



Doug Hart's January 2024 Real Estate Report

My January newsletter provides a full reporting of how the Toronto and cottage country real estate markets performed in 2023 and over the last several years.

1. Prices rose and then fell but most Toronto home prices did not change much from beginning of the year.

The Toronto real estate market in 2023 saw prices rise dramatically by mid-year but then started to fall. Rising interest rates started to have a negative impact on prices starting in July. This put a damper on buyer interest resulting in lower prices as well as sales volume for the balance of the year.

The table below shows home sale results for 416 and 905 areas for December this year compared to December 2022.

Detached home prices in 416 ended the year at the same level as one year ago. Selling prices went up and then went (out) back down in 2023. Detached home prices in 905 ended the year 3% higher. Unit sales this past December were up substantially for detached and semi-detached homes over December 2022. Toronto condo prices declined by 4.4% by the end of the year.

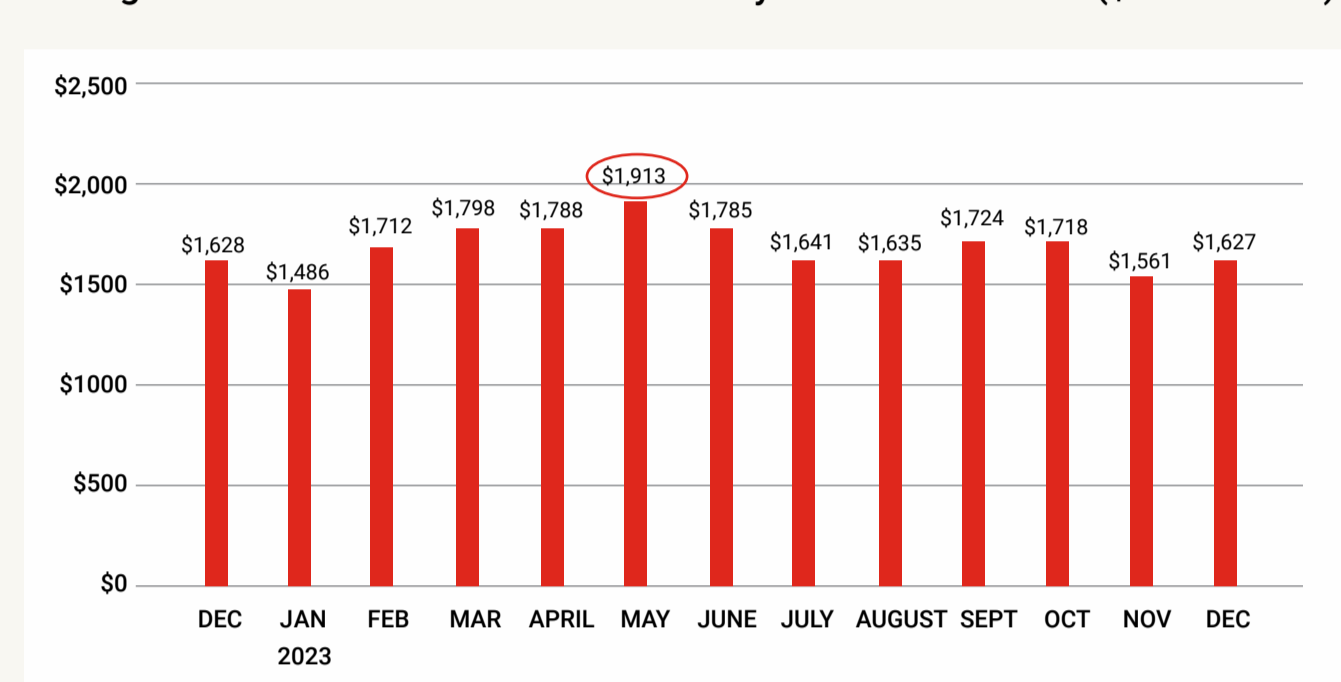
Price and Sales Results December 2023 Over December 2022

	416			905		
	Avg. Price	Price Change	Sales Change	Avg. Price	Price Change	Sales Change
Detached	\$1,626,980	0.0%	19.7%	\$1,351,009	3.0%	10.4%
Semi-detached	\$1,173,171	1.8%	54.2%	\$932,255	-0.1%	26.5%
Condo	\$709,283	-4.4%	-0.8%	\$625,918	-1.1%	-5.3%

2. Prices for detached houses in the City of Toronto rose and then dropped back down in 2023.

As an example of how home prices changed in 2023, prices for detached houses in Toronto hit a high of \$1.9 million in May and dropped by 9.7% by year-end. Prices seemed to have found a floor by the end of the year and early January 2024 results indicate that buyers are returning to the market.

Average Price of Detached Homes in the City of Toronto in 2023 (\$ Thousands)



The table below shows the values for detached and semi-detached houses and condos in the 416 region at the peak and at the end of the year and percent change in prices.

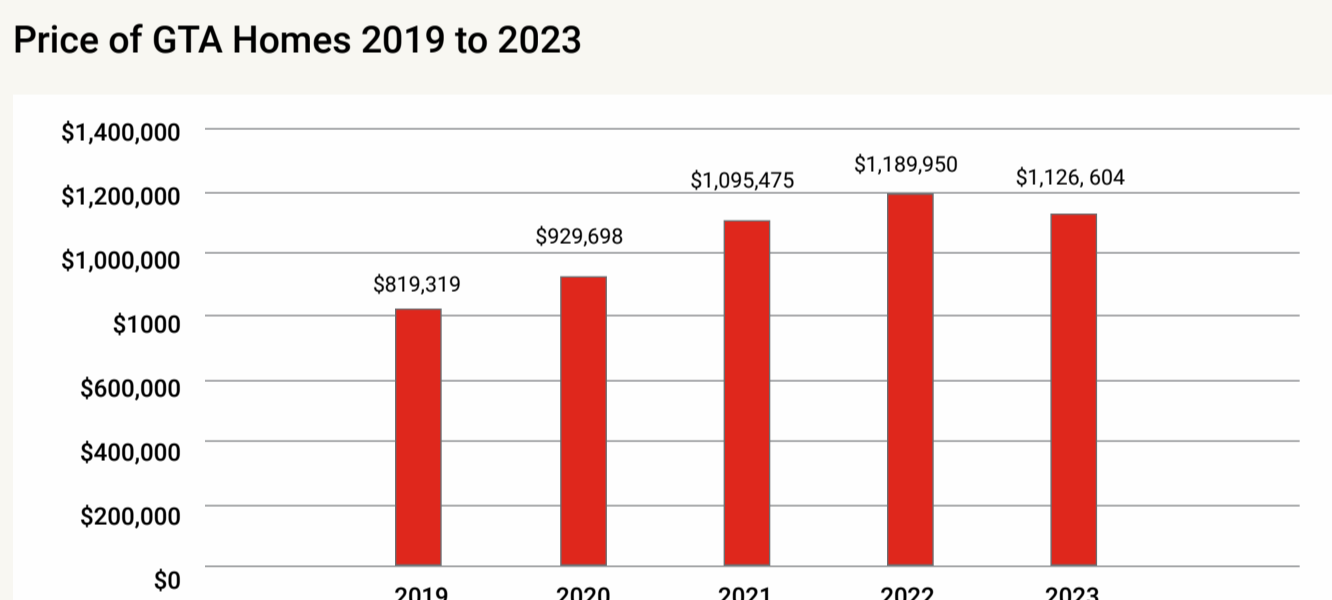
Homes in 416 Price Change for the 2023 and from Peak Levels

	416			
	Values at Peak	Values in December	Price Change Since Peak	Price Change for 2023
Detached	\$1,903,000 (May)	\$1,718,000	-9.7%	0%
Semi-detached	\$1,408,000 (June)	\$1,278,000	-9.2%	1.8%
Condo	\$785,000 (May)	\$729,000	-7.1%	-4.4%

3. How the housing market has changed over the last five years

While the price of a GTA home declined a bit in 2023, it is worthwhile keeping in mind how prices have changed over the last five years. The price of a GTA home (homes and condos combined) in 2019 was \$819,319 ending at \$1,126,604 in 2023 - a 37% increase.

Price of GTA Homes 2019 to 2023



Data source: TREB

The cottage marketplace



Covid led to a renewed interest in Ontario cottages and waterfront homes. Some families who looked to "get out of town" bought properties where they could work remotely with the help of Zoom. As a result, prices for waterfront homes in the Lakelands region (Muskoka, Parry Sound, Collingwood, Kawarthas, Orillia, Bancroft and others) shot up by 21.5% in 2021 and a further 11% in 2022. The number of sales, however, declined by 5.7% in 2021 and by 45.3% in 2022.

The strong price growth rates ended in 2023 as rising interest rates increased the cost to finance a cottage purchase.

If interest rates come down in the latter half of 2024 as expected, the waterfront home real estate market should see a return to strong prices and sales. If you are thinking of buying, this spring will be a good time to begin your search before prices rise again.

Entire Lakelands Region Waterfront Home Sales Results

	2020	2021	2022	2023
Average sales	\$992,210.96	\$1,205,291.03	\$1,337,948.90	\$1,339,941.30
Price change		21.5%	11.0%	0.1%
Number of sales	4,468	4,212	2,302	2,218
Sales change		-5.7%	-45.3%	-3.6%

Average selling prices of waterfront homes in selected areas in 2023.

Muskoka Lakes	\$2,540,928
Georgian Bay	\$1,434,029
Muskoka & Haliburton	\$1,339,941
Collingwood	\$1,147,186
Dysart (Bancroft)	\$1,015,292
Minden	\$1,012,328

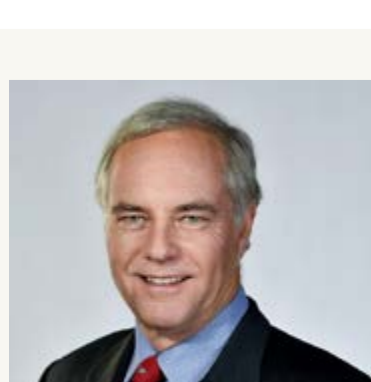
Data Source: Canadian Real Estate Association

If you are thinking of buying or selling your home or cottage, I would be pleased to discuss how I can help make your sale a success.

I know the Toronto and cottage country real estate markets and I can help you prepare you for a successful sale, set an effective asking price and provide you with my proven marketing program to help you achieve the highest sale price.

In addition to helping families buy and sell homes in Toronto, I also work in cottage country including Muskoka, Haliburton, Parry Sound and other areas in the Lakelands area.

I would be pleased to meet with you to discuss how I can help you make the right decisions for your real estate plans in 2024.



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