

Top-Tier Real Estate

2023 YEAR-IN-REVIEW

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Executive Summary

Canada's metropolitan luxury real estate market evolved over the course of 2023 as buyers emerged from the sidelines with newly altered housing preferences and sharpened priorities, as well as negotiating power that steadily increased as the year progressed. Although overall sales activity was subdued by a volley of stressors that ranged from economic and geopolitical shocks to interest rate hikes, persistent inflation and regulatory changes, high-end buyers remained engaged and strategic. By the end of 2023, as segments of the country's major metropolitan markets saw softening prices, and an increase in inventory and conditions that leaned in favour of buyers, the collective resilience and preparation of affluent home buyers and investors became apparent. Following years of unyielding constraints on luxury housing supply, affluent buyers and investors were primed to seize opportunities for upward housing mobility in a favourable market with replenished inventory and still-limited competition, foreshadowing strategic sales activity in early 2024.

According to data released by [Sotheby's International Realty Canada](#), luxury sales activity in the Greater Toronto Area (Durham, Halton, Peel, Toronto and York) remained calm and confident throughout 2023 as high-end buyers strategically repositioned themselves to capitalize on emerging opportunities. Although residential real estate sales over \$4 million (condominiums, attached and single family homes) experienced a 20% year-over-year decline overall, ultra-luxury sales over \$10 million on Multiple Listing Service (MLS) were stable compared to 2022 levels with a nominal 5% shortfall. \$4 million-plus sales of single family homes were down 22% year-over-year, while attached home and condominium sales over \$4 million saw modest annual gains of 8% and 10% respectively. Overall, \$1 million-plus residential sales were down 19% year-over-year in 2023.

Vancouver's luxury real estate market experienced a dramatic transformation over the course of 2023, as single family homes emerged as a focal point for luxury buyers. Despite fluctuating

consumer sentiment over the course of the year, residential sales transactions over \$4 million closed the year 8% above 2022 levels, while sales over \$10 million saw a significant 43% annual increase, buoyed by an uptick in ultra-luxury transactions in the third quarter of the year. Overall residential sales over \$1 million fell 5% short of 2022 levels. Although the city's luxury condominium and attached home sales over \$4 million fell 36% and 33% year-over-year respectively, \$4 million-plus single family home sales were up 14% year-over-year. Ultra-luxury single family home sales over \$10 million on Multiple Listings Service (MLS) increased 36%. Overall in 2023, residential real estate sales over \$1 million fell 5% short of 2022 levels.

Luxury sales activity in Montréal was uneven over the course of 2023, with an uptick in activity over the summer months before transitioning to a more balanced market towards the end of the year. \$4 million-plus residential real estate sales experienced a 22% annual decline, while sales over \$1 million fell 14%. Single family and attached home sales over \$1 million were down 14% and 6% year-over-year respectively, while \$1 million-plus condominium sales saw a more pronounced 21% annual decline.

Calgary's luxury real estate market continued to surpass the performance of Canada's largest major metropolitan areas in 2023, as buoyant economic prospects, robust job gains and affordable property prices attracted record-setting net interprovincial migration and local housing demand. Positive consumer and investor sentiment set the tone for the city's top-tier market, and residential sales over \$1 million increased 13% year-over-year from 2022 levels. Sales over \$4 million gained ground with nine properties sold, up from six properties sold in 2022. \$1 million-plus single family and attached homes sales saw 12% and 14% annual sales gains, respectively, while condominium sales over \$1 million climbed 26% year-over-year.



“In the aftermath of an era marked by soaring housing prices across Canada’s largest cities, the conventional and luxury real estate market continues to shift towards a period of opportunity for home buyers and investors. While prices remained resilient in the country’s most prestigious neighbourhoods for the better part of 2023, those areas in which new property listings began to accumulate are now seeing softening prices, and a greater willingness from sellers to adjust to market realities. Meanwhile, prospective luxury property buyers and investors have been strategically preparing for the right opportunity,” says Don Kottick, President and CEO of [Sotheby’s International Realty Canada](#). “As properties are listed by motivated sellers in early 2024, buyers will have more options, considerable negotiating power and will face less competition than in years past. This is a window of opportunity for luxury buyers and ‘up-sizers’ to purchase a home to meet their lifestyle and investment needs before interest rates fall, competition stiffens and the market swings in the opposite direction.”

According to Kottick, market conditions have momentarily shifted the lifestyle and investment preferences of every generation of luxury homebuyer in favour of single family homes across Canada's largest urban markets. Elevated condominium prices, rising maintenance fees and carrying costs, as well as unpredictable government regulation of the rental market have spurred buyers to assess the relative benefits of single family home ownership. Although softening competition and prices will offer motivated luxury condominium buyers with favourable opportunities in the near-term, Kottick maintains that the fundamentals of Canada's luxury condominium market remain sound, and demand for developments bearing internationally-acclaimed luxury brands and meeting a global standard for luxury architecture and design will remain particularly resilient. Record-high population growth, demographic pressures, and the attractiveness of a "lock-and-leave" lifestyle will continue to support demand for condominium housing in the longer term.

Vancouver

The City of Vancouver's luxury real estate market underwent a dramatic transformation over the course of 2023. Despite a quiet start to the year, prospective homebuyers returned to the luxury market in the second quarter, shifting the market to balanced conditions by the summer months. During this time, luxury consumer preferences also underwent a dramatic change. Elevated housing prices, enduring inflationary pressures and ongoing interest rate considerations reshaped the preferences, priorities and ultimately the purchase decisions of affluent homebuyers and investors. Across every generation of high- and ultra-high-net-worth homebuyer, attention shifted to the luxury single family home market as prices stabilized and new inventory and buying opportunities emerged. Elevated condominium and attached home prices and carrying costs also repositioned detached homes as increasingly competitive housing and investment alternatives.

In the final quarter of 2023, a rise in conventional and luxury real estate inventory tilted the market in further favour of purchasers and tipped the city's luxury condominium market firmly into buyers' market territory. Across the city, prices pulled back, albeit modestly. According to the Real Estate Board of Greater Vancouver, although the benchmark price for condominiums, attached and single family homes saw annual gains of 1.9%, 6.7% and 11.4% respectively on the city's Vancouver West side in December 2023, prices declined 3.9%, 2.3% and 2.5% respectively over the last three months of 2023¹. Vancouver East condominiums, attached and single family home benchmark prices were up 3.1%, 4.3% and 10.3% year-over-year overall, but saw prices dip 3.6%, 6.0% and 2.2% in the last three months of the year². According to [Sotheby's International Realty Canada](#) experts, while luxury property prices are seeing modest,

¹ Real Estate Board of Greater Vancouver, December 2023

² Real Estate Board of Greater Vancouver, December 2023

downward price adjustments, this price pressure is more notable in the luxury condominium segment.

Overall, luxury residential real estate sales over \$4 million (condominiums, attached and single family homes) saw annual gains of 8% year-over-year to 328 properties sold in the City of Vancouver in 2023, with 20 of these sold above \$10 million on Multiple Listing Services (MLS), a year-over-year increase of 43%. Residential real estate sales over \$1 million remained stable, dipping a nominal 5% to 4,012 properties sold in 2023.



Image: 4032 Palmetto Place, Saanich, BC (SOLD)

\$4 million-plus residential sales activity in the latter half of the year reflected a dramatic revival in luxury and ultra-luxury single family home sales over the summer. Although overall residential real estate sales over \$4 million were down 9% year-over-year in the first half of 2023, activity recovered from July 1–December 31 as sales climbed 45% year-over-year to 136 properties sold. During this time, \$10 million-plus sales on MLS increased to seven properties sold compared to six sold in the last half of 2022. Overall, \$1 million-plus sales were up 15% to 1,610 properties sold in the latter half of 2023.

The City of Vancouver's luxury single family home market remained resilient in 2023. Despite a quiet first quarter, activity rebounded over the summer months and single family home sales over \$4 million surged 54% year-over-year between July 1–August 31, a reflection of heightened demand for single family home living, and the adaptability of luxury homebuyers in face of economic stressors. Overall, in 2023, single family home sales over \$4 million rose 14% year-over-year to 301 properties sold, while ultra-luxury sales over \$10 million were up 36% to 19 homes sold. \$1 million-plus single family home sales declined a modest 5% year-over-year to 1,681 homes sold. In the last half of 2023, \$4 million-plus home sales were up 54% overall to 125 homes sold between July 1–December 31, with seven ultra-luxury home sales over \$10 million, up from six sold in the latter half of 2022. Overall, sales over \$1 million were up 13% year-over-year to 711 homes sold between July 1–December 31.

Sales activity in the city's under-supplied luxury attached home market stabilized through the course of 2023. Sales over \$4 million fell to two homes sold compared to three sold in 2022, with none of these transactions taking place over \$10 million, as was the case in 2022. Overall, in 2023, 988 attached homes sold over \$1 million, a 7% year-over-year increase from 2022 levels. In the last half of 2023, the \$4 million-plus attached home market remained quiet, as was the case in the same period of 2022; however, \$1 million-plus attached home sales increased 28% year-over-year to 400 homes sold.

Vancouver's luxury condominium market cooled in 2023 as rising carrying costs and elevated prices prompted increasingly selective luxury buyers and investors to consider alternative housing types, financial investments and geographical markets. As a result, the market for high-end condominiums de-escalated from balanced conditions in the first half of 2023, to conditions that skewed heavily in favour of buyers by the end of the year. Overall, annual luxury condominium sales over \$4 million retreated 36% from 2022 levels to 25 units sold in 2023, with one ultra-luxury sale over \$10 million on MLS, compared to a quiet 2022 market. Sales of condominiums over \$1 million declined 12% year-over-year to 1,343 units sold in 2023.

Competition across the city's luxury condominium market continued to ease in the latter half of 2023, as prospective buyers retreated from the market and pre-sale and resale inventory improved throughout the fall. Sales of condominiums over \$4 million between July 1–December 31 fell 15% year-over-year to 11 units sold. There were no transactions over \$10 million on MLS during this time, as was the case in the last half of 2022. Despite softening demand, an uptick in condominium sales in the \$1 million–\$4 million segment of the market in the last half of the year resulted in a 9% annual increase in \$1 million-plus sales overall, with 499 properties sold between July 1–December 31.

Despite the striking adjustment across Vancouver's luxury real estate market in 2023 and the risks of soft economic growth with 2024 GDP gains projected at 1.5% by the Conference Board of Canada³, pent-up demand for housing remains substantial. Prospective buyers and investors currently on the sidelines are primed to purchase as interest rates begin to stabilize and new listings come onto the market at moderated prices. Moreover, despite the challenges of elevated housing costs, the City of Vancouver remains a premier, global destination for new residents, retaining its prestigious position as the top-ranked Canadian city on the Economist Intelligence Unit's Global Liveability Index in 2023⁴, ranking fifth out of 173 cities surveyed overall. [Sotheby's International Realty Canada](#) experts predict favourable buying opportunities in the initial months of 2024,



particularly for buyers who are trading up, as well as cash-only and cash-dominant purchasers. With an increase in conventional and luxury housing inventory anticipated for the start of the year and a climate of economic uncertainty that will subdue competition for property listings, astute buyers and investors will have greater selection and strengthening negotiating power. However, this competitive advantage in favour of buyers is projected to be transitory. In the longer term, the underlying shortfall of both conventional and luxury housing supply, as well as steady population gains, will support market resurgence, as well as the value of the city's real estate.

³ Conference Board of Canada, Major City Insights, December 2023

⁴ Economist Intelligence Unit, 2023 Global Liveability Index
Image: 587 Transit Road, Oak Bay, BC (SOLD)

Calgary

The City of Calgary emerged as an unwavering beacon of economic strength and luxury real estate performance in 2023, distinguishing itself favourably amongst Canada's largest major metropolitan housing markets. As Calgary's GDP expanded a healthy 2.3% in 2023, according to the Conference Board of Canada⁵, positive job prospects, a diversifying economy and attractive costs of living fueled optimism in the city's housing market and attracted newcomers into the city. With interprovincial net migration into Alberta surpassing all other Canadian provinces in the third quarter of 2023⁶, and with a significant percentage of those new arrivals settling in Calgary and Edmonton, a new and influential cohort of affluent buyers energized the luxury market.

Calgary's luxury housing market launched into 2023 with robust activity, and sales gained momentum as buyers and investors steadily absorbed available supply while sellers' market conditions permeated the top-tier market. The city's luxury housing market closed the year on an upbeat but more balanced note, as an uptick in supply alleviated competition amongst buyers. Overall, following a year that saw residential real estate sales over \$1 million increase 16% year-over-year in 2022, \$1 million-plus sales (condominiums, attached and single family homes) in the City of Calgary climbed 13% to 1,440 properties sold in 2023, with \$1 million-plus single family, condominium, and attached home sales increasing by 12%, 26% and 14% year-over-year, respectively. Calgary's luxury \$4 million-plus market saw a moderate upswing in 2023 with nine properties sold, up from six units sold in 2022. Consistent with 2022, MLS reported no ultra-luxury home sales over \$10 million in 2023.

In the latter half of the year, Calgary's luxury real estate market reflected notable gains compared to the same period of 2022. Sales over \$1 million surged 59% year-over-year to 666 luxury properties sold between July 1–December 31. Five properties sold over



\$4 million during this time, a significant increase from one property sold in the last half of 2022.

Calgary's \$1 million-plus single family home market, which accounted for 88% of the city's top-tier residential transactions over \$1 million in 2023, continued to see solid gains. Despite tensions introduced by rising interest rates and limited listings inventory in premier neighbourhoods, in-migration and economic optimism continued to bolster consumer demand, and sales over \$1 million increased 12% year-over-year to 1,260 homes sold. In the luxury \$4 million-plus market, nine single family homes were sold in 2023, an uptick from six sold in the previous year.

⁵ Conference Board of Canada, Major City Insights, December 2023

⁶ Statistics Canada, Canada's Population Estimates Third Quarter 2023, December 2023

Image: Calgary, AB (SOLD)

In the latter half of 2023, luxury single family home sales over \$1 million increased 64% to 580 homes sold between July 1–December 31. Of these property sales, five were recorded in the \$4 million plus luxury segment, up from one transaction in the same period of the previous year.

After a remarkable 68% year-over-year surge in attached home sales over \$1 million from 2021 to 2022, Calgary's luxury attached homes market continued to post solid gains in 2023. The demand for luxury attached homes remained strong, driven by buyers searching for options that offered sufficient space and relative affordability compared to single family homes. This segment consistently drew a wide array of buyers, ranging from those upgrading from condominiums to downsizers seeking a blend of luxury living with practical conveniences. Overall, \$1 million-plus attached home sales increased 14% year-over-year to 126 homes sold in 2023. Consistent with 2022, there were no attached home sales over \$4 million in 2023.

The city's luxury attached home market flourished in the second half of 2023, foreshadowing momentum in the initial months of 2024. Overall, attached home sales over \$1 million were up 59% year-over-year to 62 properties sold from July 1–December 31.

The City of Calgary's luxury condominium market experienced a remarkable transformation in 2023 as an influx of cosmopolitan new residents, as well as local young professionals and downsizers gravitating towards the downtown core and a simplified urban lifestyle, drove new activity. Posting the strongest year-over-year percentage gains in Calgary's \$1 million-plus housing market, condominium sales over \$1 million increased by 26% to 54 units sold. There were no condominium sales over \$4 million in 2023, consistent with the year prior.

Sales gains were strongest in the first half of 2023, when condominium sales over \$1 million increased 76% year-over-year. Top-tier condominium activity moderated in the latter half of the year

as prospective buyers and investors assessed the relative financial advantages of top-tier single family home ownership in light of rising carrying costs and changing macro-economic conditions. Between July 1–December 31, \$1 million-plus luxury condominium sales pulled back 8% year-over-year to 24 units sold.

According to the Conference Board of Canada, Calgary's GDP is expected to expand by a healthy 2.1% in 2024, following robust economic performance in 2023. Comparatively low costs of living, as well as affordable conventional and luxury housing prices, will continue to encourage upward housing mobility in the city's top-tier market while attracting new residents and investor demand. According to [Sotheby's International Realty Canada](#), these advantageous fundamentals will continue to set Calgary apart as a leading luxury real estate performer in the initial months of 2024.



Greater Toronto Area (GTA)

Underlying consumer and industry confidence in the country's largest luxury real estate market held steady throughout 2023, even as sales activity and price appreciation calmed across the Greater Toronto Area (Durham, Halton, Peel, Toronto and York). Following a subdued start to the year, luxury sales gained traction across the GTA in the third quarter and ended the year with an upward inflection in luxury real estate transactions. While the market continued to absorb the influence of rising interest rates, persistent inflation, wavering economic performance, as well as a tide of regulatory changes relating to housing, luxury homebuyers and sellers weathered the changes with fortitude. According to [Sotheby's International Realty Canada](#), luxury home buyers remained empowered by strong financial and cash positions, and became increasingly strategic, selective and uncompromising as the year progressed and additional listings inventory broadened choices. Although readiness to purchase remained high amongst buyers, home searches were prolonged until a property meeting specific standards came to market, and negotiations on price and conditions became increasingly assertive. Luxury properties in premier condition and neighbourhoods attracted qualified offers only if priced appropriately, while those priced above current market valuations languished unsold.

Overall GTA luxury residential real estate sales over \$4 million (condominiums, attached and single family homes) experienced a 20% annual decline to 489 properties sold in 2023. Sales over \$10 million remained stable with a 5% dip to 20 properties sold on MLS compared to 21 sold in 2022, even though ultra-luxury transactions continued to migrate to off-market channels as sellers and buyers increasingly sought privacy. Overall, real estate sales above the \$1 million price point were down 19% to 31,128 properties sold in the GTA in 2023. Within the City of Toronto, luxury sales over \$4 million decreased 20% year-over-year to 303 properties sold in 2023, with 14 of these selling above \$10 million, up 29% from 2022 levels.

Overall, top-tier sales over \$1 million in the city fell 19% from 2022 levels to 10,122 properties sold.

Luxury sales gained traction across the Greater Toronto Area over the summer months, however, this momentum was uneven, unsteady and unpredictable across regions, neighbourhoods and housing types into the final quarter of the year. Between July 1–December 31, \$4 million-plus residential sales in the GTA increased 19% to 209 properties sold, and ultra-luxury sales over \$10 million more than doubled to 13 units sold compared to six properties sold in the latter half of 2022. During this period, sales over \$1 million



increased 5% year-over-year to 12,293 properties sold. In the City of Toronto, sales over \$4 million between July 1–December 31 saw an annual increase of 27% to 124 properties sold, while sales over \$10 million tripled to nine units sold relative to three sold in the last half of 2022. \$1 million-plus sales were up 7% year-over-year in the latter half of 2023, at 4,056 properties sold.

Although the GTA's luxury condominium market saw robust sales in the first half of 2023, as condominium sales over \$4 million climbed 24% year-over-year, the market shifted over the course of 2023, as did real estate consumer preferences. According to [Sotheby's International Realty Canada](#) experts, luxury and ultra-luxury buyers became increasingly discriminating and investment-minded given rising uncertainty in the Canadian economy and changes in the housing market. As buyers weighed the rising carrying costs of a luxury condominium purchase against the potential merits of detached home ownership, demand for luxury condominiums calmed. At the same time, the preferences of prospective luxury condominium purchasers veered in favour of the most elite units: properties on the waterfront, premier penthouses, and developments bearing prestigious and investment-tested luxury brand names such as Four Seasons Private Residences, Residences at Shangri-La, Residences of the Ritz-Carlton and St. Regis Residences. In contrast, demand for condominiums in boutique luxury developments softened.

Overall annual luxury condominium sales over \$4 million saw a modest 10% uptick to 33 properties sold in the GTA in 2023. There were no ultra-luxury transactions over \$10 million on MLS, on par with 2022's quiet market. Overall, \$1 million-plus sales fell 28% year-over-year to 2,462 units sold in 2023. Luxury condominium sales also contracted in the City of Toronto, with \$4 million-plus and \$1 million-plus sales experiencing annual declines of 10% and 26% respectively.

[Sotheby's International Realty Canada](#) experts reported a modest increase in luxury condominium transactions in the final months



of the year, a reflection of underlying demand. However, sales were down overall in the GTA for the last half of 2023, with condominium transactions over \$4 million falling 8% year-over-year to 12 condominiums sold, while the ultra-luxury market over \$10 million remained quiet. During this period, GTA condo sales over \$1 million saw a modest 8% year-over-year increase to 997 properties sold, with 92% of these sold between \$1 million–\$2 million. Between July 1–December 31, condominium sales over \$4 million in the City of Toronto declined 25% year-over-year to nine properties sold. Overall, \$1 million-plus sales in the city remained stable year-over-year, with a nominal 2% uptick in the latter half of 2023 to 708 condominiums sold.

Despite pressing demand for top-tier attached homes from prospective homebuyers across generations, the GTA's chronic supply shortage hampered housing aspirations and housing mobility. In 2023, attached home sales over \$4 million increased 8% to 13 homes sold, all in the City of Toronto, while the \$10 million attached home segment remained quiet. Overall, \$1 million-plus attached home sales fell 26% year-over-year to 6,079 properties sold in the GTA, while sales in the City of Toronto were down 20% to 2,228 units sold overall.

In the last half of 2023, six attached homes sold over \$4 million, triple the number sold in the same period of 2022, with all transactions taking place in the City of Toronto. During this period, GTA attached home sales over \$1 million were up 13% year-over-year to 2,283 attached homes sold, while \$1 million-plus sales in the City of Toronto were up 10% year-over-year to 878 properties sold between July 1–December 31.

Population gains in Canada's largest housing market, as well as the enduring aspirations for single family home ownership across every generation of homebuyer buoyed luxury detached home sales, even as negotiation deadlocks between buyers and sellers delayed and deterred transactions. Although a gradual culmination of luxury inventory and a slowdown in sales velocity led to a tempering of prices across the GTA, trends varied with hyperlocal influences. In several of the region's most prestigious and established legacy luxury neighbourhoods, including Forest Hill and Rosedale within the City of Toronto, and Old Oakville, single family home prices remained relatively resilient and the final quarter of 2023 ushered in an uptick in luxury transactions to close the year.

Overall in 2023, GTA single family sales over \$4 million were down 22% from 2022 levels to 443 homes sold. Ultra-luxury sales over \$10 million remained stable with a nominal 5% dip to 20 homes sold in 2023. Overall, single family home sales over \$1 million saw an annual decline of 15% to 22,587 homes sold. Annual City of Toronto single family home sales over \$4 million were down 18%, however, \$10

million-plus sales increased 40% year-over-year to 14 homes sold in 2023. Meanwhile, sales over \$1 million declined 11% year-over-year to 6,142 homes sold.

GTA luxury single family home sales activity in the last half of 2023 reflected resilient demand, and an uptick in activity. Luxury sales over \$4 million were up 19% year-over-year to 191 properties sold between July 1–December 31. During this time, 13 ultra-luxury single family homes sold over \$10 million on MLS, more than double the six properties sold in the latter half of 2022. Overall, GTA single family home sales over \$1 million experienced a 2% year-over-year uptick in the last half of 2023 to 9,013 homes sold. Within the City of Toronto, single family home sales over \$4 million increased 30% year-over-year to 109 properties sold in the last half of 2023. Nine homes sold over \$10 million, triple the three homes sold above this price threshold in the last half of 2022. Overall, \$1 million-plus sales saw a modest 7% increase to 2,470 transactions between July 1–December 31.

According to the Conference Board of Canada, cooling domestic and global demand will dampen short-term economic growth in Toronto, with GDP projected to expand by 1.5% in 2023 and diminishing to a growth rate of 1.3% in 2024⁷. However, the region remains the country's primary destination for immigration, with 29.5% of recent immigrants to Canada settling in the region, according to Statistics Canada⁸. According to [Sotheby's International Realty Canada](#), new residents will continue to boost demand for both conventional and luxury housing despite short-term economic headwinds and resulting fluctuations in housing market confidence. Overall, according to [Sotheby's International Realty Canada](#) experts, the GTA's luxury market is expected to maintain balanced conditions that in some neighbourhoods, will tilt in favour of buyers in the initial months of 2024. For investment-minded luxury homebuyers and investors, the upcoming months will present opportunities to secure premier properties while market conditions remain advantageous.

⁷ Conference Board of Canada, Major City Insights, December 2023

⁸ Statistics Canada, October 2022



Image Credit: Loewe Technology (Unsplash)

Montréal

The City of Montréal's luxury real estate market continued to evolve to balanced conditions in 2023. A gradual build-up of both conventional and luxury housing inventory over the last five months of the year reduced competition amongst prospective homebuyers and empowered them to prolong property searches and to negotiate assertively. This shift in market dynamics slowed the pace of luxury sales activity as the year progressed and stabilized housing prices overall. According to [Sotheby's International Realty Canada](#) experts, the gap between luxury home sellers' lofty price expectations and buyers' willingness to pay remained stubborn in 2023, even though the latter's negotiating power strengthened over the course of the year. As a result, extended negotiations were required to realize a sale, and homes over-priced for market conditions remained unsold.

Overall, residential sales over \$1 million (condominiums, attached and single family homes) declined 14% year-over-year to 1,275 units sold in the City of Montréal in 2023, while luxury sales over \$4 million fell 22% to 32 properties sold. Montréal recorded one ultra-luxury \$10 million-plus sale on MLS in 2023, compared to a quiet year in 2022. Following a brisk summer, luxury sales activity increased noticeably in the third and final quarters of 2023. Between July 1–December 31, \$1 million-plus real estate sales saw an annual uptick of 14%, with 580 properties sold. Of these, 18 properties sold over \$4 million, on par with the same period of 2022.

Sales activity in Montréal's luxury single family home market was uneven over the course of the year and varied across the city's high-end neighbourhoods. Despite an uptick in \$1 million-plus single family home sales in the third quarter of the year, balanced market conditions returned in the fourth quarter as inventory renewed. Although renowned luxury neighbourhoods such as Westmount, Outremont, Town of Mount Royal and Le Plateau-Mont-Royal saw steady sales activity, the market continued to lean in favour of buyers, with sales velocity slowing and prices cooling as a result.



Overall, top-tier single family home sales over \$1 million fell 14% year-over-year to 531 properties sold, while \$4 million-plus single family home sales declined 14% to 24 homes sold. Although there were no sales over \$10 million in 2022, one single family home sold

over \$10 million on MLS in 2023. Between July 1–December 31, single family home sales over \$1 million increased a modest 11% to 248 properties sold, while sales over \$4 million fell 7% year-over-year, to 13 homes sold.

Montréal's luxury attached home market saw a slight pullback in sales in 2023. Overall, attached home sales over \$1 million saw an annual 6% decline to 419 properties sold. There were no sales over \$4 million during this time, compared to one property sold above this price point in 2022. In the last half of 2023, attached home sales over \$1 million increased 29% to 180 properties sold.

The city's luxury condominium market calmed in 2023, as rising interest rates and an increase in available inventory of luxury single family and attached homes prompted affluent buyers to consider housing and investment alternatives. According to [Sotheby's International Realty Québec](#) experts, although the City of Montréal had experienced a boom in new luxury condominium development and a subsequent influx of new supply in recent years, the tastes of luxury buyers in the current market have become more discriminating. Only the most prestigious condominium properties in prime neighbourhoods and locations, and reflecting bespoke design, architectural significance and first-class amenities, are currently garnering interest. As a result, \$1 million-plus condominium sales declined 21% year-over-year to 325 units sold in 2023. Montréal's luxury \$4 million-plus condominium sales fell 33% year-over-year to eight units sold from 12 sold in the year previous, with none selling above \$10 million on MLS.

In the last half of 2023, sales activity in the city's top-tier condominium market stabilized, pointing to balanced market conditions in the initial months of 2024. From July 1–December 31, 152 condominiums sold over \$1 million, up a nominal 5% year-over-year. During this time, five \$4 million-plus condominium sales were recorded, increasing from four sold in the latter half of 2022.

As 2024 unfolds, consumer sentiment in Montréal's housing market is vulnerable to the effects of soft economic growth, with the Conference Board of Canada forecasting nominal 0.7% gains in GDP, following a 1.4% expansion in 2023⁹. Population growth rates for Québec are also modest, falling short of the national population growth rate of 1.1%¹⁰ according to Statistics Canada. Despite these

influences, Montréal's luxury real estate market is well positioned for stability, according to [Sotheby's International Realty Canada](#) experts. There remains pent-up demand for upward and lateral luxury housing mobility, and luxury and ultra-luxury buyers are also better positioned to weather economic and personal financial headwinds. With balanced market conditions anticipated for the initial months of 2024, as well as a projected increase in luxury housing inventory, the top-tier market is primed to benefit "move-up" buyers, as well as invest-minded purchasers prepared to capitalize on opportunities before buyer competition strengthens should interest rates decline.

⁹ Conference Board of Canada, Major City Insights, December 2023

¹⁰ Statistics Canada, Canada's Population Estimates: Third Quarter 2023, December 2023



Image: Canmore, AB (SOLD)