

2020 year in review numbers



looking back 2020

To state the obvious, 2020 was a year like no other. No analyst nor Realtor could have predicted Covid or its impact on our everyday life, let alone the Toronto Real Estate market.

Looking at the overall stats, one might say it wasn't an atypical year for Toronto. Sales held almost flat and average price increased 8%, versus 2019. Figures not unlike years past for Toronto Real Estate. However, where we ended up was very different from where we began this year. It was a roller-coaster, not only in feeling, but also illustrated in the monthly line-graphs. So what did happen in 2020? We'll highlight a few insights here, and let the numbers do the rest of the talking in the pages that follow.

[insight #1] seasons reversed

A typical real estate season sees peaks in the spring and fall and shallow valleys in the summer and winter. Covid's arrival all but put a halt on April and May sales and new listings while the world, and Torontonians learned our 'new normal'. As restrictions loosened, Toronto Real Estate rebounded with a boom and continued at peak levels through the end of 2020.

[insight #2] supply + demand

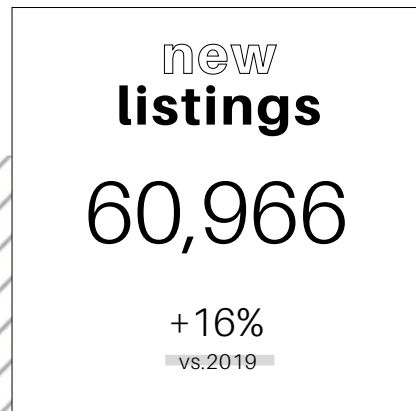
2020 saw these two economic forces at play in textbook fashion. With limited supply of new listings, specifically in the single-family home segments, pent-up demand drove prices for detached, semi-detached and townhomes to double-digit gains for a number of months during the 2nd half of the year. However the market dynamics were quite different when looking at the condo market.

insight #3 condo market

Covid's impact on the condo market was largely driven by remote work and the desire for more space. Where we live became so much more than just a place to sleep and live - it became a place for work, school, and a gym. Not being geographically tied to your job, and the desire for more space resulted in condo-dwellers looking to upsize- whether it be in Toronto, or in neighbouring more affordable cities.

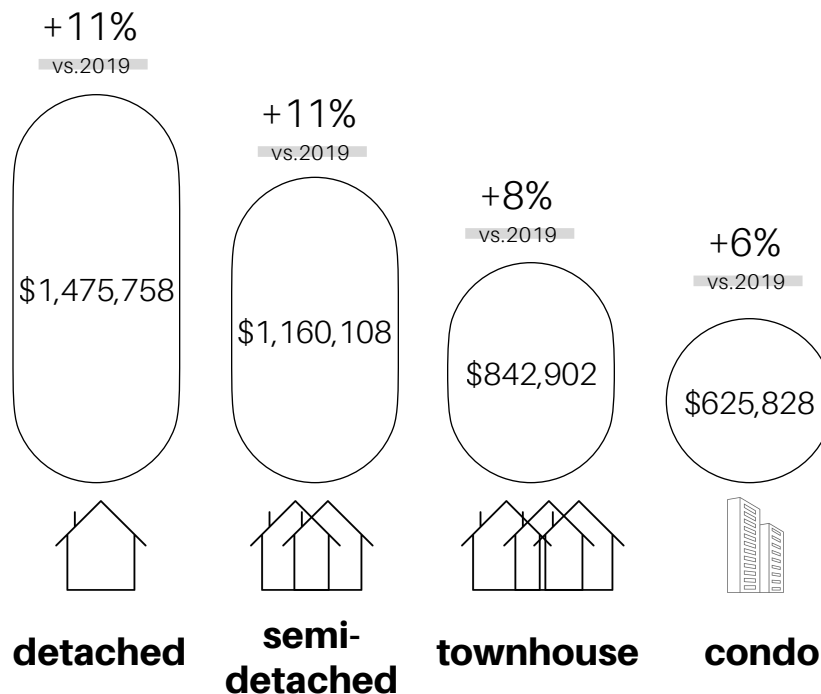
All that said, we have established a new meaning for the common quote 'hindsight is 2020'.

2020 year in review numbers



the average price of all sales in Toronto was \$985,906

+8%
vs. 2019

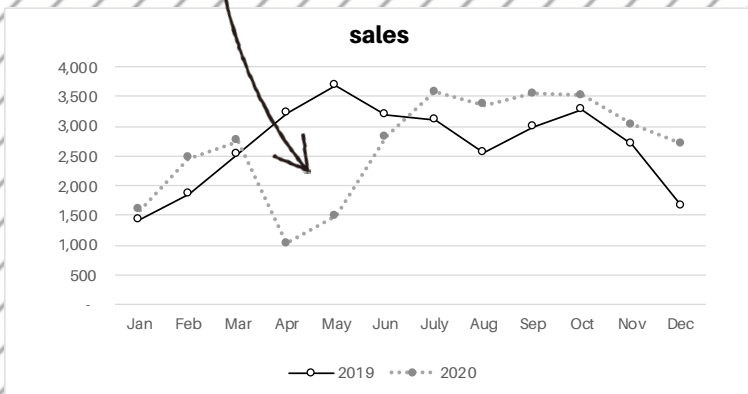


average price

Sutton
OLDMILL

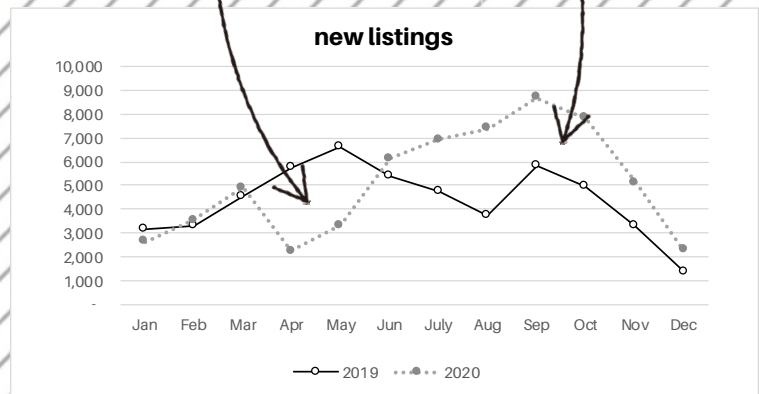
digging deeper monthly trends

what a global pandemic looks like on a line graph

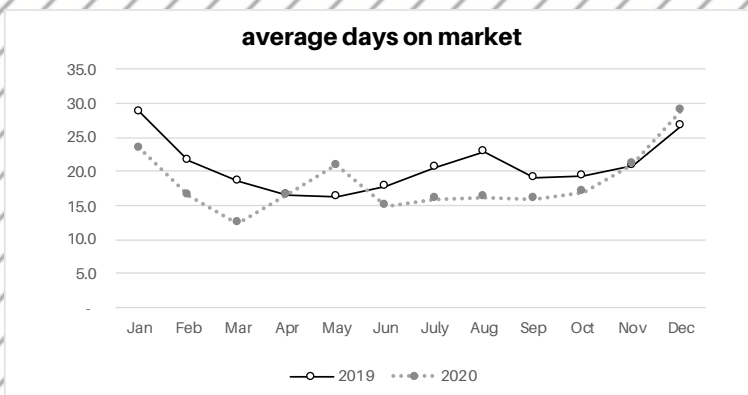


the covid halt

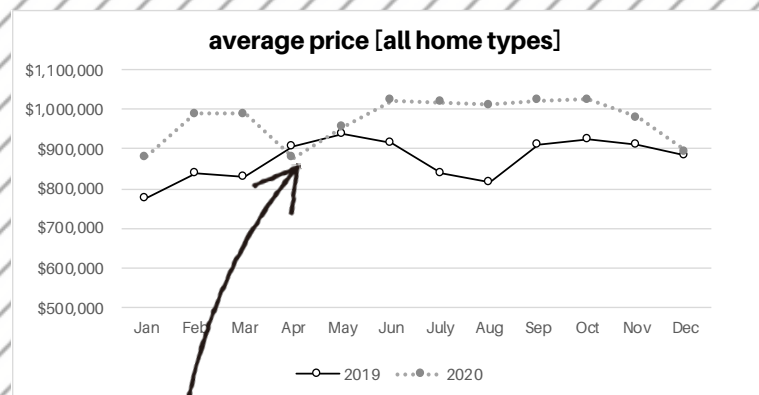
+ the rebound



average days on market



average price [all home types]



fact! overall average price grew in all but one month in 2020

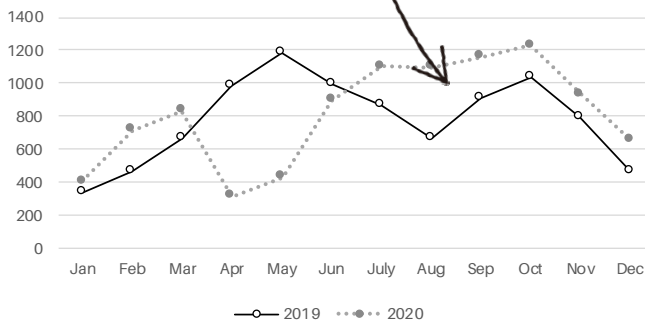
Sutton
OLDMILL

digging deeper

sales by property type

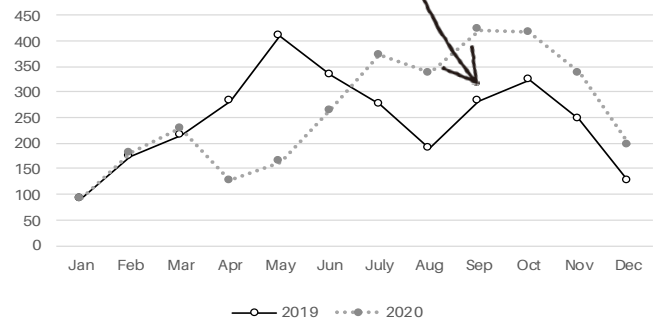
significant rebounds seen in all single family property markets

sales [detached]

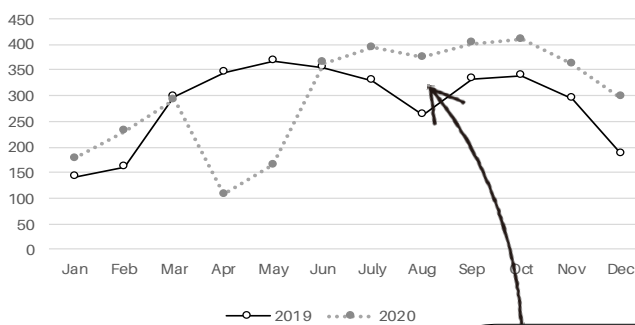


significant recovery

sales [semi-detached]

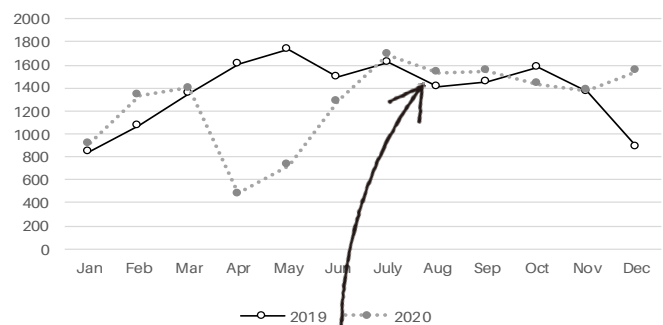


sales [townhouse]



significant recovery

sales [condo]



slower recovery

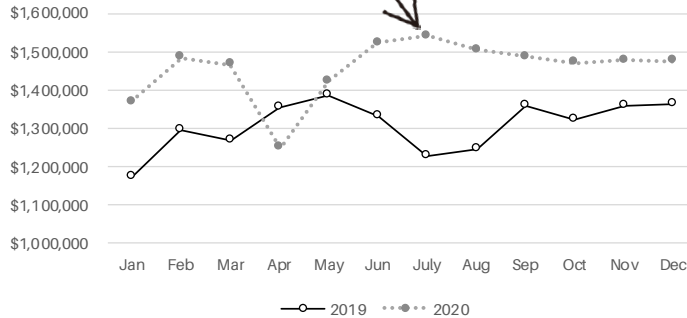


digging average deeper price

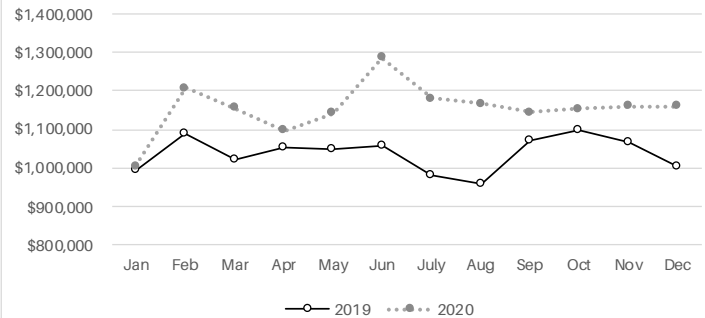
by property type

average price peaks during
summer rebound + remains
strong until year end

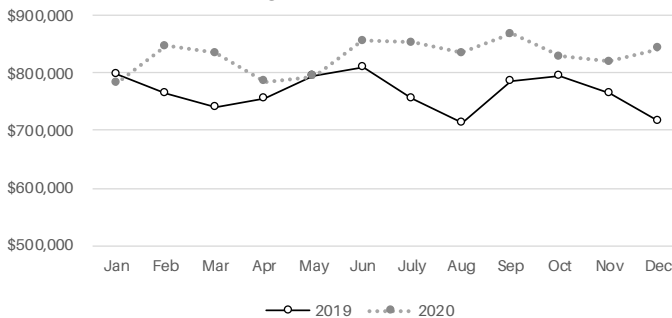
average price [detached]



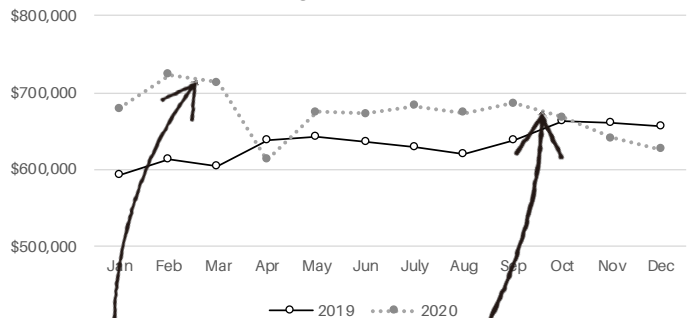
average price [semi-detached]



average price [townhouse]



average price [condo]



pre-covid | strong
start to 2020 pre-

post-covid | weaker initial
rebound + prices fall as
supply increase in the 4th
quarter



looking forward 2021

So where do we go from here? If we've learned one thing from 2020, predictions are to be taken with a 'grain of salt' and perhaps a long list of stated assumptions. That said, our predictions for 2021 Toronto Real Estate are based on the following assumptions:

1. interest rates will remain low
2. the covid vaccination program will be 'successful', *where success is defined as 'an effective vaccine and the program is completed within a reasonable timeline'*

Assuming the above, we foresee an overall 'good year' ahead, but once again we expect that we'll be taking an atypical route in reaching this 'good year'. Said differently, the waters will be a little choppy, but we'll reach our destination.

More specifically, we expect continued growth in the single-family home market segments, and a rebound in the condo market. How much growth and how much of a rebound, you ask. Those hard numbers remain blurry, but it will likely not be record growth or a v-shaped recovery for the condo market - rather we expect a consistent build that mimics business and consumer confidence and gains momentum in the 2nd half of 2021.

We forecast price growth in the single-family market will continue to be driven by constrained supply, economic recovery and record low interest rates that make borrowing costs very attractive.

With respect to condos, we predict the freehold and rental condo market to rebound as the economy gains traction, tourism returns, and business begin recalling their employees back to the office.

If nothing else, we're looking forward to 2021 and we're better prepared for any challenges that it may present!



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