



MARKET HANDBOOK
JANUARY EDITION



How's The Real Estate Market These Days?

'Confusion' seems to be the word that comes to mind when I think about the consumer and the information/misinformation they are receiving. And I get it. We have our classic media headlines, which most view with a critical lens. We have our economists' reports on many segments, such as unemployment, inflation, the stock market, GDP, mortgage defaults, and credit card delinquencies. And then we have that Mississauga house that received 85 offers. Let's put that one-off in the headline category.

When people ask 'What is going on with the Real Estate Market?' I assume that they want to know how it affects them. Their real estate. Their want to buy into real estate. Rent and invest in stocks or buy-in, etc. etc. And although we take an interest in economics and the abundance of information it comes with, both out of personal interest and to know how it affects real estate, which it does, we ultimately experience the real estate market from a place of transacting and trading full time in Toronto on behalf of our clients. Buying and selling real estate means actively searching for properties, listing them, bringing buyers and searching for opportunities on and off the market; this all creates a window of information that serves a function to serve our clients with the best possible opportunities. When people ask us what is happening with the real estate market, we can report what is being experienced now with current transactions that are ours, our colleagues, and anyone actively working and trading. I would consider this information highly valuable, given that by the time the Toronto Real Estate Board reports their numbers and data, that moment in the market has come and gone.

Real Estate is a collaborative, cooperative business. To the bulk of full-time Agents carrying most of the transactions in Toronto, it is a team effort with Agents working together on behalf of their clients. Understanding the market you are buying or selling in is invaluable and essential to ensure the decisions are appropriate and best within the current market conditions, which can change overnight and regularly and are very much situational.



This market handbook presents the numbers. And it is great to know them, to read them, and understand them. But know that they are now historical. The best way to find out what is going on in the Real Estate Market you are interested in is to ask a busy agent who works in Toronto, 'How's the real estate market?'

If you have any questions, feel free to reach out.

Cari & Paul

Economic Indicators							
Real GDP Growth				Inflation (YR/ YR CPI GROWTH)			
Q3	2023	-1.1%	▼	December	2023	3.4%	▲
Toronto Employment Groth				Bank Canada Overnight Rate			
December	2023	3.0%	▲	January	2024	5.0%	—
Toronto Unemployment Rate (SA)				Prime. Rate			
December	2023	6.7%	▲	January	2024	7.2%	—

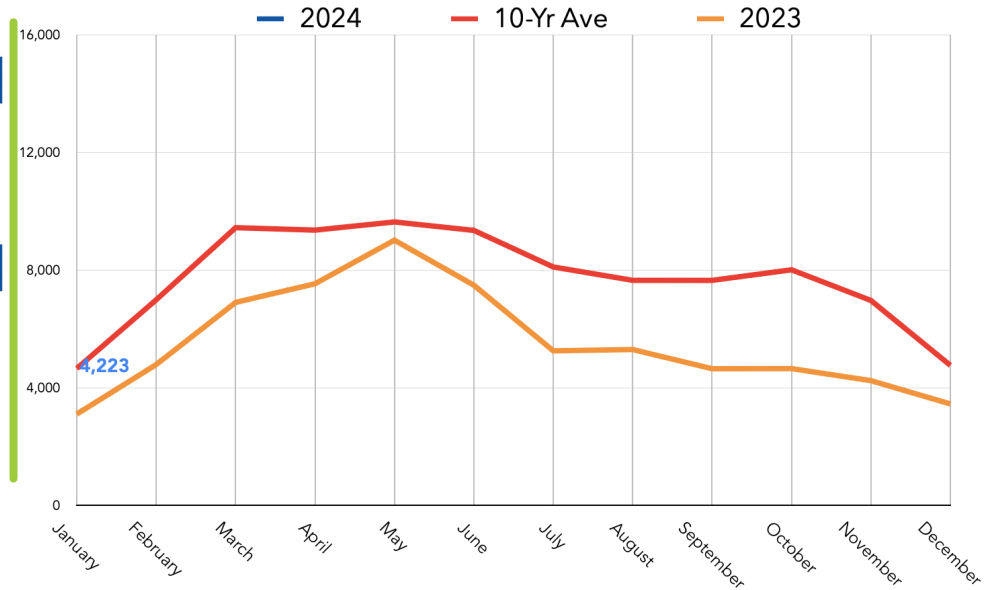
MONTHLY OVERVIEW - SALES -

ALL HOME TYPES - GTA
NUMBER OF SALES / TRANSACTIONS

MONTHLY TRANSACTIONS

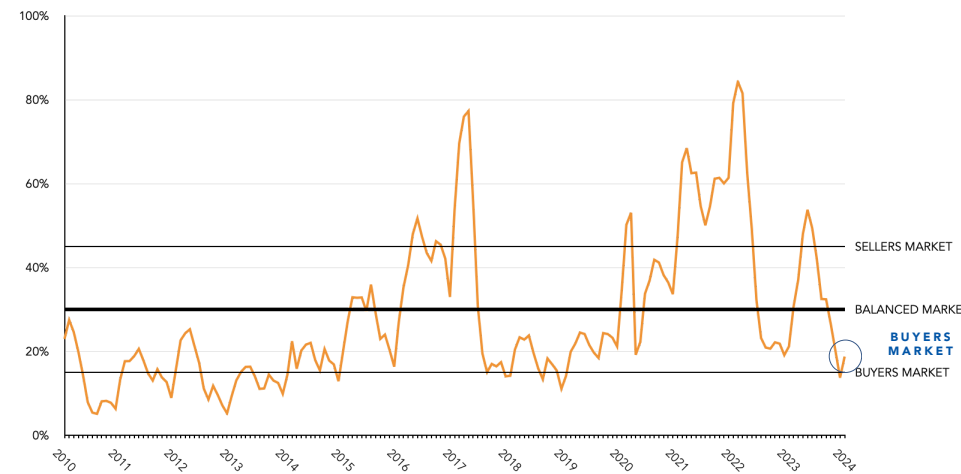
January

# of Sales	4,223
% Chg M.o.M.	+22.6%
% Chg Y.o.Y.	+36.2%
% Chg from 10 YR Ave	-9.2%
YTD Sales	4,223
% Chg from 10 YR Ave	-9.2%



Sales came roaring back in January, hitting 4,223 homes sold. This marked a 23% m/m increase and is 36% y/y increase. If we take a step back to put the sales number into perspective, the sales for January are still down 9% from our 10-year average. The year-over-year and month-over-month increase in sales seems significant when they are compared to one of the slowest December/January since the Financial Crisis in 2009. Activity is picking up, however, it is more like a light jog than a sprint. On the ground, we are seeing new buyers begin their home search for the year with thoughts of lower rates to come. Multiple offers and bidding wars are popping up from property to property based on the type, price in the neighbourhood or lack of alternative options.. Semi-detached properties in Toronto remain the most competitive market for buyers.

SOLD OVER ASKING RATIO



Sold Over Asking	
Toronto	January
Detached	24%
Semi-Detached	44%
Townhouse	15%
Condo	12%
GTA	
York	23%
Peel	17%
Halton	12%
Durham	27%

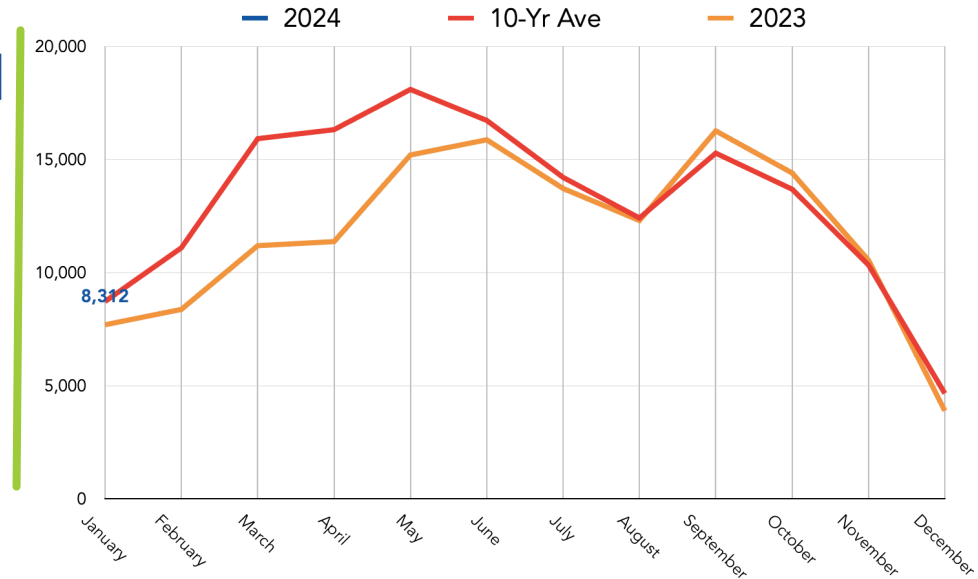
MONTHLY OVERVIEW - LISTINGS -

ALL HOME TYPES - GTA

NEW LISTINGS

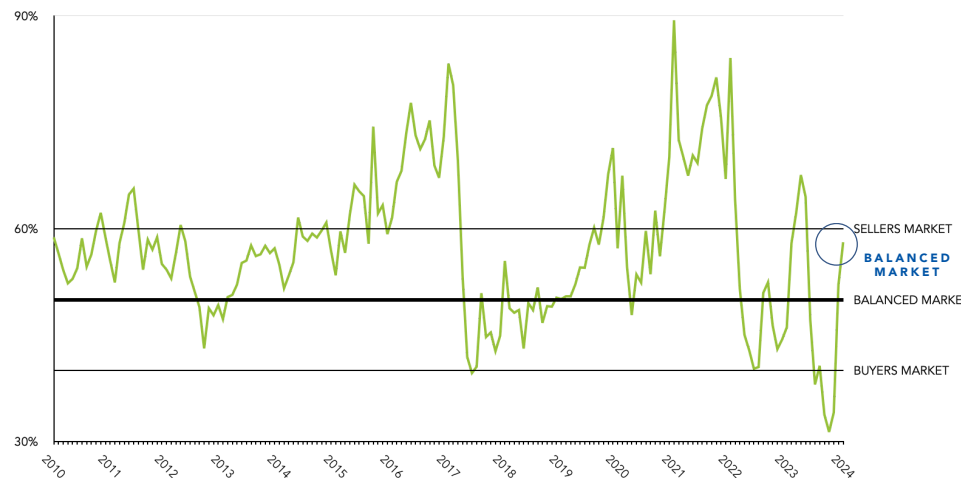
January

New Listings	8,312
% Chg M.o.M.	+113.9%
% Chg Y.o.Y.	+8.1%
% Chg from 10 YR Ave	-4.6%



New Listings experienced a significant jump this month. Up 114% from December and 8% from last January. This is still -4.6% lower than our 10-year average. We are seeing many Sellers re-list their home on the market after taking them off for the holidays, as well as Sellers who have been holding off for “better times.” With many economists and traders predicting near-future rate drops, Sellers are seeing this as their opportunity to get their homes on the market. List-to-sale ratios continued to edge up to 58%, almost reaching “Sellers Market” territory. The most surprising turnaround has been to the condo and 905 areas. Just a few months ago, the List-to-sales ratio sat in the low 30s. We are seeing a slight shift of sentiment in the market as buyers speculate the bottom of the market and sellers hold property off the market.

LIST TO SALES RATIO



List to Sales Ratio

Toronto	January
Detached	49%
Semi-Detached	58%
Townhouse	43%
Condo	39%
GTA	
York	53%
Peel	58%
Halton	57%
Durham	65%

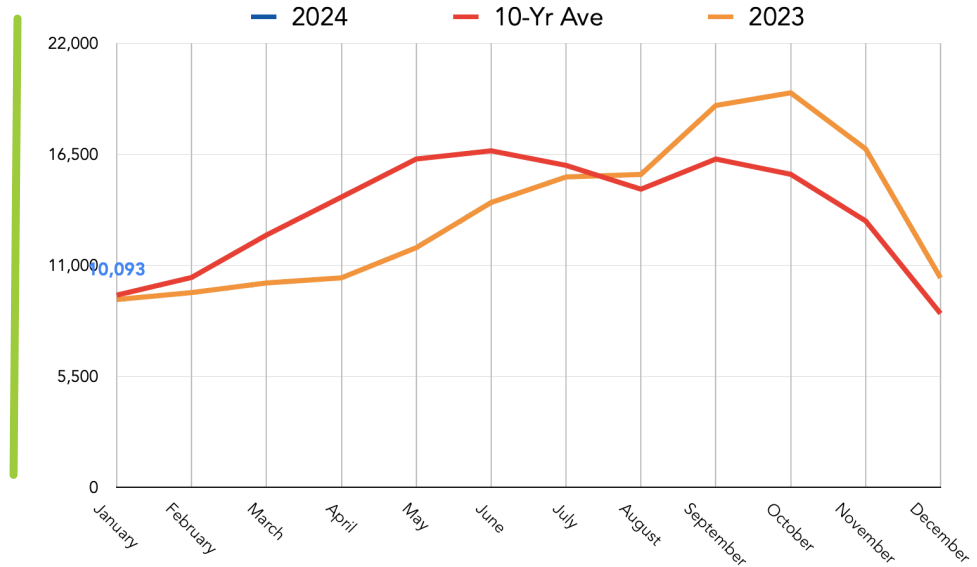
MONTHLY OVERVIEW - INVENTORY

ALL HOME TYPES - GTA

ACTIVE LISTINGS

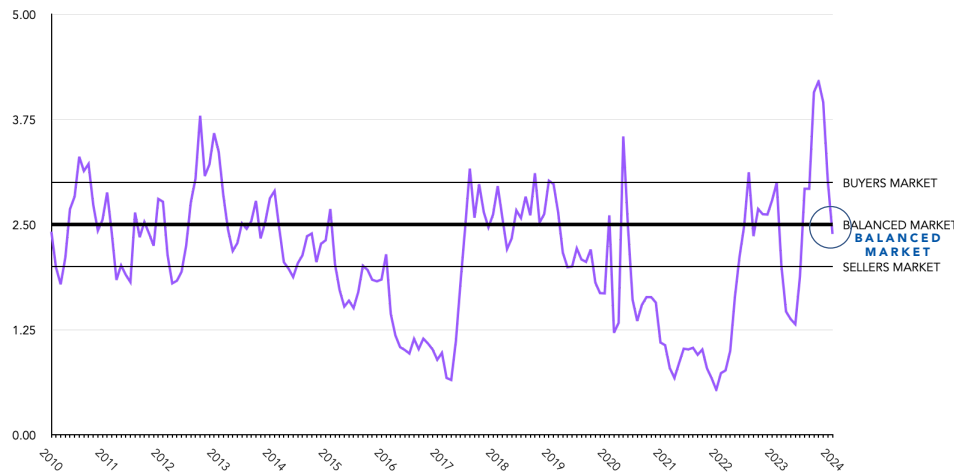
January

Inventory	10,093
% Chg M.o.M.	-2.7%
% Chg Y.o.Y.	+8.5%
% Chg from 10 YR Ave	+6.1%



Inventory fell slightly for January to 10,093 active listings. This is a 3% decline m/m. However, inventory levels are still elevated above our 10-year average by 6% and up 8.5% from January 2022. Inventory has been on a three-month slide since it peaked in October. We are likely going to see large swings in inventory as sentiment shifts over the year. The Months of Inventory fell to 2.39 - we haven't seen MOI in this range since June 2023, when the Bank of Canada announced their two consecutive interest rate hikes. Although sentiment is starting to shift, we are still sitting comfortably in a Balanced Market. Durham was actually the second tightest market segment in January, with MOI falling below 2 Months, List-to-sale ratios above 60% and 27% of the properties selling over asking.

MONTHS OF INVENTORY



Month of Inventory	
Toronto	January
Detached	2.16
Semi-Detached	1.29
Townhouse	3.08
Condo	3.64
GTA	
York	2.29
Peel	2.09
Halton	1.90
Durham	1.39

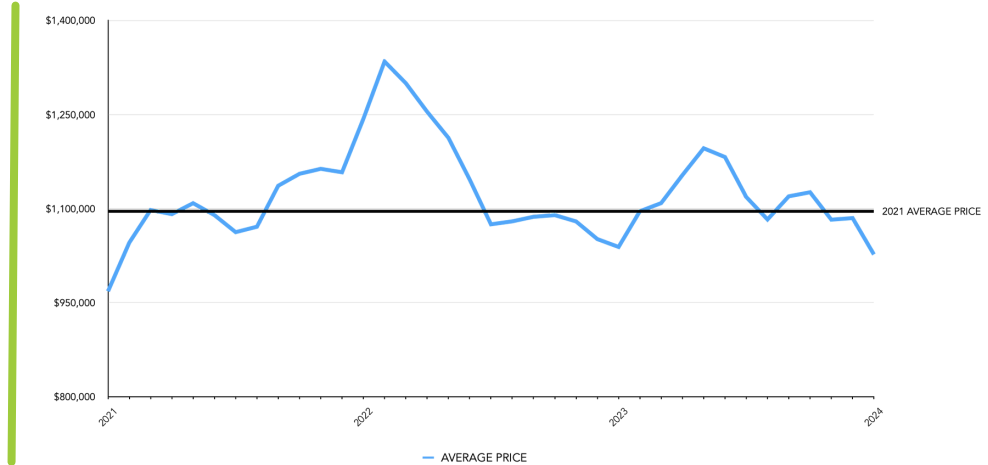
MONTHLY OVERVIEW - PRICE -

ALL HOME TYPES - GTA
AVERAGE PRICE

AVERAGE PRICE FOR GTA HOME -Last 3 Years

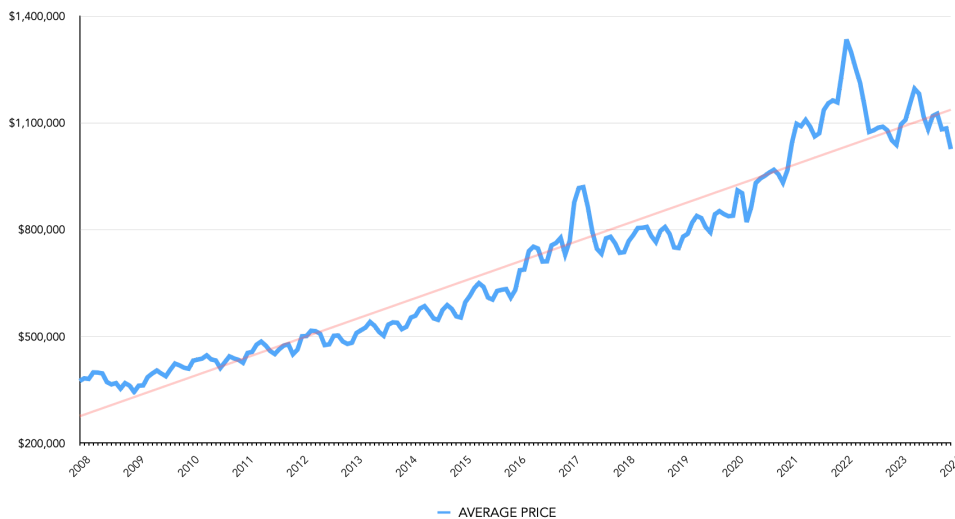
January

Average Price	\$1,026,703
% Chg M.o.M.	-5.3%
% Chg Y.o.Y.	-1.2%
Annual Average	\$1,026,703
% Chg	-8.9%



Although we have experienced an increase in market activity and competitiveness, this hasn't translated into an increase in prices. Average Price declined in January to \$1,025,703 - a 5% drop from December. Average Prices are even slightly lower than January 2022 by 1.2%. 2021 was the first time the Average Home Price in the GTA crossed the one million dollar threshold. The increased activity will likely prevent prices from falling any further, but it is unlikely we are going to prices much higher than the 2021 average.

AVERAGE PRICE FOR GTA HOME - Monthly



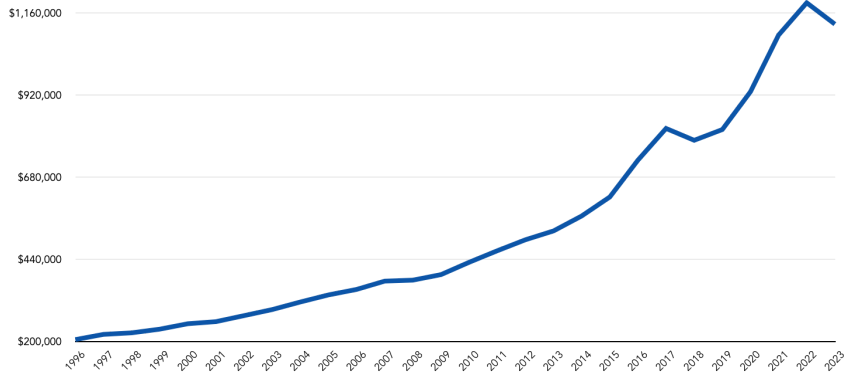
Average Price	
Toronto	December
Detached	1,626,980
Semi-Detached	1,173,171
Townhouse	1,101,416
Condo	709,283
GTA	
York	1,281,020
Peel	1,020,187
Halton	1,302,551
Durham	860,622

ANNUAL OVERVIEW-PRICE & SALES

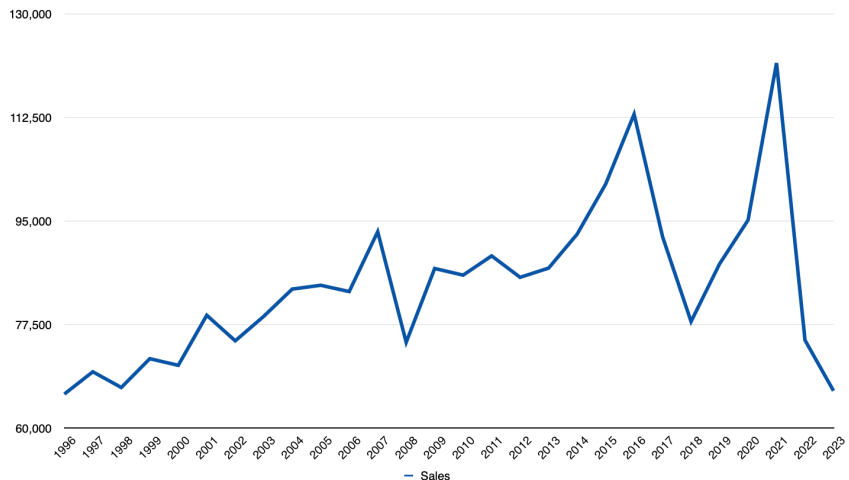
ALL HOME TYPES - GTA

ANNUAL PRICE FOR GTA HOMES - Last 27 Years

Year	Sales	Average Price
1996	65,760	\$205,249
1997	69,530	\$220,541
1998	66,876	\$225,051
1999	71,738	\$235,783
2000	70,625	\$251,667
2001	79,081	\$257,781
2002	74,759	\$275,371
2003	78,898	\$293,067
2004	83,501	\$315,231
2005	84,145	\$335,907
2006	83,084	\$351,941
2007	93,193	\$376,236
2008	74,505	\$379,080
2009	86,980	\$395,234
2010	85,860	\$431,262
2011	89,110	\$464,989
2012	85,488	\$497,073
2013	87,047	\$522,951
2014	92,776	\$566,611
2015	101,214	\$622,116
2016	113,040	\$729,821
2017	92,340	\$822,496
2018	78,018	\$787,845
2019	87,751	\$819,279
2020	95,151	\$929,699
2021	121,693	\$1,095,419
2022	74,864	\$1,189,820
2023	66,315	\$1,127,385
2024	4,223	\$1,026,703



ANNUAL SALES FOR GTA HOMES - Last 27 Years



One of the biggest takeaways from 2023 was that the number of sales for the year hit a 27-year low at 66,315 sales. Annual sales had been experiencing a steady climb through the early 2000s. By the late 2010s, sales volumes started experiencing large swings breaking 100,000 in 2015 and 2016 and then again in 2021. The average number of sales for the last twenty-five years sits around 85,000. We expect more of a return to the norm for 2024, with increased levels of activity for the year. The Annual Average Price fell for only the second time in recent history. Prices began to correct in 2022, but the Annual Average didn't show the full impact until 2023. We are likely going to see the Annual Average Price for 2024 to fall around 2021's average.

REGIONAL OVERVIEW - 416 VS 905

LOW RISE HOMES

CITY OF TORONTO - 416 - LOW RISE SALES

January

	# of Sales				Average Price		
	Sales	M.O.M	Y.O.Y	10 YR AVE	Average Price	M.O.M	Y.O.Y
Detached	342	-7.8%	+7.5%	-20.8%	\$1,570,520	-3.5%	+5.7%
Semi-Detached	106	-17.2%	+26.2%	-9.2%	\$1,199,531	+2.2%	+4.3%
Townhouse	131	+17.0%	+42.4%	42.4%	\$895,307	-18.7%	-8.8%
City of Toronto (416)	579	-5.2%	+17.2%	-19.3%	\$1,349,833	+1.1%	+1.1%

GREAT TORONTO AREA - 905 - LOW RISE SALES

January

	# of Sales				Average Price		
	Sales	M.O.M	Y.O.Y	10 YR AVE	Average Price	M.O.M	Y.O.Y
Detached	1,403	+22.0%	+31.6%	-10.9%	\$1,297,275	-4.0%	-0.1%
Semi-Detached	237	+20.9%	+51.9%	-15.1%	\$966,193	+3.6%	+1.8%
Townhouse	634	+24.1%	+55.8%	+8.9%	\$890,645	+2.3%	+2.8%
Greater Toronto Area (905)	2,274	+22.5%	+39.6%	-6.7%	\$1,149,399	-2.2%	-0.7%

After months of sluggish activity, the Suburbs rebounded in January. Sales activity increased by 22.5% m/m and up 40% y/y. Sales in January were only down 6.7% from our 10-year average. This may not seem to be impactful on its own, but when you consider that Sales in the 905 were typically 30-45% below the 10-year average last year, 6.7% is a welcomed change. This, however, was not reflected in prices, as the Average Price fell 2.2% from December and 0.7% from January 2022. On the ground, we are seeing Buyers coming back to the market in anticipation of future interest rate drops, but affordability remains a major issue. Bond yields have come down as much as 100 bps, leading to better fixed-rate mortgages for Buyers. This has not translated into higher prices. Homes in the city slowed in January, in contrast to the unexpected but exceptional December. Prices in the city have held with 1% m/m and y/y gains.

FREEHOLD & CONDO UPDATE

CITY OF TORONTO

TORONTO - Freehold VS Condo

FREEHOLD		CONDO	
# of Sales	579	# of Sales	883
M.O.M.	-5.2%	M.O.M.	+37.8%
Y.O.Y	+17.2%	Y.O.Y.	+46.2%
10 YR AVE	-19.3%	10 YR AVE	-11.4%
Average Price	\$1,349,833	Average Price	\$709,419
M.O.M.	-6.0%	M.O.M.	+0.0%
Y.O.Y	+1.1%	Y.O.Y.	-0.2%
New Listings	1,188	New Listings	2,237
M.O.M.	+116.8%	M.O.M.	+133.5%
Y.O.Y	+1.9%	Y.O.Y.	+22.6%
Inventory	1,280	Inventory	3,215
M.O.M.	-4.1%	M.O.M.	+5.9%
Y.O.Y	-5.8%	Y.O.Y.	+28.9%

The Condo market bounced back in the New Year. We saw a massive increase in the number of sales for January, up 39% from December and 46% from January 2022. Again, the increased activity did not result in an increase in prices and the Average Price held flat. New listings increased by a whopping 134% m/m from the record low in December. However, Inventory only increased slightly to 3,215 properties, a 6% m/m growth. On the ground, we are seeing first-time home buyers enter the condo market in search of their first property. Rents remain elevated, and with the drop in mortgage costs, many buyers decided to take the plunge into home ownership.

LET'S CONNECT



WE'RE HERE TO HELP!

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