



## **Kitchener-Waterloo housing market sees notable slow down in activity amidst increased inventory and higher lending rates**

*Aggregate home price in the region records 3.8% quarterly decrease in Q3 of 2023*

**KITCHENER, October 12, 2023** – According to the Royal LePage House Price Survey released today, the aggregate<sup>1</sup> price of a home in the Kitchener-Waterloo region increased 3.1 per cent year over year to \$768,600 in the third quarter of 2023. On a quarterly basis, however, the aggregate price of a home in the region decreased 3.8 per cent.

Broken out by housing type, the median price of a single-family detached home increased 2.0 per cent year over year to \$855,300 in the third quarter of 2023, while the median price of a condominium increased 6.0 per cent to \$467,300 during the same period.

“The housing market in Kitchener-Waterloo has experienced a notable slow down this quarter, which aligns with expectations for this time this year,” said Mike Milovick, broker, Royal LePage Grand Valley Realty. “While prices have increased year over year, we have seen a slight decline compared to previous quarters, largely due to an increase in inventory and fewer buyers in the market.”

Milovick noted that prices have declined across all property types, including single-family detached, condominiums and multi-residential investment properties.

“While housing prices have seen a decline due to easing competition, many buyers and sellers are opting to stay on the sidelines because of ongoing lending rate increases and the rising cost of everyday goods. First-time buyers are finding it especially challenging to qualify for a mortgage in this environment, and homeowners with equity in their properties are holding off on selling with these higher rates in place.”

Milovick forecasts that home prices are likely to stabilize or decline slightly in the final quarter of the year. Additionally, there is an expectation of a substantial slow down in market activity

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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.

during this time. He believes another increase in lending rates will put further downward pressure on prices in Kitchener-Waterloo's housing market.

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.

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

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

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

Royal LePage Forecast Chart: [rlp.ca/market-forecast-Q3-2023](http://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 Bridgemarq Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information, please visit [www.royallepage.ca](http://www.royallepage.ca).

## **For further information, please contact:**

Stephanie Matthias

North Strategic on behalf of Royal LePage

[stephanie.matthias@northstrategic.com](mailto:stephanie.matthias@northstrategic.com)

(416) 802-1612