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OAKVILLE MARKET AT A GLANCE

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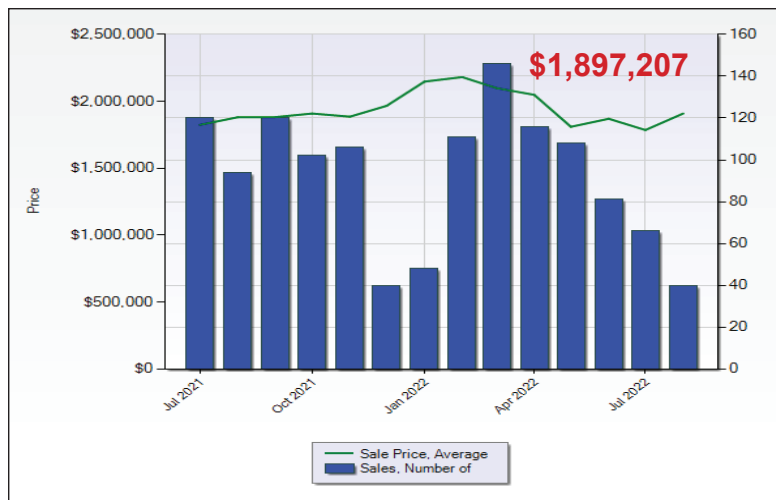
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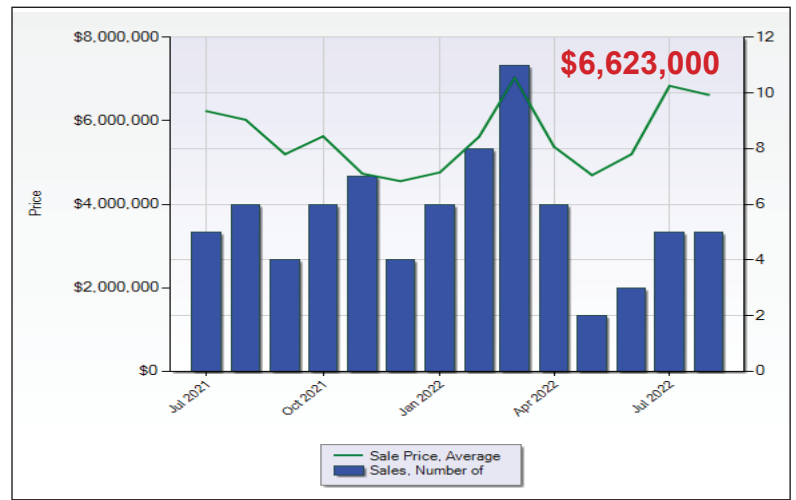
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Average Sale Price Detached Homes \$1M-\$4M



Average Sale Price Detached Homes \$4M+



Oakville Market Highlights:

- > Interest rate hikes having downward impact on average sale price in all categories except the \$4M+ category
- > Average Days On Market doubled Year-Over-Year: 50 (\$1M-\$4M); 52 (\$4M+)
- > Average sale to list price ratio drops to 94.7% (\$1M-\$4M); 95.2% (\$4M+) as bidding wars fizzle out
- > Number of sales drops 60% (\$1M-\$4M) but on par in the \$4M+ category Year-Over-Year

Statistics contained in this report were compiled from the Oakville Milton and District Real Estate Board. The information is presented without any warranty or representations as to its accuracy and is believed to be reliable.

Housing Market Fluctuations Create Uncertainty

Properly timed decisions in real estate market cycles can maximize value for home buyers and sellers, but it became increasingly difficult to do so during the past few years. The key is to get ahead of the trend in a downward market.

The Canadian housing market is in the initial stages of a correction as it pulls back from the unsustainable pace of price increases during the pandemic. Inflation is at a four-decade high, causing the Bank of Canada (BOC) to act more aggressively with policy interest rate increases than many economists predicted. The rising interest rates are forcing some buyers to the sidelines, cooling housing market activity and leaving many people with uncertainty about whether the market will continue on a downward trend or reverse its course.

Direct Correlation Between Sale Prices and Interest Rate Increases

In 2022, the average sale price of **detached homes in Oakville in the \$1M-\$4M category** rose steadily until March. The BOC began its series of policy interest rate hikes beginning on March 2nd which had an immediate, direct impact on resale property values in this category. In March, resale prices began to decline Month-Over-Month (MoM). Although the current average resale price is 13% lower than it was at the height of the market, it bounced up to \$1.9M in August and is on par with this time last year. A market correction of 15%-20% is not surprising given the meteoric rise in prices in the past two years.

Average resale prices of **detached homes in the \$4M+ category** have been less impacted by interest rate increases, as buyers more often pay with cash. Resale prices were stable for the first part of 2022

then spiked in March. This was due in part to an “outlier” sale of \$18M that month that skewed the numbers. In April, resale prices returned to February levels and remained there until July, when they jumped 30% to the current average of \$6.6M.

Cooling Market Gives Buyers More Leverage

Other notable market shifts are the average time it takes to sell a home, which has more doubled since 2021, and the sale to list price ratio falling to an average of 95%. The number of sales of detached homes in the \$1M-\$4M category dropped 60% from August 2021 numbers. The cooling market is reducing competition and creating more negotiating leverage for buyers. In contrast, the number of sales of detached homes in the \$4M+ category is on par with the same time last year.

What is the Best Strategy for Buyers and Sellers in This Market?

The over-inflated sellers’ market is in the rear-view mirror, but in its wake it has left some homeowners with unrealistic price expectations. Overpricing your property and then reducing the asking price in a downward market is known as “chasing the market down”. History has proven that these listings sit on the market longer and sell for less than homes that are priced based on a comprehensive market analysis.

The recent market swings have left many buyers and sellers uncertain about whether to go ahead or hold off with their real estate plans. Should you buy/sell now or wait? The “right” decision will depend upon your unique circumstances. An experienced real estate agent can provide you with insight and guidance to help you make an informed decision.

Deborah has been helping clients achieve maximum value for their real estate for more than 25 years

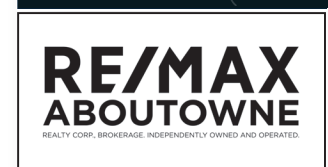
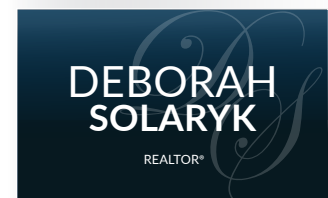


Wondering what your home is worth? Contact me for a confidential home valuation.

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Honesty, tenacity and dedication are what Deborah gives to her clients. She helps from beginning to end with whatever you need. (NR)