

As forecast, the Toronto and area residential resale market delivered its third consecutive strong monthly performance. In June 8,860 properties were reported sold, almost 11 percent higher than the 8,024 properties reported sold last year. On a year-to-date basis, 43,950 properties have been reported sold, a vast improvement over the 39,922 properties reported sold at the midpoint of 2018. At this rate, the Toronto and area residential resale market will report about 85,000 sales in 2019. Last year only 78,023 were reported sold, the lowest number of sales since 2008.

The average sale prices rose by 3 percent to \$832,703. In the City of Toronto, the average sale price came in at \$915,481, 10 percent higher. This is startling when it is remembered that about 50 percent of all property sales in the City of Toronto are condominium apartments, with an average sale price of only \$636,000 in June.

Not only were the number of sales impressive, but the speed at which sales took place was also impressive. All properties sold in the greater Toronto area were reported sold in only 21 days. In the City of Toronto sales took place in only 18 days. In some trading areas in Toronto sales took place even faster. For example, all sales in Toronto's eastern districts took place in 15 days. Semi-detached property sales in the eastern districts, and there were 133 of them, took place in only 11 days, at sale prices averaging 109 percent of the list prices.

Inventory continues to be a concern. In June 15, 816 properties came to market, almost 1 percent less than the 15,876 that came to market last year. The bulk of those new listings were in Toronto's 905 region. At month end buyers in the greater Toronto market place had 16,655 available properties to view and purchase. Unfortunately, that number was almost 6 percent fewer than the 20,844 properties available last year at this time.

Urban Researchers Frank Clayton and Eva Shi recently reported that in 2018 the population of the greater Toronto area grew by 125,298 people, second only to Dallas – Fort Worth – Arlington, which grew by 131,767. The City of Toronto grew by 77,435 people over the same period, by far the fastest growing city in North America (Phoenix came in second with a growth rate of 25,288.) All of the greater Toronto area's growth is immigration driven.

The problem for the city of Toronto and the greater Toronto area is that this growth is not singular. It has been occurring year in and year out for more than 10 years. The compounding effect has put tremendous pressure on housing both from the perspective of availability and affordability. Having only 19,655 properties available throughout the greater Toronto area is simply not enough.

Of particular concern is the impact of population growth on the availability of condominium apartments, the least expensive housing form available to buyers. In June new listings of condominium apartments declined, both in the City of Toronto and the greater Toronto area compared to last June. In the City of Toronto only 2,546 condominium apartments were available to buyers at the end of June, not nearly enough to satisfy the demand.

The high-end of the market continues to improve. In June 257 properties having a sale price of \$2 Million or more were reported sold, almost 9 percent higher than the 237 reported sold last year. Detached homes, which represent about 90 percent of these sales, came in at an average sale price of \$1,332,639 in the city of Toronto. In Toronto's central districts the average sale price for detached properties sold was just over \$2 Million.

As we move into July and the summer months we can expect softer sales. By September I anticipate that sales and average sale prices will return to the pattern established in April, May, and June. Sales will be approximately 10 percent higher than sales achieved in 2018, and average sale prices will continue to increase moderately at 3 percent.