

Top-Tier Real Estate

2024 SPRING STATE OF LUXURY REPORT

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Executive Summary

Canada's luxury real estate market eased into spring with modest sales gains across key metropolitan cities, as the dynamic between prospective home sellers and buyers improved, and pricing expectations continued to come into alignment. Despite strengthening consumer confidence and an increase in early-stage market engagement in the initial months of 2024, the expectation of additional property listings supply and potential interest rate declines prompted some buyers and sellers to defer transactions into the spring market. As a result, the country's major metropolitan areas are expected to see a moderate improvement in sales activity across the luxury and conventional markets in the months ahead.

According to [Sotheby's International Realty Canada](#), consumer dynamics in the Greater Toronto Area (GTA) evolved in the first quarter of 2024, setting the stage for measured sales gains and a balanced market this spring. As the price expectations of home sellers and prospective buyers came into better alignment, both pre-transactional and sales activity increased across the region's luxury market. As a result, residential real estate sales over \$4 million (condominiums, attached and single family homes) between January 1–March 31 climbed 18% year-over-year from the first quarter of 2023. In these preliminary months of the year, there were no property sales over \$10 million recorded on Multiple Listings Service (MLS), in contrast to the single property sold in the same period of 2024. Overall GTA residential sales over \$1 million rose 11% year-over-year.

Vancouver's luxury residential real estate market experienced a notable increase in pre-transactional activity in the first quarter of 2024, as consumer and real estate industry confidence continued to strengthen within a market that remained in balance. However, a significant cohort of prospective purchasers continued to await a wider selection of property listings inventory in the spring market to follow. As a result, residential sales over \$4 million were down 17% year-over-year in the first quarter of 2024, with none of these

recorded over \$10 million on MLS compared to four transactions in the first quarter of 2023. Overall, \$1 million-plus residential sales were largely on par with previous year's levels, with a marginal 1% year-over-year shortfall.

Luxury sales activity in Montreal reflected a stronger-than-anticipated start to 2024, as residential sales over \$1 million between January 1–March 31 increased 53% year-over-year within a market that maintained balanced conditions overall. Residential real estate sales over \$4 million were on par with first-quarter 2023 levels at eight units sold.

Record in-migration, a bold economy and soaring end-consumer and investor confidence in housing continued to strengthen Calgary's luxury real estate market performance in the first quarter of 2024. Between January 1–March 31, residential sales over \$1 million surged 63% year-over-year, positioning the city as one of Canada's most dynamic and top-performing luxury markets. \$4 million-plus sales were also up year-over-year in the first quarter to two properties sold, in contrast to the quiet market experienced in the first quarter of 2023.



“Over the past two years, as conventional and luxury real estate market conditions softened under the influence of climbing interest rates and changes to taxes and regulations relating to home ownership, persistent tension defined the interactions between home sellers holding onto lofty pricing expectations from previous peaks, and buyers seeking properties priced for the current market. This stand-off slowed transactional momentum in several of Canada’s major metropolitan luxury real estate markets in 2023, particularly in Vancouver and Toronto, where hyper-inflation of luxury housing prices was the previous norm,” says Don Kottick, President and CEO of [Sotheby’s International Realty Canada](#). “Luxury market dynamics at the start of 2024 reflect a progressive shift in consumer psychology: sellers are now engaging in the market with more realistic pricing strategies, and in some cases, greater motivation to sell. This is setting the stage for productive negotiations with buyers and investors. We expect to see higher transactional volumes and improved market fluidity throughout the spring market.”

According to Kottick, Alberta's luxury real estate market has continued to defy national trends and outperform other major metropolitan areas as its major cities, Calgary and Edmonton, continue to attract new residents motivated by favourable costs of living, comparatively affordable top-tier home prices and a dynamic business climate.



Vancouver

On the heels of a year that saw luxury residential real estate sales over \$4 million (condominiums, attached and single family homes) rise a modest 8% year-over-year in 2023, the City of Vancouver's luxury market reflected a marked increase in pre-transactional activity in the initial months of 2024. Bustling open houses, an uptick in property enquiries, heightened buyer engagement in the home search process and an increase in property listings signalled cautious consumer and industry optimism for the spring market ahead. Despite solidifying confidence, the traditional seasonality of the real estate market, which typically experiences a pullback in property listings supply from December to March, limited the conversion of this heightened interest into tangible transactions in the first quarter of the year, even as it established the foundation for improving sales activity in the months to come.

As Greater Vancouver REALTORS® reported that residential sales across the Metro Vancouver region were up a notable 15.9% year-over-year in March 2024, while new listings across the region were up 22.5%¹, the City of Vancouver's luxury market remained poised at balanced market conditions overall. In the first quarter of 2024, residential sales over \$4 million (condominiums, attached and single family homes) pulled back by 17% year-over-year from the first quarter of 2023 to 54 properties sold. There were no ultra-luxury \$10 million sales on Multiple Listing Services (MLS) during this time, compared to four units sold in this ultra-luxury price range in the first quarter of 2023. 877 residential properties sold over \$1 million between January 1–March 31, a nominal 1% year-over-year shortfall. Property sales between \$1 million–\$2 million continued to comprise the majority of the city's \$1 million-plus residential real estate market, accounting for 64% of these top-tier sales.

Following a year that saw luxury consumer preference swing in favour of detached housing, driving single family home sales over \$4 million and \$10 million to rise 14% and 36% year-over-year in 2023,

¹ Greater Vancouver REALTORS®, March 2024
Image: 1466 Rocky Point Drive, Kelowna, BC (SOLD)

demand for single family dwellings continued to dominate the city's luxury real estate market, according to [Sotheby's International Realty Canada](#) market experts. With this underlying demand, a relative shortfall in luxury single family home supply between \$1 million–\$4 million in the first quarter of 2024 tipped this segment of the market to the cusp of sellers' market conditions, while deterring transactions as prospective buyers anticipated new property listings and expanded options in the months ahead. 48 single family homes sold over \$4 million from January 1–March 31, down 21% from the same period of 2023. There were no single family home sales reported over \$10 million on MLS, compared to three sold in the first quarter of 2023. Overall, sales of single family homes over \$1 million were down 16% year-over-year in the first quarter of 2023, with 325 homes sold. According to [Sotheby's International Realty Canada](#), multiple offers for premier single family homes located in the city's most prestigious Vancouver Westside neighbourhoods also returned, albeit selectively, and at muted levels in comparison to historical market highs.

Although Vancouver's market for luxury condominiums over \$4 million remained subdued considering elevated interest rates and changing luxury housing preferences, the first quarter of 2024 ushered in a notable uptick in property listing enquiries, buyer engagement and transactions. Five condominiums sold over \$4 million between January 1–March 31, up from four units sold in the first quarter of 2022; however, there were no transactions recorded over \$10 million on MLS in the first quarter of 2023, compared to one ultra-luxury condominium sales in the same period of 2023. Overall, condominium sales over \$1 million in the first quarter of the year saw a modest annual 11% increase to 278 units sold.

The City of Vancouver's longstanding deficit of attached home inventory continued to severely limit the housing mobility of its residents and deter potential sales transactions. In the first quarter of 2024, one attached home sold over \$4 million, compared to a quiet market in the first quarter of 2023. Overall, attached home sales over \$1 million climbed 13% year-over-year to 274 properties sold between January 1–March 31.

According to [Sotheby's International Realty Canada](#) experts, consumer confidence is strengthening across Vancouver's luxury market, however, conditions are expected to remain balanced and competition for properties will remain tempered relative to the city's history of frenzied bidding wars and historic highs. As a result, for discerning buyers, the spring market will remain an advantageous window for a property purchase in advance of a widely anticipated interest rate decline and corresponding market resurgence before the end of the year.



Calgary

Following robust sales gains in 2023, the City of Calgary continues to outperform in 2024 as one of the leading metropolitan luxury real estate growth markets in Canada. The city is riding a wave of economic growth, with three consecutive years of increasing GDP. This momentum is expected to continue in 2024, with the Calgary Economic Development forecasting a 2% increase in GDP and a fourth year of economic expansion for the city in its 2024 Economic Outlook². The gains in Calgary and Alberta's economy have not only cultivated an optimistic sentiment towards housing investment across the province's key metropolitan areas, but have also attracted an influx of new residents at record-setting numbers who are invigorating tangible demand for conventional and luxury housing. In fact, as of January 1, 2024, Alberta had seen a 4.4% annual increase in population (202,324 people) according to the Government of Alberta³, with net migration eclipsing other provinces' gains. This establishes the foundation for robust housing demand in the year ahead.

In the first quarter of 2024, the City of Calgary's residential real estate market experienced a surge of activity, with the Calgary Real Estate Board (CREB) reporting that the sales-to-new listings ratio rose to 84% in March⁴ and that inventory levels remained at near-record lows. Against this backdrop, the brisk and consistent absorption of available top-tier inventory by buyers and investors reinforced seller's market conditions in the city's luxury segment. According to [Sotheby's International Realty Canada](#) experts, the quarter was marked by a healthy balance between supply and demand, and a rise in luxury property sales.

Despite facing a shortage of high-end inventory, overall luxury residential real estate sales over \$1 million (condominiums, attached, and single family homes) in Calgary saw an increase of 63% to 441 properties sold from January 1–March 31, 2024, with property sales between \$1 million–\$2 million comprising 92% of overall \$1 million-



plus sales. Notably, two luxury properties priced over \$4 million were sold in this period, compared to an inactive first quarter of 2023. As was the case in the first quarter of 2023, there were no transactions over \$10 million on MLS recorded in the first quarter of the year.

In the initial months of 2024, Calgary's single family home market maintained its position as the city's most sought-after housing type, accounting for 83% of \$1 million-plus residential real estate transactions from January 1–March 31. However, this share was down from 89% in the first quarter of 2023 as higher-density housing sales gained a greater percentage of the top-tier market. Single family home sales over \$1 million rose by 52% year-over-

² Calgary Economic Development, 2024 Economic Outlook

³ Government of Alberta, Current Provincial Population Estimates, January 2024

⁴ Calgary Real Estate Board, March 2024

Image Credit: Ryunosuke Kikuno (Unsplash)

year to 366 properties sold during this period. Sales of single family homes above \$4 million increased to two properties sold, in contrast with the lack of activity in this segment in the first quarter of 2023.

The luxury attached home market in Calgary showed sustained growth in the initial months of 2024, as the relative affordability of this property type in comparison to single family homes attracted a wide range of buyers, including those moving up from condominiums and those seeking to downsize. Exhibiting the greatest year-over-year



Image: Canmore, AB (SOLD)

gains of the city's housing types, luxury attached home sales of over \$1 million surged a remarkable 200% to 60 properties sold between January 1—March 31. Consistent with 2023, no transactions were reported in the \$4 million-plus luxury segment during this time.

Calgary's top-tier condominium market has experienced a steady rise in demand, largely due to their comparative affordability, particularly for individuals migrating from provinces with a higher cost of housing. This trend not only underscores a shift in the city's lifestyle and urban demographic, but also reflects the increased financial leverage these new residents bring to the market. Consequently, luxury condominium sales over \$1 million increased 67% year-over-year with 15 transactions recorded in the first quarter of 2024. Consistent with the previous year, there were no condominium sales in the market above \$4 million.

Looking ahead, the city's strong economy, burgeoning job market, as well as its livability, accessible cost of living and favourable conventional and luxury housing prices, will continue to attract strong interprovincial migration in 2024. These new residents and investors will require housing and foster positive conditions for real estate investment and upward housing mobility. According to [Sotheby's International Realty Canada](#), all fundamentals point towards a spring of robust performance and healthy activity in Calgary's luxury real estate market.

Greater Toronto Area (GTA)

Market dynamics and consumer psychology within the Greater Toronto Area's (GTA) luxury real estate market improved in the first quarter of 2024, signalling escalating sales activity in the months ahead. Since the inception of the Bank of Canada's aggressive monetary policy tightening campaign in March 2022, tension has persisted between prospective home sellers and buyers, with the former harbouring pricing expectations anchored in recollections of past market highs, and the latter seeking properties at realistic, current valuations. This has resulted in impasses for individual sales transactions, and muted activity across the luxury market overall. According to [Sotheby's International Realty Canada](#) experts, this dynamic improved in the first quarter of 2024 as sellers returned to the market with more realistic pricing targets and greater motivation to sell. This change is fostering the potential for productive negotiations, increased transactional activity and greater market fluidity in the spring months ahead. New momentum was foreshadowed at the end of the first quarter, as the Toronto Regional Real Estate Board reported an 11.2% annual increase in quarterly home sales across the GTA, as new listings rose 18.3%⁵.

First-quarter luxury residential sales in the Greater Toronto Area (Durham, Halton, Peel, Toronto and York) reflected renewed consumer activity and balanced market conditions overall. Between January 1–March 31, 2024, luxury residential sales over \$4 million (condominiums, attached and single family homes) were up 18% year-over-year to 99 properties sold across the GTA, as ultra-luxury \$10 million-plus property sales on Multiple Listings Service (MLS) remained quiet in comparison to the single property sale in the same period of 2023. Overall, residential sales over \$1 million experienced a 11% annual increase to 7,345 properties sold in the GTA during this time. Property sales between \$1 million–\$2 million comprised 86% of the region's \$1 million-plus residential market, up from 85% in the first quarter of 2023.



⁵ Toronto Regional Real Estate Board, First Quarter 2024
Image: 103 Ridley Blvd, Toronto, ON (SOLD)

Within the City of Toronto, first-quarter luxury sales over \$4 million rose a notable 33% year-over-year to 57 properties sold, with no transactions over \$10 million yet recorded on MLS. \$1 million-plus residential real estate sales in the city rose 8% year-over-year to 2,264 properties sold between January 1–March 31.

According to [Sotheby's International Realty Canada](#), luxury pricing trends continued to stabilize in the first quarter as inventory returned to the market at listing prices better reflective of current conditions, while qualified home buyers approached their property search and negotiations with purpose, pragmatism and reasonable time horizons. In instances where premier properties attracted multiple offers, bids remained within realistic limits of current market values.

Demand for single family homes continued to command the region's luxury residential housing market in the first quarter of 2024. GTA sales over \$4 million from January 1–March 31 were up 18% year-over-year to 90 homes sold, with none of these selling above \$10 million on MLS, compared to one home sold in this ultra-luxury price range in the first quarter of 2023. Overall, single family home sales over \$1 million increased 9% year-over-year to 5,350 properties sold in the first quarter of 2024. In the City of Toronto, luxury single family home sales over \$4 million rose 29% year-over-year to 49 properties sold, with no transactions above \$10 million on MLS, on par with the first quarter of the previous year. Overall, 1,385 single family homes sold above \$1 million in the first quarter of 2024, a year-over-year increase of 8%.

The GTA luxury attached home market saw renewed activity in the first quarter of the year as 1,472 properties sold over \$1 million, a healthy 21% annual increase. Although there were no attached home transactions over \$10 million, two attached homes sold over \$4 million in the City of Toronto, as was the case in the first quarter of 2023. Overall, \$1 million-plus attached home sales in the City of Toronto rose 13% year-over-year to 506 homes sold in the first quarter of 2024.



Although sales activity in the GTA luxury condominium market was subdued in the first quarter of 2024, there were indications of consumer re-engagement as an increasing number of buyers and investors emerged to explore a market that continues to skew in their favour. From January 1–March 31, seven condominiums sold over \$4 million across the region compared to six units sold in this price range in the first quarter of 2023. All transactions took place in the City of Toronto, double the number of condominiums sold over \$4 million in the city in the first quarter of 2023. As in the first quarter of 2023, there were no condominium sales over \$10 million on MLS across the GTA in the first quarter of 2024. Overall, 523 \$1 million-plus condominium units sold in the GTA in the first three months of 2024, up 11% from the first quarter of 2023. 373 of these units sold within the City of Toronto, up 6% year-over-year. The region's luxury condominium market continues to offer advantageous conditions for buyers and investors to acquire properties under less competitive circumstances than in years past, and from a favourable position for successful negotiation.

As the spring real estate cycle gains traction, experts at Sotheby's International Realty Canada are forecasting a season of steady activity in a luxury market positioned for balanced conditions overall. Expanded luxury housing inventory offered at current market valuations is expected to encourage a significant cohort of active and qualified buyers to transact. Furthermore, as Canada's primary destination for immigration with 29.5% of recent immigrants to the country settling in the region according to Statistics Canada⁶, population gains will continue to buoy both conventional and luxury housing demand and sales. However, while luxury sales are expected to gain momentum, the upcoming spring promises a more relaxed environment than in years past, allowing buyers to navigate their options with strategic deliberation and with greater potential for success in securing a desired home.

Montréal

The City of Montreal's luxury housing market experienced a stronger-than-anticipated start to 2024, as the market showed signs of awakening after a subdued 2023. Although residential sales over \$1 million and \$4 million had experienced annual declines of 14% and 22% respectively in 2023 as economic uncertainty and high borrowing costs clouded market sentiment and prompted potential buyers to postpone home purchases, Sotheby's International Realty Québec experts reported a surprising and unseasonably early uptick in spring market activity in the first quarter of 2024. According to



⁶ Statistics Canada, 2022
Image Credit: Michael Descharles (Unsplash)



market experts, there is a renewed demand for opportunities in the market, and luxury buyers are displaying a greater readiness to transact on properties favorably priced for current market conditions.

Although the overall housing market in the Montreal Census Metropolitan Area remained in a balanced market position with a sales-to-new-listing ratio of 48.6% in the first two months of 2024, a slight decrease from the first two months of 2023 (49.3%) according to the latest data from the Quebec Professional Association of Real Estate Brokers (QPAREB)⁷, market conditions in some of the City of Montreal's most prestigious neighborhoods are tilting in favour of sellers as pent-up consumer demand absorbs available top-tier housing supply. Overall, in the first quarter of 2024, residential real estate sales over \$1 million (condominiums, attached and single family homes) in the City of Montreal increased 53% year-over-year, with 378 properties sold. 84% of the city's \$1 million-plus property transactions were in the \$1 million–\$2 million range. Luxury sales over \$4 million remained unchanged with eight homes sold in the first quarter of 2024, the same number of transactions as in the first quarter of 2023. No ultra-luxury property sales were reported over \$10 million on Multiple Listing Services (MLS) between January 1–March 31, 2024, as was the case in the same period of 2023.

Compared to the first quarter of 2023, single family home sales over \$1 million surged 74% with 162 total home sales in the first quarter of 2024. Of these homes sold, six did so in the luxury \$4 million-plus segment, unchanged from the same period last year. According to experts at Sotheby's International Realty Canada, demand for single family homes in the entry-level price point for top-tier properties, between \$1 million–\$2 million has remained robust. In the first quarter of 2024, this segment represented 75% of total single family sales over \$1 million, as was the case in the first quarter of 2023.

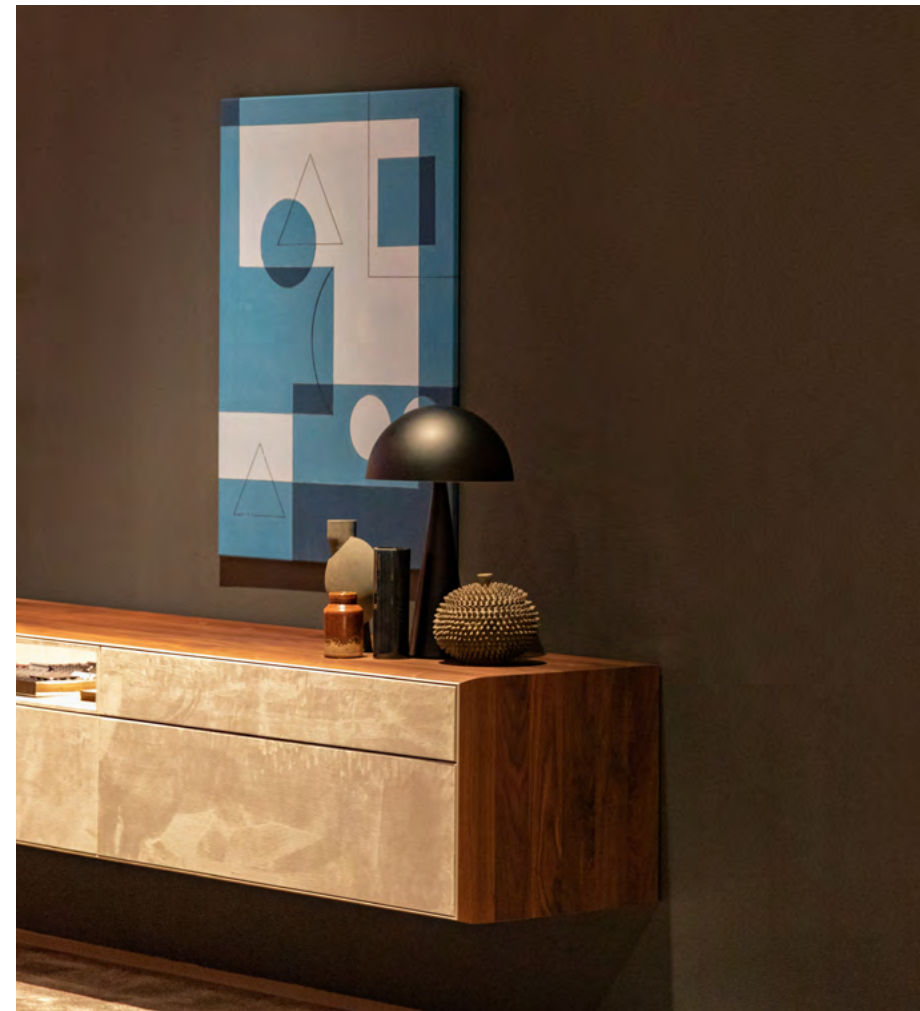
As activity in the top-tier single family home segment heats up, demand has spilled over into the high-end attached home market, where potential buyers are eager to secure a property from limited

⁷ Quebec Professional Association of Real Estate Brokers, February 2024
Image Credit: Max Vakhtbovycn(Pexels)

supply before competition intensifies in the spring. Overall, attached home sales over \$1 million increased 39% year-over-year to 118 properties sold. Luxury attached home sales over \$4 million remained consistent with the first quarter of 2023, posting no transactions.

In the wake of Montreal's quiet luxury condominium market in 2023, which saw a 21% annual decline in \$1 million-plus sales and a concurrent 33% decline in \$4 million-plus sales, the first quarter of 2024 ushered in renewed sales activity. Overall, top-tier condominium sales over \$1 million increased 42% year-over-year to 98 properties sold, while luxury condominium sales in the market over \$4 million remained unchanged year-over-year, with two sales reported in the first quarter of 2024. Consistent with the same period last year, no sales were reported in the ultra-luxury \$10 million-plus segment between January 1–March 31.

According to experts at [Sotheby's International Realty Canada](#), the renewal of activity in Montreal's top-tier housing market in the first quarter of 2024 foreshadows an active spring ahead. Despite a steady inflow of property listings inventory, the Montreal Census Metropolitan Area is forecasted to grow by 2.5%, attracting skilled workers and families with a need for housing⁸. Furthermore, the consumer price index reading in February⁹ shows topline inflation at 2.8% year-over-year, down from 2.9% year-over-year in January and well within the Bank of Canada's preferred range of 1–3%, improving consumer sentiment given the anticipation of rate cuts from Canada's central bank later this year. With the region's economic prospects stable, sales activity across Montreal's conventional and luxury real estate market is expected to see steady gains in the months ahead.



⁸ Conference Board of Canada, February 2024
⁹ Statistics Canada, Consumer Price Index, February 2024
Image Credit: Jean Philippe Delberghe(Unsplash)



Image: Rural Rocky View County, AB (SOLD)