

Greater Toronto Area Homes Sales Rebound in April

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Prices & Sales Expected to Climb Into Summer



Across the GTA, April sleet, freezing rain and the occasional snowflake didn't stop spring sales! In April 2019, the Toronto Real Estate Board reported a substantial year-over-year increase in home sales with both prices and sales expected to heat up well into July.

In the GTA, TREB reported residential transactions jumped 16.8% to 9,042 compared to 7,744 the previous April with listings up 8%. Agents suggest that in 2019, GTA home sellers and buyers are re-entering the market after opting out due to the 2016/2017 price wars, the Non-Resident Speculation Tax (NRST) in late 2017 and the G-20 stress test in early 2018.

"In 2019, home buyers and sellers realized they couldn't put their plans on hold forever - they're looking to the future," says Suzanne Mills, an agent with the Keller Williams Real Estate Brokerage, who has focused on the Oshawa region for the past decade. "The over-the-top market, NRST and the G-20 stress test created a real sense of unease and uncertainty whether or not consumers were personally affected."

Everyone Loves Condos

Across the GTA, the average selling price increased 1.9% to \$820,148 – the strongest annual rate of growth to date in 2019 – driven by condominiums and higher-density, low-rise homes. April 2019 housing sales and prices differed widely by housing type across the 416

and 905 districts with condos realizing the best price increases in both Toronto (5.8%) and outside the city limits (5.7%). Likely as a result of higher prices and the limited supply, Toronto condo sales rose just 2.6% while 905 condo sales climbed an impressive 16.7%.

Everywhere consumers look, condos are the most affordable option appealing to everyone from young singles and first-time buyers who want to be close to work and entertainment to downsizing sixty- and seventy-something boomers that are retiring to a leisurely lifestyle.

“Everyone loves condos and they’re buying them whether they’re planning to live in them or rent them,” says Sandra Pate, Johnston & Daniel, Royal LePage, Toronto.

More than ever, developers are listening to consumers says Neil Uttamsingh, a RE/MAX Aboutowne Realty Corp. agent dedicated to the GTA’s pre-construction condos. They’re delivering tiny, 290 sq. ft. studios for singles and young couples and two-bedroom plus den units with large outdoor spaces for families as well as shared public workspaces and refrigerated parcel storage to keep food cool until condo dwellers can collect their grocery orders.

“Location and price really are intertwined and trump every other factor,” says Uttamsingh. “If they can’t afford the condo that’s within 800 meters of a subway station, they consider the condo with a streetcar or bus stop right outside the front door or at most, a five-minute walk away.”

Prices Drop on Detached Homes – Buy Now or Wait?

Across the GTA, detached sales were up 20 to 22% but prices were down 1.3%. Semi-detached home sales were up 6% and 28.9% in Toronto and outside the city respectively with prices up 2.9% in Toronto and 5.1% beyond the city limits. In Toronto, townhouse prices dropped 4.7%, but were up 3.7% outside the city.

Toronto Demand Outstrips Supply

In the City of Toronto, demand continues to outstrip supply. Homeowners assess the costs incurred to sell their existing homes, for example, staging, legal and real estate agent fees, and land transfer taxes (Ontario since 1989, Toronto since 2008). They also look at the fact they still need to live somewhere, then reconsider their selling strategies.

“Once people know the costs of moving, many decide to stay put and renovate,” says Pate.

The average price for detached houses dropped year-over-year in Toronto and the GTA suburbs. On average, detached homes have the highest price points and as a result, they’re the most likely to be affected by measures such as the G-20 stress test. As TREB’s chief market analyst Jason Mercer points out, “While sales were up year-over-year in April, it is important to note that they remain well below April levels for much of the past decade.”

In 2018 in Oshawa and Whitby, Mills notes homebuyers simply stopped the buying process when they discovered they had \$100,000 less to spend due to the G-20 stress test.

“It really affected how much home they could buy so they had to adjust their expectations and pricy, high-end trophy homes were the hardest hit,” says Mills. “Home buyers had to figure out exactly where and how they’d compromise. Meanwhile sellers had to understand that they might have to wait a long time for prices to climb back up.”

Savvy agents remind buyers that they can drive a little farther to accommodate their new budget and settle for a single-car rather than a two-car garage, a powder room over the full bathroom and change paint colours and flooring types to suit their specific style, needs and budget.

“Drive until you can afford it – that rule of thumb will always apply to real estate,” says Mills.

Like so many agents, Mills asks home buyers to check the facts behind the attention-getting, doom-and-gloom headlines that dominate all media. Oshawa is the perfect example of consumer perception versus reality. The rough and tough ‘Shawa is now ‘Poshawa and this increasingly white-collar lakeside city is very much in transition with investors and the city focused on making it an even better place to live and work.

“Let go of the assumptions and get the facts when you’re looking for an affordable home in a city with a lot to offer,” says Mills.

Kara Kuryllowicz

Kara Kuryllowicz is a Toronto-based writer with 30 years of experience writing and editing for a wide range of magazines, websites and corporate clients. She has a long-term interest in real estate, as a journalist, homeowner and landlord with investment properties. She is fascinated by the Greater Toronto Area real estate market and is equally interested in how the Toronto market affects seasonal and second homes.