



GTA: Housing demand plunged as rates rose in April

By Daren King

The Toronto Regional Real Estate Board (TRREB) data for the resale market in April showed seasonally adjusted home sales plunged by 26.2% compared to March, following a strong decline of 18.1% the prior month (chart 1). This data for Toronto echoes the [Vancouver](#) numbers released yesterday, indicating that the real estate market is slowing down rapidly across the country following the recent increase in mortgage rates. As a result, the level of activity in Toronto's real estate market is now 16.3% below its long-term average (since 1991).

This downturn in demand has allowed supply to build up over the month. Indeed, end-of-month listings were up 16.0% in April compared to March despite a 6.6% decrease in new listings. As a result, market conditions are now back in balanced territory after being favourable to sellers since the second half of 2020 (chart 2). With such market conditions combined to the backdrop of a [sharp deterioration in affordability](#) since the beginning of the pandemic, we believe home price inflation is largely a thing of the past.

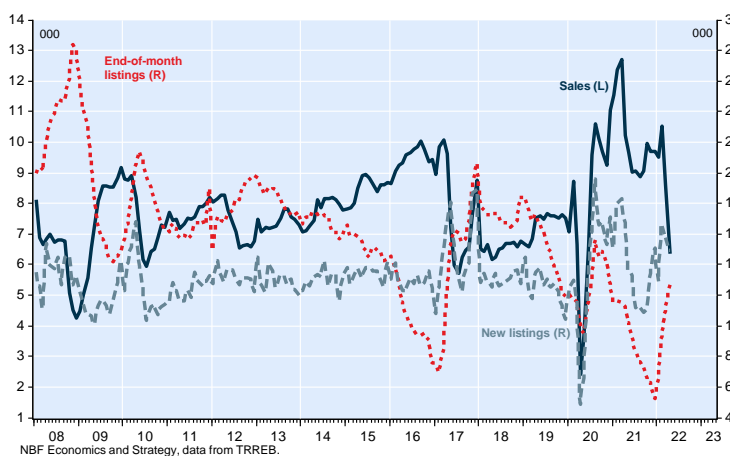
On a year-over-year basis, sales were down 41.2% in April compared to the same period last year, reaching a level 13.2% below the long-term average (since 1980) for this period of the year (chart 3). For the first four months of 2022, cumulative sales decreased 28.5% compared to the record level achieved in the same period in 2021.

For non-condo dwellings, we estimate that seasonally adjusted sales in April were down 29.1% from March, while end-of-month listings jumped by 11.7% (chart 5). As a result, market conditions have loosened considerably and now show a balanced market (chart 7).

Condominium sales decreased by a smaller 19.5% in April, while inventory increased by 25.0% (chart 6). Despite this, market conditions still indicate a "favourable to sellers" market but is much less tight than before (chart 8).

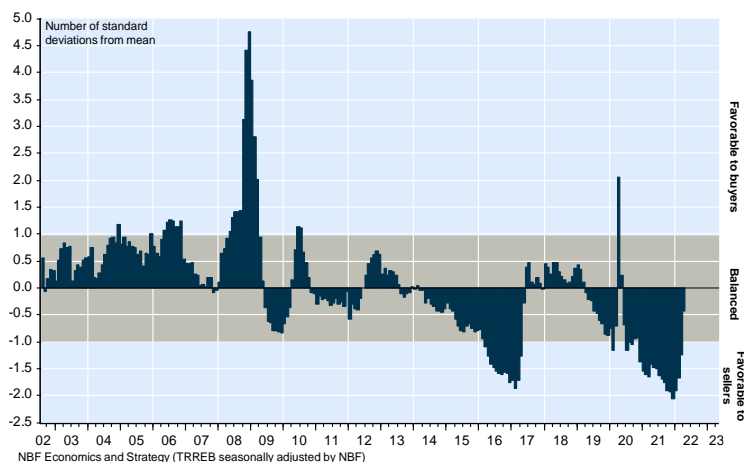
1. Toronto: Home sales and listings

Seasonally adjusted by NBF. Last observation: April 2022



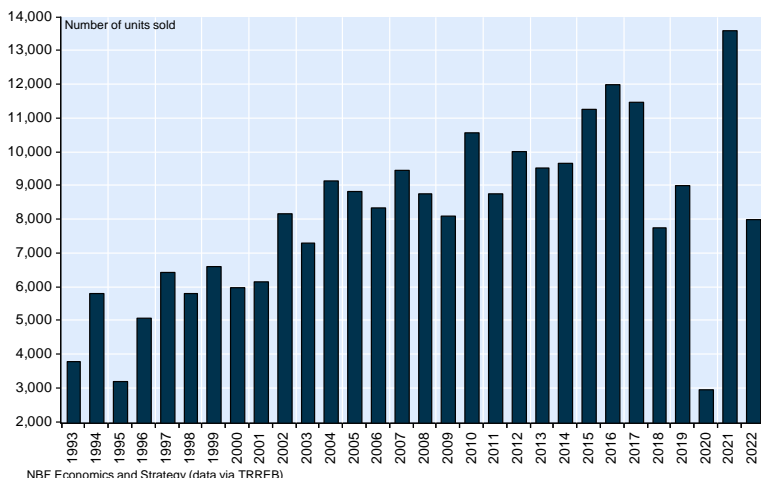
2. Toronto: Home resale market conditions

End-of-month-listing-to-sale ratio. Last observation: April 2022

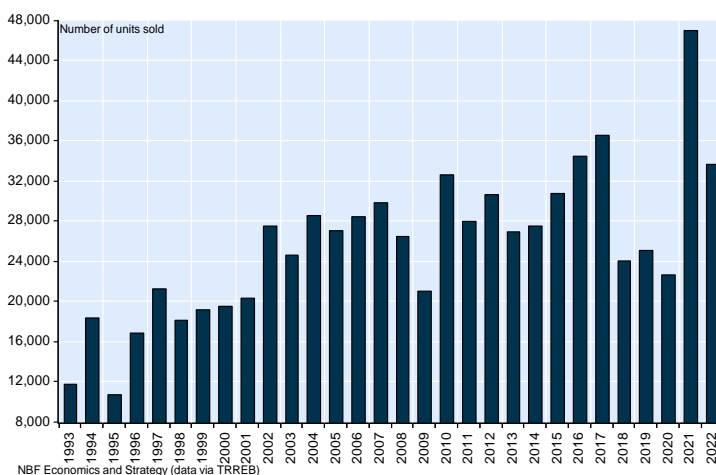


3. Toronto: Home sales in April

Raw data, non seasonally adjusted

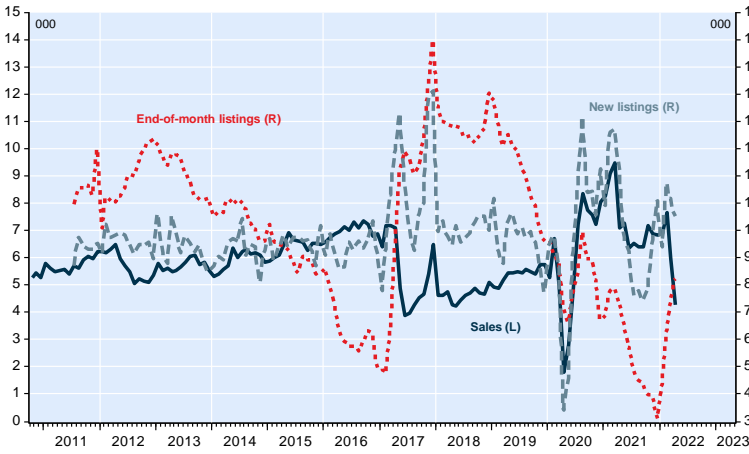


4. Toronto: Year-to-date home sales



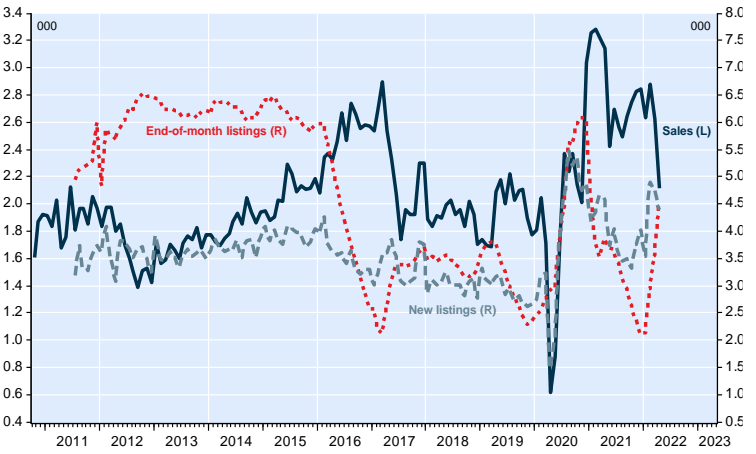
5. Toronto: Home sales and listings, dwellings other than apartments

Seasonally adjusted by NBF. Last observation: April 2022



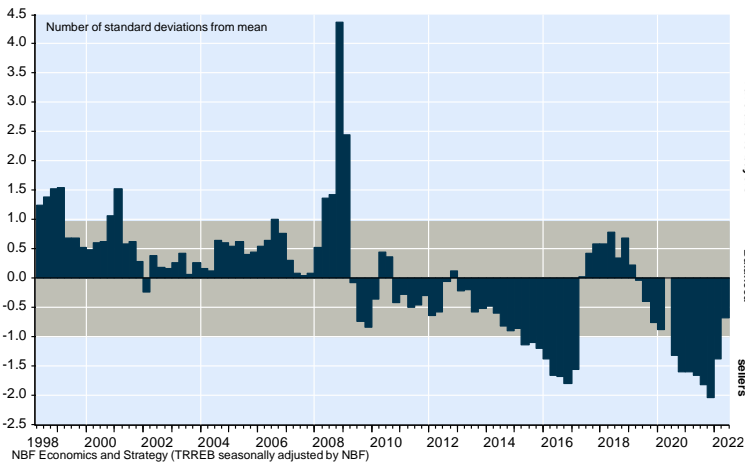
6. Toronto: Home sales and listings, condos apartments

Seasonally adjusted by NBF. Last observation: April 2022



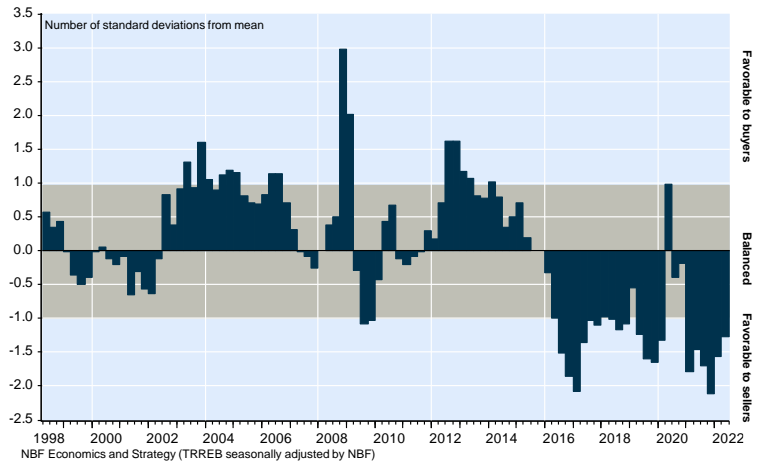
7. Toronto: Home resale market conditions, other dwellings

End-of-month-listing-to-sale ratio. Last observation: Q2 2022 as of April



8. Toronto: Home resale market conditions, condos

End-of-month-listing-to-sale ratio. Last observation: Q2 2022 as of April



Economics and Strategy

Montreal Office

514-879-2529

Stéfane Marion

Chief Economist and Strategist
stefane.marion@nbc.ca

Kyle Dahms

Economist
kyle.dahms@nbc.ca

Alexandra Ducharme

Economist
alexandra.ducharme@nbc.ca

Matthieu Arseneau

Deputy Chief Economist
matthieu.arseneau@nbc.ca

Daren King

Economist
daren.king@nbc.ca

Angelo Katsoras

Geopolitical Analyst
angelo.katsoras@nbc.ca

Jocelyn Paquet

Economist
jocelyn.paquet@nbc.ca

Toronto Office

416-869-8598

Warren Lovely

Chief Rates and Public Sector Strategist
warren.lovely@nbc.ca

Taylor Schleich

Rates Strategist
taylor.schleich@nbc.ca

General

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