

GREATER TORONTO AREA

ONTARIO

↑ 17%

2016 AVERAGE RESIDENTIAL SALE PRICE
\$725,857

THE HOUSING MARKET IN THE GREATER TORONTO AREA CONTINUED TO SEE SIGNIFICANT ACTIVITY IN 2016.

The average residential sale price in the GTA rose 17 per cent to \$725,857, up from \$622,217 in 2015. Move-up buyers continue to drive demand in the market for single-family detached homes valued up to \$1.5 million in Toronto and \$1 million in the surrounding GTA and this trend is expected to continue into 2017. The foreign-buyer tax in Vancouver shifted some foreign investors' attention to the Toronto market in the second half of 2016. It is anticipated that foreign-buyers will continue to be more active in the GTA in 2017.

There were approximately 99,354 unit sales between January and October this year, and approximately only 1.1 months of inventory currently on the market, which is significantly lower than the past 15 years' average inventory supply of two to three months in the GTA. Rising average residential sale prices, the short term effect of increasing mortgage rates and low inventory in the freehold market are expected to lead to a slight drop in unit sales, by five per cent in 2017. However, we can expect the GTA to remain in a seller's market, and the average residential sale price is anticipated to increase approximately eight per cent.

FIRST-TIME BUYERS

First-time buyers continue to play an important role in the GTA market. Most are young professionals or young families looking to enter the market by purchasing a condo, where they can find affordability and maintain a reasonable commute by staying within the city.

CONDO MARKET

The average sale price for condos in the GTA rose modestly in 2016, up two per cent year-over-year compared to 2015. Demand remains highest for 2-bedroom condos in close proximity to TTC subway lines, particularly within older developments that offer over 1,000 square feet of space. Developers are increasingly starting new builds that feature larger units with more bedrooms to accommodate first-time buyer families. The upper-end condo market also saw brisk activity this year as empty-nester baby boomers close to retirement are increasingly opting to sell their homes and move into more manageable condos. In 2017, condos will likely continue to remain popular with GTA buyers.

LUXURY HOMES

The Greater Toronto Area luxury market continued to perform well in 2016. Single-family homes are in high demand, particularly from foreign buyers who are taking advantage of the low Canadian dollar. As baby boomers look to downsize to high-end condos, new single-family detached homes in the upper end of the market are expected to become available in 2017.



FUTURE TRENDS

- Policies around building on the Ontario Greenbelt are expected to continue affecting inventory levels, as the number of single-detached homes developers are able to build is restricted and therefore not able to meet demand
- The effect of tightened mortgage rules and anticipated mortgage rate increases will impact housing affordability in the GTA
- The RE/MAX 2017 average residential sale price expectation for the Greater Toronto Area is an increase of eight per cent

AVERAGE RESIDENTIAL SALE PRICE
(GREATER TORONTO AREA)



Source: Historical values are sourced from CREA or local board statistics. Estimates and forecasts are based on the opinion of independent RE/MAX broker/owners and affiliates.

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MISSISSAUGA

Mississauga remained in a seller's market throughout 2016, with the average residential sale price at \$625,538; up 14 per cent from 2015. However, the total number of sales decreased approximately three per cent year-over-year and this trend is likely to continue into 2017. Rising prices are causing some potential buyers to reconsider entering the market, which may result in more even sale price growth at an expected rate of eight per cent in 2017.

Buyers remain shielded from double land transfer taxes in Mississauga, and find the market more accessible than Toronto. Millennial first-time buyers in Mississauga are typically entering the market by purchasing condos. Local and foreign investors drove demand in Mississauga's condo market, and the average sale price for condos in 2016 was \$367,779.

Move-up buyers; move-over buyers from Richmond Hill, Markham, and Toronto; and, foreign-buyers drove demand for detached homes, especially in the upper end of the market. Sales and price appreciation are expected to remain steady in 2017 due to buyer's confidence in Canada's banking and regulatory system, mitigating downward pressure caused by recent tightening of mortgage rules and the expectation of a steady increase in domestic interest rates.

A condo building boom in 2017 and beyond will drive demand – with new developments coming up in Port Credit, Erin Mills and around the City Centre. The ongoing Lakeview revitalization and development project also promises to drive demand for housing in the area.

BRAMPTON

The real estate market in Brampton remained busy in 2016. The average residential sale price is estimated at \$582,295, up from \$488,486 in 2015. The year saw an abundance of buyers in the market, particularly local move-up buyers, millennial first-time buyers, European investors attracted to a stable Canadian economy, and move-over buyers from Toronto seeking better value. In 2017, we can expect a more balanced market. The influx of outside buyers is expected to level out; an anticipated short-term effect of recently tightened mortgage rules; potential interest rate increases; and, any changes to US trade rules following the election. In 2017, the average residential sale price is expected to decrease approximately 2.5 per cent, and homes may stay on the market for 30 – 45 days, signaling a return to a more balanced market.

In 2016, detached single-family homes saw the most sales activity in Brampton, with sales volumes up 53.5 per cent. Entry level homes sold in the \$370,000 range; higher than the average entry price for condos in the \$220,000 range. Affordability drove demand for freehold properties among local first-time buyers who prefer to pay slightly higher sale prices instead of condominium fees.

A number of businesses relocating to Brampton and expected infrastructure developments including a hospital, state-of-the-art medical facilities, and a university will likely draw specialist, medical, and management professionals to live and work in the area. Six new condo builds in proximity to these developments are expected to increase inventory and supplement the demand for quality homes at affordable prices in Brampton.

MISSISSAUGA

↑ 14%

2016 AVERAGE
RESIDENTIAL
SALE PRICE
\$546,727

BRAMPTON

↑ 19%

2016 AVERAGE
RESIDENTIAL
SALE PRICE
\$582,295



GREATER TORONTO AREA

ONTARIO

OAKVILLE

A mix of low inventory and high demand continued to characterize Oakville's housing market in 2016 as the average residential sale price increased approximately 24 per cent in 2016 over the previous year to approximately \$1,044,536 up from \$837,410 in 2015.

Inventory levels remain exceptionally low in the Toronto suburb, with only about one month of inventory currently on the market. Sales were still up in 2016 however, signaling an increase in Oakville's buyer pool. Sales rose to 3,288 between January and October of 2016, compared to 2,781 during the same period in 2015. Two-storey, four-bedroom detached houses saw the most activity this past year.

Foreign buyers, move-up buyers, and move-over buyers from Toronto and other parts of the GTA drove demand in Oakville in 2016, especially in the upper end of the market. Luxury homes worth \$3 million and above were in high demand this year, particularly among move-over and foreign buyers. These buyers are particularly interested in Oakville's lakefront properties situated on a larger plot of land.

In 2017, inventory levels are expected to remain low and price appreciation is expected to continue to increase. The average residential sale price is expected to increase by approximately five per cent in 2017.

DURHAM

Durham Region's housing market saw substantial growth in 2016. The average residential sale price rose nearly 20 per cent year-over-year to \$527,285, up from \$442,332 in 2015. Sales were also up considerably; there were 11,700 properties sold between January and October in 2016, compared to 10,910 during the same period in 2015.

Much of this growth can be attributed to move-over buyers from Toronto who are attracted to the relative affordability of Durham and better value on larger homes. First-time buyers are expected to continue to drive demand in the Durham market in 2017.

The 407 highway extension that opened this year that extends the toll highway as far as Oshawa is anticipated to help drive demand in Durham region in the coming years. Phase two of the 407 extension is expected to begin in the near future, bringing the highway further east to Highway 35. These major infrastructure developments that aim to better connect the Durham Region to the rest of the GTA make it an increasingly desirable option for commuters.

Durham region's market is expected to continue to grow next year and will likely remain a seller's market. The average residential sale price is estimated to increase by nine per cent, and sales will likely increase by five per cent.

OAKVILLE

↑ 25%

2016 AVERAGE
RESIDENTIAL
SALE PRICE

\$1,044,536

DURHAM

↑ 19%

2016 AVERAGE
RESIDENTIAL
SALE PRICE

\$527,285

