

For the second month the Toronto and area market place produced double digit increases compared to the same month last year. In May 9,989 residential properties were reported sold in the greater Toronto area, a stunning 19 percent increase compared to the 8,402 that sold in 2018. The recovery of the Toronto housing market is due to a number of factors. The mortgage stress testing rules introduced in January 2018 appear to have been absorbed by buyers. More resale properties have come to market, although still not enough to create a balanced market. And lastly, interest rates have edged downward, softening the impact of the new mortgage stress testing.

It comes as no surprise that with the increase in the number of sales, average sale prices have also continued their upward momentum, although not as dramatically as the number of reported sales. In May the average sale price came in at \$838,540, 3.6 percent stronger than the \$809,305 average sale price achieved last year.

In the City of Toronto average sale prices were even stronger. The average sale price for all properties sold in the City of Toronto came in at \$937,804, 12 percent higher than the greater Toronto average sale price. This is a particularly startling number when it is remembered that it includes condominium apartment sales, the bulk of which are located in the City of Toronto. Almost 70 percent of all condominium apartment sales take place in Toronto (416 region). They continue to be the least expensive housing form available to buyers, although "least expensive" is becoming a relative term.

The increase in the average sale price was driven by an increase in the number of expensive homes that sold in May. This month 293 properties having a sale price of \$2 Million or more were reported sold. That compares favourably with the 243 that were sold in 2018, a 20 percent increase. Over the past two years higher-end sales have been relatively dormant.

In May 19,386 new property listings came to market, an almost identical number to the 19,237 that came to market last year. Unfortunately, the new listings that came to market were insufficient to effectively increase the supply. At the end of May there were 20,017 properties available to buyers in the greater Toronto area, almost 5 percent less than were available at the same time last year. As the resale market moved into June there were 2.5 months of inventory in the 905 and only 2 months of inventory in the City of Toronto.

Not only did more properties sell in May with rising prices, but all sales took place at lightning speed. All properties sold (on average) in only 19 days. Depending on the type of property and location, the speed of sales was even faster. For example, semi-detached properties in Toronto's central core sold in only 14 days. In Toronto's eastern districts they sold in only 10 days, at 106 and 109 percent over the asking price, respectively. Generally, it took much longer for properties to sell in the 905 region, ranging from 25 days in the Halton region to 36 days in Simcoe County. Sale in the York region took 27 days.

In May 2,542 condominium apartments were reported sold, almost 70 percent of them were located in the City of Toronto. The average sale price for all condominium apartments sold was \$648,891. In Toronto's central core, where 63 percent of all reported sales were located, the average sale price came in at an eye-popping \$718,455. What may be even more startling is that all these condominium apartments sold in only 17 days and at 100 percent of their asking prices.

Notwithstanding that condominium apartments are now becoming quite pricey, the supply still remains insufficient to meet demand. At the beginning of June there were only 2,568 condominium apartments available to buyers, more or less the same number as were available last year when the average sale price was \$40,000 less than it is this year. To qualify for an average priced condominium apartment in Toronto's central core now requires a household income of substantially more than \$100,000 annually, and a 10 percent down payment of more than \$70,000.

Looking ahead to June we can anticipate that sales will probably decline from May's torrid pace to a more moderate 9000 sales, with the average sale price increasing moderately by about 3 percent. Price increases in this modest range are exactly what the Toronto resale market needs in order to remain sustainable.



AVERAGE SELLING PRICE  
**\$838,540**

MAY 2018: **\$809,305** | UP 3.6%

**19,386**

NEW LISTINGS

MAY 2018: **19,237**



**19**

DAYS ON  
MARKET

**9,989**

PROPERTIES SOLD

MAY 2018: **8,402**



## CONCLUSION

May duplicated April's powerful market performance. On a year over year basis sales are up by almost 20 percent. The greater Toronto area's average sale price rose by almost 4 percent. As the year moves into the second half of 2019 we anticipate modest price and sales growth after plateauing at current levels.

**TOTAL SALES &  
AVERAGE PRICES  
(TORONTO ONLY)**



**DETACHED**

1,180 SALES | +30.4%  
\$1,384,993 | +1.5%

*As compared to May 2018*



**SEMI-DETACHED**

408 SALES | +34.7%  
\$1,050,532 | +1.5%

*As compared to May 2018*



**CONDO/APT.**

1,739 SALES | -0.2%  
\$642,891 | +6.6%

*As compared to May 2018*