

Once again, the Toronto and area resale market delivered eye-popping results. As compared to last January sales were up by over 52 percent and the average sale price increased by almost 16 percent. In absolute numbers January produced an unprecedented 6,928 sales – there were only 4,546 last year – and the average sale price came in at \$967,885 for all properties sold throughout the greater Toronto area. It was only \$838,000 last year.

But the market was not homogenous. Within the City of Toronto, sales were dominated by condominium apartments. Over 55 percent (1,703 apartments) of all reported sales were condominiums. That was a shocking 85 percent increase compared to the number of condominium apartments sold last year. In the last two months, condominium apartment sales in the City of Toronto have come roaring back erasing the mid-pandemic declines they had experienced.

That was only part of the story. While sales were soaring, average sale prices continued to decline. By month-end, condominium apartment prices in Toronto's 416 region had declined by 8 percent. The situation was more extreme in Toronto's central core. Almost 70 percent of all Toronto condominium apartment sales are located in Toronto's central districts, primarily downtown. Last year the average sale price for condominiums in Toronto's central districts was \$758,000. In January, the identical apartments were selling for \$661,000, 13 percent less. With such steep price reductions, it is not surprising that buyers are flocking to the condominium apartment market.

The other market story is Toronto's suburbs, the 905 region. Not only are more sales taking place in the region, but at rapidly rising prices. In January the average sale price in the 905 region was more than 10 percent higher than the average sale price in the City of Toronto (\$866,331). Halton (Burlington, Halton Hills, Milton, and Oakville) and York Region (Aurora, East Gwillimbury, Georgina, King, Markham, Newmarket, Richmond Hill, Vaughan, and Whitchurch-Stouffville) both produced average sale prices for all properties reported sold of more than \$1,160,000.

Higher priced properties throughout the greater Toronto area sold at a pace not seen before for January. In January 331 properties were reported sold having a sale price of \$2 million or more. That amounts to a shocking 155 percent increase compared to the 130 properties that sold in this category in 2020, and only 76 in 2019. This is an amazing accomplishment, and it demonstrates that robust sales of properties in the greater Toronto area are taking place in all price categories.

Aside from the issue of sustainability, the perennial concern, as we move into February, inventory levels remain a problem. At the end of January, there were only 7,396 properties available to buyers, almost 5 percent fewer than last year. The bulk of those listings (44 percent) are condominium apartments. There simply aren't enough ground level, freehold properties to meet demand. It is the rarest of occurrences when new listing offerings aren't greeted by multiple offers – many multiple offers.

Looking forward, February will be an even stronger month than January. Early February data indicates that the resale market will exceed last February's results by at least 50 percent and that the average sale price, both in the City of Toronto and the surrounding 905 region, is on an upward trajectory. Cheap money – five year mortgage interest rates at less than 2 percent – government stimulus, and the consumers' frantic psychological need to acquire real estate, preferable low rise, with outdoor space, will continue to drive this frenzied market for the foreseeable future.