

GTA Housing Market Shows Continued Resilience Despite Interest Rates Rising: Record High Listings and Yearly Price Gains

In July, the GTA (Greater Toronto Area) housing market saw a significant increase in active listings, reaching 15,371 properties listed for sale. This is the highest number of active listings in the past year and only the third month since January 2021 that active listings have exceeded 15,000. Additionally, there were 13,712 newly active listed properties in July, marking the fourth consecutive month with 11,000 or more new listings arriving on the market.

The increase in inventory was good news for buyers who had been eagerly waiting for more options. As a result, properties were selling at 102% of their list price, indicating a strong market. The average sales price for homes sold in July was \$1,118,374, showing a pullback of \$63,755 compared to the previous month. However, when compared to the sales price from July 2022, the values had risen by \$43,620.

Properties were selling quickly, with an average of just 17 days on the market. While sales decreased on a month-over-month basis, they increased by 338 compared to the same time last year.

“Home sales continued to be above last year’s levels in July, which suggests that many households have adjusted to higher borrowing costs. With that being said, it does appear that the sales momentum that we experienced earlier in the spring has stalled somewhat since the Bank of Canada restarted its rate tightening cycle in June. Compounding the impact of higher rates has been the persistent lack of listings for people to purchase compared to previous years,” said Toronto Regional Real Estate Board (TRREB) President Paul Baron.

While home sales have realized a dip during July likely from the uncertainty surrounding the cost of borrowing money, there was some good news regarding what is on the horizon for GTA investors. [Benjamin Tal deputy chief economist at CIBC World Markets recently stated](#). “In June, July, interest rates went up, and we are not clear whether or not rates are going to go up again. You will see activity slow down, and that’s exactly what’s starting to happen. Over the next six to eight months, we might see a resumption of prices going down in both low-rise and high-rise. But I think that this is not going to be a free fall by any stretch of the imagination. Beyond that, the softening that we’re going to see is a blip. The fundamentals of the housing market are so strong, we simply don’t have enough supply and that doesn’t change. In fact, the opposite is the case. Demand for housing is rising faster than expected and the industry simply does not have the capacity to increase supply.”

[The strong market forecast was echoed by Royal LePage’s Chief Operating Officer Karen Yolevski](#) “The GTA housing market continues to see strong activity across all segments, despite new listings currently sitting below levels seen during the same period last year. Buyers in the market today are educated, determined and prepared to make a purchase, but they are facing tight competition once again.”

The detached housing market showed robust performance, with an average sales price of \$1,427,257, representing an increase of \$64,659 on a year-over-year basis. The number of active listings for detached homes reached 6,817, the highest point of the year, marking an increase of 341 compared to June.

The Greater Toronto condo market also experienced yearly gains, with an average sales price of \$735,171, showing an increase of \$15,898. The inventory levels rose to 5,416, the highest total since 2020. Sales in the condo market also saw a rise, totalling 1,505, which is 140 more than in July 2022.

Surprisingly, the semi-detached properties had the highest absorption rate during July, with 54% of available properties being sold, and an average sale price of 105% compared to the asking price. However, the average sales price for semi-detached properties decreased by \$112,996 compared to June, ending July with a sales price of \$1,101,876.

Overall, the housing market in the Greater Toronto Area remained strong, with multiple offers occurring frequently and buyers finding more options than at any prior point in 2023.