

GTA new home market starts to return to normal in April

Greater Toronto Area, May 24, 2023 – The GTA new home market rebounded in April with sales starting to return to more traditional levels, the Building Industry and Land Development Association (BILD) announced today.

There were 2,391 new home sales in April, which was down 35 per cent from April 2022 and 30 per cent below the 10-year average, according to Altus Group*, BILD's official source for new home market intelligence.

Condominium apartments, including units in low, medium and high-rise buildings, stacked townhouses and loft units, accounted for 1,327 units sold in April, down 57 per cent from April 2022 and 39 per cent below the 10-year average.

There were 1,064 single-family home sales in April, up 81 per cent from April 2022 and 16 per cent below the 10-year average. Single-family homes include detached, linked, and semi-detached houses and townhouses (excluding stacked townhouses).

“GTA homebuyers returned to the market driving new home sales higher,” said Edward Jegg, Research Manager with Altus Group. “The fundamentals had pointed to a rebound in April and that strength is expected to continue through the spring market.”

Total new home remaining inventory was 14,928 units, slightly more than the previous month. It included 13,588 condominium apartment units and 1,340 single-family units, representing about 12 months and 4 months of inventory respectively, based on average sales for the last 12 months. Remaining inventory includes units in preconstruction projects, in projects currently under construction, and in completed buildings. Although inventory numbers have moved closer to balanced market requirements of 9-12 months of inventory, it is too early to suggest required inventory levels have resulted in a sustained balanced market.

The benchmark price for new single-family homes decreased in April compared to the previous month, to \$1,768,456, which was down 1.1 per cent over the last 12 months. The benchmark price for new condominium apartments also decreased in April compared to the previous month, to \$1,102,904, which was down 7.3 per cent over the last 12 months.

“In the short term, the impact of sales on new home inventory will be balanced by new project openings with numerous projects in the pipeline,” said Dave Wilkes, BILD President & CEO. “However, longer term we cannot take our eye off what needs to be the singular focus of every municipality in the GTA—consistently adding sufficient housing supply. Failure to do so will simply result in inflationary pressures to the cost of new homes returning.”

With 1,300 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 more than 269,000 jobs in the region and \$37.7 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.

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

**Historical data are subject to revisions.