GTA: Home sales stabilized in October
By Daren King

The Toronto Regional Real Estate Board (TRREB) data for the resale market in October showed seasonally adjusted home sales remained relatively stable with a slight increase of 0.2%. Despite this stabilization, sales have cumulatively decreased by 44.6% since February (chart 1). As a result, sales remained near their lowest level excluding the period at the beginning of the pandemic since the 2008 financial crisis. There is no doubt that the sharp increases in the Bank of Canada’s policy rate and a stagnating labour market in 2022 have cooled residential activity in major urban centres in recent months. In such a context, many buyers are probably hesitant to transact given the current uncertainties. With the central bank intending to push monetary policy further into restrictive territory in December, we believe sales to continue to weaken over the next few months.

Despite the lower demand over the last few months, Toronto’s real estate market is still exacerbated by limited supply. In fact, we estimate that active listings decreased by 2.1% from September to October, the fourth monthly decline in a row. This comes despite a 4.5% increase in new listings in October following a sharp decline of 15.5% the previous month. Overall, market conditions are on the verge to indicate a “favourable to buyers” market (chart 2).

For non-condo dwellings, we estimate that seasonally adjusted sales in October were up 0.5% from September, while end-of-month listings dipped 2.4% (chart 3). As a result, market conditions switched into “favourable to buyers” territory (chart 5).

Condominium sales decreased 0.7% in September, while inventory decreased 1.5% (chart 4). As a result, market conditions in the condo segment remained in “favourable to sellers” zone (chart 6).

On a year-over-year basis, sales were down 49.1% in October compared to the same period last year, reaching their lowest level for that period of the year since 2000 (chart 7). In the first ten months of 2022, cumulative sales were also down 36.3% compared to the record level reached in the same period in 2021 (chart 8).
5. Toronto: Home resale market conditions, other dwellings
End-of-month listing-to-sale ratio. Last observation: Q4 2022 as of October

6. Toronto: Home resale market conditions, condos
End-of-month listing-to-sale ratio. Last observation: Q4 2022 as of October

7. Toronto: Home sales in October
Raw data, non seasonally adjusted

8. Toronto: Year-to-date home sales

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