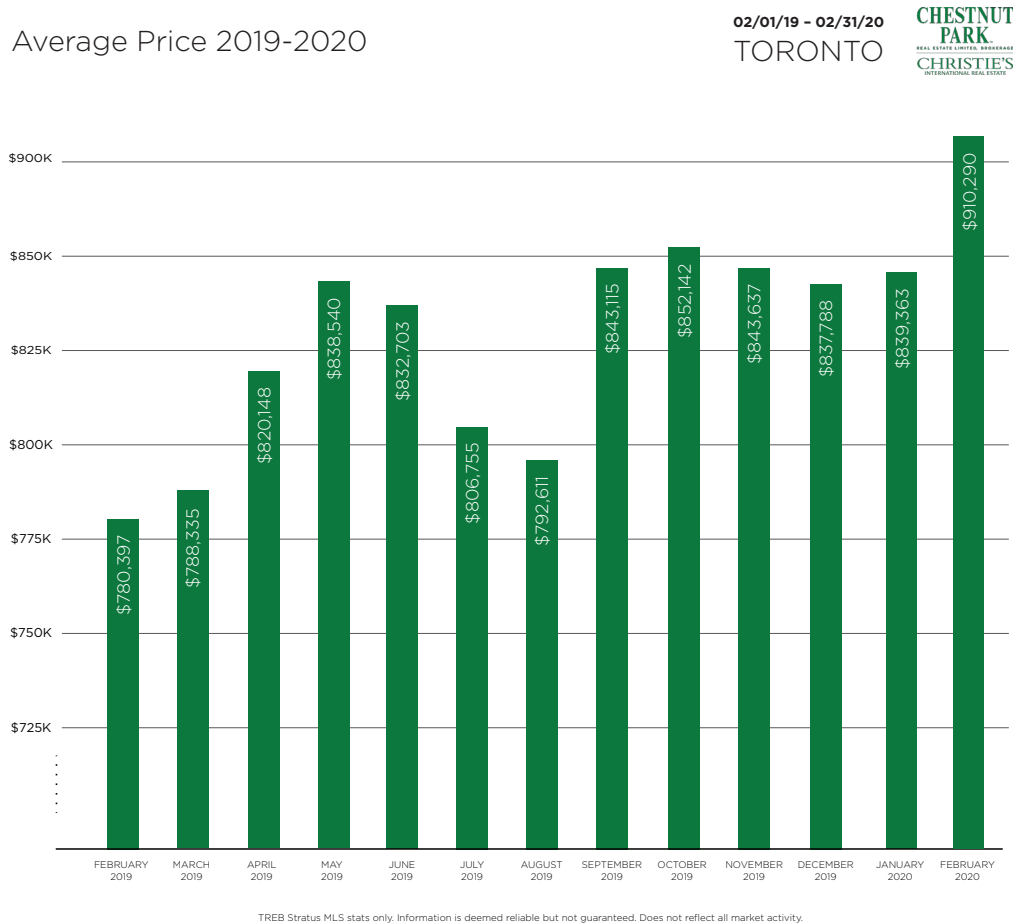


REAL ESTATE MARKET REPORT

FEBRUARY 2020: TORONTO REGION

It is not surprising that February was one of the strongest and most robust resale months since April 2017. What is surprising is that the market unfolded in a landscape of low resale housing supply and record breaking average sales prices.

February saw 7,256 properties reported sold, almost 2,000 of which were condominium apartments. This is a stunning improvement compared to the same month last year, when only 4,982 properties were reported sold, an increase of more than 45 percent. February's sales numbers exceeded those of March (normally a strong seasonal month) of last year, when 7,132 properties were reported sold in the greater Toronto area.



Given the resale results it is also not surprising that the average sale price spiked dramatically. Last February the monthly average sale price came in at \$779,791. This year it jumped by an eye-popping increase of over 16 percent to \$910,290. This number is very close to the all time monthly high average sale price of \$920,000 achieved in April 2017. In the City of Toronto (416 districts) the numbers were even more startling with detached properties coming in at \$1,485,304, semi-detached at \$1,208,073, and condominium apartments at \$722,675. For the very first time the average sale price for condominium apartments in Toronto's central districts broke \$800,000 coming in at \$805,982, a 16 percent increase compared to last February's average sale price of \$694,000.

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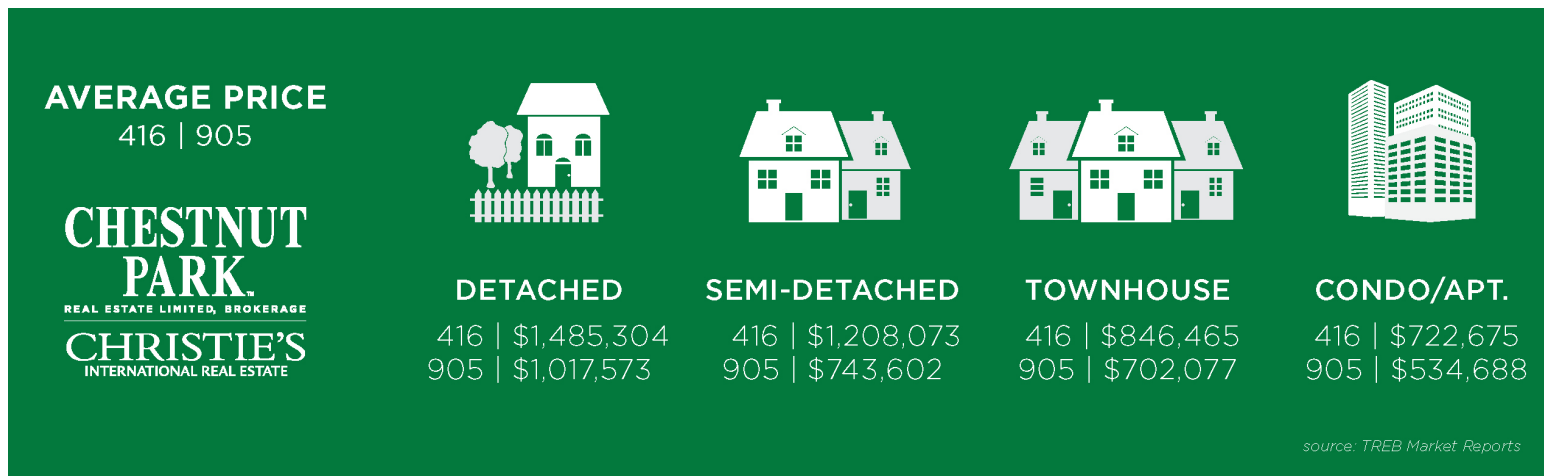
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The higher-end of the market has also been improving, now catching up to the overall market. In February 266 properties having a sale price of \$2 million or more were reported sold. This compares very favourably with the 193 properties sold in this category last year, an increase of over 16 percent.

Supply and affordability are becoming the resale market red flags. In February 10,613 new properties came to market in the greater Toronto area. These properties were a welcome improvement compared to the 9,834 that came to market in February of last year. Unfortunately, the slight increase (8 percent) did nothing to improve the supply of active listings at month end. Some of the new listings were relistings of properties that had previously not sold, and the 7,256 reported sales absorbed the bulk of the real new listings that came to market. As a result, at month end there were only 8,816 properties available to buyers, 34 percent less than the 13,284 available last year.

The supply problem for some housing types has now become disastrous. For example, in the City of Toronto, 189 semi-detached properties were reported sold in February. At month-end there were only 137 semi-detached active listings, less than one month's supply. In Toronto's eastern districts 64 semi-detached properties were reported sold, yet at month-end there were only 37 available for sale. It is not surprising, yet still startling, that all semi-detached properties in Toronto's eastern districts sold for 118 percent of their asking price, and in only 7 days! These are incredible, yet real numbers.



At month-end there were only 885 condominium apartments for sale in Toronto's central districts. Those represent almost 70 percent of all condominium apartments for sale in the City of Toronto. This amounts to only one month of supply. All condominium apartments sold in just 18 days and for sale prices of 102 percent of their asking price. Its ironic that only a few years ago economists were writing that Toronto's condominium market was overbuilt.

Looking forward we can expect similar resale market results in March, although the lack of supply may result in constrained sale numbers. The City of Toronto finds itself with only 1.6 months of supply, a historically low number. The recent Bank of Canada's interest rate reduction will act as a further stimulus to the already supercharged Toronto and area resale market place. We will be running out of superlatives to describe the phenomenon that has become the Toronto resale market place. Don't be surprised if March produces a record high monthly average sale price for properties reported sold in the Toronto and area market place.