

June 3, 2022

Market Uncertainty as Measured by the Share of Re-Listed Properties

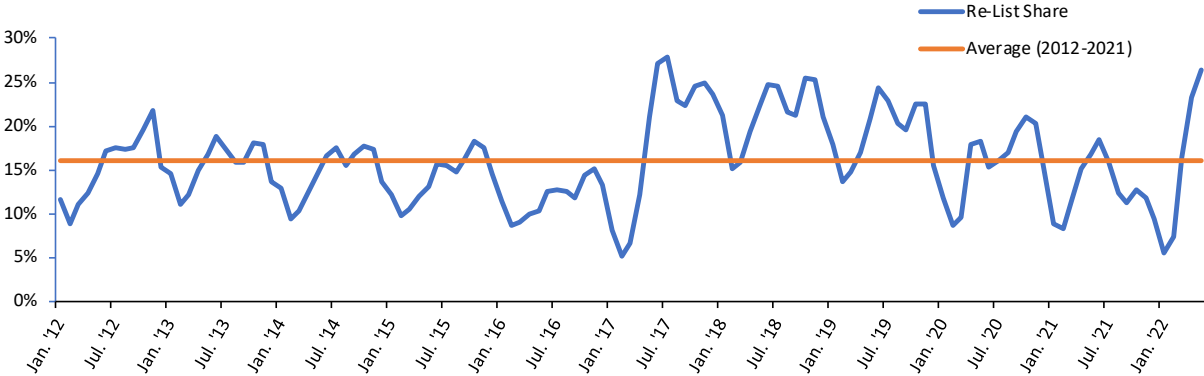
As the housing market evolves over time, uncertainty in the market ebbs and flows. One measure of uncertainty is the share of re-listed properties each month. In other words, the share of properties listed more than once by the same combination of owner and brokerage during the original contract period.

A property owner, in conjunction with their brokerage and salesperson, may choose to terminate their original listing and relist their property under a new agreement if they feel that their property was not properly positioned in the marketplace. This type of activity is more common during periods of rapidly changing market conditions. In recent years, market conditions have changed markedly and uncertainty has increased due to changes in government and monetary policy. Examples include:

- The onset of the Non-Resident Speculation Tax included in the 2017 Fair Housing Plan;
- The application of the OSFI two percentage point stress test in 2018; and
- The recent rapid increase in borrowing costs over the past three months.

Chart 1 below shows the share of monthly new listings accounted for by re-lists since 2012. For the 10-year period ending December 2021, the average monthly re-list share was approximately 16 per cent. In 2016 (the year immediately before the announcement of the Fair Housing Plan and OSFI stress test) and most of 2021, the share of re-lists was below average – market conditions were very tight and homes took very little time to sell, so it makes sense re-list activity was low. In contrast, the re-list share was above-average in 2017 (Fair Housing Plan), 2018 (OSFI stress test) and most recently in 2022 (Bank of Canada interest rate hikes). As government and monetary policy impacted the market, more home owners and their brokerages/salespersons felt the need to reposition their listings in the market, perhaps by changing the asking price or other aspects of the offering.

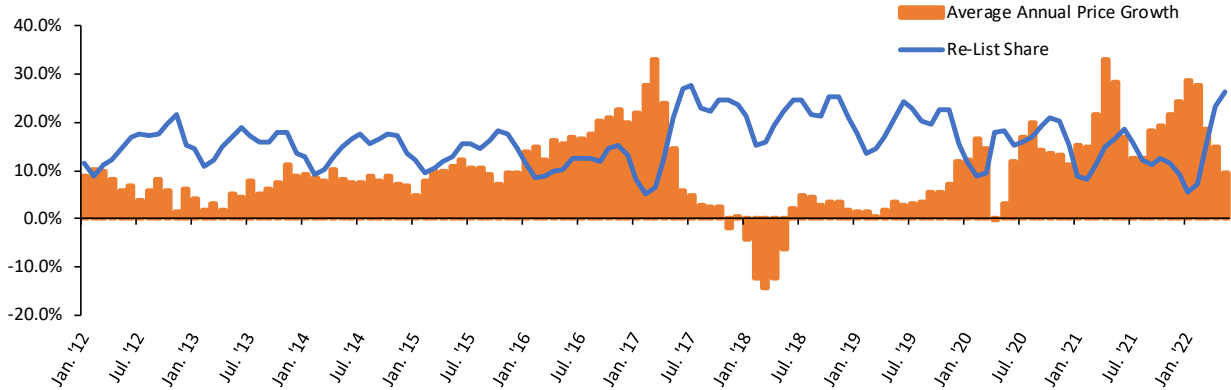
Chart 1: Monthly Re-List Share



Source: Toronto Regional Real Estate Board

Chart 2 below shows the relationship between the re-list share over time and the average annual rate of home price growth. When there is a lot of competition between buyers and little uncertainty on the part of home sellers and buyers, the pace of price growth has been strong. Conversely, when market uncertainty starts to creep into the equation, as evidenced by a higher re-list share, the pace of price growth tends to moderate as buyers react to a less competitive market and/or affordability issues presented by the impact of government policies and/or higher borrowing costs. Looking forward, the upward trend in re-lists and arguably market uncertainty supports TRREB’s forecast of a more moderate pace of annual price growth as we move through the second half of 2022.

Chart 2: Re-List Share and Average Annual Price Growth



Source: Toronto Regional Real Estate Board

TRREB will now be publishing the share of re-listed properties on a monthly basis, in a similar fashion to its monthly report summarizing property days on market (PDOM). The first report is included on the last page of this research note.

Re-List Share Comparison

All Home Types

	May			YTD		
	New Listings	Relists	Relist Share	New Listings	Relists	Relist Share
All TRREB Areas	18,679	4,928	26.4%	79,296	13,959	17.6%
Halton Region	1,893	504	26.6%	7,914	1,409	17.8%
Burlington	556	123	22.1%	2,305	335	14.5%
Halton Hills	219	65	29.7%	814	156	19.2%
Milton	499	149	29.9%	2,038	438	21.5%
Oakville	619	167	27.0%	2,757	479	17.4%
Peel Region	3,676	1,062	28.9%	16,166	3,068	19.0%
Brampton	1,646	536	32.6%	8,054	1,700	21.1%
Caledon	264	77	29.2%	987	201	20.4%
Mississauga	1,766	449	25.4%	7,125	1,167	16.4%
City of Toronto	6,877	1,521	22.1%	27,597	4,001	14.5%
Toronto West	1,777	398	22.4%	6,907	997	14.4%
Toronto Central	3,462	775	22.4%	14,206	2,118	14.9%
Toronto East	1,638	348	21.2%	6,484	886	13.7%
York Region	3,151	918	29.1%	14,744	2,853	19.4%
Aurora	211	75	35.5%	1,035	220	21.3%
East Gwillimbury	124	33	26.6%	636	124	19.5%
Georgina	212	81	38.2%	889	204	22.9%
King	87	25	28.7%	356	62	17.4%
Markham	692	172	24.9%	3,451	621	18.0%
Newmarket	258	73	28.3%	1,164	218	18.7%
Richmond Hill	553	142	25.7%	2,677	464	17.3%
Vaughan	891	277	31.1%	3,841	780	20.3%
Stouffville	123	40	32.5%	695	160	23.0%
Durham Region	2,261	703	31.1%	9,561	1,939	20.3%
Ajax	330	109	33.0%	1,492	334	22.4%
Brock	46	16	34.8%	199	40	20.1%
Clarington	381	131	34.4%	1,685	384	22.8%
Oshawa	686	204	29.7%	2,778	534	19.2%
Pickering	298	84	28.2%	1,168	206	17.6%
Scugog	62	11	17.7%	200	22	11.0%
Uxbridge	54	11	20.4%	220	28	12.7%
Whitby	404	137	33.9%	1,819	391	21.5%
Dufferin County	123	32	26.0%	502	84	16.7%
Orangeville	123	32	26.0%	502	84	16.7%
Simcoe County	698	187	26.8%	2,812	604	21.5%
Adjala-Tosorontio	51	11	21.6%	129	21	16.3%
Bradford	152	49	32.2%	680	182	26.8%
Essa	84	25	29.8%	386	79	20.5%
Innisfil	227	52	22.9%	877	181	20.6%
New Tecumseth	184	50	27.2%	740	139	18.8%