

*move smartly*

TORONTO REAL ESTATE NEWS, DATA & INSIGHTS

# The Move Smartly Report

## August 2022

Top Data Trends & Key Stories  
in Toronto Area Real Estate Right Now

**John Pasalis**

President, Realosophy Realty

**Realosophy**  
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## ABOUT THE AUTHOR



**John Pavalis** is the President of Realosophy, a Toronto real estate brokerage which uses data analysis to advise residential real estate buyers, sellers and investors. John is a frequent commentator on the Toronto housing market and real estate consumer and industry issues. His research has been shared with the IMF and cited by the Bank of Canada and the Canadian Mortgage and Housing Corporation (CMHC).

John holds a B.Sc. in Economics from the University of Toronto, an M.Sc. in Business and Management Research from the University of Reading and is Doctoral Candidate in Business Administration at the University of Toronto and the University of Reading where he is researching housing markets.

### Contact John

[john@realosophy.com](mailto:john@realosophy.com)

647-347-7325

[www.realosophy.com](http://www.realosophy.com)

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# The Market Now

Looking at the most recent statistics for the Toronto area market for July 2022, we see a continuation of the market downturn we have been seeing since March.

The average price for a house was \$1,285,222 in July, down from the most recent peak of \$1,679,429 in February, and down 1% over last year, marking the first time prices have been down year-over-year since they began their downward trend in March. The median house price in July was \$1,125,000, down from \$1,485,000 in February, and down 2% over last year.

House sales in July were down 46% over last year. New house listings were unchanged compared to last year. The number of houses available for sale at the end of the month, or active listings, was up 80% over last year.

The average price for a condo fell to \$738,930 in July, down from the most recent peak of \$840,444 in March, but still up 7% over last year. The median price for a condo in July was \$688,000, down from \$777,000 in March, but again up 7% over last year.

Condo sales in July were down 49% over last year and below pre-COVID sales volumes for the month in 2019. New condo listings were down 11% over last year while the number of active condo listings was up 34% over last year.

For detailed monthly statistics for the Toronto Area, including house, condo and regional breakdowns, see the final section of this report.

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Join John Pasalis, report author in a monthly webinar as he discusses key highlights from this report, with added observations about new emerging issues, and answers your questions. A must see for well-informed Toronto area real estate consumers.

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## On The Ground

# City of Toronto House Prices Fall to Pre-COVID Levels

Consistent with the market stats for July (see section above), we continued to see many of the same on the ground trends in the Greater Toronto Area (GTA) — very few active buyers, fewer showings, downward pressure on prices — in July.

However, one change we are now seeing on the ground is renewed interest from buyers who are interested in beginning or restarting their home search in September. While this is normally a typical seasonal trend, it is notable now because it wasn't clear a month ago if we would see the resumption of this typical trends, given the historic increase in interest rates and downward pressure on home prices we have been experiencing.

We are also likely to see an increase in the number of homes listed for sale in September which is also a typical seasonal trend. Whether home prices continue to trend down or stabilise will largely depend on how demand changes relative to any change in new listings. If buyer demand grows at a faster rate than new listings, we may see some stability in home prices as we move into the fall market.

The other interesting trend I have been observing on the ground for most of July has now started to appear in the latest monthly sales data. While data was previously showing that average and median prices for low-rise houses were back to last year's levels, many of the actual sale prices I was seeing in a number of different neighbourhoods in the City of Toronto looked well below last year's prices.

This month's sales data shows that the City of Toronto is the only municipality in the Greater Toronto Area (GTA) where house prices have fallen back close to pre-COVID pandemic levels (the median price for low-rise Toronto homes in July 2022 was \$1.433M compared to 1.407M in Feb 2020, prior to the first pandemic-related lockdown in Canada). Median prices in July 2022 are still above pre-pandemic prices in every other GTA municipality.

However, compared to other GTA municipalities, the City of Toronto has not experienced as large a decline in prices since February because prices there saw the slowest rate of appreciation during the COVID market boom (a price increase of 30% across in the GTA over two years); in the City of Toronto, a 21% decline has been enough to set prices back to February 2020 levels.

See the Data Dive section in this report for more details.

## Key Issue

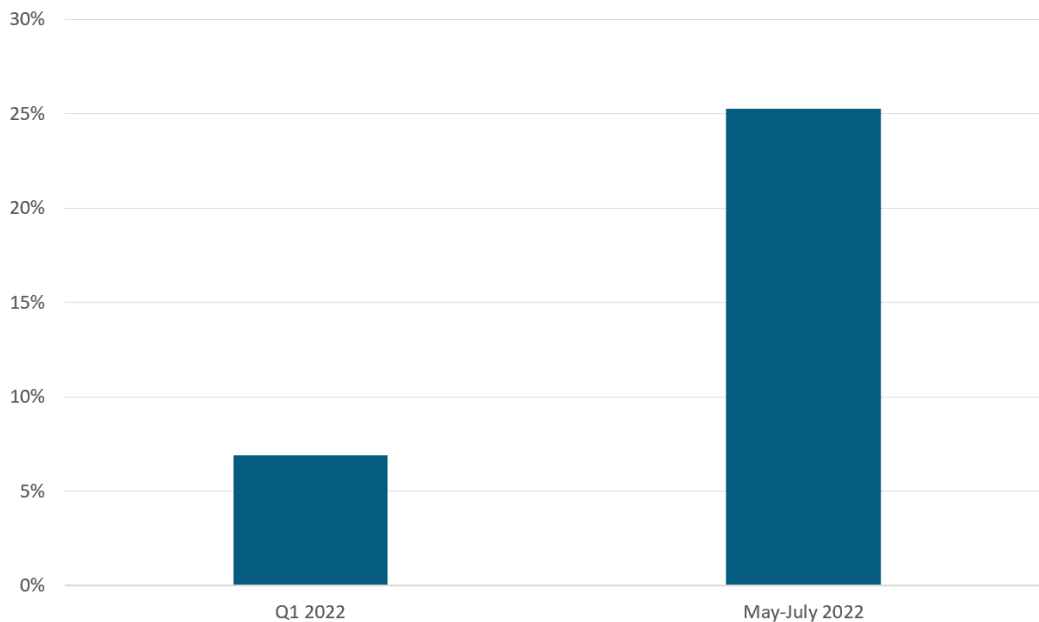
# More Options for First-Time Buyers Looking for a Family Home

In Canada, homes that sell for over \$1 million require a minimum 20% down payment while homes selling for under this amount can be purchased with as little as 5% down — and it's this difference that makes the \$1M threshold an important one for most first-time buyers.

During the first quarter of 2022, first-time buyers looking for a 3-bedroom family low-rise house for under \$1M had very few options as these houses made up just 7% of all low-rise house sales. Over the past three months, these houses have now come to account for 25% of all sales.

### 3 Bedroom Low-Rise Houses Sold Under \$1M in the GTA

As a % of Total Low-Rise Sales



The table below shows the number of 3-bedroom low-rise houses that sold during the first quarter compared to the number of sales over the most recent previous three months, sorted by the municipalities seeing the biggest % change in sales in this category.

<b>Municipality</b>	<b>Q1 - 2022</b>	<b>May-July 2022</b>
Richmond Hill	0	21
Whitchurch-Stouffville	1	22
Vaughan	2	36
Caledon	2	29
Aurora	3	32
Mississauga	15	148
Markham	2	19
Oakville	4	37
Burlington	13	85
Toronto	69	401
Ajax	44	177
Pickering	24	91
Whitby	60	214
Milton	29	98
Newmarket	21	66
Brampton	169	530
East Gwillimbury	8	23
Halton Hills	23	63
Uxbridge	4	9
Scugog	12	24
Clarington	137	268
Oshawa	284	461
Georgina	72	96
King	3	4
Brock	29	22



This significant increase in the share of house sales under \$1M means that many families who were priced out of buying a 'starter home' just a few months ago due to limits to their down payment (and/or income) are finding more options in today's market, particularly in areas showing the most change (as seen in the table above).

However, these falling prices have come with a cost — today's home buyers find themselves paying a much higher interest rate on their mortgage which imposes a budgetary limit on their home buying costs as their monthly payments rise.

# These GTA Cities Are Seeing the Biggest Drop in House Prices

As discussed in this and my past few reports, Greater Toronto Area (GTA) low-rise house prices have seen a sudden and dramatic decline in prices since peaking earlier this year in February 2022.

In this month's data dive, we will take a closer look at how much median house prices are down across each of the municipalities in the Greater Toronto Area.

The reason I'm looking at median prices for this investigation is because average prices sometimes lead to overly dramatic headlines, such as [this one](#) for King City earlier this month. Focusing on median prices allows us to measure the price changes in a way that is more indicative of actual market trends.

As I state in our Monthly Statistic section at the end of each report, the median price is calculated by ordering all the sale prices in a given month and then selecting the price that is in the midpoint of that list such that half of all home sales were above that price and half are below that price. Economists often prefer the median price over the average because it is less sensitive to big increases in the sale of high-end or low-end homes in a given month which can skew the average price.

Before looking at the municipalities that have been hardest hit over the past five months, I thought it would be helpful to first look back to see which municipalities saw the biggest rise in house prices during the COVID-19 pandemic period.

Since February 2020 was the last full month of home sales before the province of Ontario introduced their first COVID-19 related lockdown, this month was used as the median pre-COVID house price for each municipality. Prices in the GTA peaked in February 2022 (and condos prices in March 2022), making the COVID housing boom period exactly two years.

The table below shows the two-year appreciation in median house prices for the municipalities in the Greater Toronto Area.

Region	Municipality	Feb-20	Feb-22	2 Year % Change
Durham	Scugog	\$ 704,500	\$ 1,525,000	116%
Durham	Brock	\$ 489,900	\$ 1,040,000	112%
York	King	\$ 1,315,500	\$ 2,775,000	111%
York	East Gwillimbury	\$ 780,000	\$ 1,550,000	99%
Durham	Oshawa	\$ 568,000	\$ 1,123,000	98%
Durham	Whitby	\$ 709,000	\$ 1,385,000	95%
York	Georgina	\$ 597,000	\$ 1,150,000	93%
Durham	Clarington	\$ 600,000	\$ 1,150,000	92%
Peel	Caledon	\$ 925,000	\$ 1,711,000	85%
York	Stouffville	\$ 855,000	\$ 1,552,000	82%
Durham	Ajax	\$ 729,000	\$ 1,305,000	79%
Durham	Pickering	\$ 764,000	\$ 1,365,000	79%
Durham	Uxbridge	\$ 849,000	\$ 1,475,000	74%
Halton	Milton	\$ 797,000	\$ 1,383,000	74%
York	Newmarket	\$ 818,000	\$ 1,417,500	73%
Peel	Brampton	\$ 798,000	\$ 1,380,000	73%
York	Aurora	\$ 940,500	\$ 1,610,555	71%
Halton	Burlington	\$ 890,000	\$ 1,515,000	70%
Halton	Oakville	\$ 1,117,600	\$ 1,830,000	64%
York	Markham	\$ 1,118,888	\$ 1,750,000	56%
Peel	Mississauga	\$ 980,000	\$ 1,526,000	56%
Halton	Halton Hills	\$ 875,000	\$ 1,327,500	52%
York	Richmond Hill	\$ 1,150,000	\$ 1,735,500	51%
York	Vaughan	\$ 1,190,000	\$ 1,750,000	47%
Toronto	Toronto	\$ 1,197,000	\$ 1,560,000	30%

It's worth noting that the three municipalities with the highest price appreciation typically have relatively few sales in any given month (15 to 30 sales each month), which can skew even the median. That being said, the trend is clear that many municipalities saw house prices roughly double in just two years with the worst performing suburban municipalities still showing a roughly 50% increase in prices over two years; notably, the City of Toronto saw prices rise 30% over the two years, well below the price growth seen in the suburbs.

The chart below shows the dollar and percentage decline in median house prices since the peak in February 2022. Note that many of the regions that saw the most rapid increase in prices (in the table above) are seeing the biggest decline in price in this table below.

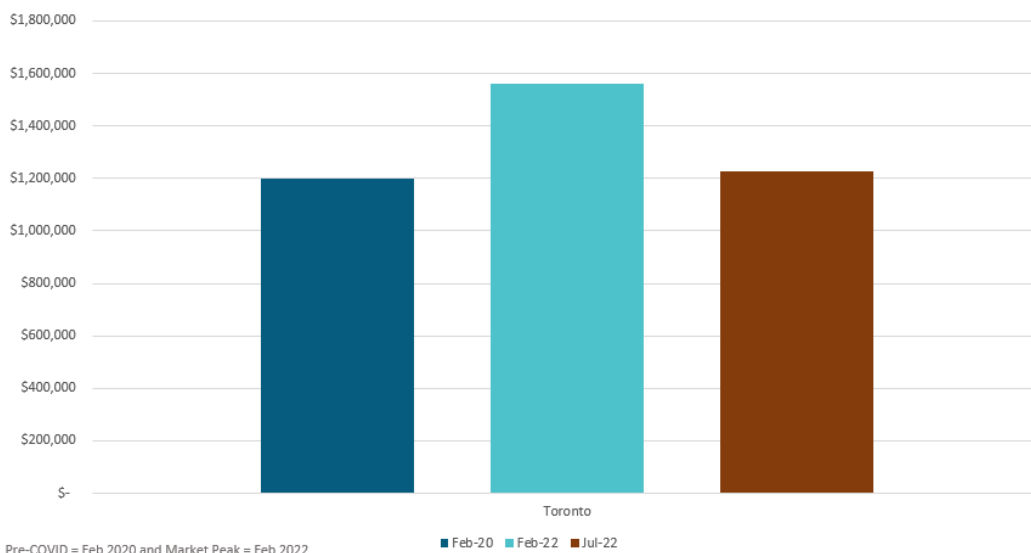
Region	Municipality	Feb-22	Jul-22	% Decline From Peak
Durham	Brock	\$ 1,040,000	\$ 634,400	-39%
Durham	Scugog	\$ 1,525,000	\$ 950,000	-38%
York	King	\$ 2,775,000	\$ 1,862,500	-33%
Durham	Oshawa	\$ 1,123,000	\$ 762,500	-32%
York	Stouffville	\$ 1,552,000	\$ 1,091,750	-30%
Durham	Whitby	\$ 1,385,000	\$ 976,000	-30%
Peel	Caledon	\$ 1,711,000	\$ 1,240,000	-28%
Durham	Clarington	\$ 1,150,000	\$ 835,000	-27%
Halton	Oakville	\$ 1,830,000	\$ 1,335,000	-27%
York	Georgina	\$ 1,150,000	\$ 840,000	-27%
Durham	Ajax	\$ 1,305,000	\$ 955,000	-27%
Peel	Brampton	\$ 1,380,000	\$ 1,010,000	-27%
Durham	Pickering	\$ 1,365,000	\$ 1,000,050	-27%
Halton	Milton	\$ 1,383,000	\$ 1,050,000	-24%
York	Aurora	\$ 1,610,555	\$ 1,238,000	-23%
York	Vaughan	\$ 1,750,000	\$ 1,355,000	-23%
Durham	Uxbridge	\$ 1,475,000	\$ 1,145,000	-22%
Peel	Mississauga	\$ 1,526,000	\$ 1,185,000	-22%
York	East Gwillimbury	\$ 1,550,000	\$ 1,207,500	-22%
York	Newmarket	\$ 1,417,500	\$ 1,112,500	-22%
Toronto	Toronto	\$ 1,560,000	\$ 1,225,000	-21%
Halton	Burlington	\$ 1,515,000	\$ 1,200,000	-21%
York	Markham	\$ 1,750,000	\$ 1,399,000	-20%
Halton	Halton Hills	\$ 1,327,500	\$ 1,065,000	-20%
York	Richmond Hill	\$ 1,735,500	\$ 1,460,000	-16%

If we look to see which municipalities have median house prices today that are closest to their pre-COVID level, there's only one municipality that stands out — the City of Toronto.

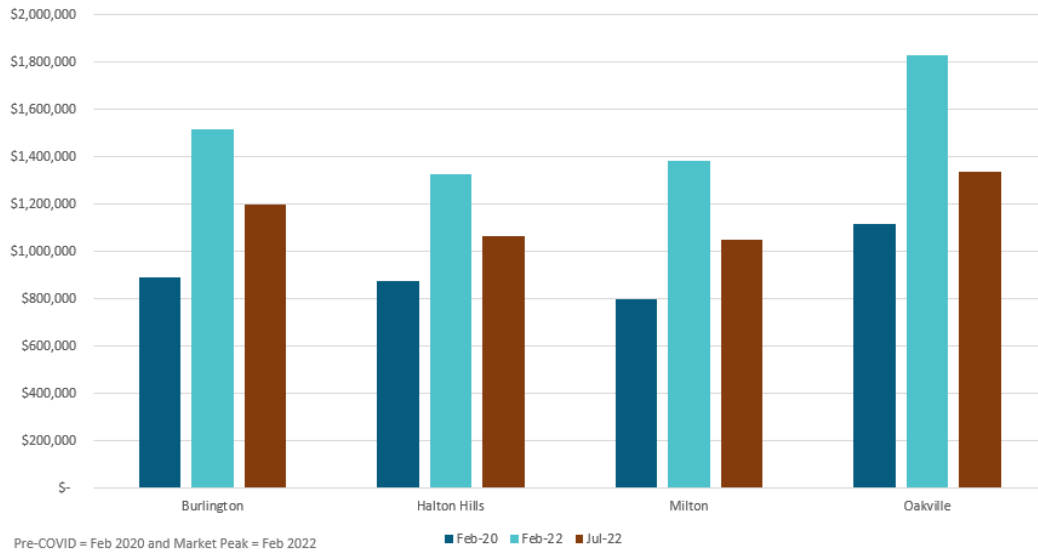
Median house prices in the City of Toronto in July of this year were just \$28,000 above their pre-COVID level in February 2020. Even though the City of Toronto's 21% decline in median prices was among the lowest in the GTA, the 21% decline set prices back to just above their pre-COVID level because the city had the lowest rate of appreciation of all the municipalities during the COVID boom (as discussed in the 'In the Ground' section in this report).

The following charts compare the median house price for each municipality in February 2020 (pre-COVID), February 2022 (the Covid-boom market peak) and last month.

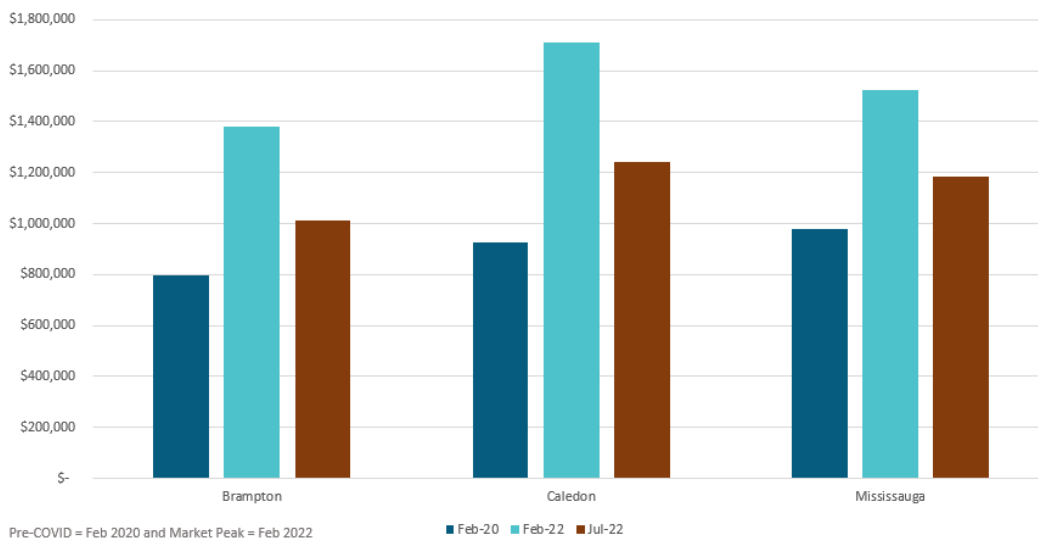
**Median Low-Rise House Price in the City of Toronto**  
Pre-COVID, Market Peak and July 2022\*

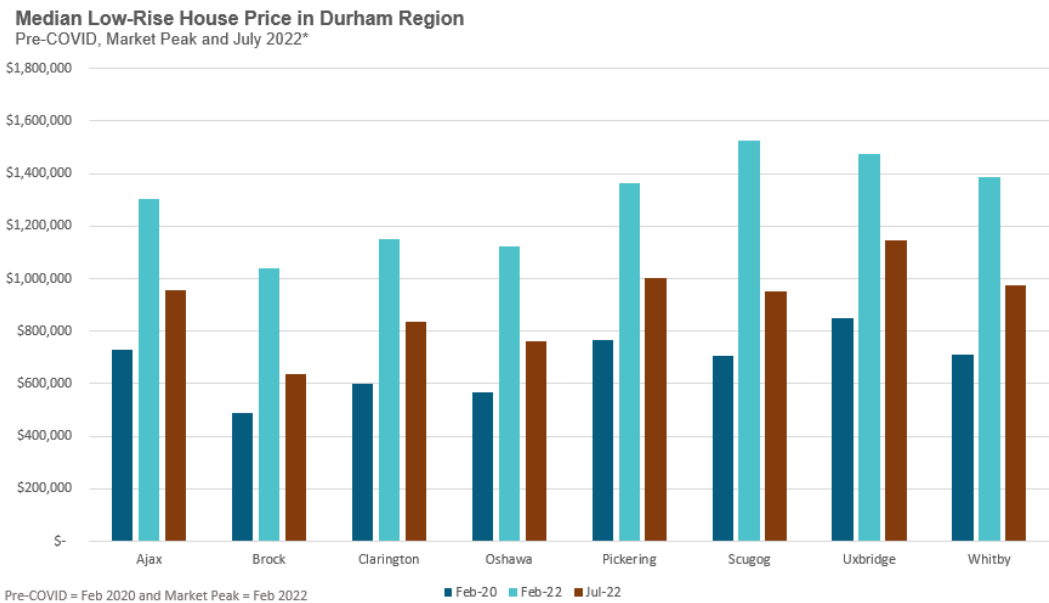
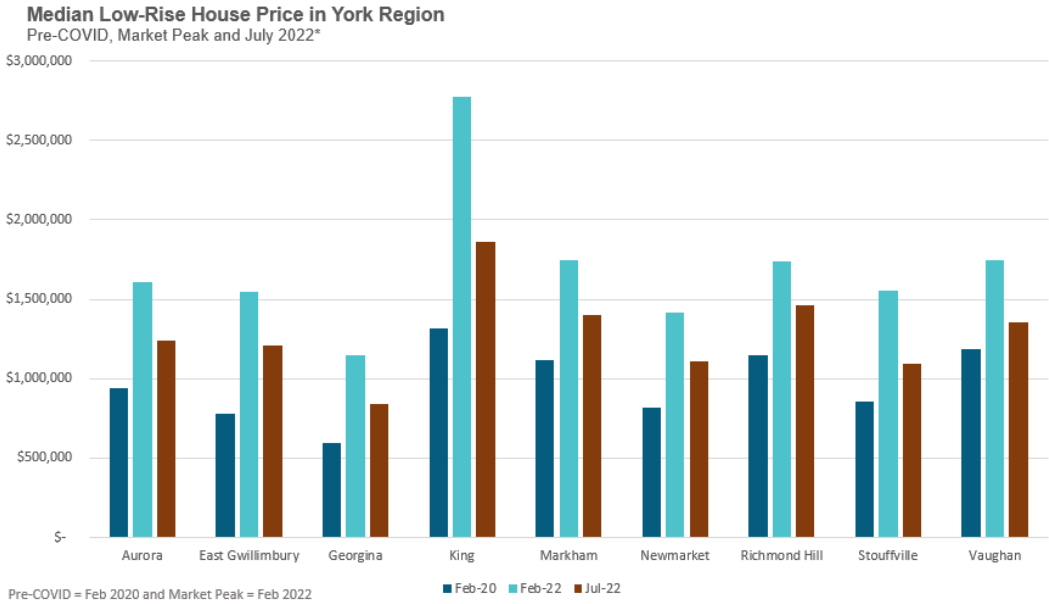


**Median Low-Rise House Price in Halton Region**  
Pre-COVID, Market Peak and July 2022\*



**Median Low-Rise House Price in Peel Region**  
Pre-COVID, Market Peak and July 2022\*





As these charts again show, municipalities that have experienced the biggest price rises during the boom have experienced the biggest drops — as we move into the fall market, we will need to see if prices begin to fall further to erase more of the gains seen during the boom throughout the GTA, or begin to stabilize as consumers begin to adjust to our 'new normal'.



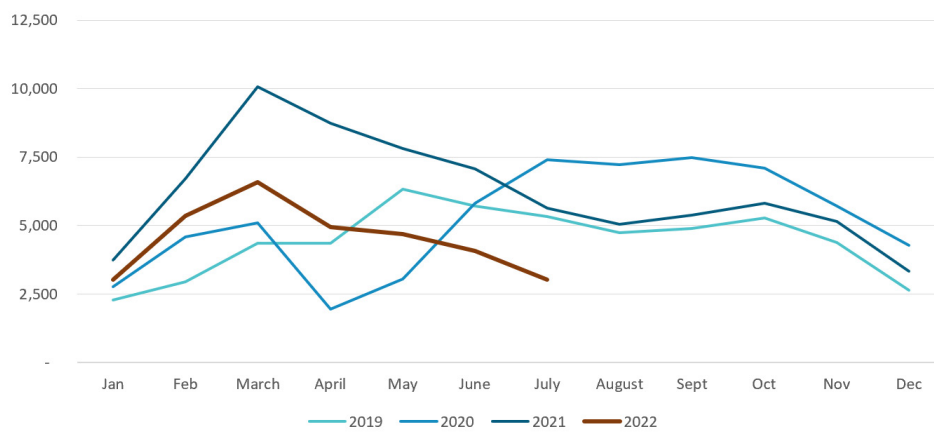
## Monthly Statistics

# House Statistics

House sales (low-rise detached, semi-detached, townhouse, etc.) in the Greater Toronto Area (GTA) in July 2022 were down 46% over the same month last year and represents a 20-year low for the month of July.

**Number of Sales - Toronto Area**

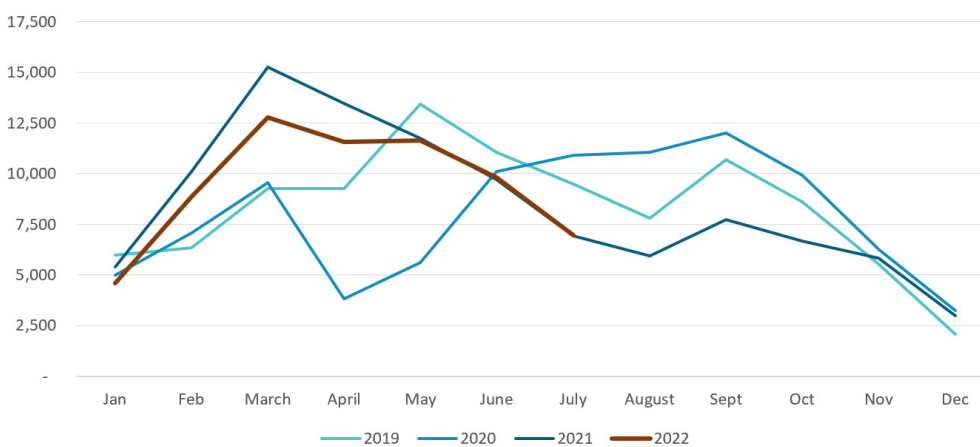
Houses



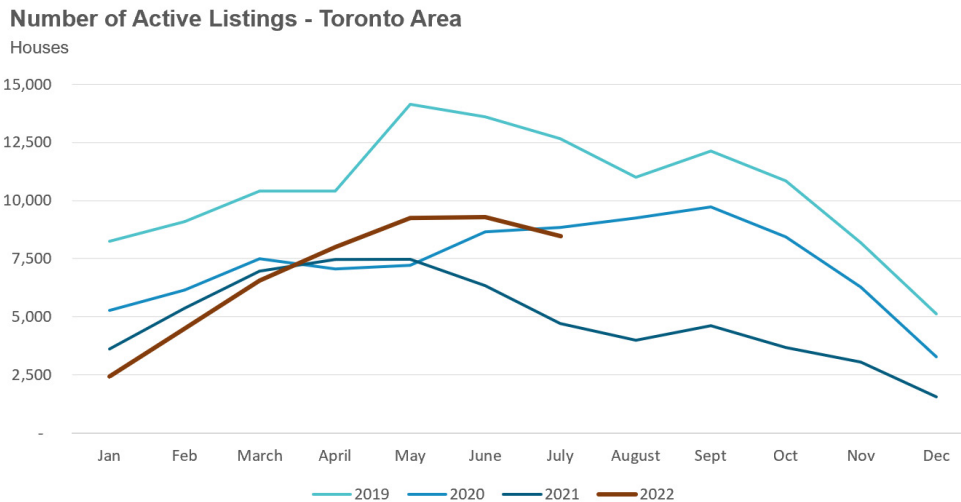
New house listings in July were unchanged compared to last year, but below typical new listing volumes for the month of July.

**Number of New Listings - Toronto Area**

Houses



The number of houses available for sale (“active listings”) was up 80% when compared to the same month last year, but still 33% below pre-COVID levels in 2019.



The Months of Inventory ratio (MOI) looks at the number of homes available for sale in a given month divided by the number of homes that sold in that month. It answers the following question: If no more homes came on the market for sale, how long would it take for all the existing homes on the market to sell given the current level of demand?

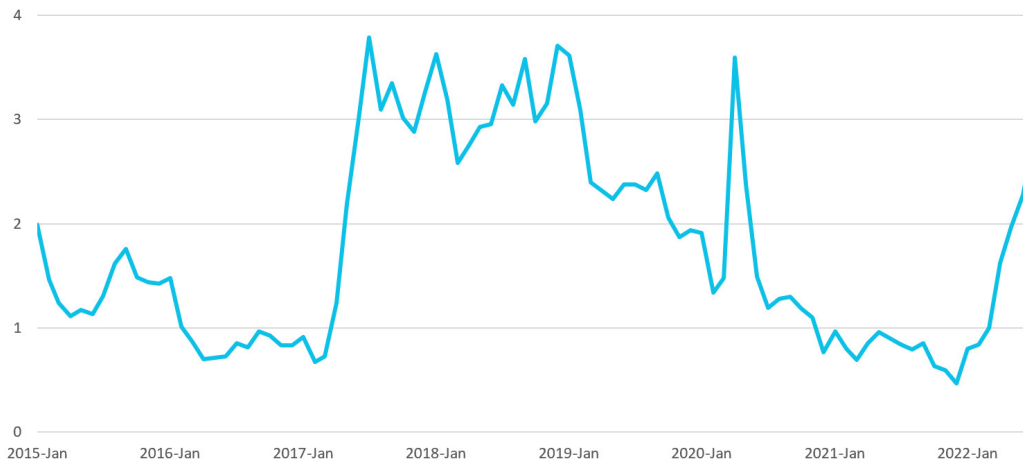
The higher the MOI, the cooler the market is. A balanced market (a market where prices are neither rising nor falling) is one where MOI is between four to six months. The lower the MOI, the more rapidly we would expect prices to rise.

While the current level of MOI gives us clues into how competitive the market is on-the-ground today, the direction it is moving in also gives us some clues into where the market may be heading.

The MOI was just below 1 in March, but has increased quickly and ended July with 2.8 MOI. The fact that the MOI has been rising rapidly since March is a sign that the market is cooling down just as rapidly.

### Months of Inventory - Toronto Area

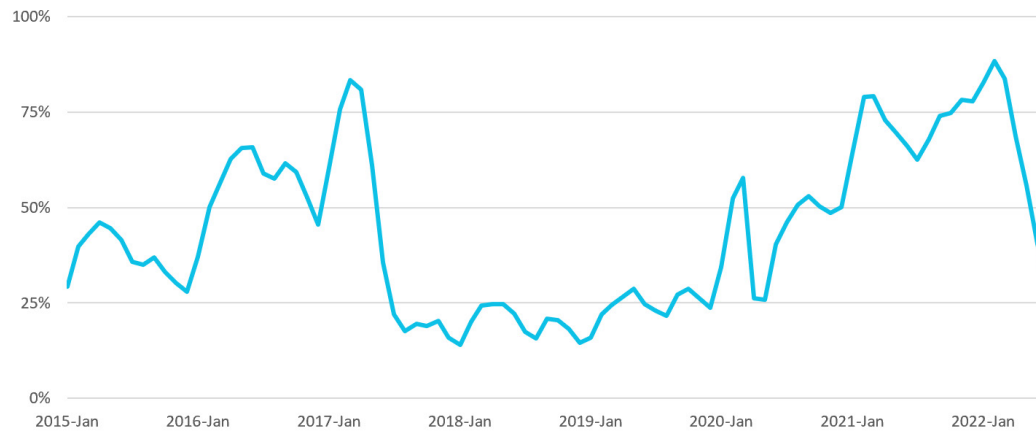
Houses



The share of houses selling for more than the owner's asking price declined to 29% in July.

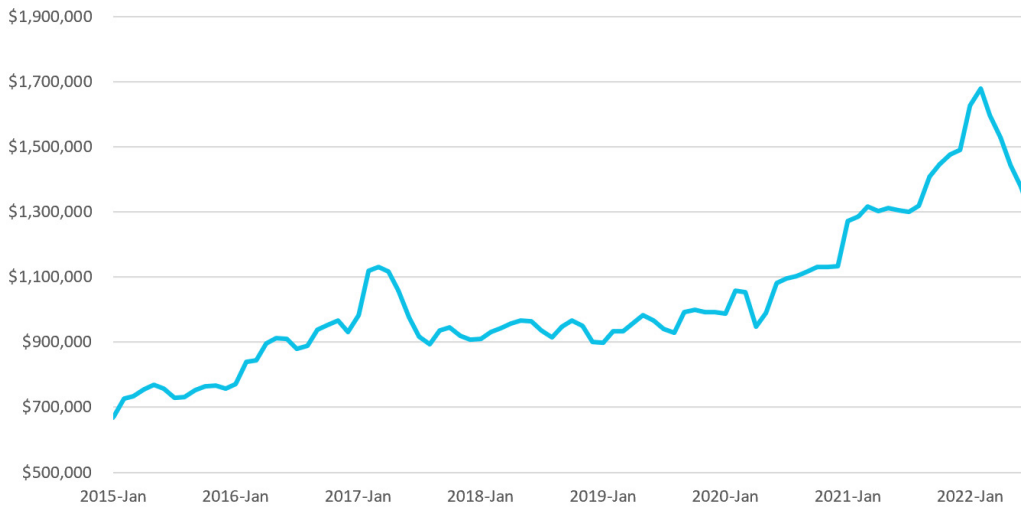
### Percent of Sales Above the Asking Price - Toronto Area

Houses



The average price for a house declined month-over-month to \$1,285,222 in July 2022 and is well below the peak of \$1,679,429 reached in February. The average price was down 1% when compared to the same month last year, the first time prices were down on a year-over-year basis since they began to decline this year.

### Average Sale Price - Toronto Area Houses



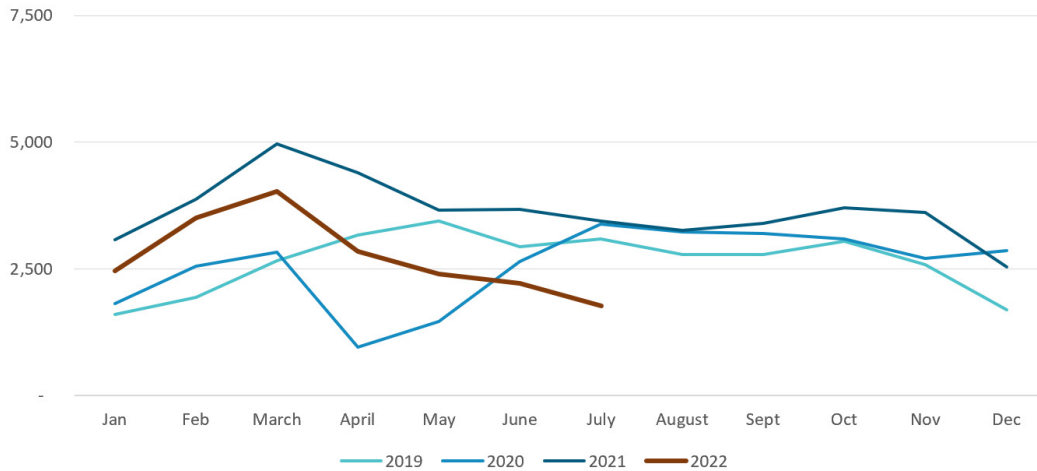
The median house price in July was \$1,125,000, down 2% over last year, and below the peak of \$1,485,000 reached in February.

The median is calculated by ordering all the sale prices in a given month and then selecting the price that is in the midpoint of that list such that half of all home sales were above that price and half are below that price. Economists often prefer the median price over the average because it is less sensitive to big increases in the sale of high-end or low-end homes in a given month which can skew the average price.

# Condo Statistics

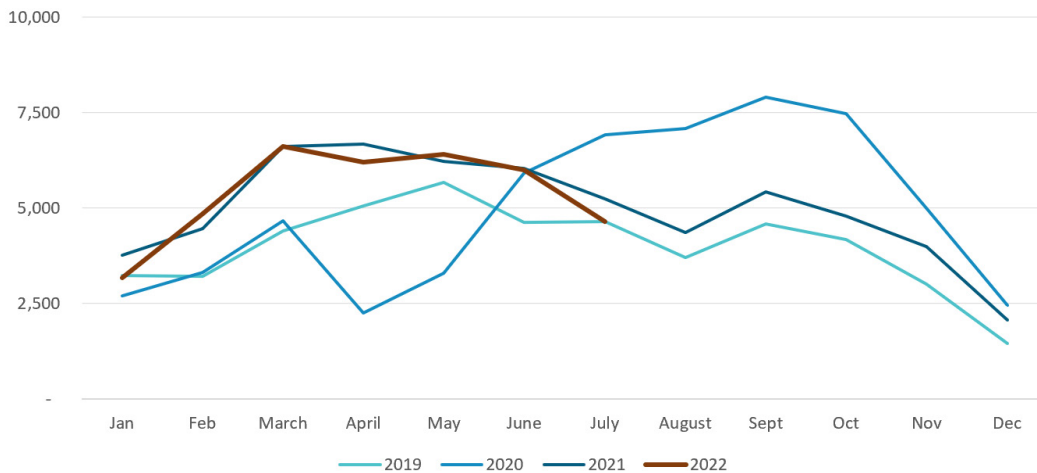
Condo (condominiums, including condo apartments, condo townhouses, etc.) sales in the Toronto area in July 2022 were down 49% over last year and well below pre-COVID sales volumes for the month of July.

**Number of Sales - Toronto Area**  
Condominiums



New condo listings were down 11% in July over last year and in line with historical listing volumes for the month of July.

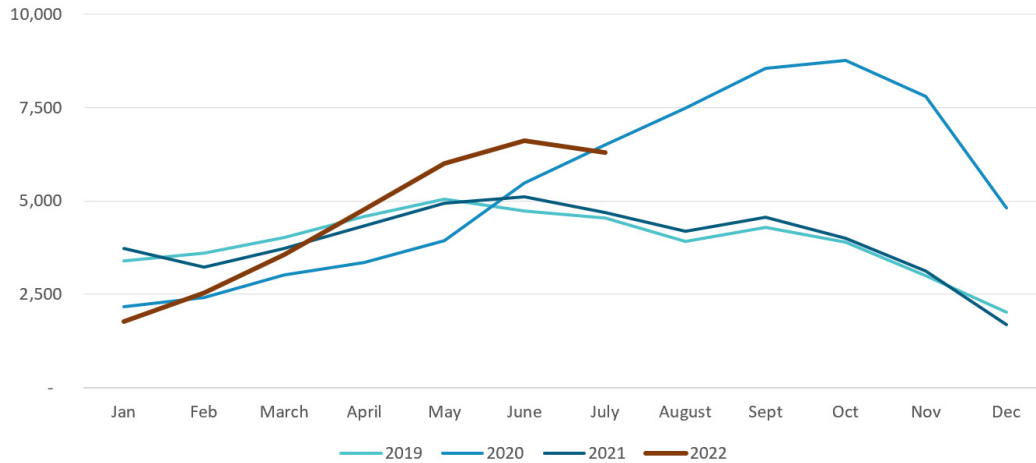
**Number of New Listings - Toronto Area**  
Condominiums



The number of condos available for sale at the end of the month, or active listings, was up 34% over last year.

### Number of Active Listings - Toronto Area

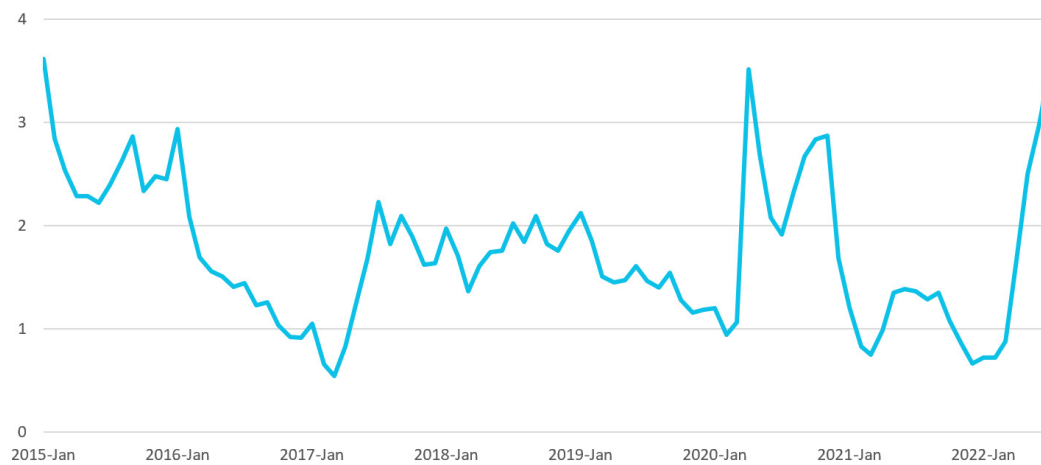
Condominiums



Condo inventory levels have been rising rapidly since March, reaching 3.6 months of inventory (MOI) in July.

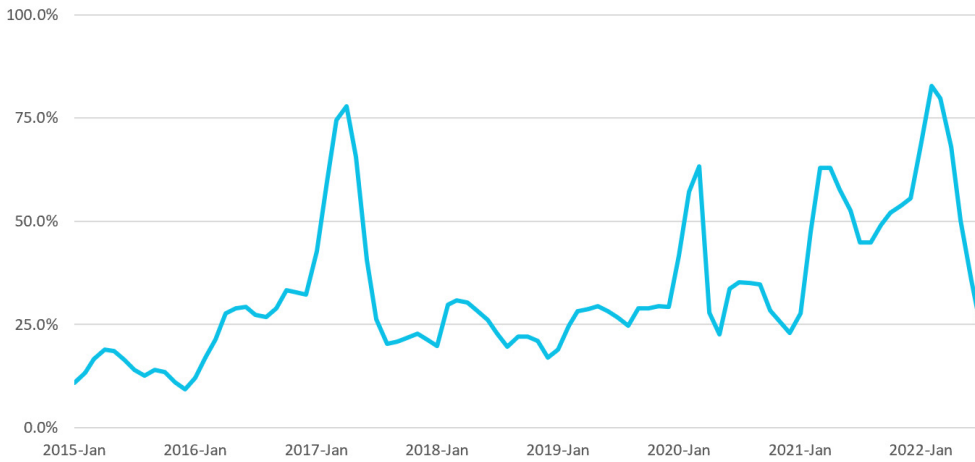
### Months of Inventory - Toronto Area

Condominiums



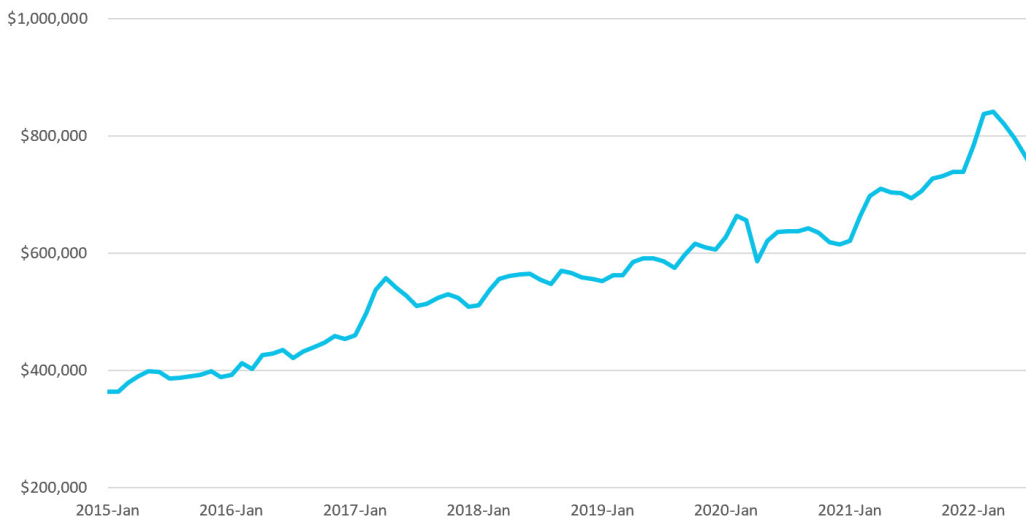
The share of condos selling for over the asking price declined to 24% in July.

**Percent of Sales Above the Asking Price - Toronto Area**  
Condominiums



The average price for a condo in July fell to \$738,930, down from the peak of \$840,444 in March. The average price is up 7% over last year. The median price for a condo in July was \$688,000, up 7% over last year, but down from \$777,000 from the March peak.

**Average Sale Price - Toronto Area**  
Condominiums



# Regional Trends

## Houses

Average prices were down over last year in Toronto, Durham and York but still up slightly in Halton and Peel. Sales were down significantly across all regions and inventory levels were well ahead of last year's level.

	Sales		Prices		New Listings		Months of Inventory	
	Jul	% Change	Jul	% Change	Jul	% Change	2022	2021
Durham	618	-36%	\$ 943,597	-2%	1,274	16%	1.9	0.5
Halton	400	-43%	\$ 1,397,519	5%	856	9%	2.7	0.7
Peel	626	-53%	\$ 1,230,205	3%	1,688	6%	3.3	0.7
Toronto	731	-42%	\$ 1,433,259	-5%	1,667	-6%	2.9	1.2
York	642	-53%	\$ 1,429,193	-1%	1,469	-11%	3.2	1.0

## Condos

While condo sales were down across the GTA, average prices continue to be up over last year in all five regions. Sales were down significantly across all regions and inventory levels were well ahead of last year's level.

	Sales		Prices		New Listings		Months of Inventory	
	Jul	% Change	Jul	% Change	Jul	% Change	2022	2021
Durham	87	-39%	\$ 606,675	7%	206	18%	2.5	0.8
Halton	112	-49%	\$ 775,722	18%	319	13%	3.9	0.9
Peel	265	-59%	\$ 680,328	6%	757	-12%	3.7	1.1
Toronto	1,117	-45%	\$ 759,158	5%	2,770	-17%	3.4	1.6
York	188	-53%	\$ 740,637	10%	589	3%	4.2	1.3



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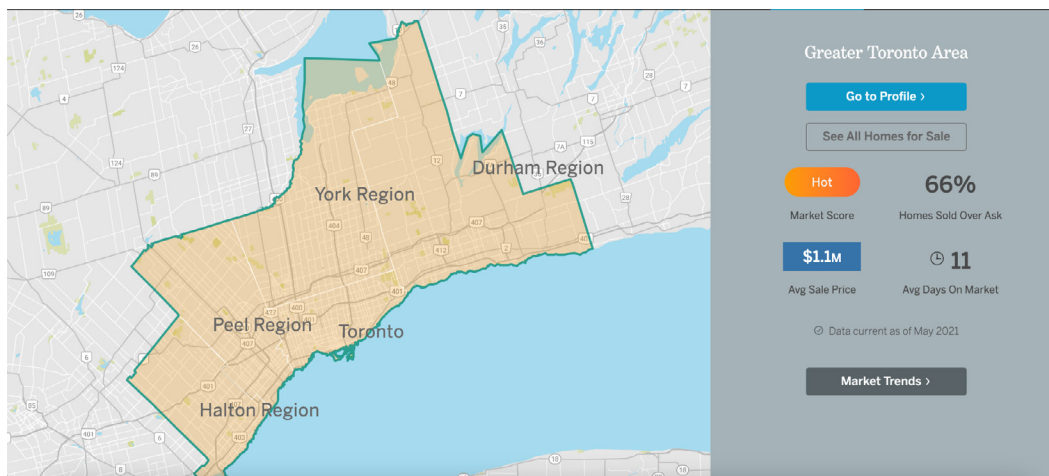
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[York Region Market Trends](#)

[Halton Region Market Trends](#)

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[Durham Region Market Trends](#)



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