

Another astounding month for the Toronto and area residential resale market place. August broke two records: one for most sale ever recorded for the month of August and two, the highest average sale price for all properties sold in the history of record keeping for the Toronto and area market place.

Toronto and area realtors reported 10,775 sales in August. These sales represent a shocking 40.3 percent increase compared to the 7,682 sales reported last year, which was a very respectable August for reported sales. This dramatic increase was predominately driven by an increase in sales of detached and semi-detached properties.

In the City of Toronto detached property sales increased by 65.3 percent and semi-detached properties by an eye-popping 81.2 percent compared to last August. Condominium apartments, for reasons discussed in my July report, did not fare nearly as well, rising by only 9.2 percent.

The Toronto and area average sale price record has now been exceeded for three consecutive months. June's average sale price of \$931,302 exceeded the previous record of \$920,000 achieved in April of 2017, the month during which the then provincial government legislated the foreign buyers tax. In July, the average sale price jumped to \$943,666, another record. This August it moved closer to the magical \$1 Million mark coming in at \$951,4014, the new record for Toronto and area resales.

The \$1 Million mark has been exceeded for some time in the City of Toronto. Notwithstanding the mix of less expensive condominium apartments, the average sale price for all property sales in Toronto came in at \$1,012,506, an amazing 24 percent increase compared to only a year ago. No doubt this increase was driven by the 413 reported sales during the month having a sale price of \$2 Million or more, most of which were located in the City of Toronto. The average sale price in the 905 region, by comparison, was only \$906,440 for all property types sold in August.

It is not surprising that sales took place at the real estate equivalent of the speed of light. All 10,775 sales for the month took place in only 17 days (on average) after hitting the market. By comparison last year it took 25 days on the market for properties to sell, an improvement of 32 percent. For some property types and depending on location sales took place even faster.

For example detached properties in the City of Toronto sold in only 16 days and for 101 percent of their asking price. Semi-detached properties sold even faster, in only 10 days and for an incredible 108 percent of their asking prices. In Toronto's eastern districts the pace of sales was record-breaking. All semi-detached properties sold in only 8 days and for an amazing 112 percent of their asking prices.

There was a glimmer of hope for frustrated buyers in August. For the first time since the pandemic, August saw a dramatically high number of new listings coming to market. Almost 18,500 new properties came available to buyers, 56.8 percent more than became available in August 2019. Last year only 11,789 properties came to market.

Due to the high absorption level in August (10,775 sales) at month end there were still only 16,662 properties on the market throughout the greater Toronto area, only 5 percent more than the 15,870 available last year. If new listings continue at August's pace into September, they will have a profound impact, helping the market to move away from the extreme seller's market we have been experiencing and ultimately having a moderating affect on average sale prices.

Early September data indicates that September 2020 may be another record-breaking month both as to the average sale price and the number of reported sales. Stay tuned!