



# GTA MONTHLY HOUSING REPORT

Prepared Exclusively for Royal LePage Signature Realty by Urbanation Inc.

MAY 2021

Based on data released for April 2021 from the Toronto Regional Real Estate Board

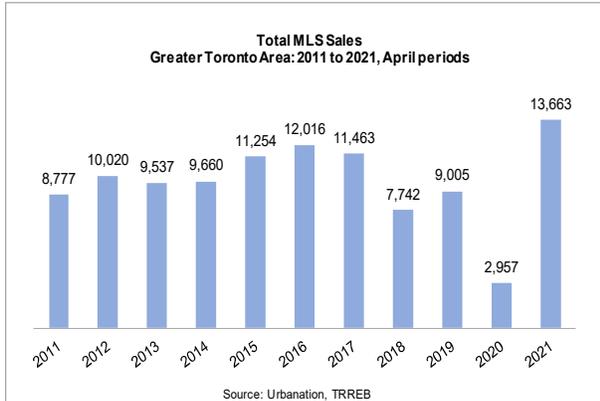
## ***Sales Reach Record High for April but Activity Moderates from March***

### ***Summary Points***

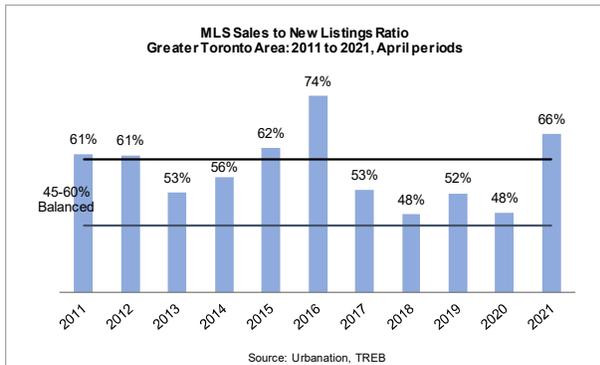
- A year after housing sales fell to an historic low in April 2020, activity rose to a record high for the month of April at 13,663 transactions, which exceeded the previous April high in 2016 by 14%. GTA sales have now reached record highs for 10 straight months, elevating the 12-month rolling total to 119,584 — surpassing the previous 12-month record reached as of March 2017 (115,620).
- Despite new listings also reaching a 12-month record of 185,837 units, market conditions remained tight during April, although easing slightly compared to recent months. Sales declined 13% month-over-month in April from the all-time high of 15,664 sales in March, reducing the ratio of sales-to-new listings to a six month low of 66%. This ratio was still characteristic of a seller's market, but not quite as unbalanced as in April 2016 (74%).
- Inventory levels remained exceptionally low in April at 0.9 months, edging up from 0.7 months in March but still less than half the 10-year average of 2.1 months. Homes continued to sell for well above asking price at an average 106.5%, which cooled slightly compared to March (107.5%) and February (106.8%). Nonetheless, the average time on market remained at a record low of 10 days.
- As market conditions became a bit less heated during April, average prices dipped by 0.6% from the all-time high reached in March, which followed an explosive 17.7% gain during the first three months of the year. On an annual basis, price appreciation accelerated to 33% — matching the previous fastest pace (since the late 1980s) recorded in March 2017. The current average price of \$1.09 million is approximately 15% above the 10-year trend level of roughly \$950,000, suggesting slower rates of appreciation are likely in the coming months. In dollar terms, average prices have increased by \$270,766 since the onset of the pandemic in April 2020, largely driven by growth in detached prices.

## Summary Charts for April 2021

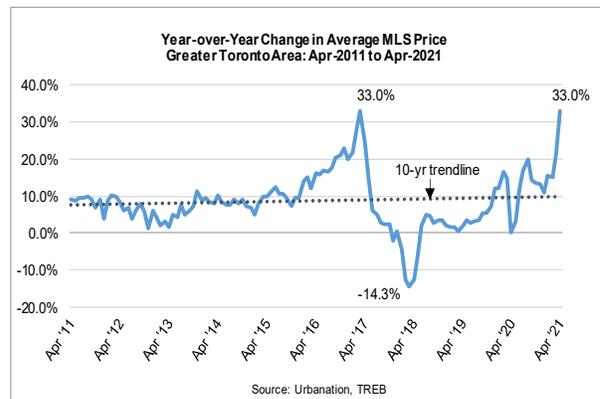
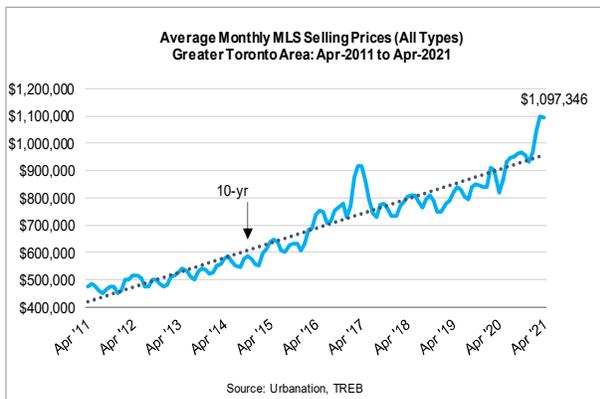
### Demand Indicators



### Supply Indicators

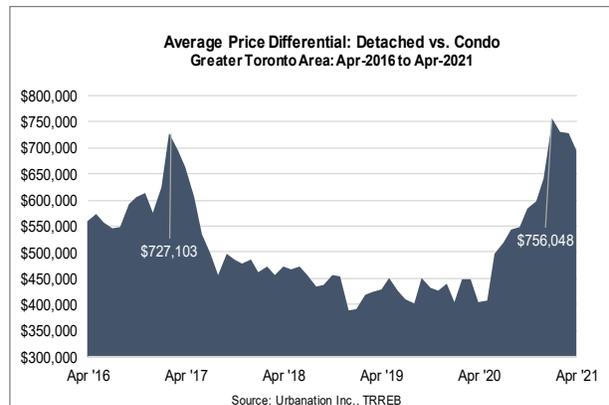
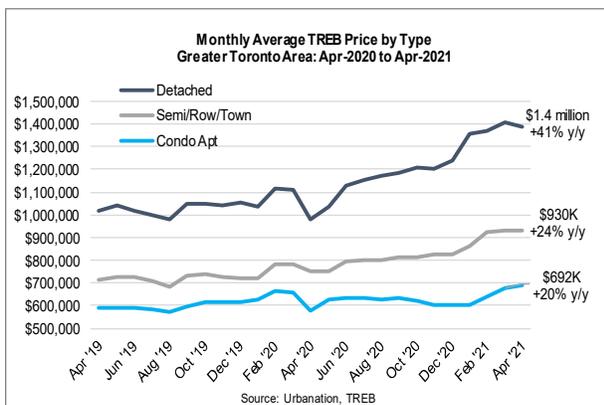
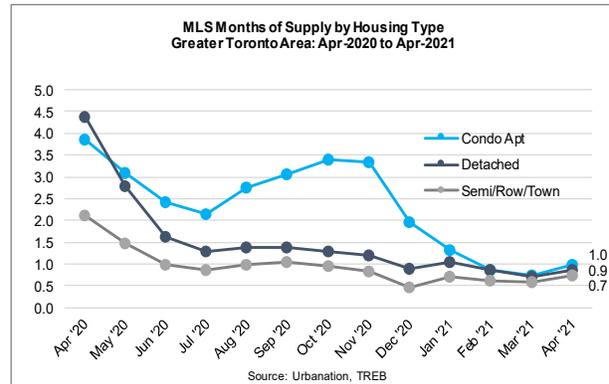
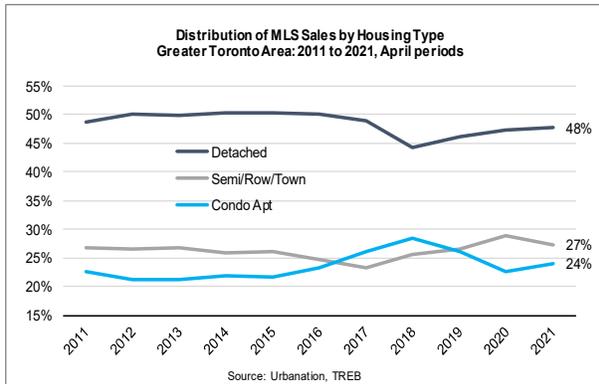


### Price Indicators



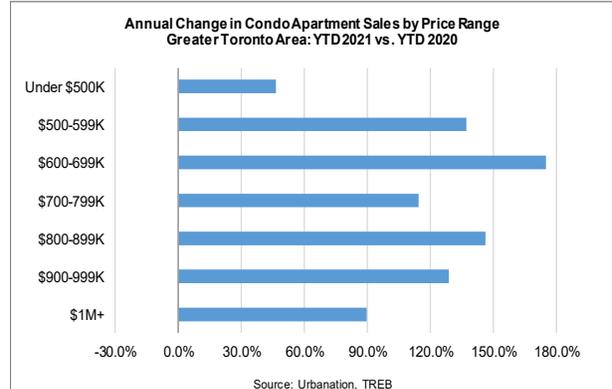
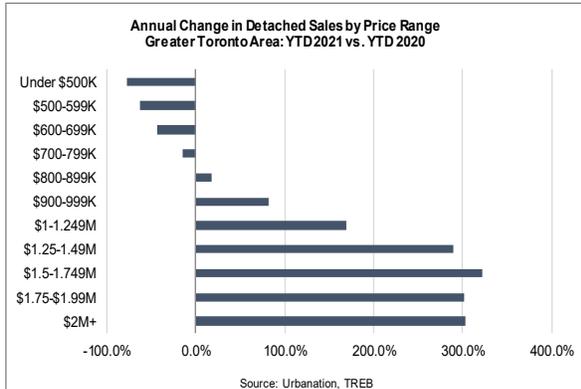
### Pricing Momentum Shifts to Condominiums

- The detached segment has continued to represent the main growth engine for the GTA housing market during the pandemic, representing its highest share of April sales since 2017 at 48%. This has come at the expense of semis/rows/towns which saw their share decline to 27% from a high of 29% last year due to low supply and shift towards move-up buying to larger properties as homeowners sought more space while working from home. A year after the start of the pandemic, the share of sales directed to condo apartments improved for the first time in three years, driven by a rise in demand from first-time buyers and investors in response to improved affordability following the drop in interest rates and decline in prices last year.
- Low inventories across the market continued to support prices for all housing types in April, which contributed to inflated year-over-year growth statistics from the dip in April 2020. Annual increases were strongest for detached homes at 41%, followed by semis/rows/towns at 24% and condo apartments at 20%. On a month-over-month basis, price momentum shifted towards condos, which recorded a 2.3% increase while detached prices decreased 1.1% and prices for semis/rows/towns held steady. The acceleration in condo prices follows a record gap in average values relative to detached prices that reached above \$756,000 in January, putting the spotlight back on condos from an affordability standpoint.



### YTD Sales Growth Strongest for \$1.5-1.749 Detached Homes and \$600-699K Condos

- In the year-to-date period, detached sales have grown the most above the \$1.25 million mark at approximately 300% on an annual basis, with the fastest selling price range of \$1.5 to \$1.749 million.
- For condo apartments, the growth in sales so far this year has been strongest amongst entry-level units priced at \$600-699K at 175%, followed by units in the \$800-899K range at 146% and the \$500-599K range at 137%. Aside from the under \$500K range, the slowest growing price range for condo sales this year was above \$1 million at 90%.



### Month-over-Month Sales Cool the Most for Suburban Properties in April

- With year-over-year changes becoming overly exaggerated due to the comparison to the low reached in April of 2020, month-over-month changes by housing type and region were examined. Detached sales decreased across every part of the GTA, with the steepest declines found in the areas that were experiencing the strongest run-ups, including Halton Region (-18%) and Durham Region (-16%). Median prices for detached homes in Toronto edged up by 0.1% in April, while declining 1.6% in the 905 Region. Similar pricing trends were exhibited by semis/rows/towns, while sales of this housing type in Toronto rose fastest month-over-month at 3.8%. Condo apartment sales moderated in all regions of the GTA when compared to March, although prices remained unchanged in the City of Toronto and increased 1.4% in the 905. Across all housing types and regions, supply remained very low in April at 1.2 months or less.

MLS Market Summary by Area and Housing Type															
Greater Toronto Area: Apr-2021															
	Detached					Semi/Row/Town					Condo Apartment				
	Sales	M/M %	Median Price	M/M %	Mths of Supply	Sales	M/M %	Median Price	M/M %	Mths of Supply	Sales	M/M %	Median Price	M/M %	Mths of Supply
Toronto West	432	-4.8%	\$1,321,500	2.4%	0.9	339	8.7%	\$913,632	-3.7%	0.8	453	-13.1%	\$600,000	0.8%	1.0
Toronto Central	390	-14.7%	\$2,186,515	-0.6%	1.6	337	-0.3%	\$1,216,292	6.6%	1.1	1,508	-14.0%	\$680,000	0.6%	1.1
Toronto East	500	-7.2%	\$1,158,250	-1.4%	0.8	389	3.5%	\$985,535	0.5%	0.6	316	-7.1%	\$550,000	0.9%	0.8
<b>City of Toronto</b>	<b>1,322</b>	<b>-8.8%</b>	<b>\$1,401,400</b>	<b>0.1%</b>	<b>1.1</b>	<b>1,065</b>	<b>3.8%</b>	<b>\$1,023,146</b>	<b>0.1%</b>	<b>0.8</b>	<b>2,277</b>	<b>-12.9%</b>	<b>\$645,000</b>	<b>0.0%</b>	<b>1.0</b>
Halton Region	748	-17.8%	\$1,322,500	-3.7%	0.7	467	-14.0%	\$859,240	-0.9%	0.6	174	-4.9%	\$584,000	0.5%	0.8
Peel Region	1,323	-13.4%	\$1,225,000	-2.9%	0.8	977	-16.3%	\$841,690	-1.2%	0.8	421	-12.5%	\$545,000	0.0%	0.9
York Region	1,454	-15.0%	\$1,423,500	-0.4%	1.2	636	-10.7%	\$973,508	-0.9%	0.9	330	-26.2%	\$628,000	4.5%	1.0
Durham Region	1,215	-16.1%	\$925,000	0.0%	0.5	471	-10.6%	\$708,503	-1.7%	0.5	67	-10.7%	\$505,000	2.0%	0.8
<b>905 Region of GTA</b>	<b>4,740</b>	<b>-15.3%</b>	<b>\$1,224,400</b>	<b>-1.6%</b>	<b>0.8</b>	<b>2,551</b>	<b>-13.5%</b>	<b>\$853,200</b>	<b>-1.1%</b>	<b>0.7</b>	<b>992</b>	<b>-16.4%</b>	<b>\$576,800</b>	<b>1.4%</b>	<b>0.9</b>

Source: Urbanation Inc., TREB

## **Key Takeaways**

The latest data for April showed a GTA housing market that continued operating at a blistering pace, while also starting to show early signs of levelling out. After 10 straight months of record breaking sales, the market broke from the typical seasonal trend of rising activity through the spring by registering a month-over-month decline – in both sales volume and average price. This result was unsurprising given how far the market has overshot its long-term trend, but it also doesn't necessarily signal a downturn is ahead. Naturally, the market will recalibrate after demand and price appreciation were pulled from the future due to the effects of the drop in borrowing costs and accelerated housing decisions made as a result of the pandemic. While homes may not be receiving as many offers nor selling as far above asking price as they did in February and March, market conditions remain exceptionally tight from an historic perspective. Months of heated bidding wars and skyrocketing prices have created a level of exhaustion amongst buyers, but there is still plenty of unsatisfied demand for the less than 1 month of supply available, which will continue to support prices in the near-term until fundamental drivers such as population and employment growth begin ramping up later this year and into 2022. This process of normalization may be a bit bumpy and certain housing types in certain areas may experience more temporary softening than others (suburban houses for instance), but calls of a bubble and the need for further government intervention seem alarmist as the market is capable of sorting itself out under current regulations. That said, introducing clear methods and goals for raising housing supply capacity has never been more important than now, to both ensure that the market becomes better equipped to deal with demand shocks in the future and to plan ahead for the boost in immigration in the coming years. One of the key policy failures related to housing has been the encouragement of greater population inflows without a corresponding strategy to raise the supply of housing – of all forms. Let's hope the pandemic has taught this lesson and progressive change is on the way.

## **About Urbanation Inc.**

Urbanation is a consulting firm focusing on the Greater Toronto Area condominium sector, providing market research and in-depth market analysis services to the real estate industry since 1981. Urbanation uses a multi-disciplinary approach that combines empirical research techniques with first-hand market observations. On a quarterly basis, Urbanation tracks the new, resale, rental and proposed condominium apartment markets in the Greater Toronto Area. Urbanation also actively conducts site specific market feasibility studies and produces customized market intelligence reports for its clients.

## **Caveat**

The analysis and insights contained herein have been prepared on the information and assumptions set forth in this report. However, this report relies on information from secondary sources and Urbanation cannot guarantee the accuracy of this data. Moreover, it is not possible to fully document all factors or account for all changes that may occur in the future.

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