



MARKET HANDBOOK

MAY EDITION



The Spring Market Scoop

What a spring market this was, as it took us all out of our slumber from March 2022 to the end of last year. Almost as if it didn't even skip a beat, and just resumed the expected activity of Bully Offers, Multiple Offers, and intense competition for Buyers. A Seller's market once again - as it has been for well over a decade now in Toronto.

What happened this year? We all have our own interpretations and explanations. The media headlines consistently have me dumbfounded though. Where do they get their data? Click bate, I guess. The Market Handbook breaks down the data nice and neatly. As quantitative as we can get in this business.

But to add some context to it, we have been noticing within our own client base that the consecutive rise in interest rates is preventing Sellers from upsizing their Real Estate. Affordability-wise, they cannot afford much more than what they are currently carrying (offset by rising interest rates) therefore they are staying put. Limiting the number of people selling at the moment. First-time homebuyers are trying to get in. Immigration is at a historical high. So are the rents. All these combined factors have led to a supply depletion and pent-up demand.

Although the spring market was hot, we are watching the U.S. economy quite closely. Initial projections assumed interest rates would begin to fall. But with inflation numbers released, and the recent BOC quarter-point increase, we now anticipate an additional increase next month.

The spring market ran its seasonal course, as it typically does. And the warm weather cooled the activity, as more listings hit the market over the past couple of weeks. At the tail end of the spring market, we had some Buyers cruise comfortably into some solid purchases, where they were unable to get in a month or two earlier as they were bidding against competing offers sometimes in the double digits.



After a Sellers Spring market, at the least Buyers now have a bit of a breather and some inventory selection. With a mortgage interest rate secured for 90-120 days prior to the recent interest rate increase, it is our opinion that right now is a good time to buy.

We are personally and professionally watching the U.S. dollar and economy ever so closely. Some investors are hedging against the boom of Toronto real estate and investing elsewhere, whether it be in the U.S. or abroad. But for a home to live in and a single-family residential dwelling (capital gains free investment), we still stand by staying put in the Toronto Real Estate Market.

Any questions? Feel free to reach out.

Cari & Paul

MONTHLY OVERVIEW - SALES -

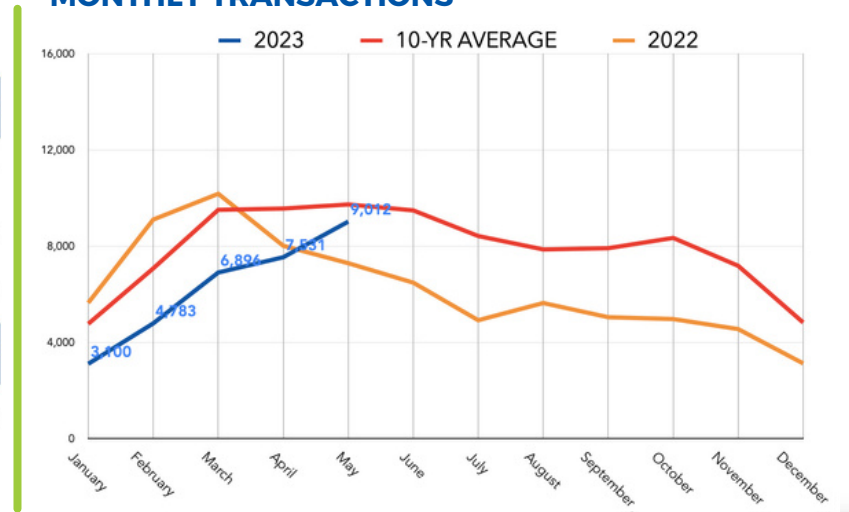
ALL HOME TYPES - GTA

NUMBER OF SALES / TRANSACTIONS

May

# of Sales	9,012
% Chg M.o.M.	+19.7%
% Chg Y.o.Y.	+23.7%
% Chg from 10 YR Ave	-7.3%
YTD Sales	31,322
% Chg from 10 YR Ave	-30.6%

MONTHLY TRANSACTIONS



Home sales continued their month-over-month climb to surpass May 2022 sales by 24%. This time last year, we were experiencing the start of eight consecutive interest rate hikes. The market was trepid, and home sales were plummeting. Fast forward a year, and home sales hit their highest monthly total at 9,012 in over a year. Sales are finally approaching historical norms, as we are only down 7% from our ten-year average. Buyers are eager to find a home again, as they have adjusted their expectations to fit their affordability.

We expect sales to slow down over the summer with the recent interest rate hike. Sales typically slow during the cottage/ vacation season, but this year will feel more pronounced with the volatility of the inflation numbers and the risk of another interest rate increase in July.

MONTHLY OVERVIEW - PRICE -

ALL HOME TYPES - GTA
AVERAGE PRICE

May

Average Price **\$1,196,101**

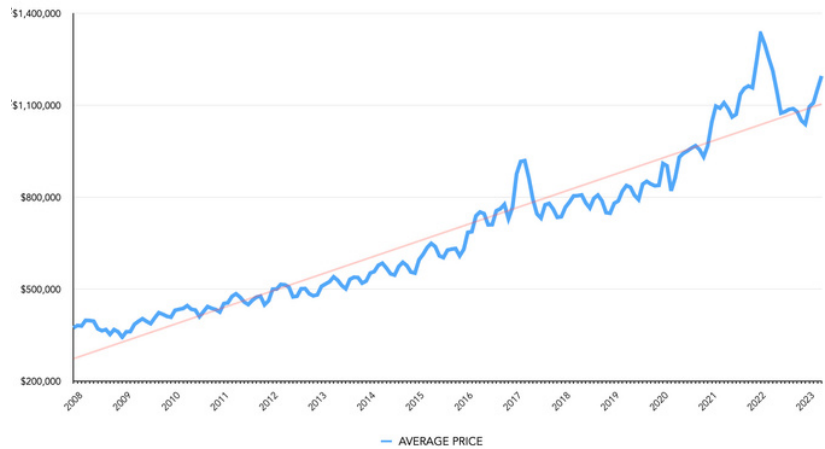
% Chg M.o.M. +3.7%

% Chg Y.o.Y. -1.4%

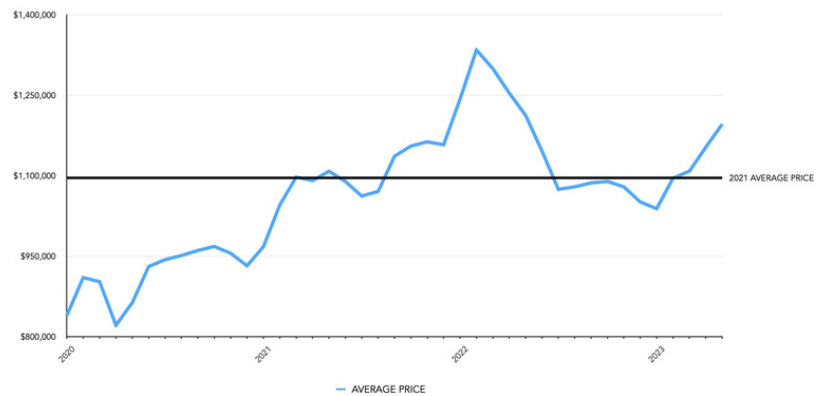
Annual Average **\$1,135,613**

% Chg -4.6%

AVERAGE PRICE FOR GTA HOME - Monthly



AVERAGE PRICE FOR GTA HOME - Last 3 Years



Average Prices have not only stabilized but have started to rise. The Average Price across the GTA hit \$1,196,101. This is a 4% increase from last month and a 14% increase to what looks like the bottom Average Price in December 2022. The Average price is now comparable to June 2022 and the Fall of 2021.

MONTHLY OVERVIEW - LISTINGS & INVENTORY

ALL HOME TYPES - GTA
NEW LISTINGS & ACTIVE INVENTORY

May

New Listings **15,194**

% Chg M.o.M. +33.7%

% Chg Y.o.Y. -18.7%

% Chg from 10 YR Ave -17.8%

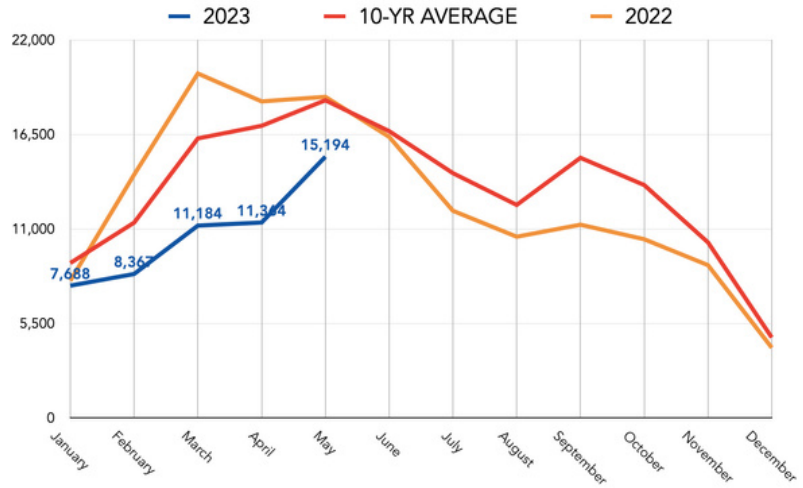
Inventory **11,868**

% Chg M.o.M. +14.4%

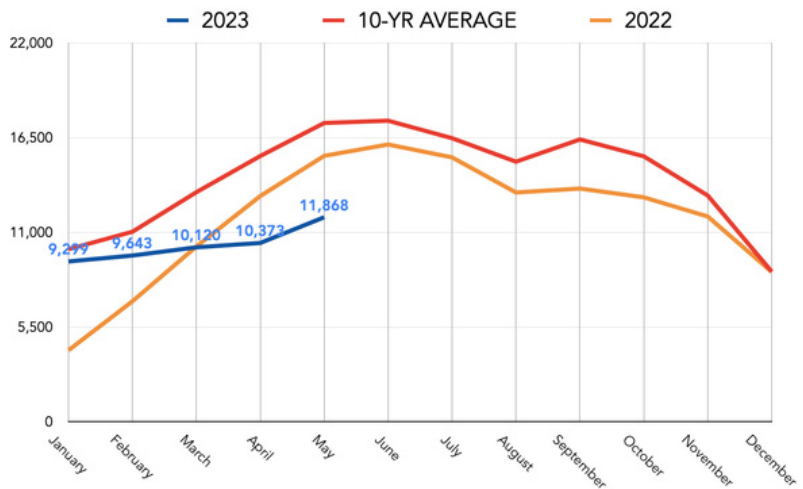
% Chg Y.o.Y. -23.1%

% Chg from 10 YR Ave -31.6%

NEW LISTINGS



ACTIVE LISTINGS



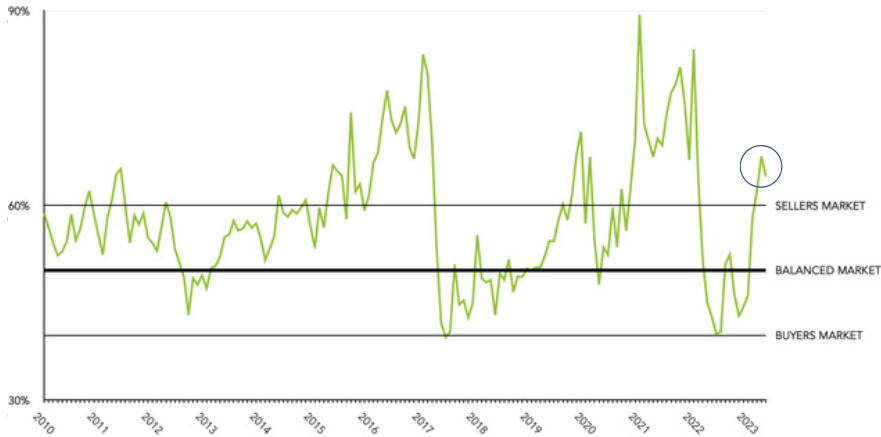
The biggest story this year for Toronto Real Estate is the lack of Inventory. We saw some relief with New Listings increasing 34% Month-over-month and Active Listings almost reaching 12,000 properties. However, Listings are still 32% off of our 10-year average.

MONTHLY OVERVIEW - RATIOS -

ALL HOME TYPES - GTA

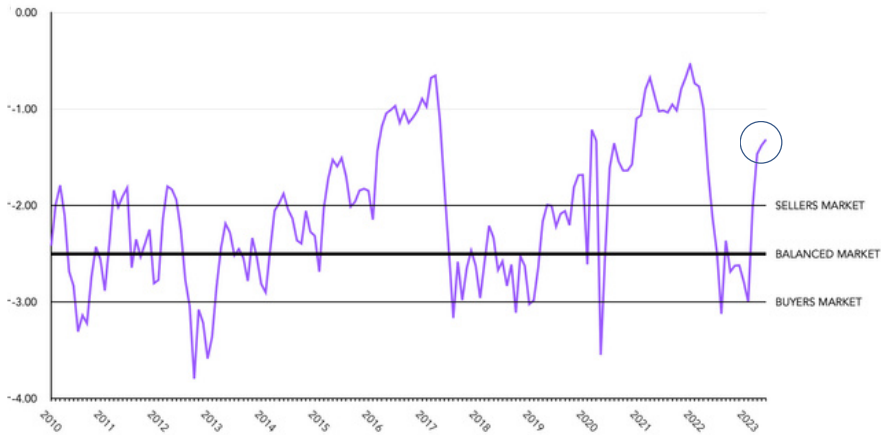
LIST TO SALE RATIO & MONTHS OF INVENTORY & SOLD OVER ASKING

SALES TO NEW LISTINGS RATIO*



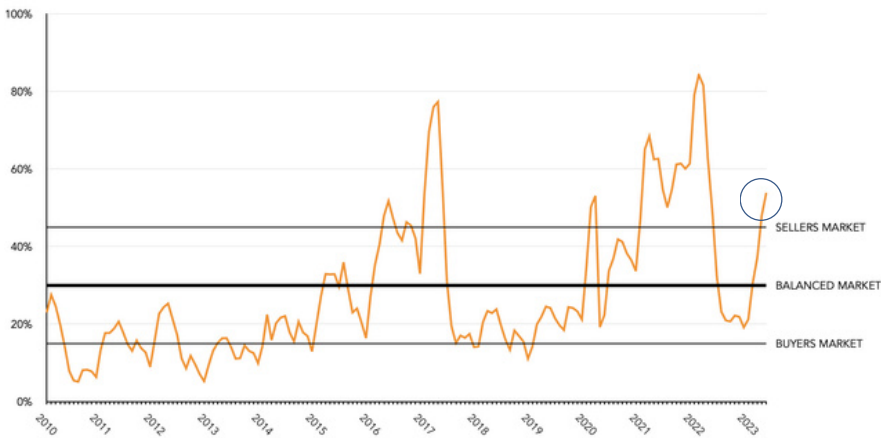
SELLERS MARKET

MONTHS OF INVENTORY - INVERTED



SELLERS MARKET

SOLD OVER ASKING RATIO



SELLERS MARKET

REGIONAL OVERVIEW - 416 VS 905 -

LOW RISE HOMES

CITY OF TORONTO - 416 - LOW RISE SALES

May

	# of Sales				Average Price		
	Sales	M.O.M	Y.O.Y	10 YR AVE	Average Price	M.O.M	Y.O.Y
Detached	970	+26.5%	19.2%	-17.6%	\$1,913,132	+7.0%	-0.1%
Semi-Detached	286	+23.3%	-9.5%	-24.1%	\$1,398,821	+5.5%	-1.9%
Townhouse	307	+14.6%	15.0%	-19.3%	\$1,068,487	+1.4%	+2.2%
City of Toronto (416)	1,563	+23.4%	+11.9%	-19.2%	\$1,653,120	+6.8%	+0.9%

GREAT TORONTO AREA - 905 - LOW RISE SALES

May

	# of Sales				Average Price		
	Sales	M.O.M	Y.O.Y	10 YR AVE	Average Price	M.O.M	Y.O.Y
Detached	3,079	+14.8%	+20.7%	-14.4%	\$1,444,234	+2.9%	+0.8%
Semi-Detached	501	+25.9%	+14.9%	-19.7%	\$1,083,651	+5.8%	+3.8%
Townhouse	1,217	+26.6%	+23.7%	+1.7%	\$986,671	+2.0%	+2.9%
Greater Toronto Area (905)	4,797	+18.7%	+20.8%	-11.5%	\$1,290,491	+2.2%	+1.4%

Sales in the 416 & 905 both increased across the board for all housing types by 19% to 24%. There was a bigger increase in Year-Over-Year Sales in the suburbs, as the 905 felt the effects of the slowing economy sooner. There was also a slight Year-over-year gains in the average price for both areas, although slight by 1% & 1.4%.

FREEHOLD & CONDO UPDATE

CITY OF TORONTO

TORONTO - Freehold VS Condo

FREEHOLD		CONDO	
# of Sales	1,563	# of Sales	1,694
M.O.M.	+23.4%	M.O.M.	+16.6%
Y.O.Y	+11.9%	Y.O.Y.	+34.0%
10 YR AVE	-19.2%	10 YR AVE	+3.6%
Average Price	\$1,653,120	Average Price	\$784,914
M.O.M.	+6.8%	M.O.M.	+4.4%
Y.O.Y	+0.9%	Y.O.Y.	-1.0%
New Listings	2,684	New Listings	3,005
M.O.M.	+35.7%	M.O.M.	+26.1%
Y.O.Y	+31.8%	Y.O.Y.	-12.0%
Inventory	1,976	Inventory	2,927
M.O.M.	+15.7%	M.O.M.	+8.4%
Y.O.Y	+22.4%	Y.O.Y.	-11.2%

Both Freehold and Condos saw an increase in their Average Price in May. The number of sales was well above last month's and even last year's numbers. While Condo sales are comparable to the ten-year average, Freehold sales still remain well below normal levels.

New Listings and Inventory are up compared to last month, which is not unexpected for the Spring Market. However, compared to last year Condo Listings came down both in New Listings and Active Listings.

LET'S CONNECT



WE'RE HERE TO HELP!

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