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April 2018 Toronto Real Estate Market Report

Lowest April Sales Since Way Back In 2003

Hi, it's Toronto's Real Estate Team at RE/MAX and here is our April 2018 Toronto real estate market report.

April sales were the lowest since way back in 2003 while our listing inventory was the highest since 2014.

I'll comment more on that in this broadcast as we go through the market report.

So... let's review some of the Toronto Real Estate Board statistics and see what's happened.

Slide 2

Sales were down 43% for April compared to last year with 7,792 houses and condominiums changing hands in all the districts. This was the lowest number of sales for the month since April 2003.

Condo townhouse and high-rise suites took a highest-ever for April 35.4% share of the market with 2,760 units being sold.

The April average sale price for all GTA homes came in at \$804,584 – this was a big 12.4% decline from one year ago. Considering that April 2017 was the top of last year's crazy market, if instead you compare 2018 with 2016 (with an average of \$739,767), this year was still up 8% in that 2-year period.

The active listing inventory is one of the strongest indicators of how slow or fast the market has been moving. The inventory average for the month of April compared to historical numbers was up just 3.2% but increased by a big 41% from last year at this time.

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However, this is occurring selectively with the 'central core' Toronto neighbourhoods still doing very well while the outer regions (Peel, York & Durham) are not seeing the same level of activity.

The sales-to-listings OR percent-chance-of-selling ratio is how we determine what type of market we're actually in. 24-28% is a neutral market, below 24% is a buyer's market and above 28% is a seller's market.

In April that ratio finished at 42.8% compared to an insane 89% last year. The GTA is now into a moderate seller market territory so sellers may need to adjust their expectations if they want to make a move.

The days-on-market average for Toronto homes was 20 days, the same as in March.

Slide 3

So let's look at what's happening in the downtown Toronto condominium market.

West of Yonge and south of Bloor in the C01 TREB district, the average sale price for April was \$657,030. That average moved up 9.8% from the same time last year.

With 423 condo sales in the month, the numbers were down 29% compared to 2017 and almost back to 2015 levels.

There were 485 active listings on the market in April – 16% fewer than last year but still WAY down from the 1,239 suites available two years ago in April 2016.

The ratio of sales to listings was 87.2% which keeps C01 in an extremely busy seller's market territory.

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The average days-on-market came in at 15 – 2 days faster than last month.

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Now east of Yonge and south of Bloor in the C08 TREB district, the average sale price for April was just over \$662,703. That number was up 11% compared to 2017.

And with 164 condo sales in the month, the numbers were down 22% from last year. There were 183 active listings on the market in April – down 9% from 2017.

The ratio of sales to listings was a very active 89.6% for the month. That number keeps C08 solidly in an extreme seller market territory.

The average days-on-market came in at 12, 4 days faster than last month.

Here's a summary of the significant real estate milestones for Toronto in April 2018... influenced in a big way due to the new mortgage stress test requirements, the modest increase in mortgage rates and lower sales of higher priced luxury homes across the GTA.

- ◆ Lowest April sales since 2003 (7,792)
- ◆ The ratio of sales-to-listings moved up to 42.8% in April – Now in a moderate seller market territory
- ◆ The average sale price came in at \$804,584– which was a negative 12.4% compared to April 2017 – partially because of more lower priced condos and fewer luxury home sales
- ◆ Note that this average was still 8.8% higher than 2 years ago in April 2016
- ◆ Overall sales in the month were down 32% from one year ago
- ◆ The GTA real estate market overall averaged the days-on-market at 20 – a more normal level for this time of year
- ◆ Detached home sales over \$2M accounted for just 5.5% of the market this April compared

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to 10% in 2017

- ◆ Again, it's becoming clear that first-time buyer aspirations are now shifting to a condominium lifestyle – CONDO sales took a 'highest ever' 35.4% of the total market
- ◆ Downtown condo active listing numbers were lower in C01 (by 16.5%) and down in C08 (by 9%) from last year at this time
- ◆ The downtown condo days-on-market average was 12-15 days – significantly faster than the overall market
- ◆ The ratio of sales-to-listings for condos downtown ranged between 87% in C01 to 90% in C08 indicating an extremely strong seller's market... double the GTA overall.
- ◆ The average sale price for downtown condominium suites is up by roughly \$60,000 to from April 2017
- ◆ Building on this higher demand due to better affordability, condo appreciation in the two main downtown markets averaged 10-11% year-over-year
- ◆ Markets in York Region and other 905 neighbourhoods have suffered the most from the market slowdown – York Region is now showing that they're in 'buyer market' territory
- ◆ As inventory increases through the spring, buyers should watch for more opportunities to get the condo or house of their dreams.

Slide 5

This month I'm looking at the stats for month-by-month Toronto Real Estate Board sales over the last 4 years.

You can see from the chart that the sales numbers so far this year are significantly below the three previous years.

The crazy market we had last spring, and the multiple-offer list-lower-than-market-value mania we've suffered through over the past several years, just could not be sustained and it was time for either a man-made or a natural correction to occur in the market.

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More than ever, if you're a buyer or a seller you'll need to pay attention to the peculiarities of the specific market (geographic and housing style) you're considering when evaluating what to pay or what to list your home for.

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So what's a terrific way to make your first baby-step into Toronto's real estate market and find out where those more affordable choices are?

The **BEST** first step is to go on a Market Experience Tour of condo or house neighbourhoods with one of our Team members. Leave your chequebook at home - what a tour is **NOT** intended to do is show you homes with the intention that you'd immediately buy one.

What it **IS** intended to do is to give you an opportunity to get a clearer idea of what's available on the market in your favourite parts of the city and in your price range without worrying about being pressured into having to make an immediate buying decision.

Once you've had your Tour we want you to go back home and think about what you saw. You'll then be better able to set up a good home buying plan and make smart, educated decisions about where and when you want to be in your new home.

You can sign up for your condo tour at MarketExperienceTour.com and a tour of houses at DailyTorontoHomeTours.com.

Remember to check back here in early June for our **May 2018 Toronto Real Estate Market Report**.