

The Toronto and area resale market performed as expected in April. As reported in our March report, the implementation of the emergency lockdown measures had a crushing impact on the resale housing market. With most businesses closed and more than three million Canadians unemployed there was no reason to believe that the resale market would miraculously revive in April.

Sales dropped precipitously, declining by an unprecedented 67 percent compared to April 2019, to only 2,975 this year. Although, the decline is shocking, viewed from a different perspective it is amazing that the decline wasn't worse. With businesses, restaurants and bars closed, with people being ordered to stay home by governments and health authorities, and with industry-wide restrictions on accessing properties, 2,975 reported sales are a testament to the strength and resilience of the Toronto resale market.

Two other aspects of the Toronto and area resale market also demonstrate its strength and resilience. Notwithstanding the sharp decline in sales, sale prices held firm in April. The average sale price came in at \$821,392, slightly higher than the average sale price of \$820,373 recorded last year. In the City of Toronto (416 trading districts) the average sale price came in at \$881,424. The pre-March 15th average sale price for properties sold in the greater Toronto area was around \$900,000, and somewhat higher for properties sold in the City of Toronto.

In addition to average sale prices holding firm, all properties sold in April only spent 19 days on the market, the exact number of days that properties spent on the market last April. Depending on housing type and location, the market was even faster. For example, semi-detached properties sold, on average, in only 13 days throughout the greater Toronto area, in 12 days in the City of Toronto, and in only 10 days in Toronto's eastern districts. Most of these semi-detached properties sold for more than their asking price.

Condominium apartments also sold very quickly, averaging only 18 days on market, including condominium apartment sales in Toronto's central districts where almost 50 percent of all condominium apartment sales take place. Sale prices of condominium apartments in the City of Toronto were off by 4 percent compared to last April, no doubt a reflection of job losses affecting first-time buyers.

The more expensive end of the resale market was dramatically impacted by the emergency lockdown measures. Last year, 250 properties having a sale price of \$2 Million or more were reported sold in April. This year that number fell to only 67, a decline of more than 73 percent. No doubt the dramatic decline of equity markets influenced buyers and sellers in this price category. By month-end, there was greater activity in property sales of \$2 Million or more which can be expected to continue into May.

The emergency lockdown measures had an immediate, and not surprisingly impact on supply. In April, only 6,174 new properties came to market, a 64 percent decline compared to the 17,213 that came to the market last year. At month end there were only 10,561 properties available for sale. Even prior to the impact of Covid-19 the Toronto and area resale market suffered from a chronic shortage of inventory. That situation has now been further exasperated. Since many potential buyers are no longer in the market, the decline in inventory will not be immediately felt, but as businesses begin to open, and people get back to work and back into the market place, the already strained Toronto market place will become nightmarish for buyers.

Looking towards May we can anticipate a resale market not that dissimilar to April's, but with modest improvement. Some of the provincial lockdown measures will be relaxed in May, with some businesses re-opening and many people returning to work. These changes are not likely to immediately impact the residential resale market. During the initial changes, people will proceed cautiously in the new normal, with a stronger resale market not expected until June.

Until then, stay safe!

CHESTNUT PARK MARKET INFOGRAPHIC
APRIL 2020: **TORONTO — GTA**



AVERAGE SELLING PRICE

\$821,392

APRIL 2019: **\$820,373** | UP 0.1%

6,174
NEW LISTINGS

APRIL 2019: **17,213** | DOWN 64.1%



19
DAYS ON
MARKET

2,975
PROPERTIES SOLD

APRIL 2019: **9,005** | DOWN 67.0%



CONCLUSION

Like the entire Canadian economy the Toronto and area real estate market was crushed by the emergency lockdown measures that saw the closure of most businesses. Yet, as April drew to an end, buyers (those still in the market) and sellers began adjusting to the restrictive safety showing protocols and activity, albeit marginal, began to increase. Surprisingly average sale prices, although off from pre-March 15th highs, hold firm. Expect modest increased sales in May, with some higher priced properties selling as well.

CHESTNUT PARK REAL ESTATE LIMITED, BROKERAGE | CHESTNUTPARK.COM

**CHESTNUT
PARK™**

REAL ESTATE LIMITED, BROKERAGE

CHRISTIE'S
INTERNATIONAL REAL ESTATE

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



DETACHED

313 SALES | -67.9%
\$1,249,730 | -7.8%

As compared to April 2019



SEMI-DETACHED

126 SALES | -54.8%
\$1,096,437 | +4.0%

As compared to April 2019



CONDO/APT.

482 SALES | -69.9%
\$612,300 | -4.0%

As compared to April 2019

source: TREB Market Reports