



## **Increase in housing supply brings welcome relief for GTA homebuyers**

*Aggregate GTA home price decreased 2.8% quarter over quarter in Q3 of 2023*

**TORONTO, October 12, 2023** – According to the Royal LePage House Price Survey released today, the aggregate<sup>1</sup> price of a home in the Greater Toronto Area increased 4.5 per cent year over year to \$1,147,400 in the third quarter of 2023. On a quarterly basis, however, the aggregate price of a home in the GTA decreased 2.8 per cent.

Broken out by housing type, the median price of a single-family detached home increased 4.0 per cent year over year to \$1,399,000 in the third quarter of 2023, while the median price of a condominium increased 3.4 per cent to \$725,400 during the same period.

“The typical summer slowdown took effect in July and August this year, when families shifted their energy to enjoying vacations and warm weather. September saw a slight boost in activity and a welcome increase in inventory, although not nearly enough to address the disparity between supply and demand in the region. It does offer buyers more choice, though, and better conditions within which to negotiate,” said Karen Yolevski, chief operating officer, Royal LePage Real Estate Services Ltd. “There are many factors at play: affordability remains a real challenge, especially for first-time buyers; qualifying for a mortgage is not easy with the average fixed-rate loan currently sitting above six per cent, and buyers having to qualify for the stress test at two points higher; and overall fatigue has taken its toll on consumers.”

Yolevski added that buyers and sellers seem to be in a stalemate. If activity declines further and inventory continues to build, it could eventually translate into lower prices.

In the city of Toronto, the aggregate price of a home increased 2.5 per cent year over year to \$1,156,000 in the third quarter of 2023. During the same period, the median price of a single-family detached home increased 8.9 per cent to \$1,693,700, while the median price of a condominium decreased modestly by 0.4 per cent to \$705,400.

“Counter to typical seasonal trends, the city’s luxury property segment is expected to see increased activity in the final months of 2023. Many luxury buyers are hoping to transact before

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<sup>1</sup> 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.

the Graduated Municipal Land Transfer Tax comes into effect on January 1st, which will apply an additional tax on properties sold over \$3,000,000. This could result in a run-up of sales in the final quarter of the year,” said Yolevski.

Royal LePage is forecasting that the aggregate price of a home in the Greater Toronto Area will increase 9.0 per cent in the fourth quarter of 2023, compared to the same quarter last year. The previous forecast has been revised modestly downward to reflect softer activity than expected in the third quarter.

Nationally, the aggregate price of a home in Canada increased 3.6 per cent year over year to \$802,900 in the third quarter of 2023. On a quarter-over-quarter basis, however, the national aggregate home price decreased modestly by 0.8 per cent, indicating that while many Canadians have adjusted to the increased cost of borrowing, elevated interest rates continue to impact activity in markets across the country. In September, the Bank of Canada held its key lending rate steady at 5.0 per cent, following two consecutive rate hikes in the summer.<sup>2</sup>

“With activity slowing, home prices softened in some of our major markets over the last three months, following a stronger-than-expected second quarter. Prices remain up on a year-over-year basis, with today’s stable market standing in sharp contrast to the steep declines experienced in the third quarter of 2022,” said Phil Soper, president and CEO of Royal LePage. “While trading volumes in most regions remain sluggish, Canada’s housing market is on solid footing, with pent-up demand building. We don’t anticipate a material change in property prices through the remainder of the year.

“Slower activity has allowed critically low inventory levels to build marginally in many regions, yet the quantity of homes available for sale in this country remains well below the level needed to keep a lid on property price increases,” Soper continued. “Once interest rates begin to ease, even by only a small amount, we expect buyers will return to the market in large numbers and the relentless upward march of home prices will begin again. At its root, housing supply remains out of step with the growing need for it.”

The Royal LePage National House Price Composite is compiled from proprietary property data nationally and regionally in 63 of the nation’s largest real estate markets. When broken out by housing type, the national median price of a single-family detached home increased 3.4 per cent year over year to \$833,600, while the median price of a condominium increased 3.8 per cent year over year to \$587,400. On a quarter-over-quarter basis, the median price of a single-family detached home decreased 1.0 per cent, while the median price of a condominium remained flat, increasing just 0.1 per cent. 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.

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<sup>2</sup> [\*Bank of Canada maintains policy rate, continues quantitative tightening, September 6, 2023\*](#)

Royal LePage is forecasting that the aggregate price of a home in Canada will increase 7.0 per cent in the fourth quarter of 2023, compared to the same quarter last year. The previous forecast has been revised downward to reflect softer activity than expected in the third quarter, which resulted in a modest decline in prices in some markets, including Toronto and Vancouver.

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### **Royal LePage Home Price Data:**

**Royal LePage House Price Survey Chart:** [rlp.ca/house-prices-Q3-2023](https://rlp.ca/house-prices-Q3-2023)

**Royal LePage Forecast Chart:** [rlp.ca/market-forecast-Q3-2023](https://rlp.ca/market-forecast-Q3-2023)

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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 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. Additionally, commentary on housing market trends and data on price 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 Bridgemark Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information, please visit [www.royallepage.ca](https://www.royallepage.ca).

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