

# GTA HOUSING PULSE

Issue # 10: October 9, 2020

## SEPTEMBER TRREB DATA SHOW 905 REGION LEAVING THE 416 AREA IN THE DUST

- The Greater Toronto Area (GTA) MLS sales activity reached record levels again in September. It appears to us that the market has now used up all the pent-up demand that accumulated over the March to May period, plus some, Year-to-date, sales were up 7.4% in September.
- The market moved back into a seller's market – meaning sellers have more of the bargaining power. As such, the MLS average sales price was up 14% year-over-year. The price of all types of housing rose at this rate, with the exception of condos.
- The 905 area strongly outpaced the city of Toronto on every count as buyers were out looking for affordable ground-related housing once again.

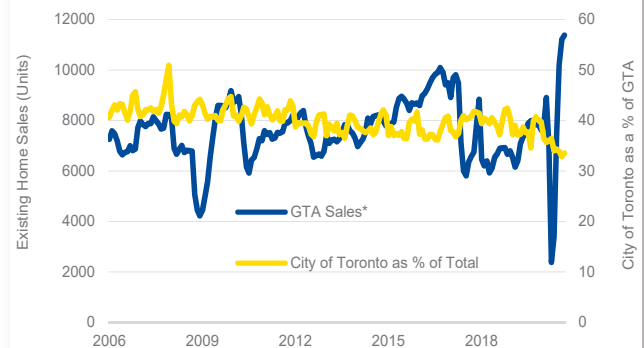
### Looking beyond the 416 for affordable housing

- The MLS average sales price of a detached home ranged from \$1.1 million in Peel to \$1.5 million in the city of Toronto in September.
- Durham (\$800k) was the only region in the GTA to have an MLS average sales price of under \$1 million for a detached home.
- Condos were the only type of housing you can buy for under \$1 million in the city of Toronto on average in September.
- The MLS average sales price for townhomes and semis in regions outside of the city of Toronto was still well under \$1 million.

### The 905 area strongly outpaced the 416 area on every count

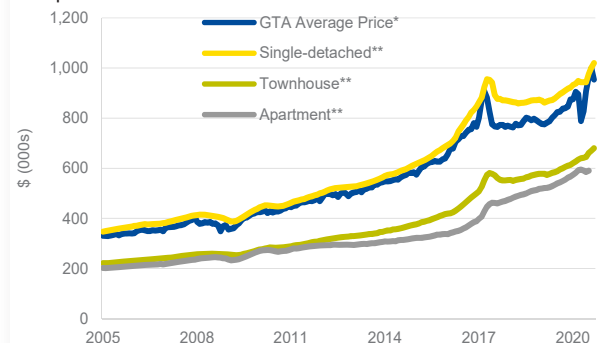
- Existing home sales for condos, detached homes and townhomes were up more than twice as much in the 905, relative to the 416 area.

**Figure 1: MLS Residential Sales, GTA, January 2006-September 2020**



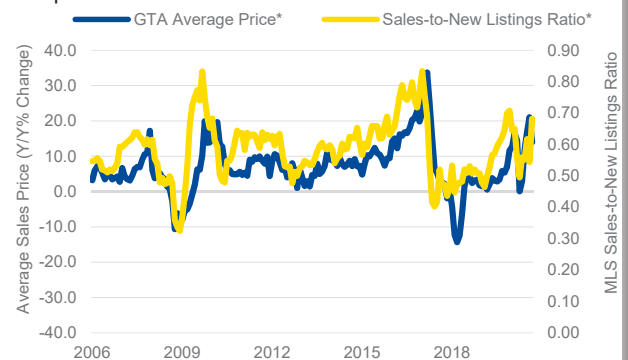
Source: CUR, based on CREA and TRREB data. \*Seasonally Adjusted

**Figure 2: MLS Residential Sales Price, GTA, January 2005-September 2020**



Source: CUR, based on CREA and TRREB data. \*Seasonally Adjusted. \*\*Quality-Adjusted Measure

**Figure 3: MLS Residential Market, GTA, January 2006-September 2020**



Source: CUR, based on CREA and TRREB data. \*Seasonally Adjusted

- The MLS average sales price was also growing significantly faster in the 905 area for all types of housing, with the difference significantly notable for detached and semi-detached homes.
- Existing home sales were up 10% y/y in the city of Toronto and more than three times that much in regions in the 905 area (Figure 8).

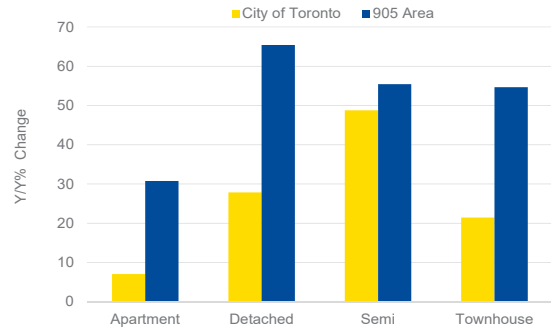
**Number of listings rising faster in the 416 area than the 905**

- The number of homes listed for sale rose more sharply in the city of Toronto (+50% y/y) than in the 905 areas (+21% y/y), mostly due to the continued sharp increase in the number of condos listed on the 416 market.
- Active listings for condos in the 416 reached a record level. There are enough listings on the 416 condo market to mop up 3.5 months of sales activity.

**Key Takeaways**

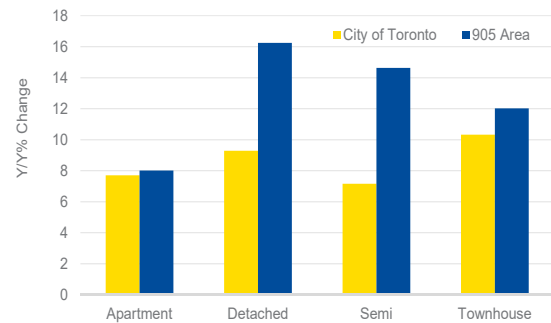
- The GTA housing market reached new highs again in September. September's gains can be attributed to more than just the pent-up demand that accumulated over March to May during the lockdowns.
- Low mortgage rates, in combination with Millennial demand, is driving demand for ground-related housing. As homebuyers search for affordable ground-related housing, they are looking beyond the 416 boundaries.
- Meanwhile, the condo market has lost favour among homebuyers. While prices are still rising in the condo market, they could change direction if listings continue to rise as they have been in the last seven months.

**Figure 4: GTA MLS Residential Sales, City of Toronto and 905 Area, Year-over-Year % Change, September 2020**



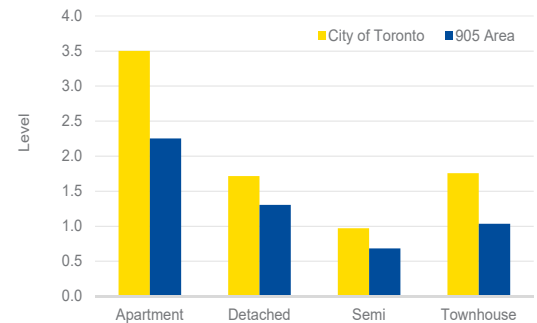
Source: CUR, based on TRREB data.

**Figure 5: GTA MLS Residential Sales Price, City of Toronto and 905 Area, Year-over-Year % Change, September 2020**



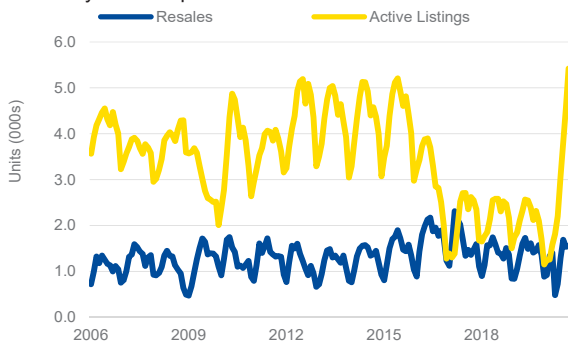
Source: CUR, based on TRREB data.

**Figure 6: GTA MLS Months of Inventory, City of Toronto and 905 Area, September 2020**



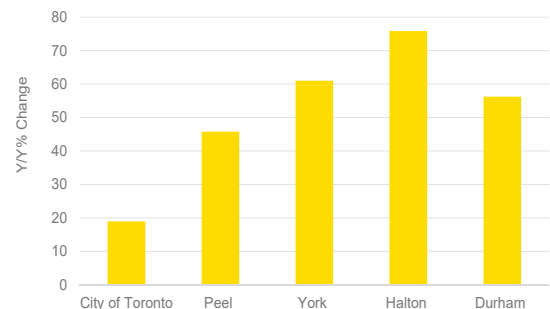
Source: CUR, based on TRREB data.

**Figure 7: MLS Residential Condo Market, City of Toronto, January 2006-September 2020**



Source: CUR, based on TRREB data.

**Figure 8: GTA MLS Residential Sales by Municipality, Year-over-Year % Change, September 2020**



Source: CUR, based on TRREB data.