



YEAR-END 2023

# Canadian Luxury Real Estate Market Report



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277 Thurlow Street  
Engel & Völkers Vancouver







## Introduction

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Engel & Völkers welcomes you to its Year-End Canadian Luxury Real Estate Market Report. On-the-ground intel from local Engel & Völkers experts, combined with market data, informs our analyses and serves as the basis for trends and forecasting. As listed on the Multiple Listings Service (MLS), homes priced \$1 - 3.99 million and over \$4 million were evaluated throughout the year. The result is a residential property and market report for Halifax, Montréal, Ottawa, Toronto and Vancouver.





The Ranch at Fisher Creek  
Engel & Völkers Vancouver

## National Overview

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Canada's luxury real estate markets were defined by a resounding stability throughout 2023.

Engel & Völkers reports Canada's premium metro markets, in Halifax, Montréal, Ottawa, Toronto and Vancouver, are adjusting to new market realities and moving closer to normal. The enduring impact is yet to unfold fully, but real estate experts at Engel & Völkers anticipate the markets will adjust by the fourth quarter of 2024. Buyers are waiting for the Bank of Canada to cut interest rates, expected as soon as spring 2024. Housing affordability is improving, but this will be outpaced by low supply. New this year, the REALTOR® Cooperation Policy took effect January 1, 2024, requiring all publically marketed properties to be listed on the MLS. As we enter 2024, these are the top national trends affecting Canada's premium housing markets.

### Recalculating: real estate markets adjust to a new reality in 2024

How Canadians perceive and interact with the real estate landscape has fundamentally changed. Canadian markets are poised to realign towards normalcy in the year's first half, as they continue to adapt to substantial market shifts, which go beyond typical market dynamics. Rising interest rates, construction costs and price depreciations or stalled appreciation are the main factors driving the change. The reasons why Canadians buy real estate have altered, and investment is no longer a main motivation. Lifestyle changes like upsizing, downsizing, moving to a new city or getting a new job are the primary drivers.





# 50%

Over 50% more sales  
above \$8 million  
in Toronto in 2023  
compared to 2019

## **Buyers stand by for Bank of Canada rate cuts expected as soon as spring 2024**

The Bank of Canada is expected to begin easing interest rates as soon as April 2024. Engel & Völkers market experts forecast if mortgage rates drop even nominally, as some economists predict, this could release pent-up demand from buyers waiting on the sidelines. Buyer demand will compound to ignite markets and drive up aggregate home prices.

## **Housing affordability increases in the short term but will be outpaced by low supply**

Buyers sitting on the fence until market stability is in clearview risk missing out on some of the most favourable conditions seen in many years. In the short term, affordability for home buyers will be at its best due to less competition and more supply. These conditions will bring novel investment opportunities and foster a more dynamic real estate environment for buyers in the short term. In the long term, the Canada Mortgage and Housing Corporation (CMHC) projects Canada will need approximately 3.5 million additional housing units by 2030 to restore affordability.

## **This is the year the Canadian government will make housing a priority**

In Chrystia Freeland's fall 2023 economic statement, she proposed creating a new Department of Housing, Infrastructure and Communities. Broadly, Canada is set to invest billions in building new homes, boosting construction employment, addressing short-term rentals and fostering green investments through tax credits. On the housing front, the federal government plans to incentivize rental housing construction with up to \$15 billion in new loan funding starting in 2025-26. The initiative dubbed the "Apartment Construction Loan Program," rebrands an existing effort already announced with billions in support.

## **REALTOR® Cooperation Policy requires publicly marketed properties to be listed on the MLS**

The new REALTOR® Cooperation Policy, effective January 1, 2024, prohibits exclusive listings and requires all publicly marketed properties to be listed on the MLS within three days of any public marketing, including signs, newspaper advertising and social media content. Exclusive listings are preferred by high-end property owners, who rely on this for privacy. Engel & Völkers' global network of over 16,000 advisors and 1,000 shops, along with its Private Office, has a significant advantage for its clients — the ability to share off-MLS listing exclusives with 300 Private Office advisors worldwide. Private Office advisors are among the top real estate professionals in the world.

# Halifax

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In 2023, while there was a 16% reduction in sales exceeding \$1 million in Halifax, the average sales price witnessed a 13% increase compared to 2022.

## Welcome to Halifax

The Halifax market experienced a slow pace in 2023, attributed to various factors affecting Canadian markets such as rising interest rates, fuel costs, inflation and recovering from the pandemic's economic impact. Halifax experienced a remarkable series of natural disasters, including destructive forest fires, record-breaking downpours causing floods and an unprecedented hurricane season. During these periods, buyers and sellers proceeded with caution when making real estate decisions. Nevertheless, the markets surrounding Halifax performed adequately in 2023 due to its well-priced inventory of single-family detached homes.

Inside the city's perimeters, the \$700,000 - \$1 million and \$1 million-plus markets were slow-paced, allowing inventory to rebuild after an extraordinary sales run from 2020 - 2022. Though inventory continues to be restored slowly, newly listed homes remain limited.

Lack of available housing remains a significant issue, particularly in the rental market — most acute for foreign students seeking affordable lodging. In some neighbourhoods, rental vacancy rates were below one per cent at year-end, and in some cases, they approached zero. This alarming trend requires immediate attention to ensure the population can access safe and affordable housing. In October, regulatory changes for short-term rentals were implemented by the provincial government, increasing registration fees and fines for violations.

Out-of-province demand was curbed in 2023, but it remained higher than in pre-pandemic times. Canada's

two-year foreign-buyer ban (Prohibition on the Purchase of Residential Property by Non-Canadians Act), introduced in January 2023, is currently the most impactful policy affecting Halifax's \$1 million and higher segment. Homes that typically drew interest from international buyers, like oceanfront homes, idled on the market in 2023.



“We are not seeing price declines despite a sluggish market, but negotiations are possible. Price averages continue to trend upward due to supply shortages, and there is a decrease in multiple offers in the \$1 million and higher segment. We advise interested buyers to take advantage of the current market conditions.”

**Donna Harding**

License Partner  
Engel & Völkers Nova Scotia



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Engel & Völkers Nova Scotia





The new REALTOR® Cooperation Policy, effective January 1, 2024, also puts pressure on Halifax’s luxury market. It prohibits exclusive listings, a preference of high-end property owners. This policy will require all exclusives to be listed on the MLS within three days of public marketing. Fortunately, the Engel & Völkers global network of more than 16,000 advisors and 1,000 shops, along with its Private Office, can share off-MLS listing exclusives with over 300 Private Office advisors worldwide — a significant advantage to its clients. Despite the expected market tumult, summer 2023 saw more sales of premium residential-class homes priced over \$1 million than the same period in 2022. This remarkable development suggests Halifax’s high-end residential property market may be more resilient than anticipated. The \$4 million and higher market mirrored 2022 outcomes — three units were listed in the second half of both years, but none were sold.

Last year’s condo market in the \$1 million or higher segment was also comparable to 2022, where five sales were made in the second half of the year for both years. No condo units were listed over \$4 million in either year, as this market doesn’t yet exist in Halifax.

In 2023, 202 residential homes from \$1 - 3.99 million sold, compared to 225 in 2022. Though this number dropped by 10 per cent, average home prices remained remarkably stable, hovering at \$1,335,441 in 2023, an increase from \$1,302,882 in 2022. The total number of condos sold priced from \$1 - 3.99 million was 14, compared to 20 in 2022. The average price in this category was \$1,315,741 in 2023, compared to \$1,161,337 in 2022.

		January	February	March	April	May	June
Average Sold Price	<b>◆ \$4M +</b>						
	Residential Class	0	0	0	\$4,320,000	0	0
	Condominium Class	0	0	0	0	0	0
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	\$1,295,630	\$1,256,641	\$1,325,076	\$1,609,776	\$1,365,515	\$1,291,539
	Condominium Class	0	\$1,357,000	0	\$1,105,000	0	\$1,535,000
Total Units Sold	<b>◆ \$4M +</b>						
	Residential Class	0	0	0	1	0	0
	Condominium Class	0	0	0	0	0	0
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	13	10	15	18	32	17
	Condominium Class	0	3	0	3	0	1
New Listings	<b>◆ \$4M +</b>						
	Residential Class	1	2	1	2	0	0
	Condominium Class	0	0	0	0	0	0
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	24	31	37	46	58	54
	Condominium Class	3	6	1	2	2	8



## Residential home sales breakdown

In July 2023, Engel & Völkers reported luxury markets in Halifax made up 10 per cent of the market. On an annual basis, 24 residential units were sold priced between \$1 - 3.99 million compared to just 11 in 2022. The average sales price in 2023 was \$1,557,031 compared to \$1,347,958 in 2022. Two condos were sold priced from \$1 - 3.99 million for an average of \$1,150,000. There were no condos sold in this range in 2022.

In August 2023, the number of residential homes sold priced from \$1 - 3.99 million grew to 27, an increase of 12 per cent month-over-month. These units averaged a price of \$1,277,309 compared to \$1,316,818 in 2022, a

three per cent decrease year-over-year. This compares to 11 residential units sold in 2022, showing sales volume was stable annually. At the same time, the number of new residential-class listings reduced by 30 per cent year-over-year. No condos were sold at this price point.

As fall arrived, demand for premium properties waned, translating into a 50 per cent drop in sales from \$1 - 3.99 million in September 2023 year-over-year, dropping from 18 units sold to nine. However, the average price in this segment remained consistent at \$1,309,300 in 2023, compared to \$1,342,963 in 2022. Meanwhile, the number of new listings remained unchanged compared to 2022, allowing inventory to rebuild after a busy August.

July	August	September	October	November	December
0	0	0	0	0	0
0	0	0	0	0	0
\$1,557,031	\$1,277,309	\$1,309,300	\$1,200,142	\$1,308,800	\$1,193,110
\$1,150,000	0	0	\$1,749,738	\$1,024,999	\$1,288,450
0	0	0	0	0	0
0	0	0	0	0	0
24	27	9	13	10	9
2	0	0	2	1	2
1	2	0	0	1	2
0	0	0	0	0	0
40	28	37	37	21	6
2	0	6	2	7	0



In October 2023, the number of residential class units sold in the \$1 - 3.99 million category reached 13, compared to 16 in 2022. The average price was \$1,200,142, compared to \$1,257,179 in 2022. Two condos were sold, averaging \$1,749,738 between the two sales.

The number of units sold dropped even further in November 2023, to 10 residential class homes and one condo priced between \$1 - 3.99 million. New listings in this category dropped from 39 to 28, and one residential unit was listed over \$4 million — the first listing at this price point since August. Overall, Halifax continued to defy national trends and sustained a tight, seller-favourable market.

In December 2023 buyers continuing to absorb luxury inventory, seeing a total of 11 condo and residential units sold

in the \$1 - 3.99 million range. This compares to seven sales in the same category in December 2022. The year ended with four months of inventory across the conventional market.

### Market Outlook

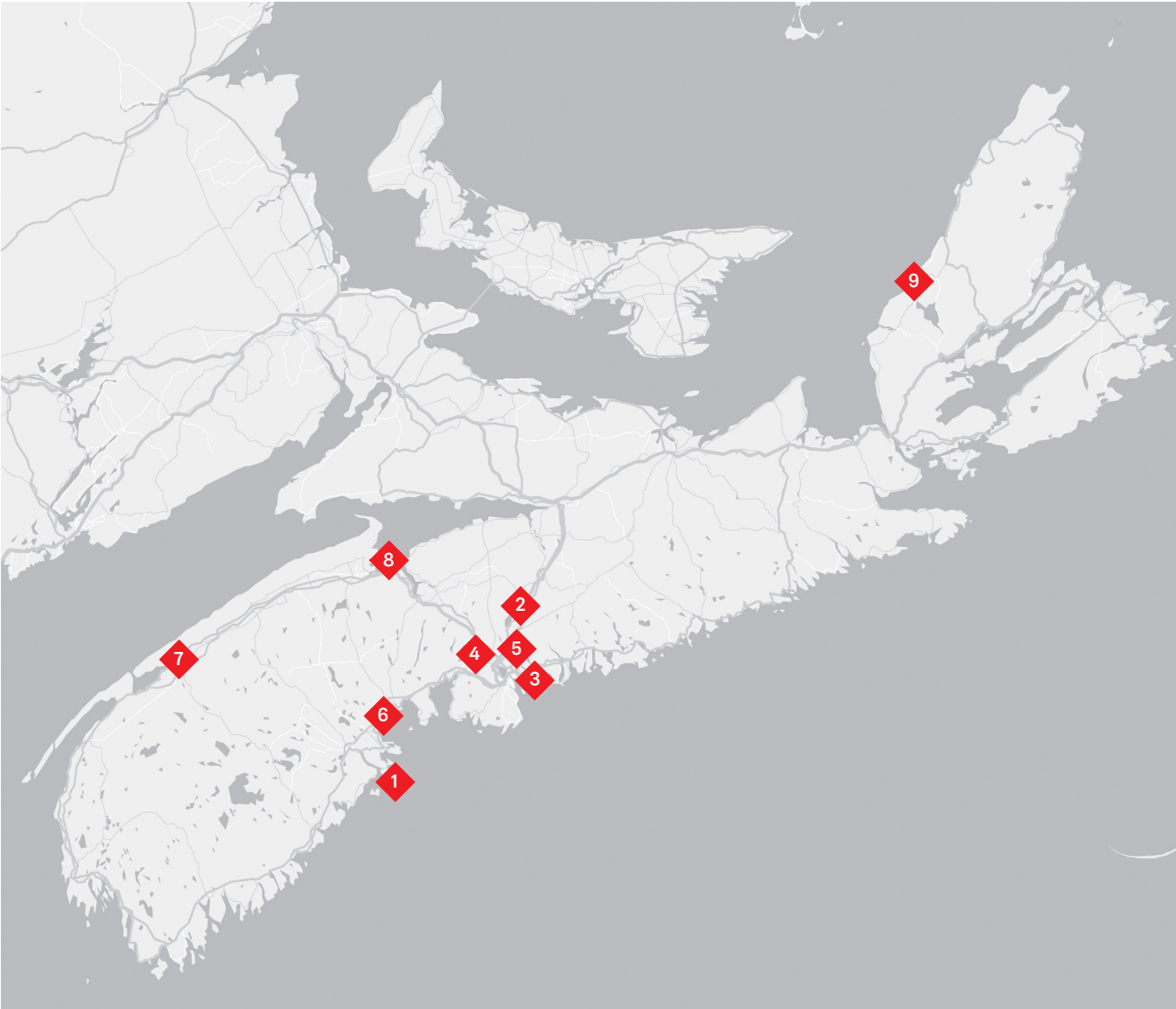
Engel & Völkers forecasts the real estate market will remain at the same pace until interest rates are lowered, which is expected in spring 2024. It anticipates an increase in listings during this period. The present state of inventory in Halifax's premium category implies a seller's market, but there has been a noticeable decline in the number of multiple offers in the \$1 million and above range. Buyers will continue to display a greater level of discretion and refrain from making purchases until they are comfortable with the market's stability.





## NEIGHBOURHOODS TO WATCH

# Halifax



### \$4M+

- 1. Kingsburg
- 2. Grand Lake
- 3. Halifax Peninsula

### \$1 - 3.99M

- 4. Hammonds Plains
- 5. Fall River
- 6. Mahone Bay

### UP-AND-COMING

- 7. Annapolis Royal
- 8. Wolfville
- 9. Inverness

# Montréal

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Units sold valued at \$1 - 3.99 million declined by 12% annually, but average prices remained remarkably stable, shifting down by 0.62%.

## Welcome to Montréal

In 2023's second half, Montréal said adieu to overbidding and fast-paced price increases. Indicators show sales peaked in May 2023, aligning with when some buyers began experiencing difficulty qualifying for mortgages. Subsequently, the market dynamics shifted, resulting in an increase in days on market and a decrease in competition for homes.

Nevertheless, record sales continued to be made within the region from July 2023 to year-end, suggesting resilience in the market. Engel & Völkers Montréal reports it completed nearly 25 record-breaking sales in the Québec region in 2023. This indicates a strong demand for certain property types and continued interest in real estate investments.

From July to December, premium residential class units sold from \$1 - 3.99 million consistently trended downward month-over-month, spare August. Year-over-year data showed more monthly sales from July to December 2023, where 711 units were sold, compared to 600 during the same period in 2022. Condo unit sales in the \$1 - 3.99 million category from July to December were steady compared to last year when the current market correction phase began. New construction was largely paused in 2022, with approximately 90 per cent of projects on hold. New project approvals continued to lag through 2022, but in 2023, Engel & Völkers reported new customer inquiries returned to 2019 levels. Residential units sold priced over \$4 million remained at 16 in both 2022 and 2023's second half. There were 61 new listings in this category in the second half of 2022, while 2023 saw 63.

In 2023, the total number of residential homes sold between \$1 - 3.99 million was 1,522 compared to 1,742 in 2022, emphasizing the premium markets in Montréal are stable. Prices were also consistent, averaging \$1,480,861 in 2023, a slight variance from \$1,490,098 in 2022 — shifting down by



“Demand for move-in ready freehold homes is high, with prime inventory often receiving multiple offers within 24 hours of listing. A record number of immigrants continue to move to Québec. Many settle in central areas, and we expect strong market demand through 2030 as they move through the real estate cycle, starting with renting.”

**Patrice Groleau**

License Partner  
Engel & Völkers Montréal







0.62 per cent. A total of 363 condo units sold priced between \$1 - 3.99 million, compared to 452 last year, decreasing by 20 per cent. The average price in this category was \$1,353,022 in 2023, compared to \$1,397,074 in 2022.

Twenty eight residential units sold valued at over \$4 million, compared to 30 last year. The average price was \$3,218,798, decreasing from last year's average of \$5,415,778, likely skewed higher due to a large sale. The total number of condos sold priced over \$4 million was eight, compared to 14 in 2022. The average price in this category was \$4,942,986 in 2023, compared to \$3,656,955 in 2022.

## Residential home sales breakdown

In July 2023, six properties valued at over \$4 million were sold, the yearly high. In the \$1 - 3.99 million category, only 297 new listings were added to the market, the second lowest number to January's 270 new listings. Turnkey properties were in low supply but high demand, mainly due to high renovation costs and labour shortages. In fact, in the second half of 2023, 'mom and pop' house flippers left the market due to a lack of profitability.

Transitioning to August, residential property inventory valued between \$1 - 3.99 million experienced an upswing of 14 per cent month-over-month. Nonetheless, compared to the previous year, inventory declined by three per cent

	January	February	March	April	May	June	
<b>Average Sold Price</b>	<b>◆ \$4M +</b>						
	Residential Class	\$4,050,000	\$4,800,000	\$6,712,500	\$5,425,000	\$4,245,000	\$4,843,750
	Condominium Class	0	0	0	\$4,396,750	0	0
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	\$1,469,717	\$1,445,669	\$1,416,380	\$1,442,551	\$1,557,130	\$1,443,959
	Condominium Class	\$1,222,081	\$1,358,248	\$1,334,225	\$1,246,234	\$1,407,215	\$1,439,199
<b>Total Units Sold</b>	<b>◆ \$4M +</b>						
	Residential Class	2	2	2	1	1	4
	Condominium Class	2	0	0	1	0	0
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	41	93	142	147	215	173
	Condominium Class	16	26	30	32	51	32
<b>New Listings</b>	<b>◆ \$4M +</b>						
	Residential Class	5	7	8	10	10	10
	Condominium Class	3	7	3	1	7	0
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	270	310	437	346	470	399
	Condominium Class	82	104	141	103	152	130



and prices grew by two per cent. Similarly, condo inventory within this price range grew by 35 per cent month-over-month but decreased by 25 per cent year-over-year. Prices decreased by just one per cent annually, indicating a stable market. In the conventional market, Montréal's home sales increased by four per cent annually, and home prices in the region remained close to their 2022 peak, largely recovering ground lost in the second half of the previous year.

September is usually a quiet month, particularly during the first two weeks. Surprisingly, more units were sold in September 2023 for all homes above \$1 million compared to 2022, and prices remained virtually unchanged. In the \$1 - 3.99 million bracket, residential units sold grew by 30 per cent from 98 in 2022 to 127 in 2023. Sales of condo

units in this price range grew from 22 units to 24 annually. Three residential sales and one condo sale were made over \$4 million in September 2023, compared to two in September 2022.

Montréal's conventional housing market witnessed a notable nine per cent year-over-year surge in home sales in September, totalling 2,738 transactions. The median price of a single-family home in Montréal was \$549,000, up three per cent annually, while the median condominium price was \$402,000, up six per cent.<sup>1</sup>

While home sales in the conventional market grew in September, they fell by two per cent in October, to 2,675. This represented a 23-year low in Montréal, as higher rates took

July	August	September	October	November	December
\$4,815,000	\$5,508,333	\$7,731,000	\$4,326,667	\$5,637,500	\$9,500,000
\$5,372,500	\$4,940,000	\$3,848,663	0	0	\$2,965,791
\$1,433,254	\$1,511,256	\$1,500,023	\$1,496,844	\$1,519,314	\$1,534,232
\$1,465,055	\$1,357,880	\$1,360,904	\$1,316,997	\$1,373,494	\$1,354,729
4	3	3	3	2	1
2	1	1	0	0	1
161	121	127	107	111	84
31	34	24	21	32	34
7	16	10	16	8	6
2	2	3	1	4	0
297	338	438	384	315	143
83	112	105	121	114	53

<sup>1</sup> The Quebec Professional Association of Real Estate Brokers, October 2023.



hold. As of October 2023, the number of new listings priced between \$1 - 3.99 million grew from 367 in October 2022 to 384 in October 2023. Residential units sold in this price range dipped to 107 and grew slightly in November to 111 – matching the pace of sales in 2022. October condo listings grew year-over-year, from 101 in 2022 to 121 in 2023.

This trend continued into November, where the number of new listings for residential homes priced from \$1 - 3.99 million grew by 14 per cent year-over-year, from 279 in 2022 to 315 in 2023. The number of units sold for all homes combined remained virtually unchanged, landing at 143 in 2023 compared to 142 last year.

The markets slowed down as is typical in December, but an adequate number of sales were made, seeing two units sell over \$4 million and 118 between \$1 - 3.99 million. This fall run indicates that Montréal's premium markets are remarkably stable.

## Market Outlook

The real estate market in Montréal is navigating a multi-faceted landscape comprising rate hikes, labour shortages, construction constraints and social considerations. Each of these factors will play pivotal roles in 2024, where Engel & Völkers expects a soft stabilization rather than a hard landing.

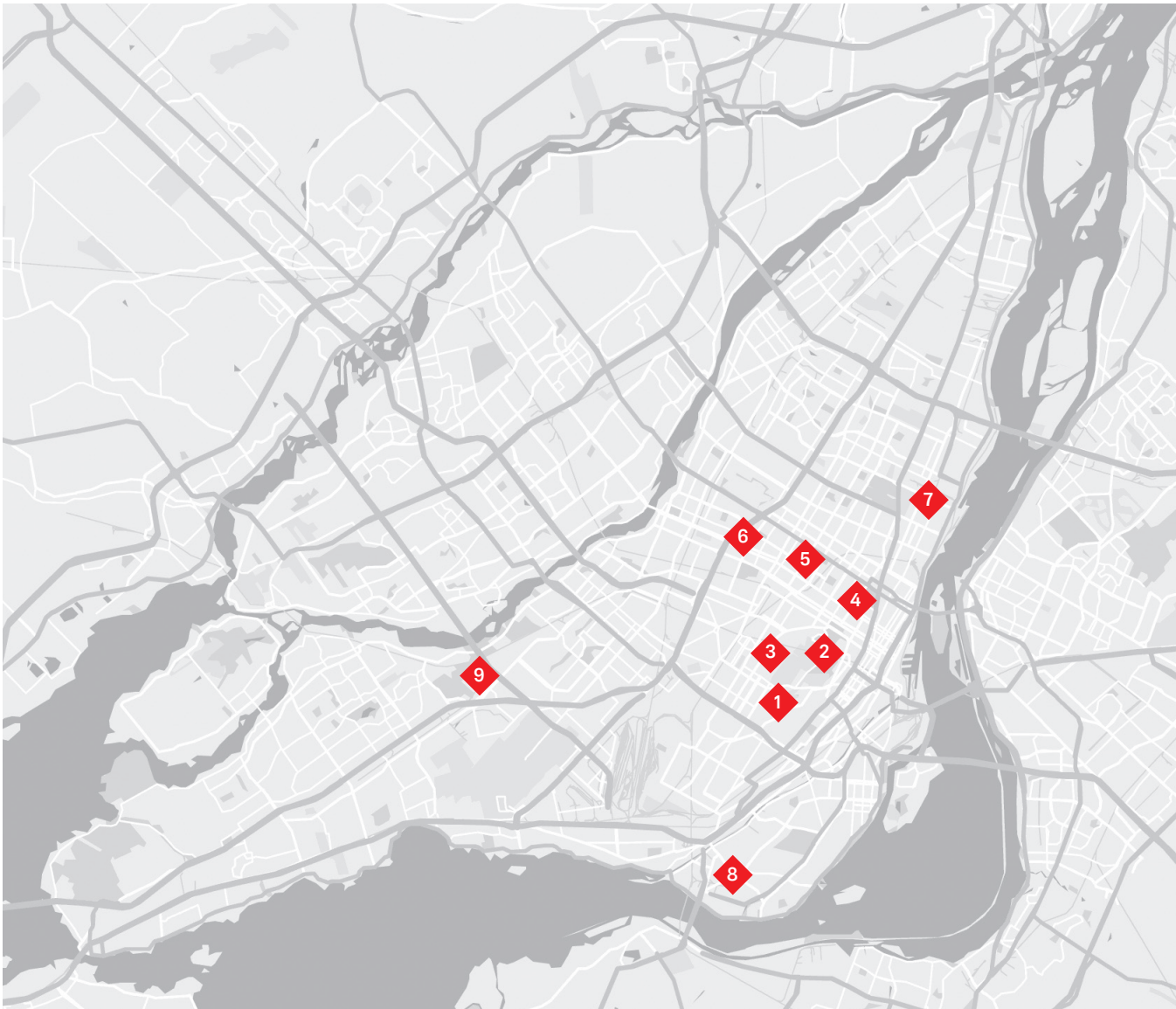
If buyers cannot be approved for mortgages, social pressure will pile up, and governments and lenders will be pressured to find a solution. There is the expectation that banks and developers will work together to ensure the real estate market's health for buyers, sellers and developers. Similarly, supply issues will need to be met. The will and the investment to build new supply is there, but the province is lagging in incentives and skilled trades. If the number of projects does not keep pace with the growing demand, Montréal's buyers will face a dead end by 2030, resulting in a crisis-level housing shortage.





## NEIGHBOURHOODS TO WATCH

# Montréal



### \$4M+

1. Westmount
2. Town of Mount Royal
3. Outremont

### \$1 - 3.99M

4. Le Plateau-Mount Royal
5. Rosemont
6. Villieray | Ahuntsic

### UP-AND-COMING

7. East Island | Hochelaga Maisonneuve
8. Lasalle
9. Saint-Laurent

# Ottawa

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Two properties sold for over \$6 million, the first time since 2014, driving a 24% increase in average prices for homes over \$4 million.

## Welcome to Ottawa

Ottawa's market conditions have gradually shifted, with a growing understanding of the new conditions around buying, selling and property value. The mood was characterized by a wait-and-see approach, with 2022's market froth entirely dissipating. Previously, buyers and sellers would engage in transactions to pursue gains, but the market in 2023 lacked the urgency that once defined it.

In Ottawa, property prices stabilized, decreasing 15 per cent from the pandemic's market high, but still up by over 50 per cent from pre-pandemic levels in 2019. The market is returning to the days when buyers and sellers have a specific reason for transacting, such as moving for a job or being closer to family.

The lack of urgency in the current market is due to the absence of climbing prices and higher interest rates, resulting in many buyers remaining on the sidelines. Some buyers are waiting until spring, anticipating financial pressure on sellers will allow them to negotiate more favourable prices. Despite this speculation in the broader market, the luxury segment remains stable, with no panic selling or exceptional deals.

There has been significant migration to Ottawa. However, it will unlikely affect the luxury market in the immediate future, as most migrants rent first. This inflow drove up rental prices, and multiple offers on rental properties were common. The foreign buyer ban places additional pressure on the rental market since newcomers cannot purchase properties.

In Ottawa's \$1-3.99 million market, the number of residential units sold trended downwards monthly in the year's second

half. In contrast, condo units sold trended upwards from July to year-end, peaking at six units sold in October and November. At the same time, new listings consistently grew from July through to December, helping Ottawa replenish much-needed supply, which was precariously low in 2021 and 2022.



“Ottawa’s adjustment period will continue into spring 2024, but I don’t anticipate dramatic price drops. Buyers will have selection and experience less pressure through the process. Sellers should have strong representation and understand days on market will be longer. They will need seasoned advisors on their team.”

**John King**

License Partner  
Engel & Völkers Ottawa Central





One residential unit was sold in the over \$4 million category from July to December, whereas in 2022, none were sold. During this period, there were six new residential listings and no condo listings in this price range.

In 2023, 1,259 residential homes from \$1 - 3.99 million sold, compared to 1,592 in 2022. Though this number decreased by 26 per cent, average home prices remained remarkably stable at \$1,320,219 in 2023, increasing by one per cent from \$1,306,545 in 2022. The average price of condos sold in the \$1 - 3.99 million category in 2023 was \$1,410,387 compared to \$1,441,320 last year, dropping by merely two per cent. The number of units sold in this category was stable, seeing 39 sales in 2023, compared to 38 in 2022.

For homes priced over \$4 million, four units were sold annually in both 2022 and 2023. The average for homes in this price point was \$5,387,200, growing from last year's average of \$4,330,000 by 24 per cent. Historically, there have been 21 sales over \$4 million.

## Residential home sales breakdown

Ottawa's real estate market peaked in May 2023, with units sold trending downward until year-end. In July, 149 residential units were sold at \$1 - 3.99 million, and three condos were sold. Compared to 2022, this is a 40 per cent increase for all homes in this range. The average sale price for a residential home in the \$1 - 3.99 million category was \$1,319,859 compared to \$1,322,724 in 2022, remaining

	January	February	March	April	May	June	
<b>Average Sold Price</b>	<b>◆ \$4M +</b>						
	Residential Class	\$6,300,000	\$4,220,000	0	0	\$4,500,000	0
	Condominium Class	0	0	0	0	0	0
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	\$1,248,057	\$1,300,072	\$1,299,612	\$1,317,119	\$1,322,615	\$1,394,100
	Condominium Class	\$1,069,400	\$1,190,498	\$1,893,333	\$1,362,500	\$1,285,667	\$1,586,667
<b>Total Units Sold</b>	<b>◆ \$4M +</b>						
	Residential Class	1	1	0	0	1	0
	Condominium Class	0	0	0	0	0	0
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	35	61	98	162	200	157
	Condominium Class	2	2	3	2	6	3
<b>New Listings</b>	<b>◆ \$4M +</b>						
	Residential Class	0	1	2	2	2	3
	Condominium Class	0	0	0	0	0	0
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	23	47	98	190	299	313
	Condominium Class	3	6	7	6	10	8



virtually unchanged. The average condo price in this category grew from \$1,068,667 in 2022 to \$1,258,000 in 2023.

In August 2023, residential units sold from \$1 - 3.99 million dropped by 26 per cent monthly to 111, but grew by 37 per cent annually, where 81 units were sold. Average prices dipped by four per cent compared to last year, and new listings grew by 65 per cent. Two condos were sold in this segment compared to one in 2022, averaging \$1,852,500. Three new condo listings in this price range were added to the market, while five were added in 2022.

The conventional market held in September 2023, where the single-family benchmark price was \$727,500, essentially unchanged, up just 0.6 per cent year-over-year. However, the

average price of all homes sold was \$675,412, increasing by 2.7 per cent from September 2022. The comprehensive year-to-date average price was \$672,837, a decline of 6.5 per cent from the first nine months of 2022, reflecting the peak average sale price reached in spring 2022.<sup>2</sup>

In October, 84 residential units valued between \$1 - 3.99 million sold, dropping by 21 per cent month-over-month. The average price was \$1,345,328 in 2023 compared to \$1,241,915 in 2022, a gain of eight per cent year-over-year. Remarkably, six condos in this price point sold compared to four in 2022. In 2023, units sold in this segment averaged a sales price of \$1,580,667 compared to \$1,277,500 in 2022. New listings for all homes over \$1 million grew by 22 per cent month-over-month, further replenishing supply.

July	August	September	October	November	December
\$6,528,800	0	0	0	0	0
0	0	0	0	0	0
\$1,319,859	\$1,308,878	\$1,338,811	\$1,345,328	\$1,349,781	\$1,298,390
\$1,258,000	\$1,852,500	\$1,000,000	\$1,580,667	\$1,232,083	\$1,613,333
1	0	0	0	0	0
0	0	0	0	0	0
149	111	106	84	54	42
3	2	1	6	6	3
1	1	3	1	0	1
0	0	0	0	0	0
51	86	208	255	146	47
2	3	8	8	0	3

<sup>2</sup> Ottawa Real Estate Board, October 6, 2023

668 Westminster Avenue

Engel & Völkers Ottawa Central



With the onset of winter, real estate activity waned, and units sold dropped in tandem. In November 2023, only 54 residential homes valued at \$1 - 3.99 million sold, on par with 2022, where 60 units sold. There were six condo transactions in this price segment, compared to one in November 2022. The number of new listings coming to the market dropped, which is typical for the time of year.

The Ottawa housing market experienced a seasonal slowdown in December, but there was a small spike in sales activity in anticipation of possible interest rate decreases as soon as spring. The year finished with approximately four months of inventory — significantly higher than the previous two years when inventory was less than one month at year-end.

## Market Outlook

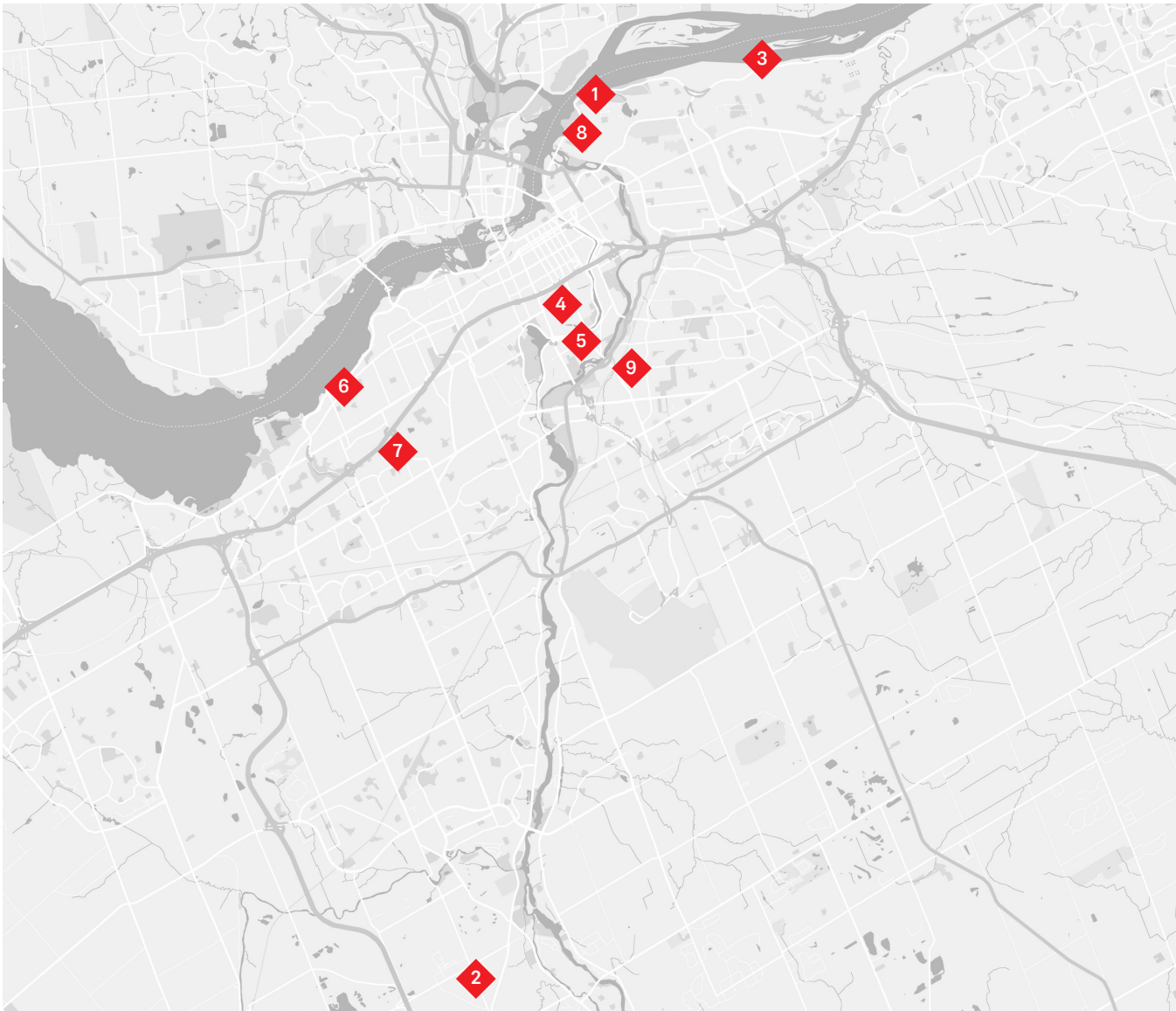
Engel & Völkers forecasts a buyer's market from January to April, anticipating Ottawa's luxury real estate market will remain steady and robust. If mortgage rates drop in the spring, as some economists predict, buyer psychology will adapt, and there will be a new sense of comfort in the market. For buyers, the coming spring market may present strategic opportunities created by the most favourable conditions facing buyers in many years. Larger home inventories and longer sales cycles are tilting balance in their favour. Sellers will face a difficult environment as listings will take longer to sell in a challenging market. It is critical to work with seasoned real estate professionals who are up to date on real-time local conditions with the know-how to capitalize on the opportunities in the current market.





## NEIGHBOURHOODS TO WATCH

# Ottawa



### \$4M+

- 1. Rockcliffe
- 2. Manotick
- 3. Rothwell Heights

### \$1 - 3.99M

- 4. Glebe
- 5. Old Ottawa South
- 6. McKellar Park

### UP-AND-COMING

- 7. Bel-Air Heights
- 8. New Edinburgh
- 9. Alta Vista

# Toronto

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Over 50% more sales made over \$8 million in 2023 compared to 2019, despite unfavourable market forecasts and the foreign buyer ban.

## Welcome to Toronto

In Toronto, rising interest rates, gas prices, inflation, wars and post-pandemic effects caused market uncertainty, making its future difficult to predict for even the most seasoned economists. Many buyers and sellers opted to sit back and wait rather than make significant decisions.

While this uncertainty may have created the perception the sky is falling, data for premium residential class homes over \$1 million in Toronto tells a different story – one of remarkable stability and balance. In 2023, the practice of underpricing and setting an offer date for a home largely disappeared in Toronto, a change all can agree is positive. Dedicated offer dates became the new norm, creating a more level playing field — especially true for homes under \$1 million and over \$2 million. Inventory needed to be smartly priced to sell, and multiple offers were not typical. Well-located single-family homes listed between \$999,999 and \$1,300,000 still drew multiple offers.

Condo buyers stood aside in 2023 due to difficulty being approved for mortgages or waiting for the market to “bottom out.” This translated into a 12-month run of inventory building in the market, however, listings were not met with the same level of demand. Though supply grew over this period and sales declined, the average price remained level throughout the year, consistently hovering between \$1,300,000 and \$1,400,000. Price reductions were not seen, but days on market grew for this leisurely-paced category.

There were 17 per cent fewer home sales over \$4 million in 2023 compared to 2022, as this market largely depends on foreign buyers. However, Engel & Völkers is reporting the

ultra-luxury residential class category outperformed pre-pandemic times, despite unfavourable market forecasts and the foreign buyer ban. In 2019, 15 sales were made for homes priced over \$8 million, compared to a substantial 31 in 2023.



“We have observed a noticeable change in how homeowners are moving. Instead of buying first, homeowners are now selling first – attributed to growing days on market. Despite this trend, luxury real estate markets have remained remarkably stable, only recording a minor contraction.”

**Anita Springate-Renaud**

License Partner  
Engel & Völkers Toronto Central





161 Roehampton Avenue

Engel & Völkers Toronto Central

In 2023, 8,120 residential homes valued from \$1 - 3.99 million sold, compared to 9,410 in 2022. Though this number dropped by 14 per cent, average home prices held steady, averaging \$1,623,367 in 2023, decreasing by 1.5 per cent from \$1,646,891 in 2022. The total number of condos sold between \$1 - 3.99 million was 1,755, which dropped by 15 per cent compared to 2,058 last year. The average price in this category was \$1,406,711 in 2023, compared to \$1,400,394 in 2022, decreasing by just 0.5 per cent year-over-year.

Moving to the over \$4 million category, 281 residential units sold in 2023 compared to 340 in 2022. The average price was \$5,672,525, increasing by one per cent from 2022's average of \$5,598,005. The total number of condos sold over \$4 million was 26, which dropped by just one unit compared to 27 sales last year. The average price in this category was \$4,915,475 in 2023, compared to \$4,472,471 in 2022.

## Residential home sales breakdown

The real estate market witnessed a relative decline in activity during July 2023, following the typical trend. Surprisingly, residential units sold between \$1 - 3.99 million increased by 19 per cent year-over-year. Though more units were sold in 2023, average prices were consistent, going from \$1,570,625 in 2022 to \$1,569,050 in 2023. For condos, the average price for units between \$1 - 3.99 million remained unchanged at \$1,337,972.

Annually, residential units sold in the \$1 - 3.99 million category in August 2023 decreased slightly from 513 in 2022 to 499 in 2023. Condos sold valued at \$1 - 3.99 million in 2023 grew, seeing 127 transactions in August 2023 compared to 118 in August 2022. Summer activity can be attributed to buyers and sellers transacting ahead of interest rate increases or rate holds expiring. There were negligible

price changes year-over-year, showing remarkable stability after a challenging 12-month period.

September is typically a quiet month for real estate, with the first two weeks being particularly slow. However, this year saw 763 units over \$1 million sold for all homes, compared to 694 in 2022. Market inventory grew by 45 per cent annually for all homes between \$1 - 3.99 million and 58 per cent year-over-year for homes over \$4 million.

In the fall, condo market dynamics shifted, with sellers adopting aggressive pricing strategies due to buyer hesitation. A successful sale depended on other building-specific factors like location, amenities and size.

Rents for one-bedroom apartments jumped by 21.5 per cent year-over-year in September, while two-bedroom units grew by 26.9 per cent.<sup>3</sup> This increase affected landlords selling tenanted properties since tenants often pay below market value.

In October and November 2023, the number of units sold was consistent with last year, but the pace was slower. There was more inventory to choose from, and inventory in good areas moved quickly. However, the sales cycle was longer in peripheral areas, and listing prices needed to be aggressive to win. Rents started to trend downward in November, and the average asking price fell by 2.4 per cent year-over-year to \$2,913, a trend that continued into December.<sup>4</sup>

		January	February	March	April	May	June
Average Sold Price	<b>◆ \$4M +</b>						
	Residential Class	\$4,957,901	\$5,086,235	\$5,690,368	\$4,723,282	\$5,918,548	\$5,985,915
	Condominium Class	\$4,200,000	0	\$4,797,500	\$5,274,000	\$4,765,000	\$5,756,250
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	\$1,574,141	\$1,685,432	\$1,598,673	\$1,684,748	\$1,696,029	\$1,632,840
	Condominium Class	\$1,341,061	\$1,465,898	\$1,358,847	\$1,442,477	\$1,439,634	\$1,406,174
Total Units Sold	<b>◆ \$4M +</b>						
	Residential Class	7	17	19	42	49	34
	Condominium Class	1	0	2	5	5	4
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	326	573	803	944	1,211	1,022
	Condominium Class	67	122	160	213	267	184
New Listings	<b>◆ \$4M +</b>						
	Residential Class	49	78	68	116	155	124
	Condominium Class	13	14	16	26	19	20
	<b>◆ \$1 - 3.99M</b>						
	Residential Class	779	945	1,186	1,186	1,826	1,698
	Condominium Class	384	323	400	441	591	558

<sup>3</sup> Zumper, Canadian Rent Report, September 2023

<sup>4</sup> Rentals.ca, November 2023 and December 2023





“The Toronto Uptown Market showed remarkable resilience in 2023, with prices remaining relatively stable throughout the year. We anticipate a surge in housing market activity in 2024, due to compounded demand for housing coupled with a stabilizing interest rate environment, which will likely trend downwards in 2024.”

**Ron Amendola**

License Partner, Engel & Völkers Toronto Uptown

July	August	September	October	November	December
\$5,707,583	\$5,632,369	\$5,685,023	\$7,179,174	\$6,338,889	\$5,165,007
\$5,015,000	0	\$5,350,000	\$5,722,000	\$4,150,000	\$4,125,000
\$1,569,050	\$1,556,164	\$1,689,422	\$1,613,218	\$1,587,252	\$1,593,429
\$1,337,972	\$1,430,660	\$1,376,288	\$1,391,303	\$1,452,296	\$1,437,916
18	17	23	23	18	14
3	0	1	2	1	2
644	499	624	630	514	330
196	127	115	102	99	103
89	86	190	147	148	34
12	12	30	26	10	7
1,291	1,008	1,996	1,667	1,107	313
465	385	622	542	406	116

161 Roehampton Avenue  
Engel & Völkers Toronto Central



“In Q4 2023, we saw renewed interest in new condo launches, attributed to the attractive incentives developers offered. To further encourage buyers to invest in new construction, developers are adopting creative approaches to pique their interest.”

**Patrice Groleau**

License Partner  
Engel & Völkers Toronto City

New listings and sales tapered in December 2023, as is typical of the season. Condo sales showed resilience and kept pace with the same month the previous year. Average prices remained stable compared to the previous year, consistent with the trend throughout 2023.

## Market Outlook

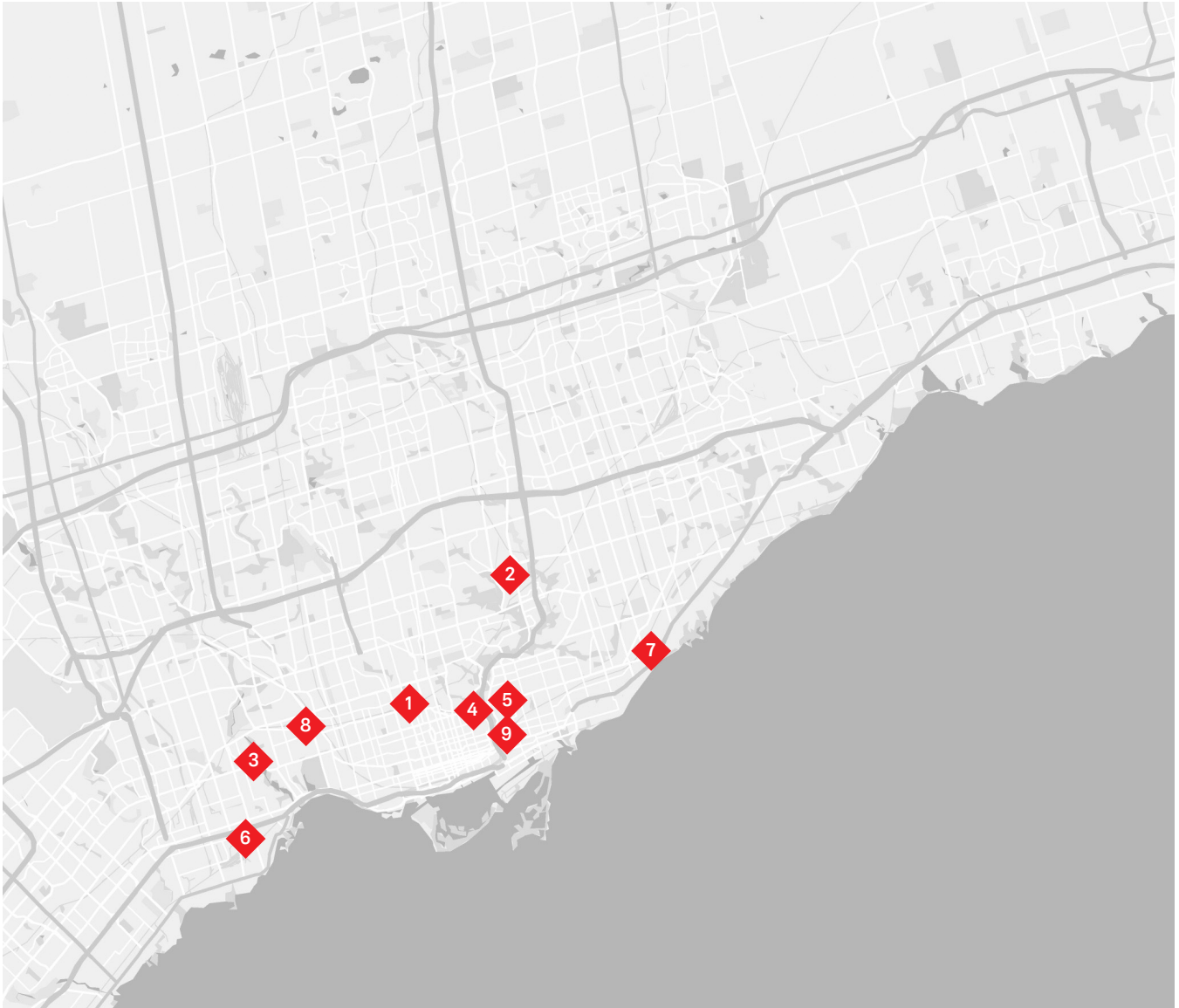
As the interest rate environment stabilizes, buyer psychology will change. Engel & Völkers is forecasting prices will rise in the spring in conjunction with expected interest rate reductions in spring 2024. This could lead to the return of multiple offers to key categories. Many who have held off on buying in 2023 will no longer want to wait, especially if they are paying high-priced rent, which will further compound demand. The Greater Toronto Area is currently facing a scarcity of freehold properties, especially in the \$1 million to \$1.5 million range, while condos are abundant and will attract first-time buyers. The freehold market between \$1 million to \$1.5 million will be most affected by demand when buyers feel it is safe to return. The condo market will take longer to absorb. However, there may be an increase in condo prices due to the freehold supply shortage.





## NEIGHBOURHOODS TO WATCH

# Toronto



### \$4M+

- 1. The Annex
- 2. Banbury-Don Mills
- 3. The Kingsway

### \$1 - 3.99M

- 4. Cabbagetown
- 5. Riverdale
- 6. Mimico

### UP-AND-COMING

- 7. Birchcliffe
- 8. The Junction
- 9. Riverside

# Vancouver

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## Vancouver's luxury real estate market defies flux in 2023, seeing unyielding stability in \$1 - 3.99 million home price averages.

### Welcome to Vancouver

Vancouver's luxury real estate landscape experienced a period of relative stasis in 2023, with a lack of inventory and an uncertain economic climate causing many individuals to remain on the sidelines. While 2023's spring market showed signs of life, characterized by a spike in May, it was relatively stagnant in the year's second half. During this time, decisions depended on individual circumstances and did not demonstrate clear trends.

Prices remained stable. However, sales slowed significantly compared to recent, record-breaking years. In September 2023, sales were well below the 10-year average, signalling buyers were waiting for the market to exhibit a clear direction before making meaningful decisions. At the same time, sellers continued to understand the value of their homes and did not adjust asking prices based on reduced demand and sales volume.

Comparable patterns are being observed in major cities worldwide, emphasizing the importance of viewing the economic conditions in Canada within a larger global context rather than locally or nationally. At a local level, understanding the correlation between inventory and absorption rates is crucial, especially when examining variations from one neighbourhood to another. Vancouver's luxury real estate market has proven to be stable.

While immigration is generally a positive development, recent immigration as a source of labour supply has strained Vancouver's rental market, which is facing a supply shortage — exacerbated by the lack of motivation among developers to build rental housing. To address this issue, governments

could incentivize developers to build more rental units, particularly in small towns where immigration could stimulate the local economy. It is essential to recognize that adequate rental housing supply is crucial for alleviating pressure and working towards an affordable market for all. On the other hand, the home sales market is not significantly impacted by immigration. Many newcomers must resort to renting as the



“Seek advice from professional market experts who understand they are not in the sales business; they are in the advice business. Their expertise comes in pricing home inventory correctly for a successful buy or profitable sale. Working with the right advisor will help you maximize your transaction and gain in the long run.”

**Andrew Carros**

Chief Operating Officer  
Engel & Völkers Vancouver







Canadian government has implemented a two-year foreign buyers ban in metropolitan areas, which expires at the end of 2024.

New listings were also down year-over-year compared to 2022, by 17 per cent for homes from \$1 - 3.99 million and 28 per cent for homes over \$4 million.

## Residential home sales breakdown

The second half of the year started with 1,064 residential and condo units sold in the \$1 - 3.99 million segment in July 2023, compared to 739 in July 2022, increasing by 31 per cent. This also represents a 28 per cent reduction from the yearly high in May 2023. Three of the 44 units sold in the \$4 million and higher range that month were condos. This compares with 25 residential class homes and seven condos in July 2022.

In August 2023, the market was busy with buyers wanting to secure rate holds, creating a glimmer of hope. However, the numbers continued trending downward for units sold and new listings for all homes over \$1 million. Prices remained stable month-over-month, fluctuating by 0.2 and three per cent across the different housing types. This was consistent compared to July 2022, where residential class homes priced between \$1 - 3.99 million averaged \$1,943,554 compared to \$2,032,656 in 2023. Condo price averages in this bracket

	January	February	March	April	May	June	
<b>Average Sold Price</b>	<b>◆ \$4M +</b>						
	Residential Class	\$6,512,000	\$5,364,181	\$6,038,650	\$5,562,166	\$5,583,137	\$6,462,433
	Condominium Class	\$5,032,500	\$19,300,000	\$4,555,000	\$6,075,000	\$5,925,333	\$4,528,300
	<b>◆ \$1 - 3.99M</b>						
Residential Class	\$1,808,776	\$1,914,955	\$1,983,762	\$2,012,386	\$2,038,395	\$1,978,497	
Condominium Class	\$1,399,425	\$1,398,687	\$1,376,299	\$1,390,163	\$1,404,413	\$1,400,061	
<b>Total Units Sold</b>	<b>◆ \$4M +</b>						
	Residential Class	15	32	48	61	62	45
	Condominium Class	2	1	1	2	6	6
	<b>◆ \$1 - 3.99M</b>						
Residential Class	249	450	645	705	916	757	
Condominium Class	129	283	389	450	555	519	
<b>New Listings</b>	<b>◆ \$4M +</b>						
	Residential Class	163	160	186	181	275	225
	Condominium Class	23	18	12	23	21	31
	<b>◆ \$1 - 3.99M</b>						
Residential Class	816	873	1,115	1,208	1,675	1,571	
Condominium Class	685	718	850	780	1,086	1,006	



were also stable, coming in at \$1,385,094 in 2023 compared to \$1,400,056 in 2022. The same was true for the \$4 million and higher bracket, where residential homes averaged \$6,483,162 in August 2023 compared to \$6,701,081 in 2022. Condos in this bracket were virtually unchanged, averaging \$5,211,500 in 2023 compared to \$5,273,286 in 2022.

Fall's arrival did not bring the typical seasonal patterns, and units sold hovered around the under 850 mark in September and October 2023. For both months, average sold prices remained consistent with the previous year, but the number of new listings grew to 2,888 for all homes over \$4 million, the annual high.

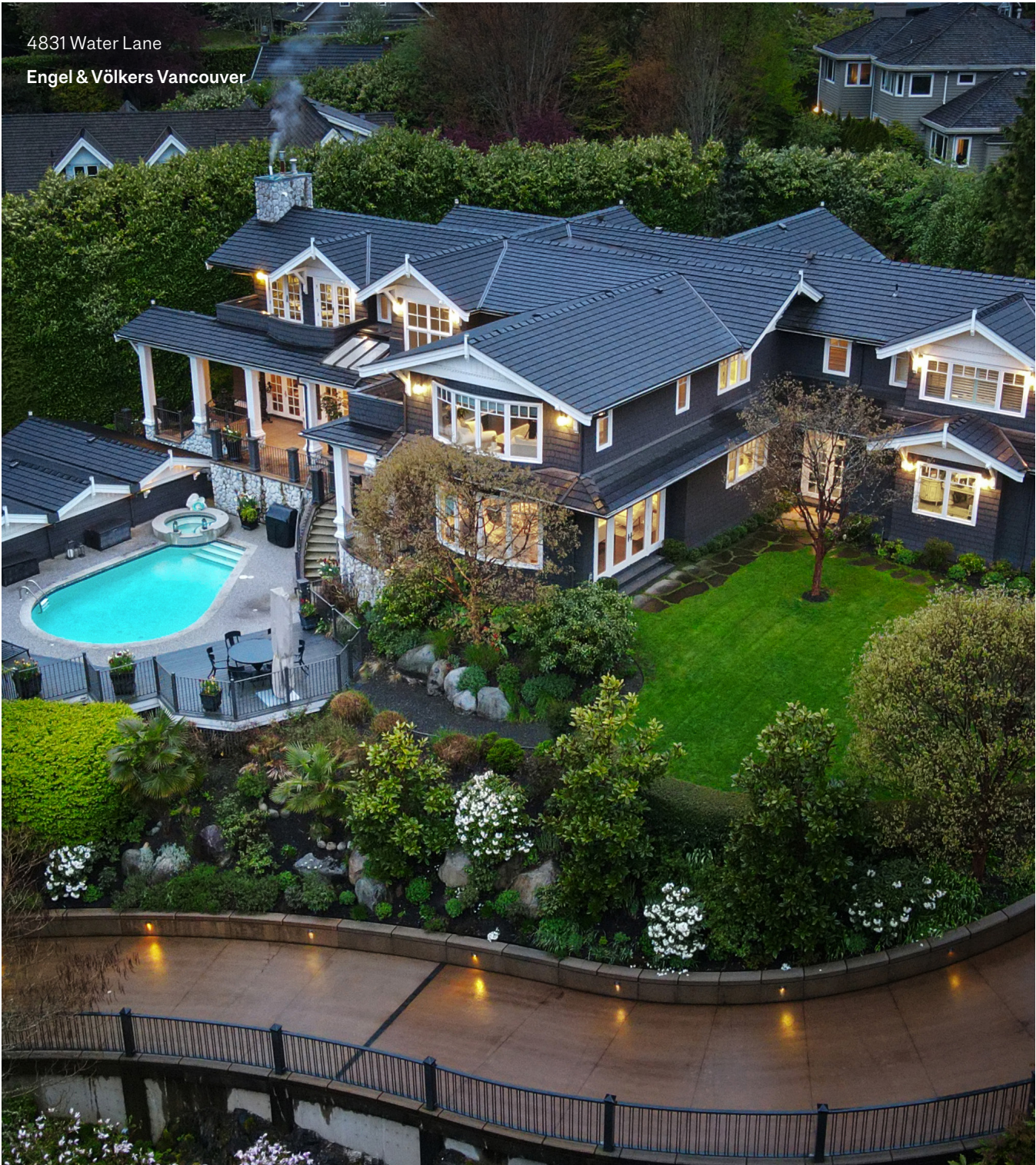
In November 2023, the number of new listings coming to market in the \$1 - 3.99 million segment fell by 29 per cent month-over-month but grew by four per cent year-over-year. The same trend was true for homes over \$4 million, where new listings declined by 40 per cent month-over-month and 15 per cent year-over-year.

December was seasonally slow, but there was collective anticipation in light of economist forecasts highlighting that the Bank of Canada could drop interest rates as soon as spring 2024. The year finished with resounding stability, seeing 551 units over \$1 million sold in 2023 compared to 520 in 2022.

July	August	September	October	November	December
<u>\$6,396,244</u>	<u>\$6,483,162</u>	<u>\$5,934,201</u>	<u>\$5,619,737</u>	<u>\$5,660,680</u>	<u>\$5,274,152</u>
<u>\$5,060,000</u>	<u>\$5,211,500</u>	<u>\$5,986,296</u>	<u>\$5,823,000</u>	<u>\$5,900,000</u>	<u>\$5,876,300</u>
<u>\$1,982,688</u>	<u>\$2,032,656</u>	<u>\$2,000,199</u>	<u>\$2,078,938</u>	<u>\$1,985,612</u>	<u>\$1,937,917</u>
<u>\$1,374,835</u>	<u>\$1,385,094</u>	<u>\$1,424,485</u>	<u>\$1,414,767</u>	<u>\$1,369,324</u>	<u>\$1,413,675</u>
<u>41</u>	<u>55</u>	<u>39</u>	<u>41</u>	<u>35</u>	<u>25</u>
<u>3</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>4</u>	<u>3</u>
<u>602</u>	<u>496</u>	<u>502</u>	<u>502</u>	<u>444</u>	<u>321</u>
<u>462</u>	<u>399</u>	<u>326</u>	<u>344</u>	<u>272</u>	<u>202</u>
<u>209</u>	<u>177</u>	<u>258</u>	<u>191</u>	<u>116</u>	<u>55</u>
<u>27</u>	<u>20</u>	<u>21</u>	<u>22</u>	<u>11</u>	<u>6</u>
<u>1,219</u>	<u>1,075</u>	<u>1,467</u>	<u>1,189</u>	<u>818</u>	<u>342</u>
<u>944</u>	<u>785</u>	<u>1,142</u>	<u>909</u>	<u>667</u>	<u>274</u>



4831 Water Lane  
Engel & Völkers Vancouver



## Market Outlook

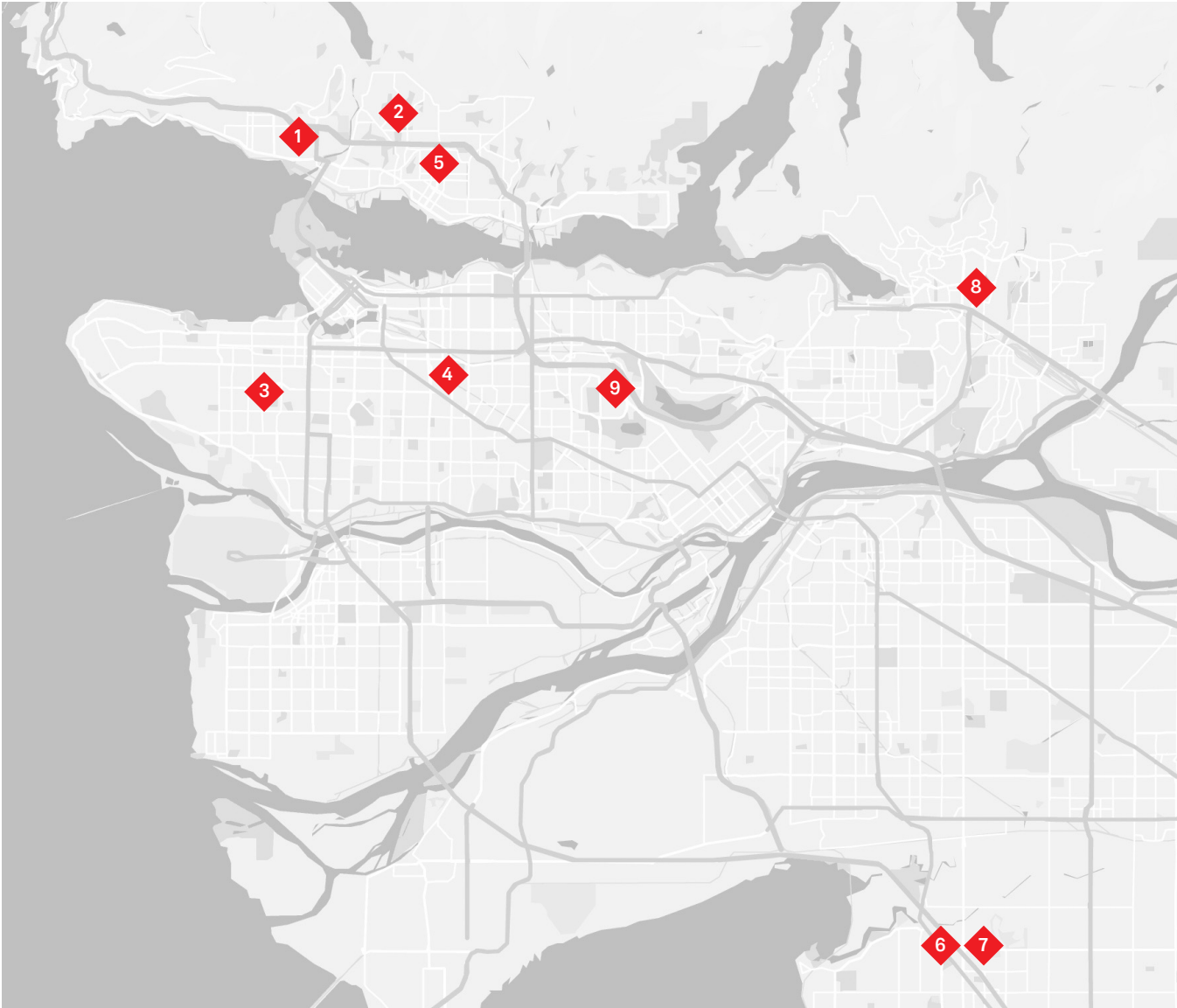
2024 is anticipated to be uncertain, with significant changes expected by the second half of the year, impacting both buyers and sellers in a challenging market. Engel & Völkers is forecasting that by the second half of 2024, buyers and sellers will step out from the sidelines and get back to business. This will bring opportunities, but buyers and sellers must have the courage to take some risks based on informed assessments.





## NEIGHBOURHOODS TO WATCH

# Vancouver



### \$4M+

- 1. West Vancouver
- 2. Edgemont
- 3. Point Grey

### \$1 - 3.99M

- 4. East Vancouver
- 5. North Vancouver
- 6. South Surrey

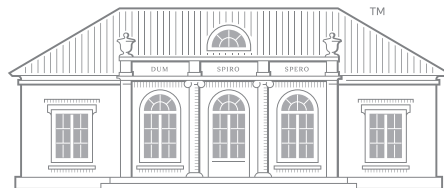
### UP-AND-COMING

- 7. South Surrey
- 8. Coquitlam
- 9. Burnaby

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