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April 2020 Toronto Real Estate Market Report

Life turned upside down

Hi, it's Toronto's Real Estate Team at RE/MAX and here is our APRIL 2020 Toronto real estate market report.

Our Toronto real estate market took a big hit in April, bigger even than back in 2008 or 1990.

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

In April sales were undoubtedly the lowest they've ever been since maybe the 1960s with a 67% drop from last year with 2,975 houses and condominiums changing hands in all the districts.

Condo townhouse and high-rise suite sales were down by 70% with a 30% share of the market and just 905 units being sold.

The April average sale price for all GTA homes came in at \$821,392, down \$80,000 from the month before and about flat compared to one year ago.

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 lower by a huge 41.4% compared to last year at this time.

It's clear that the coronavirus has hit our market hard... both buyers and sellers have been intimidated by the threat of possible virus transmission.

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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 March that ratio finished at 75% - in April, that ratio dropped dramatically to 28.2% indicating an almost neutral market.

The days-on-market average for GTA / Toronto homes was 19 days, 5 days slower than 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 adjusted average sale price for April was \$699,501. That average was 2.2% below the same time last year and a big 18% below our March 2020 average.

With 106 condo sales in the month, the numbers were down a gigantic 72.4% compared to 2019.

There were 522 active listings on the market in April – a dip of 9.5% below last year.

The ratio of sales to listings dropped to 20.3% which puts C01 into definite buyer's market territory.

The average days-on-market came in at 16 – 1 day slower than last month.

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Slide 4

Now east of Yonge and south of Bloor in the C08 TREB district, the average adjusted sale price for April was \$680,950. That average was 4.1% below the same time last year and a big 14.4% below our March 2020 average.

And with 74 condo sales in the month, the numbers were down a significant 54% compared to last year.

There were 251 active listings on the market in April – up 10.6% from 2019.

The ratio of sales to listings dropped to 29.5% which puts C01 into 'neutral' market territory. The average days-on-market came in at 21, 7 days slower than last month.

Here's a snapshot summary of the significant real estate milestones for Toronto in April 2020 as we sunk into social distancing and staying home mode to restrict the virus spread.

- ◆ April sales down 67% compared to last year (2,975)
- ◆ The ratio of sales-to-listings declined dramatically to 28.2% in April – an extreme drop into 'neutral' market territory
- ◆ The April average sale price came in at **\$821,392**– almost identical to April 2019 and a negative 9% decline from the average in March of 2020
- ◆ This big unknown is how long our social distancing requirements, restrictions on safe showings and the absence of open houses will affect our usually robust real estate market.
- ◆ The GTA real estate market overall averaged 19 days-on-market

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- ◆ Detached home sales in March 2020 with a purchase price over \$2,000,000 were down 70% (65 houses) while condo apartment sales over \$2M disappeared entirely (0 suites) compared to April 2019
- ◆ The CONDO share of the market was relatively steady at 30% during the month
- ◆ Downtown condo active listing numbers were down by 9.5% in C01 and increased by 10.6% in C08 from last year at this time
- ◆ April condo sales showed a dramatic drop... down by 72.4% in C01 and declined in C08 by 54.3% compared to 2019
- ◆ The downtown condo days-on-market average was 16 days in C01 and 21 days in C08
- ◆ The ratio of sales-to-listings for condos downtown showed significant declines in C01 (from 74.7% to 20.3%) and in C08 (from 78.3% to 29.5%) – They mirrored the overall market (from 75% down to 28.2%).
- ◆ Influenced by the lower demand due to the virus effect, condo values retreated to averages last seen in April 2019 and appreciation gains over the last 12 months seemed to have been lost
- ◆ The big question everyone has is “Is this to be the new normal OR will market activity and prices rebound once this crisis is under control?”
- ◆ Sales numbers are down 65-75% in many 905 neighbourhoods with April bringing flat to slightly positive appreciation to detached, townhouse and condo apartments in the 905.
- ◆ **With the long-term impact of the coronavirus epidemic uncertain, there will certainly be a short-term (2-6 month) adjustment to sales numbers and prices as we work through this crisis. There are multiple points of view as to ‘should you still list’ and ‘what will happen to prices’. The answers to each of those questions will hinge on your personal situation and you need to get specific advice based on that.**

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Slide 5

April turned our real estate world **upside-down** with dramatic decreases in sales for all types of properties.

Initially, buyers, sellers and agents were all freaked out by this epidemic with all open houses being forbidden and everyone afraid of even venturing out of our homes.

As the month progressed and we as an industry learned how to cope and accommodate ourselves to our 'new normal', things slowly started to improve.

Many Realtors took advantage of technology (360-degree virtual tours) and used their showing skills to showcase 'must sell' listings in ways that allowed buyers to better view ALL the features of both condo suites and houses.

RE/MAX Hallmark took a leading role in educating their agents in how best to market homes to buyers in a safe way using PPE and social distancing and to incorporate Zoom for buyer consultations and showings, at least initially.

This is a completely new phenomenon for all of us and the ultimate outcome for the Toronto real estate market is uncertain at this time going forward.

Certainly, there likely will be sellers who 'must sell' and buyers who 'must buy' and hopefully we can keep the market open and fair to all.

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Slide 6

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 2020 Toronto Real Estate Market Report summary.