

King's home prices drop while others rise

By Mark Pavilons

House prices in King Township experienced a bit of a dip in 2019, while the GTA market as a whole saw a modest increase. King was the only municipality studied to see a decline in prices.

A report released by Zoocasa compares how 2019 home values have increased relative to local household incomes in the GTA. Specifically, they compiled 2019 median home prices in municipalities within seven GTA regions including York Region and compared them to the median after-tax incomes earned in each to see how much home values have increased or decreased as a percentage of local household earnings.

York Region as a whole experienced a 2% growth in median home prices, to \$850,150, a difference of \$20,150 that accounts for 24% of local incomes.

King saw the second-largest decrease in median prices in the GTA, falling 2% to \$1,270,000. That's a difference of -\$20,000, and accounting for -20% of local incomes.

The remainder of York region saw year-over-year price changes between 2 to 5%, accounting for 22 to 55% of local incomes.

By all accounts, 2019 was a rebound year for the Greater Toronto Area real estate market. A total of 87,825 homes traded hands over the course of the year, a 12.6% annual uptick that effectively pulled the market out of the 10-year low it experienced in 2018. Stronger sales in the region were due to a number of factors including borrower acclimatization to the federal mortgage stress test, low mortgage rates, high investor interest, as well as a steady flow of immigration to the GTA.

Coupled with a decline in MLS listings, that effectively put the boil under price growth in 2019 as home prices rose an average of 4% across the GTA year over year to \$819,319, requiring buyers to come up with \$32,079 more than they needed the previous year. Sold home prices in Toronto rose 5.6% to an average of \$883,520 over the course of the year.

However, price jumps were even more significant across median home prices as the mid-point of the market most likely to impact middle-income buyers. Prices rose 6% in the GTA to \$710,000, a difference of \$40,000. To put that into perspective, that would most impact buyers looking to purchase a condo unit within the city of Toronto, or move-up housing, such as a semi-detached house, in other GTA municipalities.

As well, a common narrative in Canada's hottest markets is that home price growth has steadily outpaced that of local incomes.

The findings reveal that the City of Toronto experienced the greatest increase in median home prices throughout 2019, with gains nearly equivalent to an entire year of after-tax income; median home prices rose by 8% to \$720,000 as a difference of \$55,000 that accounts for nearly 94% of the median Torontonians' after-tax income of \$58,264.

The largest increases took place in Toronto Central, where median prices rose 9% year over year to \$705,800, a difference of \$55,800, accounting for 96% of income. That's followed by Toronto West, which rose 8% to \$715,000, up \$55,000 and accounting for 94%, while Toronto East experienced a 6% increase to \$740,000, up \$45,000 and accounting for 77% of income.

On the other end of the scale were some of the GTA's northern-most markets, with Simcoe County and York Region home to municipalities with the smallest price increases, accounting for the least proportion of local incomes.

Simcoe County as a whole experienced the smallest median home price increase of all GTA regions, with the median home price hitting \$588,250 in 2019 as up just 2%, and clocking in at an increase of \$13,250. That accounts for 20% of the local median income of \$67,022. The predominantly rural Simcoe township of Adjala-Tosorontio saw the largest decline in home prices across the GTA, down -10% to \$630,000 as a difference of \$69,000, and accounting for -81% of local incomes. The rest of Simcoe county municipalities experienced price increases between 2 to 5%, accounting for 14 to 39% of local incomes.

Peel Region overall experienced the second-highest year-over-year median price increase, up 6% to \$700,000 as a difference of \$40,000, accounting for 53% of local incomes. Individual municipalities saw price growth between 4 to 7%, accounting for 31 to 64% of incomes.

Orangeville saw median home prices rise 5% to \$551,500, a difference of \$26,500, accounting for 36% of median incomes.

Likewise, in Halton region, home prices rose 4% to \$770,000, a difference of \$32,500 as accounting for 37% of incomes, with individual municipalities increasing 4 to 7%, accounting for 34 to 53% of incomes.

Finally, Durham region saw the second-lowest appreciation, with median home prices up 4% to \$580,000, a difference of \$20,000,

accounting for 26% of median incomes. In its municipalities, growth ranged between 0 ? 8%, accounting for 2 ? 65% of local incomes.