



## GTA new home sales in July at an all-time low – urgent government action needed

Greater Toronto Area, August 28, 2024 – Greater Toronto Area (GTA) new home sales in July remained slow, recording an all-time low for the month with very few new project releases and steadily increasing months of inventory, the Building Industry and Land Development Association (BILD) announced today.

There were 654 new home sales in July which was down 48 per cent from July 2023 and 70 per cent below the 10-year average, according to Altus Group\*, BILD's official source for new home market intelligence.

“GTA new homes sales in July 2024 sank to another record monthly low as buyers remained unwilling to leave the sidelines,” said Edward Jegg, Research Manager with Altus Group. “Further expected decreases in interest rates in the coming months, along with elevated inventories, means there will be plenty of opportunities once consumer confidence improves.”

Condominium apartments, including units in low, medium and high-rise buildings, stacked townhouses and loft units, accounted for 287 units sold in July, down 67 per cent from July 2023 and 81 per cent below the 10-year average.

There were 367 single-family home sales in July, down one per cent from July 2023 but 42 per cent below the 10-year average. Single-family homes include detached, linked and semi-detached houses and townhouses (excluding stacked townhouses).

Total new home remaining inventory increased compared to the previous month, to 21,660 units. This includes 17,445 condominium apartment units and 4,215 single-family dwellings. This represents a combined inventory level of 15 months, based on average sales for the last 12 months. This is a high inventory level, maintaining the trend seen since autumn 2023 of remaining inventory levels near or just above the 20,000-unit mark. Months of inventory are increasing not because the number of new units coming to market is dramatically increasing, but rather because sales are continually decreasing. This is an unhealthy situation, because as interest rates decrease, sales will return but it will take longer for new building to recover, setting up a future supply/demand imbalance.

“The numbers present a clear picture and signal the need for an urgent response from government,” said Justin Sherwood, SVP Communications & Stakeholder Relations at BILD. “Changes in interest rates will not solve what is an ongoing structural problem, particularly evident in the GTA. The cost to build, driven by excessive government fees and taxes, is simply too high. Without immediate action

by government, new construction activity will continue to slow and the GTA's housing shortage will reach unprecedented levels over the next few years."

Benchmark prices decreased in July for both single-family homes and for condominium apartments compared to the previous year. The benchmark price for new condominium apartments was \$1,020,179, which was down six per cent over the last 12 months. The benchmark price for new single-family homes was \$1,585,881, which was down five per cent over the last 12 months.

*With 1,200 member companies, BILD is the voice of the home building, residential and non-residential land development and professional renovation industries in the Greater Toronto Area. The building and renovation industry provides 256,000 jobs in the region and \$39.3 billion in investment value. BILD is affiliated with the Ontario and Canadian Home Builders' Associations.*

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\*Altus Group should be credited as BILD's official source of new home market intelligence.