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August 2018 Toronto Real Estate Market Report

Market is ready to break out this fall...

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

Sales and listings were up in August perhaps signifying a jump in the market this fall.

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 up 8.5% for August compared to last year with 6,839 houses and condominiums changing hands in all the districts. This was the 2nd lowest number of sales for the month since August 2012.

Condo townhouse and high-rise suites took a significant 37.1% share of the market with 2,540 units being sold.

The August average sale price for all GTA homes came in at \$765,270 – this was a modest 4.7% increase from one year ago. Considering that May/June/July 2017 was the turning point in last year's crazy market, if instead you compare 2018 with August 2016 (with an average of \$710,975), this year's average was still up 7.6% 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 August compared to historical numbers was up just 6% but increased by 8.8% from last year at this time.

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

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above 28% is a seller's market.

In August that ratio finished at 38.3% - almost exactly the same as last year. The GTA is now into a very 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 27 days, two days longer than in 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 \$671,895. That average moved up 11.2% from the same time last year.

With 365 condo sales in the month, the numbers were down 12% compared to 2017 and almost back to 2014 levels.

There were 505 active listings on the market in August – 10% fewer than last year but still WAY down from the 763 suites available two years ago in August 2016.

The ratio of sales to listings was 72.3% which keeps C01 in an extremely busy seller's market territory.

The average days-on-market came in at 22 – 5 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 \$669,060. That number was up 12.9% compared to 2017.

And with 140 condo sales in the month, the numbers were down 27% from last year.

There were 194 active listings on the market in August – down 8% from 2017.

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The ratio of sales to listings was a very active 72.2% for the month. That number keeps C08 solidly in an extremely busy seller market territory.

The average days-on-market came in at 18, 2 days faster than last month.

Here's a summary of the significant real estate milestones for Toronto in August 2018... a typical summer market overall with the usual lower sales and dip in the average selling price.

- ◆ 2nd lowest August sales since 2012 (6,839)
- ◆ The ratio of sales-to-listings increased slightly to 38.3% in August – Now in a moderate seller market territory
- ◆ The average sale price came in at \$765,270– which was up 4.7% compared to August 2017 – Remember last year the new Ontario government rules came into effect on April 20th which really influenced the late spring and summer markets last year
- ◆ Note that this average was still over 7.6% higher than 2 years ago in August 2016
- ◆ Overall sales in the month were up 8.5% from one year ago
- ◆ The GTA real estate market overall averaged the days-on-market at 27 – a more normal level for Toronto's summer months
- ◆ Detached home sales in August 2018 with a purchase price over \$2,000,000 were up 18% from last year
- ◆ It's noticeable that first-time buyer aspirations are now shifting to a condominium lifestyle – CONDO sales took a 37.1% share of the total market
- ◆ Downtown condo active listing numbers were lower in C01 and C08 by 8-10% from last year at this time

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- ◆ The downtown condo days-on-market average was 18-22 days – significantly faster than the overall market
- ◆ The ratio of sales-to-listings for condos downtown were identical at 72% in both C01 and C08 indicating an extremely strong seller's market... close to double the GTA overall.
- ◆ The average sale price for downtown condominium suites is up by roughly \$65,000 from August 2017
- ◆ Building on this higher demand due to better affordability, condo appreciation in the two main downtown markets averaged 11-13% 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
- ◆ **Expect inventory and sales increases as we move into the fall market - buyers should watch for more opportunities to get the condo or house of their dreams.**

Slide 5

This month we're looking at the stats for the Toronto Real Estate Board average sale price in August.

From the chart we see that we've definitely recovered from last year's big late spring dip and the average sale price has exceeded those from 2017 over the last 3 months.

Once you look deeper, we can see that sales of detached houses are up 12% in Toronto and 19% in the 905 areas. However average sale prices have only changed 4.9% and 0.3% respectively in each area.

While sales of condo apartments are down 6% in Toronto, they're up by a big 19% in August... almost the same number as the sales increase for detached houses in the 905 districts.

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Meanwhile, the condominium apartment sector all across the GTA is showing positive appreciation numbers (8.3% in the 416 & 5.9% in the 905).

And, as you've heard just a minute ago, the downtown condo market south of Bloor is seeing annual appreciation numbers in the 11-13% range.

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.

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 October for our September 2018 Toronto Real Estate Market Report.