



MARKET HANDBOOK  
DECEMBER EDITION



## Welcome Back To The Potential Moment Many Have Been Waiting For

Interest rates have been the buzzword since 2022, and similar to “How’s the real estate market?” and discussions about the weather, interest rates have been at the forefront of people’s conversations. Many homeowners have been ‘feeling the squeeze.’ Weathering it. And waiting for some reprieve from the consistent eight increases over the past couple of years. Forty-five percent of mortgages are renewing across Canada over the next two years, and homeowners have been watching those rates closely, hoping for a drop.

While nothing is guaranteed, the bond yields have come down a whole percentage point. And people much smarter than us are predicting the direction of the interest rates. So far, it seems to be unanimous - they are coming down. In a couple of days, the Bank of Canada will make an announcement, but many predict this announcement will likely be an interest rate hold. Approximately every six weeks, the Bank of Canada makes an announcement, and so far, the chitter chatter is pointing to an interest rate drop in late spring or early summer.

The caveat is keeping inflation at bay. Dropping rates too soon might create a Spring Market Spending Frenzy, which the government wants to avoid. Keeping inflation predictable and on a steady increase is a prime priority. But overall, the buzz is that rates are coming down this year. Good news for the 45% of Canadians with renewals on the horizon and homebuyers looking to enter the market, as they can factor lower interest into their affordability calculation.



This year, our New Year's Resolution is to read that crystal ball and risk being wrong in our predictions. Doing research, following the economy and the market analytics keeps our ears to the ground and opportunity at the forefront. Yes, we are hypothesizing and predicting based on information; however, by the time numbers are reported, that market moment has passed. Staying ahead of the game is required for investing. It comes with risk. And reward.

The real estate market picked up early this year. January has been busy for us. December remained steady. Check out our Market Handbook for the analytics and data, and feel free to reach out with any questions.

Cheers,

Cari and Paul

*Cari & Paul*

Economic Indicators							
<b>Real GDP Growth</b>				<b>Inflation (YR/ YR CPI GROWTH)</b>			
Q3	2023	-1.1%	▼	November	2023	3.1%	—
<b>Toronto Employment Groth</b>				<b>Bank Canada Overnight Rate</b>			
November	2023	3.6%	▲	November	2023	5.0%	—
<b>Toronto Unemployment Rate (SA)</b>				<b>Prime. Rate</b>			
November	2023	6.6%	▼	November	2023	7.2%	—

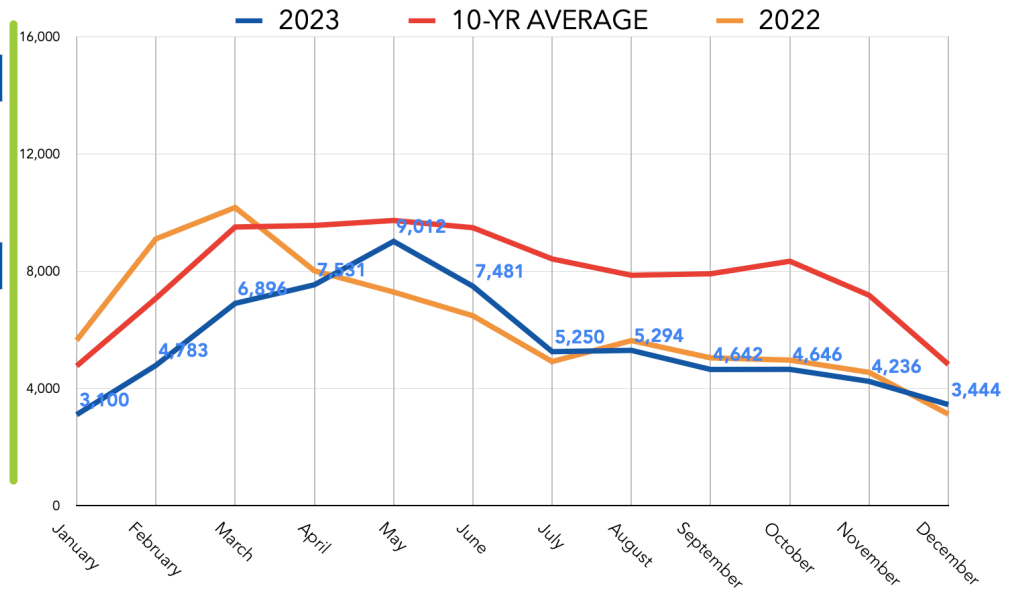
# MONTHLY OVERVIEW - SALES -

ALL HOME TYPES - GTA  
NUMBER OF SALES / TRANSACTIONS

## MONTHLY TRANSACTIONS

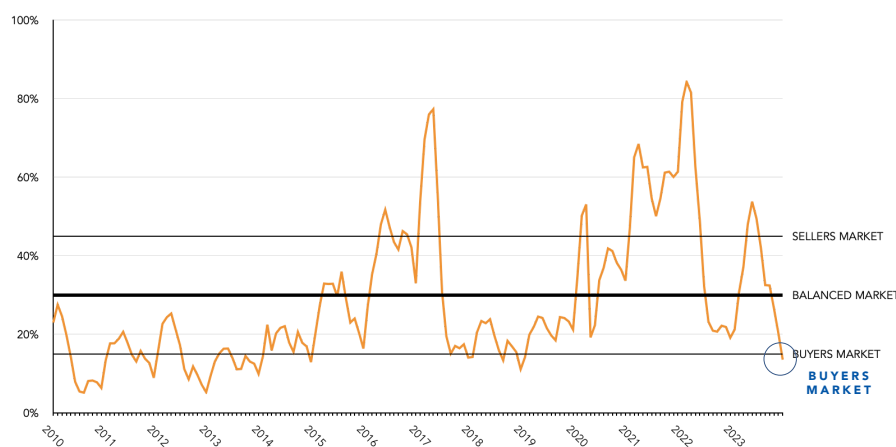
### December

# of Sales	3,444
% Chg M.o.M.	-18.7%
% Chg Y.o.Y.	+10.5%
% Chg from 10 YR Ave	-28.5%
YTD Sales	66,315
% Chg from 10 YR Ave	-36.9%



Sales in The GTA were slow for December, with 3,444 transactions. This represented a 19% drop from November. There is always a seasonal decrease in sales during the holiday season, so it was not out of the norm. In fact, Sales this December were 10% higher than last year. On the ground, the market seemed more optimistic and balanced than it did a year ago. With murmurs of potential rate drops coming in 2024, more Buyers were willing to make a move this December than in 2022. On the whole, Sales for 2023 were at a 26-year low at 66,315 transactions. The last time we had under 70,000 transactions in the GTA was in the 90's. This is 37% below our ten-year average and nearly half the peak number of sales we saw in 2021.

## SOLD OVER ASKING RATIO



### Sold Over Asking

Toronto	December
Detached	17%
Semi-Detached	20%
Townhouse	8%
Condo	10%
<b>GTA</b>	
York	14%
Peel	16%
Halton	5%
Durham	21%

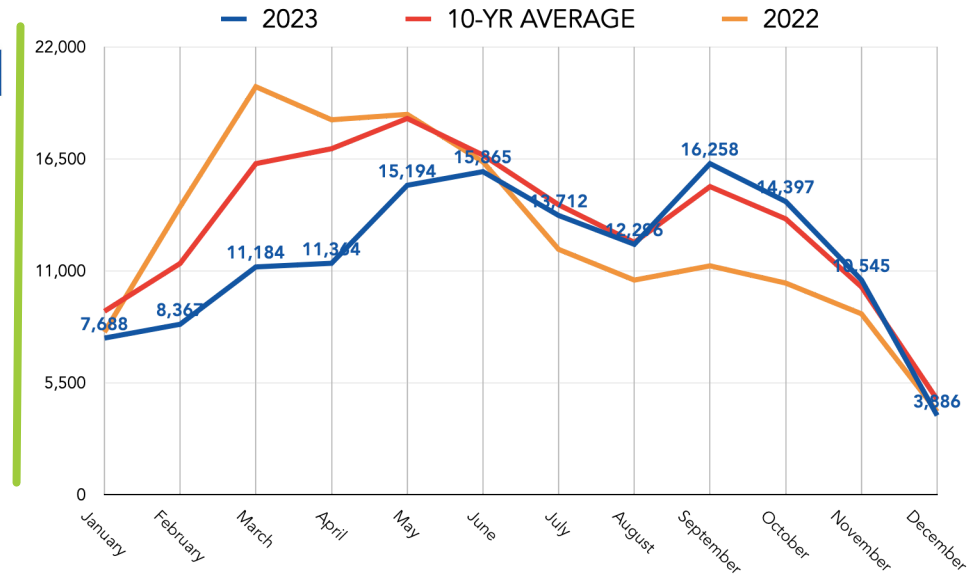
# MONTHLY OVERVIEW - LISTINGS -

ALL HOME TYPES - GTA

## NEW LISTINGS

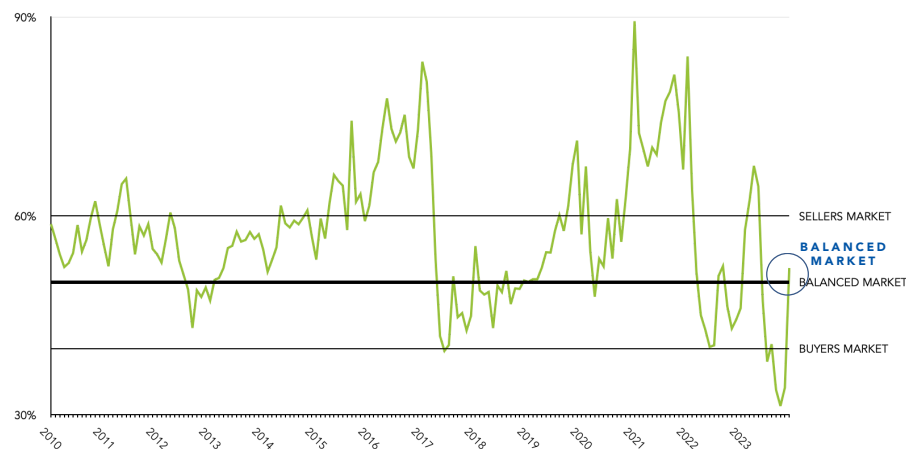
### December

<b>New Listings</b>	<b>3,886</b>
% Chg M.o.M.	-63.1%
% Chg Y.o.Y.	-4.6%
% Chg from 10 YR Ave	-16.8%



New Listings continued its steep decline into December, hitting 3,886. This was a 63% decline from November, and the drop put us below the 10-year average for the first time in a few months. This helped balance the market in December, as many Sellers opted not to list their homes for sale. Certain segments of the market experienced more significant swings than others. Downtown Detached and Semi-Detached houses experienced major upswings in this list-to-sales ratio, with the ratios breaking over 100%. This means there were more homes that sold than were listed for the month. Although we still see several properties sitting on the market, there was a larger percentage of properties getting offers and selling before the holidays.

## LIST TO SALES RATIO



### List to Sales Ratio

Toronto	December
Detached	117%
Semi-Detached	154%
Townhouse	76%
Condo	67%
GTA	
York	94%
Peel	79%
Halton	110%
Durham	99%

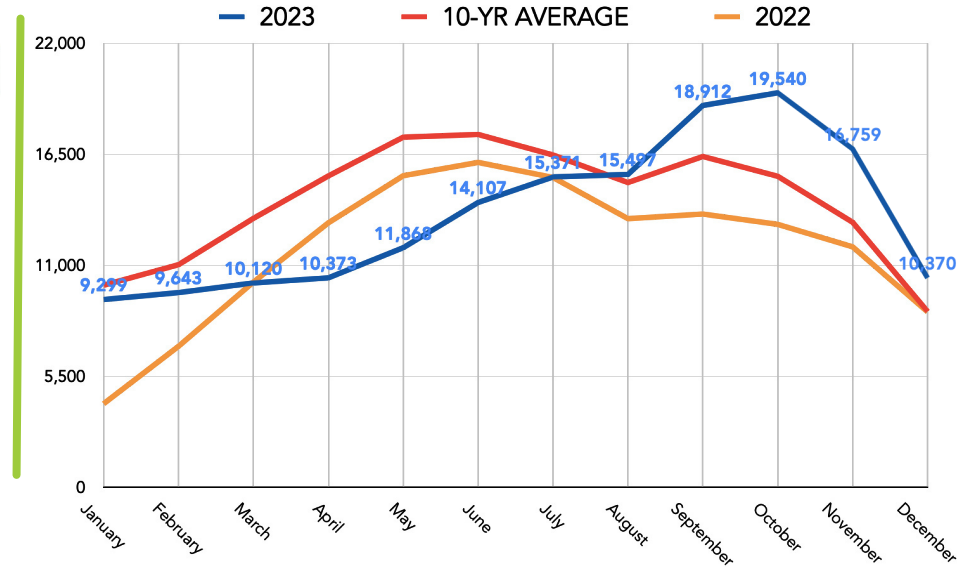
# MONTHLY OVERVIEW - INVENTORY

ALL HOME TYPES - GTA

## ACTIVE LISTINGS

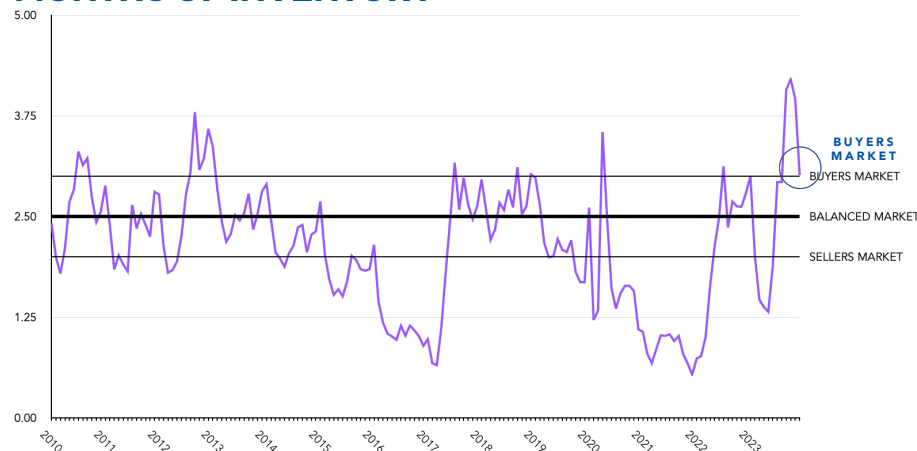
### December

<b>Inventory</b>	<b>10,370</b>
% Chg M.o.M.	-38.1%
% Chg Y.o.Y.	+19.3%
% Chg from 10 YR Ave	+19.0%



Inventory across the GTA plummeted as Sellers decided to take their property off the market or hold off from re-listing. The combination of the two created a 38% decline in active listings. We are still 19% above the average inventory we typically see in December. Although inventory remains elevated, it is well off the peak from October, when inventory hit 19,540. Months of Inventory fell across the board, with some segments entering a "Sellers Market." Condo inventory remains at high levels, along with the 905 areas.

## MONTHS OF INVENTORY



### Month of Inventory

Toronto	December
Detached	2.16
Semi-Detached	1.08
Townhouse	3.53
Condo	4.73
<b>GTA</b>	
York	2.93
Peel	3.11
Halton	2.52
Durham	1.84

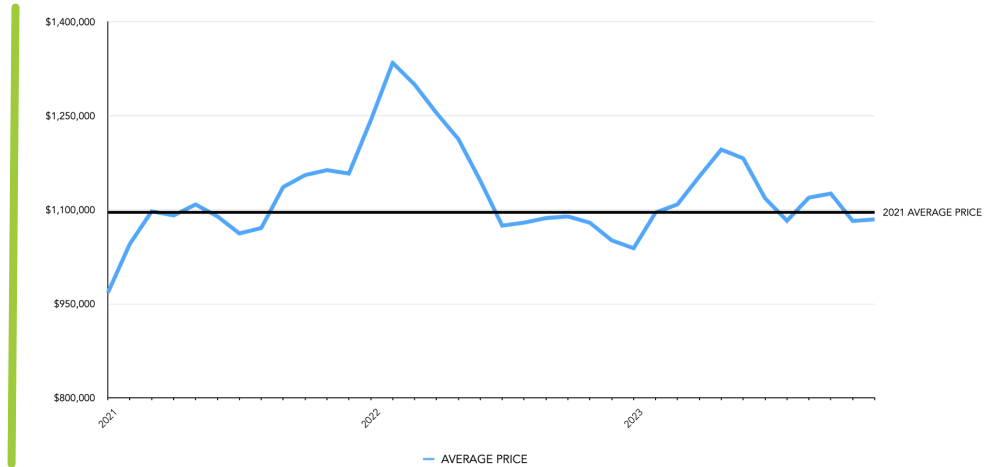
# MONTHLY OVERVIEW - PRICE -

ALL HOME TYPES - GTA  
AVERAGE PRICE

## AVERAGE PRICE FOR GTA HOME -Last 3 Years

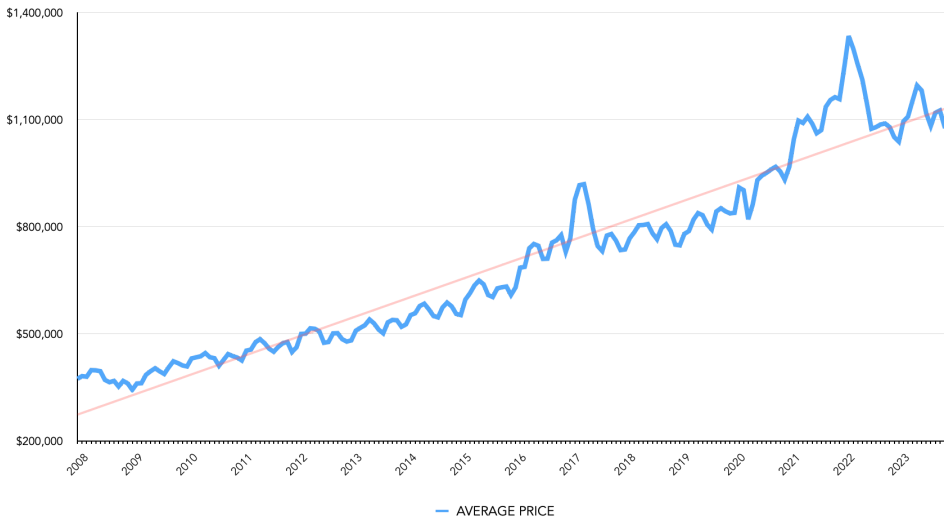
### December

<b>Average Price</b>	<b>\$1,084,692</b>
% Chg M.o.M.	+0.2%
% Chg Y.o.Y.	+3.2%
<b>Annual Average</b>	<b>\$1,127,385</b>
% Chg	-5.2%



Average Prices in the GTA held flat for December. This is uncommon, as prices typically dip for the Winter/ Holiday season. The lack of supply played a huge factor in balancing the market for December, along with the slight increase in sentiment about future rate decreases. The average price for 2023 was \$1,127,385. This is down 5% from the 2022 average but up 3% from 2021. This marked the second time in 30 years that the GTA has experienced an annual decline in House Prices. The last annual decline was back in 2018, after the 2017 housing correction.

## AVERAGE PRICE FOR GTA HOME - Monthly



Average Price	
Toronto	December
Detached	1,626,980
Semi-Detached	1,173,171
Townhouse	1,101,416
Condo	709,283
GTA	
York	1,281,020
Peel	1,020,187
Halton	1,302,551
Durham	860,622

# REGIONAL OVERVIEW - 416 VS 905

## LOW RISE HOMES

### CITY OF TORONTO - 416 - LOW RISE SALES

December

	# of Sales				Average Price		
	Sales	M.O.M	Y.O.Y	10 YR AVE	Average Price	M.O.M	Y.O.Y
Detached	371	-19.5%	+19.7%	-23.6%	\$1,626,980	+0.6%	-0.0%
Semi-Detached	128	-23.8%	+54.2%	-9.1%	\$1,173,171	-3.7%	+1.8%
Townhouse	112	-20.0%	+1.8%	-40.9%	\$1,101,416	+14.5%	+25.3%
City of Toronto (416)	611	-20.5%	+21.5%	-25.1%	\$1,435,571	+1.7%	+3.6%

### GREAT TORONTO AREA - 905 - LOW RISE SALES

December

	# of Sales				Average Price		
	Sales	M.O.M	Y.O.Y	10 YR AVE	Average Price	M.O.M	Y.O.Y
Detached	1,150	-19.0%	+10.4%	-26.5%	\$1,351,009	+1.3%	+3.0%
Semi-Detached	196	-16.9%	+26.5%	-31.1%	\$932,255	-1.8%	-0.1%
Townhouse	511	-8.1%	-2.5%	-16.5%	\$870,975	+0.5%	+1.2%
Greater Toronto Area (905)	1,857	-16.0%	+7.9%	-24.6%	\$1,174,718	-0.1%	+3.0%

Low Rise Homes in Toronto and GTA followed similar patterns for the month of December. Both displayed similar month-over-month declines in Sales and are comparably low to the 10-year average. Both areas experienced modest month-over-month increases in average prices and sat at least 3% over last year's prices. Toronto experienced a significantly lower number of Townhouse sales, even though prices of Townhouses jumped up in December.



# FREEHOLD & CONDO UPDATE

CITY OF TORONTO

## TORONTO - Freehold VS Condo

FREEHOLD		CONDO	
<b># of Sales</b>	<b>611</b>	<b># of Sales</b>	<b>641</b>
M.O.M.	-20.5%	M.O.M.	-22.3%
Y.O.Y	+21.5%	Y.O.Y.	-0.8%
10 YR AVE	-25.1%	10 YR AVE	-39.0%
<b>Average Price</b>	<b>\$1,435,571</b>	<b>Average Price</b>	<b>\$709,283</b>
M.O.M.	+1.7%	M.O.M.	-1.5%
Y.O.Y	+3.6%	Y.O.Y.	-4.4%
<b>New Listings</b>	<b>548</b>	<b>New Listings</b>	<b>958</b>
M.O.M.	-67.3%	M.O.M.	-61.2%
Y.O.Y	-6.6%	Y.O.Y.	+5.4%
<b>Inventory</b>	<b>1,335</b>	<b>Inventory</b>	<b>3,035</b>
M.O.M.	-45.2%	M.O.M.	-32.6%
Y.O.Y	+4.4%	Y.O.Y.	+32.6%

The Condo Market continued to struggle in December. Sales are still 39% below average and fell 22% from last month. Prices declined -1.5% from November and is now 4.4% below December 2022. However, we did see a 60% drop in New Listings from November, pushing inventory down 33%. We are starting to see some condo buyers come to the market in the hopes that lowered interest rates will create an increase in affordability. With 45% of all mortgages set to renew in 2024 and 2025, there will be many condo investors and multiple property owners who choose to sell their investment properties to offset the increased cost of their debt. Toronto Condo inventory is at 3,000+ Units in December. This was a common level back in the early 2010s when condo price growth was slow and the condo market was balanced.

# LET'S CONNECT

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WE'RE HERE TO HELP!

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