

MARKET ADJUSTS TO HIGHER BORROWING COSTS IN APRIL

TORONTO, ONTARIO, MAY 4, 2022 – The Greater Toronto Area (GTA) housing market continued its adjustment to higher borrowing costs, with the number of transactions down on a monthly and annual basis. As has been the case with previous rate tightening cycles, some home buyers have moved to the sidelines to determine how they will reposition themselves in the marketplace given the higher rate environment and related impact on affordability.

“Based on the trends observed in the April housing market, it certainly appears that the Bank of Canada is achieving its goal of slowing consumer spending as it fights high inflation. Negotiated mortgage rates rose sharply over the past four weeks, prompting some buyers to delay their purchase. Moving forward, it will be interesting to see the balance the Bank of Canada strikes between combatting inflation versus stunting economic growth and related government revenues as we continue to recover from and pay for pandemic-related programs,” said TRREB President Kevin Crigger.

GTA REALTORS® reported 8,008 homes sold through TRREB’s MLS® System in April 2022 – a 41.2 per cent decrease compared to April 2021 and a 27 per cent decrease compared to March 2022. On a year-over-year basis, the decline in sales was greater in the ‘905’ area code regions surrounding Toronto, particularly for detached houses.

The MLS® Home Price Index Composite Benchmark was up by 30.6 per cent year-over-year in April 2022. The benchmark level in April was down in comparison to the March level. The average selling price, at \$1,254,436, was up by 15 per cent compared to April 2021, but down compared to the average selling price of \$1,300,082 in March 2022.

“Despite slower sales, market conditions remained tight enough to support higher selling prices compared to last year. However, in line with TRREB’s forecast, there is evidence of buyers responding to increased choice in the marketplace, with the average and benchmark prices dipping month-over-month. It is anticipated that there will be enough competition between buyers to support continued price growth relative to 2021, but the annual pace of growth will moderate in the coming months,” said TRREB Chief Market Analyst Jason Mercer.

“Policymakers should not assume that because home sales are off their record peak, we can ignore the lack of inventory in the market. Buyers who have moved to the sidelines will not remain there forever, and the population of our region will continue to grow on the back of immigration. In the absence of new supply, we will build a significant amount of pent-up demand that will need to be satisfied in the not-too-distant future. The ability to increase and diversify our housing supply needs to be a key area of debate in our upcoming provincial and municipal elections,” said TRREB CEO John DiMichele.

Summary of TRREB MLS® System Sales and Average Price April 1–30, 2022

	2022			2021		
	Sales	Average Price	New Listings	Sales	Average Price	New Listings
City of Toronto ("416")	3,024	1,243,070	6,164	4,675	1,087,192	7,483
Rest of GTA ("905")	4,984	1,261,332	12,249	8,938	1,092,098	13,358
GTA	8,008	1,254,436	18,413	13,613	1,090,414	20,841

TRREB MLS® System Sales & Average Price by Home Type April 1–30, 2022

	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	868	2,732	3,600	1,947,975	1,526,791	1,628,343
Yr./Yr. % Change	-34.0%	-47.2%	-44.5%	14.9%	16.8%	17.5%
Semi-Detached	311	491	802	1,494,640	1,110,142	1,259,243
Yr./Yr. % Change	-35.7%	-39.6%	-38.2%	14.1%	19.9%	17.8%
Townhouse	335	1,033	1,368	1,086,986	997,416	1,019,350
Yr./Yr. % Change	-41.6%	-44.1%	-43.5%	15.0%	20.0%	18.8%
Condo Apartment	1,488	685	2,173	820,835	722,601	789,869
Yr./Yr. % Change	-34.5%	-32.2%	-33.8%	12.8%	18.0%	14.1%

April 2022 Year-Over-Year Per Cent Change in the MLS® HPI

	Composite (All Types)	Single-Family Detached	Single-Family Attached	Townhouse	Apartment
TRREB Total	30.58%	29.93%	30.05%	30.69%	31.42%
Halton Region	24.31%	22.70%	24.38%	21.50%	28.09%
Peel Region	35.48%	34.69%	34.54%	33.65%	39.15%
City of Toronto	25.57%	22.57%	19.55%	29.14%	28.28%
York Region	34.90%	32.51%	36.00%	35.38%	39.54%
Durham Region	37.63%	37.16%	37.03%	37.15%	45.48%
Orangeville	31.64%	29.03%	30.40%	44.03%	48.20%
South Simcoe County¹	29.77%	30.84%	36.97%	41.21%	42.99%

Source: Toronto Regional Real Estate Board

¹South Simcoe includes Adjala-Tosorontio, Bradford West Gwillimbury, Essa, Innisfil and New Tecumseth

Year-to-Date Summary of TRREB MLS® System Sales and Average Price April 2022

	2022			2021		
	Sales	Average Price	New Listings	Sales	Average Price	New Listings
City of Toronto ("416")	12,465	1,196,454	20,712	16,182	1,028,257	22,979
Rest of GTA ("905")	21,145	1,343,292	39,896	30,875	1,082,661	45,193
GTA	33,610	1,288,834	60,608	47,057	1,063,953	68,172

YTD TRREB MLS® System Sales & Average Price by Home Type April 2022

	Sales			Average Price		
	416	905	Total	416	905	Total
Detached	3,220	11,390	14,610	1,960,563	1,644,225	1,713,945
Yr./Yr. % Change	-23.0%	-35.0%	-32.7%	15.4%	25.5%	23.7%
Semi-Detached	1,046	1,930	2,976	1,509,759	1,203,831	1,311,358
Yr./Yr. % Change	-25.9%	-32.0%	-30.0%	16.9%	29.9%	25.2%
Townhouse	1,246	4,409	5,655	1,106,850	1,072,316	1,079,925
Yr./Yr. % Change	-28.0%	-29.8%	-29.4%	19.5%	28.4%	26.3%
Condo Apartment	6,866	3,229	10,095	812,173	743,623	790,247
Yr./Yr. % Change	-21.5%	-18.0%	-20.4%	17.8%	26.8%	20.2%

Source: Toronto Regional Real Estate Board

Seasonally Adjusted TRREB MLS® Sales and Average Price¹

		Month-over-Month		Month-over-Month %
	Sales	% Chg.	Average Price	Chg.
April '21	10,211	-20.4%	\$1,046,940	-3.5%
May '21	9,665	-5.3%	\$1,061,824	1.4%
June '21	9,025	-6.6%	\$1,064,454	0.2%
July '21	9,067	0.5%	\$1,077,051	1.2%
August '21	8,872	-2.2%	\$1,106,990	2.8%
September '21	9,051	2.0%	\$1,132,060	2.3%
October '21	9,943	9.9%	\$1,151,104	1.7%
November '21	9,708	-2.4%	\$1,181,906	2.7%
December '21	9,683	-0.3%	\$1,216,869	3.0%
January '22	9,494	-2.0%	\$1,283,300	5.5%
February '22	10,530	10.9%	\$1,298,961	1.2%
March '22	8,626	-18.1%	\$1,285,534	-1.0%
April '22	6,367	-26.2%	\$1,202,819	-6.4%

Source: Toronto Regional Real Estate Board; CREA Seasonal Adjustment. ¹ Preliminary seasonal adjustment undertaken by the Canadian Real Estate Association (CREA). Removing normal seasonal variations allows for more meaningful analysis of monthly changes and underlying trends.

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