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Posthaste: Buyer's remorse? Homeowners in these cities are counting their losses

Where home prices fell the most in Canada

Pamela Heaven || February 8, 2024



Owners of single-family homes in 18 cities and condo owners in 26 cities have seen their homes lose value this past year. PHOTO BY VICTOR J. BLUE/BLOOMBERG

Safe as houses, they say — just not so much lately.

Many homebuyers who took the plunge a year ago have watched the value of their property tick lower through 2023.

Not all, mind you. A comparison of home prices in 67 cities in Canada between December 2022 and 2023 done by Canadian real estate site Point2 revealed that owners of single-family homes in 18 cities and condo owners in 26 cities have seen their homes lose value this past year.

“Last year showed that a real estate investment can sometimes backfire,” said the Point2 report. “This means Canada’s newest owners from these unlucky cities might have to wait more than others to build wealth.”

Predictably, prices have dropped the most in regions that saw crazy gains during the pandemic housing boom.

Topping the losses is Burlington, Ontario. Anyone who bought a single-family home here at the end of 2022 lost \$163 a day for the next year, stripping almost \$60,000 off what they paid for it, said the report.

Owners in Kitchener, Mississauga, and Markham also took a hit, losing \$39,850, \$41,740 and \$56,043, respectively, off the value of their home over the year.

“Percentage-wise, the decreases in home prices in these cities might seem benign, coming close to a meagre 5 per cent,” said the report. “But, that percentage drop translates to a more hard-hitting net amount, especially considering the tough market conditions during which these owners took the plunge.”

Condo owners in many cities are worse off than single-family homeowners.

“With 26 markets seeing year-over-year price drops for condos, the price correction for this segment is even more generalized,” said the report. “What is considered the more affordable housing option got progressively cheaper, putting condo owners’ equity hopes on standby.”

Condo owners in Mississauga, Ont. were hit the hardest, losing \$100 a day throughout 2023, wiping out \$36,000 in value off the purchase price.

Victoria, B.C. and Barrie, Ont. condo owners lost \$28,250 and \$28,000, respectively.

The biggest percentage drops were in Lethbridge, Alberta, where condo prices fell 6.1 per cent and London, Ont., where they dropped 6 per cent.

Not everyone lost money last year. Prices in Vancouver, home to Canada’s most expensive real estate, continued to climb 9 per cent over last year, meaning a homeowner who bought a single-family at the end of 2022 gained \$572 a day, or \$208,858 in value by December 2023.

Homeowners in Calgary and Red Deer, Alberta, Surrey and Coquitlam, B.C., Quebec City and Sudbury, Ont. also saw substantial gains on single-family homes. Even in Toronto, the value of a home rose \$5,523 over the year.

Condo owners in Coquitlam, B.C., Halifax, Richmond, B.C. and Calgary saw the value of their units increase by more than \$50,000 in just one year.

And the tide may be turning, said Point2. In November home values were falling in 25 large cities but a bounce in the housing market in December cut that number to 18.