



GTA MONTHLY HOUSING REPORT

Prepared Exclusively for Royal LePage Signature Realty by Urbanation Inc.

SEPTEMBER 2021

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

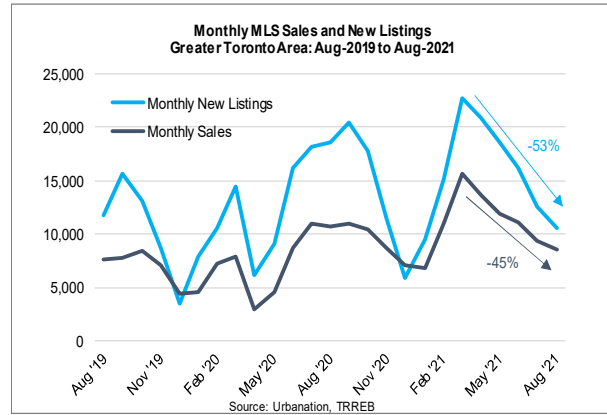
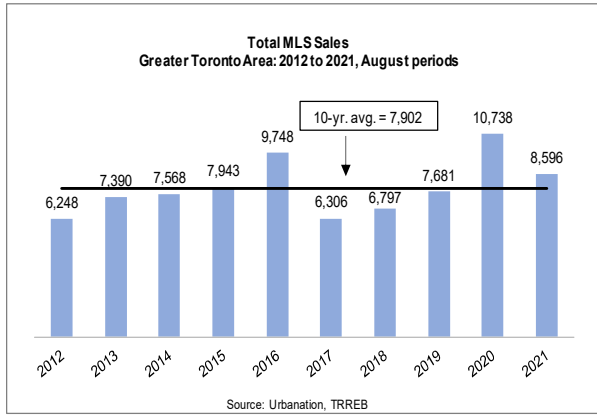
Market Becoming Even More Competitive Heading into the Fall

Summary Points

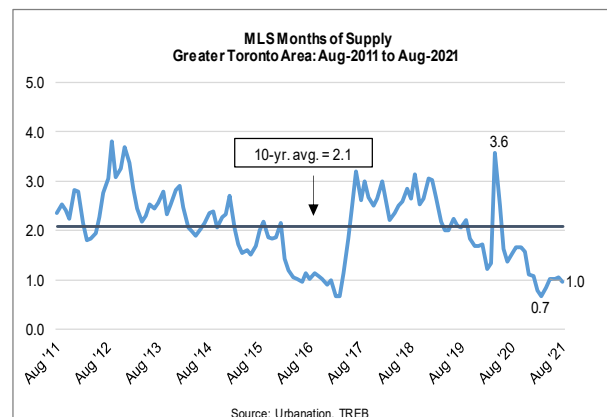
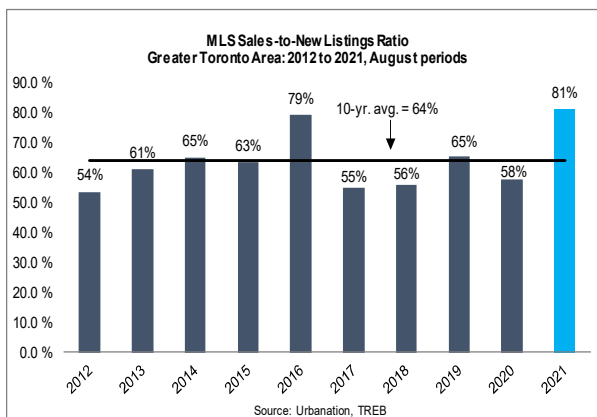
- Resale housing activity in August slowed to its lowest level since January on account of scarcer supply. The 8,596 sales last month were down 20% year-over-year but still managed to remain 9% above the 10-year average of 7,902 sales. By comparison, new listings in August fell 43% from a year ago and were 15% below their 10-year average. After reaching their peak in March, monthly sales volumes have declined by 45%, which occurred as the volume of new listings dropped by 53% during the same period.
- The quantity of demand versus the amount of supply arriving on the market has never been more imbalanced during an August period. The ratio of sales-to-new listings grew to a record 81%, surpassing the previous high set in 2017 (79%) and soaring well above the decade average of 64%. The number of active listings at month-end was cut in half compared to a year ago to 8,201 units — the lowest inventory level for August since data was reported back to 1996 and equal to just one month of supply.
- As market conditions tightened in August, competition amongst buyers remained strong and prices continued to hold firm (for now). The average selling price of \$1.07 million was essentially in line with prices recorded during the past six months. The 12.6% year-over-year increase in average prices was consistent with annual growth recorded during in July. Compared to two years ago in August 2019, average prices have increased 35%, or by \$278,776. Average prices as of August were approximately 7% higher than the \$1 million level suggested by the market's 10-year growth trend.

Summary Charts for August 2021

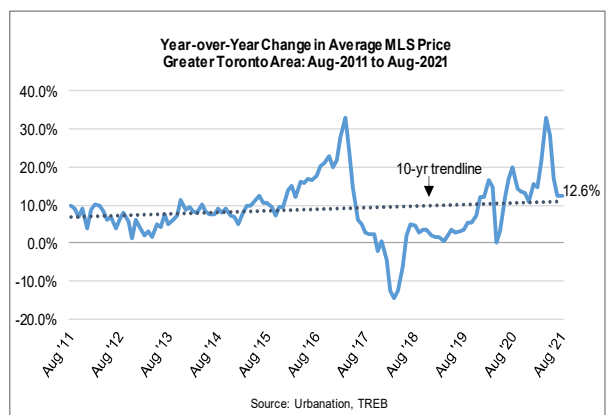
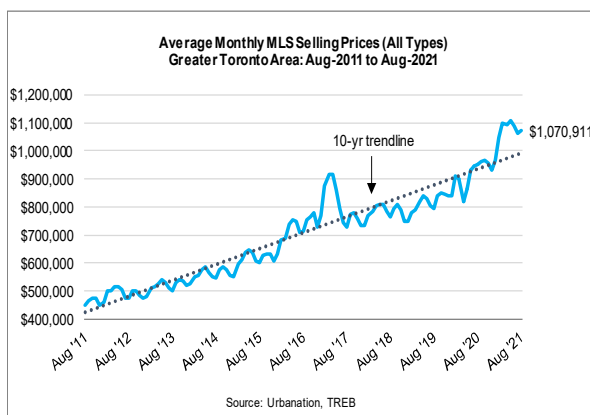
Demand Indicators



Supply Indicators

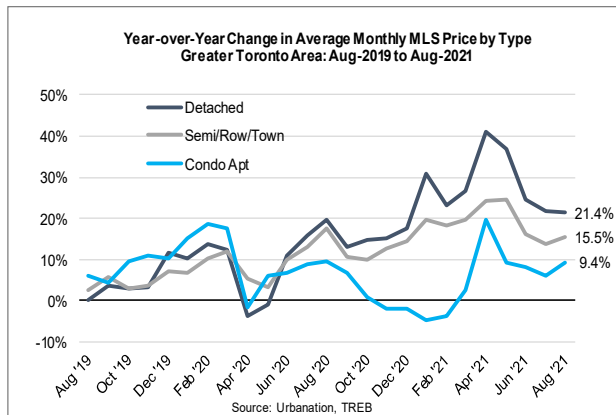
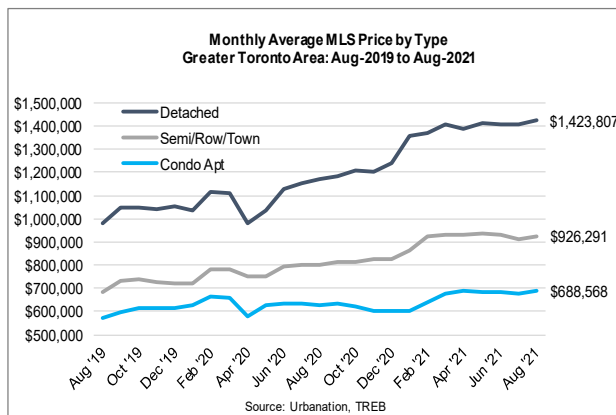
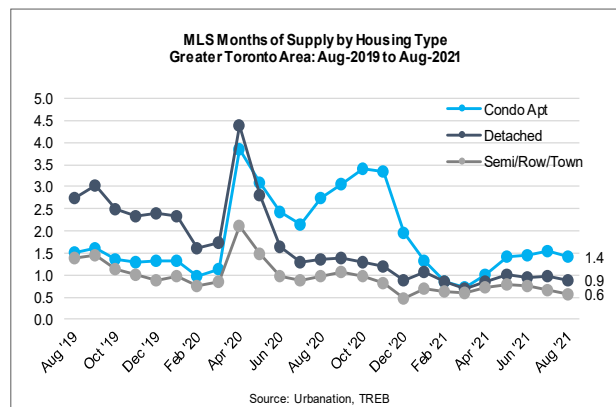
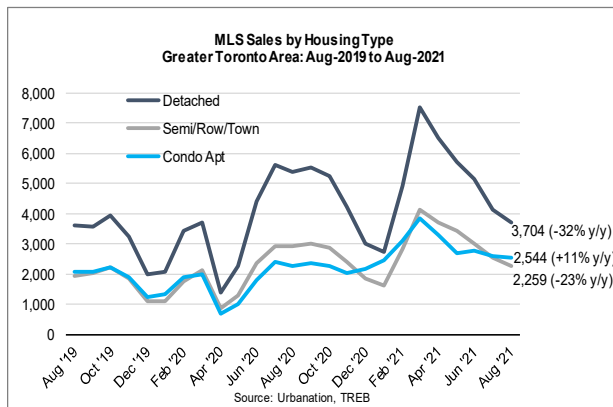


Price Indicators



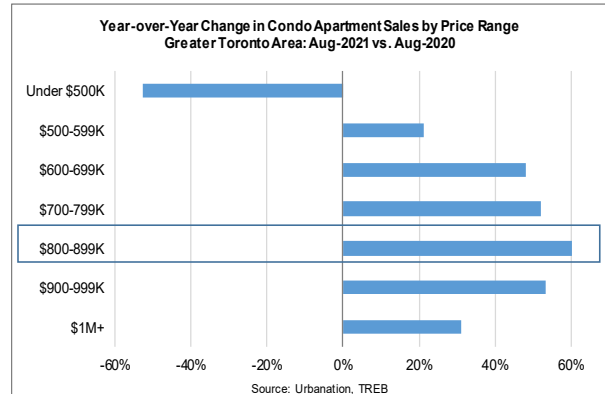
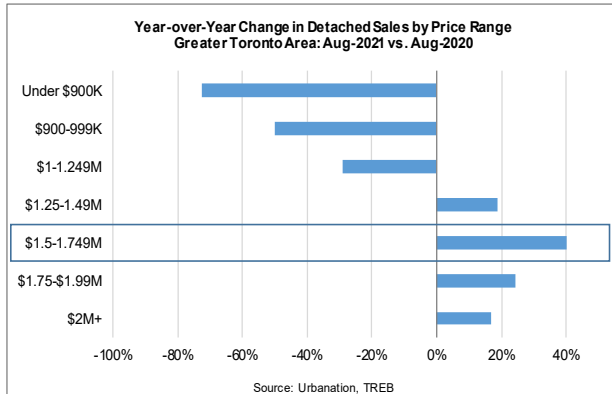
Detached Prices Reach New High as Supply Falls below 1 Month

- Detached sales have experienced the sharpest decline among GTA housing types over the past year, down 32% annually, compared to a 23% decline for semis/rows/towns and an 11% year-over-year increase in condo apartment sales. After a frenzy of activity early in the year during the lockdown, the detached market has become restrained by a drop in new listings, which fell 46% annually in August. This resulted in a record high sales-to-new listings ratio of 83% and drop in inventory to below one month of supply for detached homes, which compared to a sales-to-new listings ratio of 71% and 1.4 months of supply for condo apartments.
- With market conditions tight for all housing types, price appreciation was strong across the board. Average detached prices grew on a monthly basis for the first time in three months, rising 1.3% from July to a record high \$1.424 million — 21% higher than a year ago and 46% higher than two years ago. Annual price growth for semis/rows/towns and condo apartments accelerated to 15.5% and 9.4%, respectively.
- Despite the pick-up in condo price appreciation, the gap between average detached prices and condo prices grew to a record high of \$735,000 in August — an increase of 35% (\$192,000) compared to the gap of \$543,000 a year ago.



Sales Growth Strongest for \$1.5-1.74 Million Detached Homes & \$800-899K Condos

- Sales growth for detached properties remained strongest within the \$1.5 to \$1.749 million range during August, with activity up 40% year-over-year. All detached price ranges above \$1.25 million experienced annual growth in sales, with the top end above \$2 million increasing slowest at 17%.
- All condo apartment price segments above \$500,000 experienced annual increases in sales activity during August, led by the \$800-899K range.



Inventory Remains Lowest & Price Appreciation Remains Strongest in the 905

- Regionally, annual price appreciation remained strongest in the 905 region of the GTA across all housing types in August, ranging between 9% for condo apartments and 25% for detached homes. Inventory levels also remained lowest amongst all housing types in the 905. Within the 416 Region, prices grew fastest for detached homes and condo apartments in Toronto East at 21% and 16%, respectively. In Central Toronto, the most expensive submarket of the GTA, median prices for detached and semi/row/town properties experienced mild year-over-year declines of 2% and 1%, respectively. Conversely, condo apartment prices in Central Toronto were up 5% year-over-year, with sales up 22% annually.

MLS Market Summary by Area and Housing Type Greater Toronto Area: Aug 2021															
	Detached					Semi/Row/Town					Condo Apartment				
	Sales	Y/Y %	Median Price	Y/Y %	Mths of Supply	Sales	Y/Y %	Median Price	Y/Y %	Mths of Supply	Sales	Y/Y %	Median Price	Y/Y %	Mths of Supply
Toronto West	203	-41%	\$1,260,000	13%	1.2	175	-25%	\$892,229	12%	1.0	360	2%	\$574,500	3%	1.4
Toronto Central	209	-29%	\$1,870,000	-2%	2.2	167	-19%	\$1,131,407	-1%	1.7	1,141	22%	\$682,000	5%	1.6
Toronto East	282	-39%	\$1,200,000	21%	0.7	214	-21%	\$901,093	1%	0.6	237	-4%	\$550,000	16%	1.2
City of Toronto	694	-37%	\$1,350,000	13%	1.3	556	-22%	\$927,126	3%	1.0	1,738	13%	\$636,000	6%	1.5
Halton Region	412	-34%	\$1,343,318	18%	0.7	287	-19%	\$878,101	21%	0.3	111	-18%	\$632,000	28%	0.9
Peel Region	780	-31%	\$1,300,000	25%	0.7	690	-21%	\$856,145	17%	0.4	329	17%	\$547,000	9%	1.3
York Region	902	-21%	\$1,499,440	24%	1.1	398	-25%	\$989,131	17%	0.6	291	23%	\$626,000	12%	1.3
Durham Region	679	-34%	\$972,900	26%	0.5	278	-26%	\$745,974	27%	0.3	65	-13%	\$515,000	21%	0.8
905 Region of GTA	2,773	-29%	\$1,291,200	25%	0.7	1,653	-23%	\$873,400	19%	0.4	796	9%	\$585,100	13%	1.1

Source: Urbanation Inc., TREB

Key Takeaways

The GTA housing market, which has been grappling with strong demand and low supply for many months, began to show signs of further tightening and increased competition amongst buyers as it headed into the important fall season. While normal seasonal patterns see prices rising during September and October, the unprecedented current market imbalance could provide a further jolt in the next couple months — which is surprising to say given the explosive price growth already experienced. But with active listings at more than 25-year lows, this may be a foregone conclusion. All eyes are on new listings, and whether the volume of new supply that comes onstream this fall will be enough to calm the market. The upcoming election complicates the timing, as some homeowners could be waiting for an outcome before deciding their next move. Ultimately, neither of the leading parties' platforms on housing are expected to be big market movers. Given that it's a Federal election, the policies are mostly aimed at making homebuying easier for first-time buyers, which will have the opposite effect of driving prices higher. Other potential regulatory changes such as bans on blind bidding and further restrictions on foreign buyers could remove some of the excesses seen during exceptionally strong periods for the market (and make people feel a bit better about the current situation), but they won't change the overall narrative. As expected, big promises are being made on housing supply at quantities that aren't grounded in reality and with no actual specifics on execution. Instead, the onus on delivery gets passed down to the provincial and municipal levels, and the track record there has been clear. The GTA is a supply-constrained market that will remain so no matter who gets elected, which should be kept in mind when viewing the market through a long-term lens.

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

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