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August 2017 Toronto Real Estate Market Report

Toronto home prices sink but sales increased in August

Hi, it's Toronto's Real Estate Team at RE/MAX and here is our August 2017 Toronto real estate market report.

The Toronto / GTA average sale price took a real hit in August.

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 35% for August compared to last year with 6,357 houses and condominiums changing hands in all the districts. Although it's common for the market to dip lower in the summer months, this was extreme... the lowest sales for an August since 2010.

Condo townhouse and high-rise suites took a bigger 39.4% share of the market with 2,505 units being sold.

The August average sale price for all GTA homes came in at \$732,292 – a mere 3% higher than last year.

If you consider the year-to-date average compared to last year however, the market is still up 17% which shows that not all those gains in price during the insane spring have been lost.

The active listing inventory is one of the strongest indicators of how smooth or outrageous the market has been. The inventory average for the month of August compared to historical numbers was just about even but up a big 65% from last year at this time.

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 August that ratio finished at 38.7% - compared to 98% last year and down from March's 154%. We're now just in a 'barely above neutral' slight seller market territory so owners with their homes on the market may

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need to adjust their expectations if they want their home sold.

The days-on-market average for Toronto homes was 25 days, 4 days slower than July.

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 August was \$605,075.

That average moved up 25.4% from the same time last year.

With 414 condo sales in the month, the numbers were down 31% compared to 2016.

There were 563 active listings on the market in August – 26% fewer than last year.

The ratio of sales to listings was 73.5% which keeps C01 in very busy seller's market territory.

The average days-on-market came in at 22 – 3 days slower than last month.

Slide 4

Now east of Yonge and south of Bloor in the C08 TREB district, the average sale price for August was just under \$594,000. That number was up 25% compared to 2016.

And with 191 condo sales in the month, the numbers were up 8% from last year.

There were 211 active listings on the market in August – down 15% from 2016.

The ratio of sales to listings was an incredible 90.5% for the month. That number keeps C08 solidly in extremely busy seller market territory

The average days-on-market came in at 21, 4 days slower than last month.

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Here's a summary of the significant real estate milestones for August 2017... with some dramatic changes in some neighbourhoods and some others still doing very well.

- ◆ Lowest number of overall sales for the month of August since 2010 (6,357) although they were up from July
- ◆ The ratio of sales-to-listings bumped up from July's 31.6% to 38.7% in August – a very moderate seller's market
- ◆ The average sale price dropped back to \$732,292 – still up 17% YTD compared to 2016 – because of higher sales of lower priced condos
- ◆ 3.0% average sale price increase from August 2016 (traditionally we've seen an average annual appreciation of 6.8% over the last 20 years)
- ◆ Sales in the month were down 35% from one year ago
- ◆ The GTA real estate market overall averaged the days-on-market at 25 – still quick compared to many markets
- ◆ First-time buyer aspirations now shifting to a condominium lifestyle – CONDO sales took a 'highest ever' 39.4% of the total market in August... about 3% more than average
- ◆ Downtown condo listings were lower by 15-26% from last year at this time
- ◆ The days-on-market average was 22 days
- ◆ The ratio of sales-to-listings for condos downtown ranged between 74% in C01 to 91% in C08 indicating a strong seller's market... well ahead of the rest of the GTA
- ◆ The average sale price for downtown condominium suites is up by roughly \$120,000 from 2016
- ◆ Building on this higher demand due to better affordability, condo appreciation in the two main downtown markets averaged 25% year-over-year
- ◆ Markets in York Region and other 905 neighbourhoods have suffered the most from the market slowdown – every district is now showing that they're in 'buyer market' territory
- ◆ Overall, it's a perfect opportunity now, with the increased inventory, for a buyer to find a home they fall in love with AND negotiate with the seller one-on-one in many cases to come to a mutual agreement.

Slide 5

This month I'm looking at the stats for August sales by price range and type of home.

It's pretty clear why condos are taking a larger percentage of the market sales... it's strictly because of affordability.

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Looking at this chart and comparing sales between \$300,000 and \$600,000 for condos, semis and detached homes, we can see that 74% of condos were sold in that price range compared to 27% of semis and just 17% of detached houses.

If you look at the \$600,000 to \$800,000 price range, it's a lot different.

In that range, just 13% of sales were condos, 48% were semis and 29% were detached houses.

The higher the price, the more it's skewed towards house sales.

It makes sense really... young families and even many boomers are realizing that the condo lifestyle is a good one and frankly, it's the only affordable option left for some.

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**.

Check back here in early October for our **September 2017 Toronto Real Estate Market Report**.