GTA: Home sales improved, but remained tepid in August
By Alexandra Ducharme

The Toronto Regional Real Estate Board (TRREB) data for the resale market in August showed seasonally adjusted home sales rose by 11.1% compared to July, a first increase in six months (chart 1). As a result, sales rebounded from the post-pandemic low in July and crawled just above the trough reached in 2017 after the introduction of macroprudential measures. Despite this improvement, sales in Toronto decreased by 35.6% over the last six months. The tepid performance of the Toronto resale market over the last six months is tied to the increase in interest rates which has led to a deterioration in housing affordability (see report). In such a context, many buyers are probably hesitant to transact given the current uncertainties. With the central bank expected to hike its policy rate again in September, we see the market remaining soft in the quarters ahead.

On the supply side, end-of-month listing dipped 4.7% during the month as new listings increased 1.8%. Despite this and the increase in sales, market conditions have remained into balanced territory (chart 2).

On a year-over-year basis, sales were down 34.1% in August compared to the same period last year, reaching their lowest level for that period of the year since 2000 (chart 3). In the first eight months of 2022, cumulative sales were also down 34.1% compared to the record level reached in the same period in 2021.

For non-condo dwellings, we estimate that seasonally adjusted sales in August were up 14.3% from July, while end-of-month listings dipped 3.4% (chart 5). As a result, market conditions remained into balanced market territory (chart 7).

Condominium sales increased by 2.6% in August, while inventory decreased by 7.1% (chart 6). As a result, market conditions in the condo segment were now back in “favorable to sellers” zone.
5. Toronto: Home sales and listings, dwellings other than apartments
Seasonally adjusted by NBF. Last observation: August 2022

6. Toronto: Home sales and listings, condos apartments
Seasonally adjusted by NBF. Last observation: August 2022

7. Toronto: Home resale market conditions, other dwellings
End-of-month-listing-to-sale ratio. Last observation: Q3 2022 as of August

8. Toronto: Home resale market conditions, condos
End-of-month-listing-to-sale ratio. Last observation: Q3 2022 as of August

NBF Economics and Strategy, data from TRREB.
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