royalty-free assets](#), such as images and b-roll, that are free for media use.

- Media room: rlp.ca/mediaroom
- Royalty-free assets: rlp.ca/media-assets

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

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of approximately 20,000 real estate professionals in over 670 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, which has been dedicated to supporting women's shelters and domestic violence prevention programs for 25 years. Royal LePage is a Bridgemarq 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:

Stephanie Matthias

North Strategic on behalf of Royal LePage

stephanie.matthias@northstrategic.com

(416) 802-1612