

The Toronto and area residential resale marketplace continued its slide towards a more normal but still very strong market. In May 11,951 properties were reported sold, a decline of more than 12 percent compared to the 13,650 properties reported sold in April, and a decline of more than 23 percent compared to the record breaking, stratospheric 15,646 properties sold in March. March's numbers were, I believe, the zenith of the pandemic market, just before Ontario's vaccination program was rolled-out.

I reiterate, that notwithstanding these declines, the market remains very strong by historic standards and May's average sale price of \$1,108,453, which includes more than 2,700 condominium apartment sales throughout the region, is an all-time record. May's average sale price was almost 30 percent higher than last May's average sale price of \$863,583. In absolute dollars, a stunning increase of \$245,000 in just 12 months. This record-breaking average sale price is clearly stretching the affordability limits of Toronto and area buyers.

Although the number of sales declined over the past two months, the pace of sales did not. In May it took only 11 days for all properties that came to market to be reported sold. At the end of May there were only 1.2 months of inventory for the entire greater Toronto region. The number was a little higher in the City of Toronto (1.6 months) due to the preponderance of condominium apartments in the City.

Condominium apartment sales have surged during 2021, and although comparison to 2020, at least until the month of June are not meaningful, in May the 1,881 condominium apartment sales recorded in the City of Toronto were almost 160 percent higher than last May's results. With this surge in sales, sale prices for condominium apartments have also increased. The average sale price for condos in the City of Toronto came in at \$716,976, a 6.3 percent increase compared to last year. In the City's central core, where most of the region's condominium apartments are located, the average sale price came in at \$766,462, making Toronto's least expensive housing form fairly pricey.

The price of detached and semi-detached property sales in the City of Toronto reached eye-popping levels in May. The average price for detached properties came in at \$1,716,272, and \$1,326,153 for semi-detached properties, increases of 20 and 16 percent respectively compared to last year. Average sale prices in the 905 region were not as high - \$1,331,176 for detached properties, and \$915,479 for semi-detached homes - however, from a percentage standpoint they exceeded the increases in the City of Toronto. In the 905 region detached property sale prices increased by 41 percent while semi-detached increased by 28 percent over the same period last year, a reflection of buyers fleeing to the suburbs, seeking more space and a sense of safety, at prices for less than can be found in the City of Toronto.

Affordability and supply will continue to moderate the Toronto and area marketplace as we move towards the second half of 2021. The region's average sale price of \$1,108,453 is making Toronto and area very pricey, and except for condominium apartments, beyond the reach of most buyers. To some extent that has been one of the reasons for the pull back in the market since March. Affordability will become even more relevant as the higher mortgage stress tests are applied beginning in June.

In May 18,586 new listings came to market. Sellers were clearly taking advantage of the record-breaking selling prices. The growth of the Toronto and area inventory levels will have a moderate impact on average sale prices, as stretched buyers discover that they have more choice than during the early months of 2021. The combined impact of tighter affordability and more inventory should see the marketplace continue to level off, consistent with "normal" pre-pandemic markets.

CHESTNUT PARK MARKET INFOGRAPHIC  
MAY 2021: TORONTO — GTA



AVERAGE SELLING PRICE

**\$1,108,453**

MAY 2020: \$863,563 | UP 28.4%

**18,586**

NEW LISTINGS

MAY 2020: 9,126 | UP 103.7%



**11**

DAYS ON  
MARKET

**11,951**

PROPERTIES SOLD

MAY 2020: 4,594 | UP 160.1%



## CONCLUSION

The Toronto and area resale market moved closer to “normalcy” in May. It declined by almost 13 percent compared to the 13,650 sales achieved in April and more than 23 percent compared to the 15,646 stratospheric sales recorded in March. With much of the pre-pandemic demand having been absorbed the market will remain strong but more stable in the second half of 2021.

**CHESTNUT  
PARK**

REAL ESTATE LIMITED, BROKERAGE

**CHRISTIE'S**  
INTERNATIONAL REAL ESTATE

TOTAL SALES &  
AVERAGE PRICES  
(TORONTO ONLY)



DETACHED

1,255 SALES | +191.2%  
\$1,716,272 | + 20.5%

*As compared to May 2020*



SEMI-DETACHED

447 SALES | +172.6%  
\$1,326,153 | + 16.0%

*As compared to May 2020*



CONDO/APT.

1,881 SALES | +159.1%  
\$716,976 | + 6.3%

*As compared to May 2020*