

REAL ESTATE MARKET REPORT

NOVEMBER 2024: TORONTO AND REGION

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The Toronto and Region residential resale market is ending 2024 positively, albeit modestly, compared to 2023. As 2023 came to an end the resale market, severely punished by high mortgage interest rates, was decelerating monthly. Last November only 4,194 residential properties were reported sold. This November sales rebounded by over 40 percent to 5,875 homes reported sold. A very welcome improvement. Year to date 64,277 properties have been reported sold throughout the greater Toronto Region. By year end we will see a marginal improvement over the 65,877 properties that sold in 2023. Based on the current pace of sales in 2024 the number of sold properties should come in at approximately 68,500. This number is substantially less than the 90,000 reported sales annually (on average) in the decade leading up to the Covid pandemic and the tumultuous market disruption that has since taken place.

All housing types saw growth in sales, including condominium apartments. Sales of detached properties increased by almost 44 percent. Semi-detached property sales increased by almost 25 percent, and, happily, condominium apartment sales were up by more than 36 percent across the Region.

Notwithstanding that condominium apartment sales increased, they were the only market sector that saw a decline in average sale prices year-over-year. In November the average sale price for condominium apartment sales throughout the Region came in at \$689,599, 2.5 percent lower than last November. In the City of Toronto, the average sale price for condominium apartments came in at \$713,364. In the central districts of the City, which account for more than 65 percent of all condominium apartment sales, the average sale price came in at \$748,155. Last November the average sale price was \$762,194. By comparison at the peak of the pandemic market, in November of 2021, the average sale price for condominium apartments in the City's central districts was \$807,443.

Sale prices for ground level properties have , as we move towards the end of the year, strengthened. In November the average sale prices for detached properties in the City of Toronto came in at almost \$1,700,000, and semi-detached properties at almost \$1,250,000, 5.9 percent and 2.8 percent higher, respectively, compared to last year.

As the year winds down, inventories of available properties are still higher than in the historical past, particularly through the pandemic, but declining. In September, there were 25,612 properties available for sale in the Toronto Region. In November that number dropped to 21,818. This is due, no doubt, to sellers anticipating better selling conditions in early 2025.

The pace of sales slowed in November. Last year all properties in the Toronto Region sold in 25 days. This year properties (on average) remained on the market for 31 days before being reported sold. All properties sold for 99 percent of the asking price, although depending on the type of property and location the speed of sales was faster, and at sale prices at or even higher than asking prices.

Detached properties in the City of Toronto sold in only 25 days, but at 98 percent of their asking prices, no doubt because of the lofty sale prices for these types of properties. In the City's central districts, the average sale price for detached properties came in at \$2,5098,026. Semi-detached properties continued to be the most sought-after housing type. In the City of Toronto all semi-detached properties sold in only 21 days and for 103 percent of their asking price. In Toronto's eastern trading districts (Riverdale, Leslieville, the Beaches) all semi-detached properties sold in only 19 days and for 107 percent of their asking price. It is interesting to note that at the end of November there were only 1,110 semi-detached listed properties in the entire Toronto Region, and only 428 in the City of Toronto. Given the affordability issues faced by most buyers, semi-detached properties offer the most desirable housing form for a price point that is still in reach of many buyers. The average sale price of all semi-detached properties in the 905 region was \$1,077,254, and slightly higher at \$1,248,000 in the City of Toronto.

YEAR-OVER-YEAR SUMMARY			
	2024	2023	% Change
Sales	5,875	4,194	40.1%
New Listings	11,592	10,870	6.6%
Active Listings	21,818	16,754	30.2%
Average Price	\$1,106,050	\$1,077,891	2.6%
Average DOM	31	25	24.0%

Source: TRREB 2024

In early December the Bank of Canada will be meeting to review its benchmark rate. It is widely anticipated that the Bank will reduce its rate minimally by 0.25 percent to potentially as high as 0.50 percent, bringing the overnight rate to as low as 3.25 percent. The impact on mortgage interest rates will be minimal, but some improvement is expected.

In addition to the reduction in the Bank of Canada's overnight lending rate, two mortgage reforms by the Federal Government will take effect on December 15th. These reforms will enable buyers to access lower mortgage payments. Firstly, the cap for insured mortgages will be increased from \$1 million to \$1.5 million, which reflects housing reality costs in the Toronto Region. Secondly, the new reforms will expand eligibility for 30 years amortization periods to all first-time buyers and buyers of new builds.

The combination of lower mortgage interest rates, a higher cap for insured mortgages and longer amortization periods will act as a further stimulant to the moribund resale market that buyers and sellers have been experiencing over the last 18 months.