

REAL ESTATE

## Local demand helped fuel record growth in Toronto luxury real estate

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*Property listed by Sotheby's Realty in Toronto*

By STAFF REPORTS

The Greater Toronto Area saw the sharpest growth in luxury real estate among the major metropolitan Canadian market in 2016, with sales of homes at \$1 million or more rising 77 percent.

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According to Sotheby's International Realty Canada's "2016 Year End Top-Tier Real Estate Report," for the second year in a row, Toronto had the greatest sales gains of the four metropolitan markets studied. All of the cities in Sotheby's report performed well despite challenges such as Brexit and national policy implementations, as local conditions lessened the effects of broader changes.

Sotheby's International Realty Canada's report looks at condominiums, attached and single family homes sold for at least \$1 million.

Toronto on top

In the Toronto area, sales of homes priced at more than \$1 million reached 19,692, up from 11,112 in 2015. In comparison, from 2014 to 2015, this total grew 48 percent.

The growth was even steeper in homes that sold for at least \$4 million, with a 95 percent growth year-over-year.

Toronto and its surrounding suburbs have demand that outweighs supply, helping to drive high-priced sales with properties receiving multiple offers. Most interest came from local buyers, but foreign interest, particularly from Chinese consumers, came in second.

Vancouver, on the other hand, started off 2016 with the number of \$1 million-plus sales increasing 26 percent over 2015's numbers in the first six months, but policies put in place later in the year led to a 34 percent decrease in the second half of the year. One of these factors was the institution of a 15 percent foreign buyers' tax.



*Vancouver listing from Sotheby's International Realty Canada*

Over the course of the year, sales of \$1 million and more decreased 1 percent, but \$4 million-plus sales grew 36 percent.

Calgary's financial struggles did not dampen its market, with a 19 percent growth in \$1 million-plus sales, making a comeback after more than a 40 percent decrease in 2015.

Aided by a stable government and strong consumer confidence, Montreal saw its top-tier real estate market grow, with 613 homes sold for at least \$1 million, up 23 percent from 2015.

"Toronto's luxury real estate market shattered previous performance records for the second straight year and exceeded industry expectations," says Brad Henderson, president/CEO of Sotheby's International Realty Canada, in a statement. "At the same time, in light of the unexpected and unrelenting changes that rippled across the housing industry in 2016, the top-tier real estate markets in Vancouver, Calgary and Montreal demonstrated tremendous resilience, and in many cases sheer defiance, to post healthy performance across the board."

Real estate advisors believe that foreign buyers purchase at least a quarter of Canadian luxury properties, according to a report from Royal LePage.

When asked about changes in the market, two-thirds of advisors say foreign buyer activity has increased, with 24 percent saying foreign buyers account for at least 25 percent of properties. Canada's culture, laws and currency suggested that the trend would continue throughout the year ([see story](#)).