

As anticipated from a slow December, GTA new home sales soft in January as buyers remained tentative

Greater Toronto Area, February 26, 2024 – GTA new home sales were expectedly soft in January, down slightly from January 2023 and up marginally from December 2023, the Building Industry and Land Development Association (BILD) announced today.

There were 578 new home sales in January, which was down three per cent from January 2023 and 68 per cent below the 10-year average, according to Altus Group*, BILD's official source for new home market intelligence.

“Pent up demand continued to accumulate with buyers taking a wait-and-see attitude,” said Edward Jegg, Research Manager with Altus Group. “Affordability gains from future interest rate declines will be threatened by price jumps the longer the pool of buyers builds on the sidelines.”

Condominium apartments, including units in low, medium and high-rise buildings, stacked townhouses and loft units, accounted for 233 units sold in January, down 44 per cent from January 2023 and 60 per cent below the 10-year average.

There were 345 single-family home sales in January, up 92 per cent from January 2023 and 78 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 decreased compared to the previous month, to 19,829 units. It included 16,677 condominium apartment units and 3,152 single-family dwellings. This represents a combined inventory level of ten and a half months, based on average sales for the last 12 months. This remains one of the highest inventory levels for new homes seen in the last decade.

“Given interest rates and the expectation of moves by the Bank of Canada later this year, January new home sales were as expected with prospective new home buyers remaining on the sidelines,” said Justin Sherwood, SVP Communications & Stakeholder Relations at BILD. “With last week's report, if you extract housing related costs we are basically at the two per cent rate for inflation. We anticipate that market activity will pick up in the spring with potential rate changes on the horizon. The present inventory levels provide a great degree of selection and choice for new home buyers.

Benchmark prices decreased in January for single-family homes and increased for condominium apartments compared to the previous month. The benchmark price for new condominium apartments was \$1,052,474, which was down seven per cent over the last 12 months. The benchmark price for new single-family homes was \$1,571,853, which was down nine 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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For additional information or to schedule an interview, contact Justin Sherwood at jsherwood@bildgta.ca or 416-371-6005.

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