

Market Watch

June 2018

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Economic Indicators

Real GDP Growthⁱ			
Q1	2018	▼	1.3%
Toronto Employment Growthⁱⁱ			
May	2018	▼	1.9%
Toronto Unemployment Rate			
May	2018	▲	6.2%
Inflation Rate (Yr./Yr. CPI Growth)ⁱⁱ			
May	2018	--	2.2%
Bank of Canada Overnight Rateⁱⁱⁱ			
June	2018	--	1.25%
Prime Rate^{iv}			
June	2018	--	3.45%
Mortgage Rates June 2018			
1 Year	--		3.49%
3 Year	--		4.30%
5 Year	--		5.34%

Sources and Notes:

i - Statistics Canada, Quarter-over-quarter growth, annualized

ii - Statistics Canada, Year-over-year growth for the most recently reported month

iii - Bank of Canada, Rate from most recent Bank of Canada announcement

iv - Bank of Canada, Rates for most recently completed month

GTA REALTORS® Release June Stats

TORONTO, ONTARIO, July 5, 2018 – Toronto Real Estate Board President Garry Bhaura, in his first market release as TREB President, is pleased to announce some positive signs with respect to the housing market.

Greater Toronto Area REALTORS® reported 8,082 home sales through TREB's MLS® System in June 2018 – up 2.4 per cent compared to the low June 2017 result. After preliminary seasonal adjustment, sales were also up 17.6 per cent on a monthly basis between May 2018 and June 2018, continuing the trend of somewhat volatile month-over-month changes over the past year as home buyers reacted to various policy changes impacting the market.

"Home ownership has proven to be a positive long-term investment. After some adjustment to the Fair Housing Plan, the new Office of The Superintendent of Financial Institutions (OSFI) stress test requirement and generally higher borrowing costs, home buyers are starting to move back into the market, with sales trending up from last year's lows. Market conditions appear to be tightening, with sales accounting for a greater share of listings, as new listings have dropped compared to last year," said Mr. Bhaura.

The average selling price edged up by two per cent on a year-over-year basis to \$807,871 in June 2018. After preliminary seasonal adjustment, the average selling price was also up by 3.3 per cent month-over-month between May 2018 and June 2018. The MLS® Home Price Index (HPI) was down by 4.8 per cent on a year-over-year basis, but remained basically flat month-over-month. The difference in the year-over-year rates of change between the average price and the MLS® HPI was likely due, at least in part, to a change in the mix of properties sold in June 2018 compared to June 2017, with low-rise home types accounting for a greater share of sales in June 2018.

"The expectation is to see improvement in sales over the next year. Over the same period, however, it is likely that issues surrounding the supply of listings will persist. This suggests that competition between buyers could increase, exerting increased upward pressure on home prices. With a new provincial government in place and municipal elections on the horizon, housing supply should be top-of-mind for policy makers," said Jason Mercer, TREB's Director of Market Analysis and Service Channels.

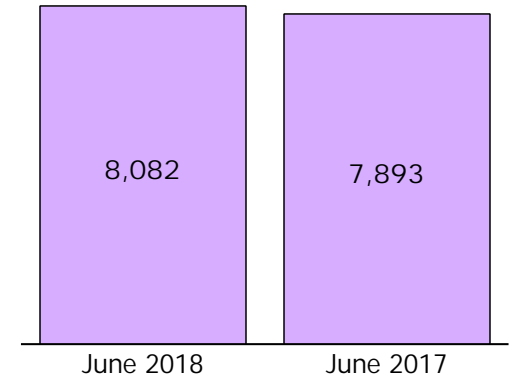
Sales & Average Price By Major Home Type^{1,7} June 2018

	Sales			Average Price		
	416	905	Total	416	905	Total
2018						
Detached	885	2,704	3,589	\$1,354,429	\$928,560	\$1,033,574
Semi - Detached	297	519	816	\$999,754	\$665,606	\$787,227
Townhouse	308	1,024	1,332	\$736,963	\$608,969	\$638,566
Condo Apartment	1,593	641	2,234	\$605,530	\$450,672	\$561,097

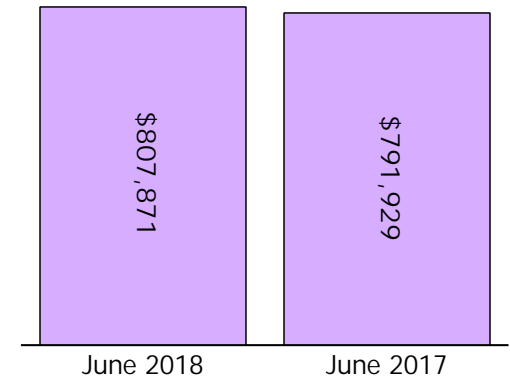
Year-Over-Year Per Cent Change

Detached	5.9%	5.3%	5.5%	-2.4%	-1.8%	-1.9%
Semi - Detached	8.4%	7.9%	8.1%	1.4%	1.8%	1.7%
Townhouse	5.1%	5.5%	5.4%	5.6%	2.4%	3.2%
Condo Apartment	-6.0%	-3.6%	-5.3%	9.5%	3.4%	7.9%

TREB MLS® Sales Activity^{1,7}



TREB MLS® Average Price^{1,7}



Year-Over-Year Summary^{1,7}

	2018	2017	% Chg.
Sales	8,082	7,893	2.4%
New Listings	15,922	19,561	-18.6%
Active Listings	20,844	19,680	5.9%
Average Price	\$807,871	\$791,929	2.0%
Average DOM	21	15	40.0%