

# GTA HOUSING PULSE

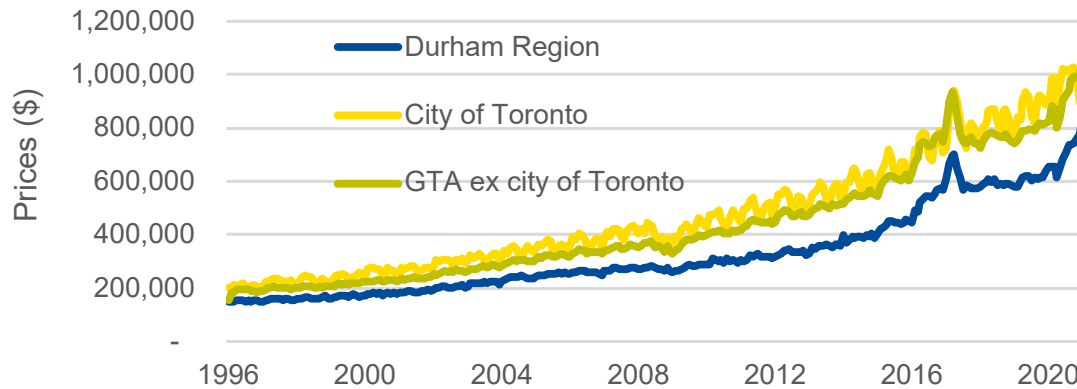
Issue # 11: February 11, 2021

**FUN FACT: CITY OF TORONTO HAD THE LOWEST AVERAGE MLS SALES PRICE IN THE GTA IN JANUARY**

The most interesting piece of data from the latest Toronto Regional Real Estate Board (TRREB) Market Watch Report was that the city of Toronto had the lowest average MLS sales price in the GTA for the first time ever in January, even coming in below the average sale price in Durham Region (Figure 1).

The gain in the average MLS home price in the GTA outside of the city of Toronto was eye popping in January 2021. Durham Region saw the fastest growth in average sales prices, with a \$200,000 increase in one month!

**Figure 1: Average Sales Price, Toronto Regional Real Estate Board Areas**



Source: CUR, based on TRREB Board data.

This happened because: (a) condo apartment sales came roaring back in January and accounted for a record 63% of all sales in the city of Toronto. Condo prices are lower than other types of housing, thereby bringing down the average sale price; and (b) average sales prices increased more rapidly in areas of the GTA outside of Toronto. This is particularly true in the condo market where prices fell in the city of Toronto and were up in the 905 areas.

In Figure 2, we do see that the city of Toronto is still more expensive by housing type – though York Region and Halton Region are getting close.

**Figure 2: MLS Average Sales Price, by Type of Unit and GTA Region, as of January 2021 (\$)**

	Condominium Apartment	Single-Detached	Semi-Detached	Attached/Row/Townhouse	Total
<b>City of Toronto</b>	624,886	1,581,400	1,204,857	1,096,956	866,331
<b>Durham Region</b>	459,370	988,372	743,784	758,232	876,133
<b>Halton Region</b>	554,217	1,539,760	938,211	938,724	1,160,059
<b>Peel Region</b>	521,580	1,282,558	903,410	838,429	952,183
<b>York Region</b>	584,968	1,534,566	982,962	990,346	1,168,623

Source: CUR, based on TRREB data.

The data also showed that the average MLS sales price for single-detached homes was over \$1 million for all but three municipalities in the GTA (Figure 3).

Ajax, Bradford West Gwillimbury and Whitby were the latest municipalities to join the over \$1 million club in January 2021.

### Forward looking

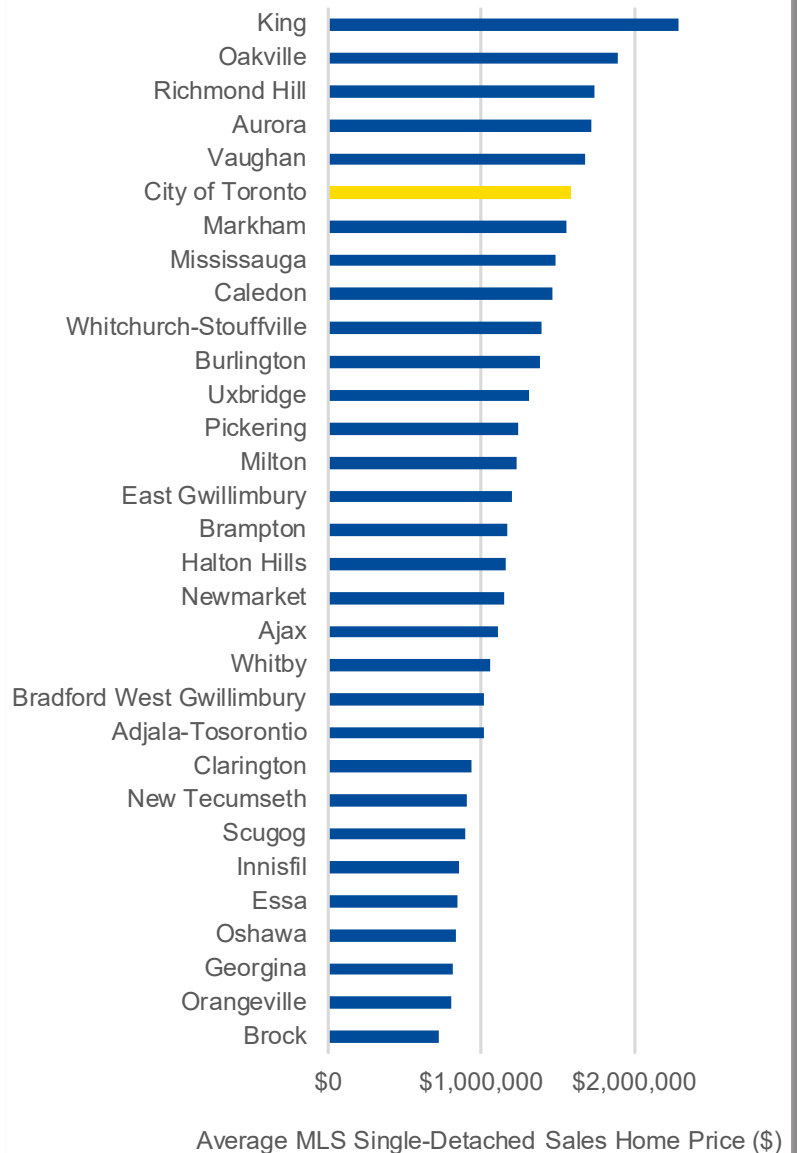
The GTA real estate market surpassed even the most optimistic forecasts in 2020 – a trend that accelerated in January 2021. Mortgage interest rates hit rock bottom in January, which likely explains the eye-popping performance across the GTA.

Mortgage rates have since come up, which could take some steam out of demand in the next few months, especially as it is getting harder for first-time homebuyers needing mortgage insurance to enter the single-detached market. You cannot insure a home valued over \$1 million.

Overall, however, the outlook for resale activity in the near-term remains positive over the course of 2021. The Toronto Regional Real Estate Board Market-in-Review Report highlighted the potential for a rebound in immigration activity in 2021 to make up for lost time from last year. The report also noted that home buying intentions remain stable for 2021, relative to last year.

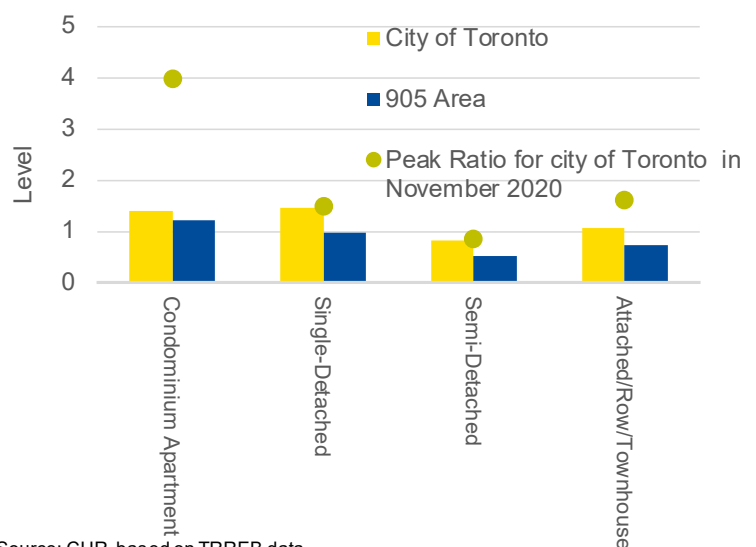
Another positive for the outlook was that the high level of listings in the condo market (slack) started to be worked down in January thanks to a surge in demand which could help condo prices recover from the 14% peak-to-trough decline in price so far.

**Figure 3: Average Sale Price for Detached Homes, Local Municipalities, January 2021**



Source: CUR, based on TRREB data.

**Figure 4: GTA MLS Months of Inventory, City of Toronto and 905 Area, January 2021**



Source: CUR, based on TRREB data.